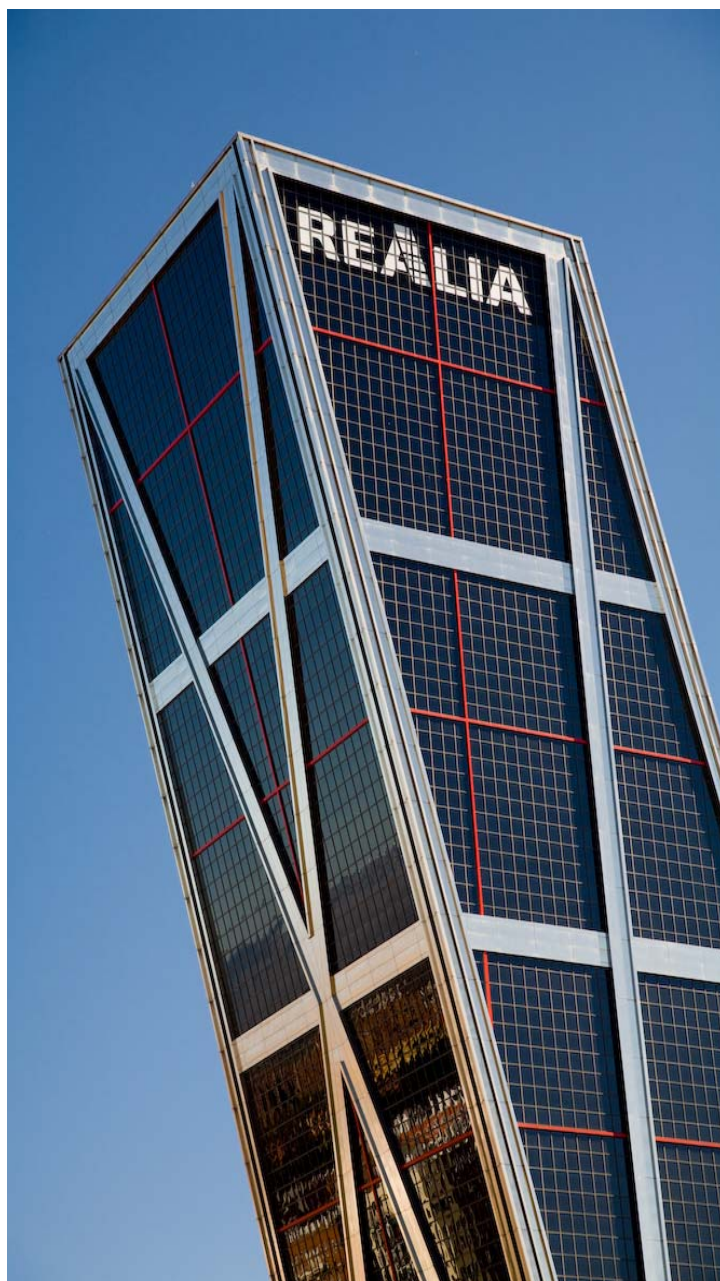


# REALIA



**January - June 2012 results**

*25 July 2012*

## Highlights 1H 2012

### RESULTS

- Rental income has increased 2.9% on a like-for-like asset basis.
- 47.2% of total rental revenues is generated in Paris.
- Important cost-cutting effort reducing overheads -8.5% vs. 1H 2011.
- Net Income amounted to -9.5 million euro in 1H 2012.

### SIIC DE PARIS

- As of June 2012, the total asset valuation (GAV) of the French subsidiary of Realia, Siic de Paris, amounted to 1,518.8 million euro based on market appraisals from independent expert of recognised standing, CB Richard Ellis
- On a like-for-like asset basis, the value has increased 1.2% vs. comparable assets in December 2011, confirming again the positive performance of the Paris prime office market.

### FINANCIAL STRUCTURE

- Realia continues making progress in negotiations to reach a debt restructuring agreement with the pool of banks participating in the near-term debt to convert into long-term.

### PIPELINE

- As Cancelas Shopping Centre Development in Santiago de Compostela has entered its final phase and the opening is estimated for November 2012. The Project is 89% pre-let (total GLA of 50,344 sqm) to prestigious tenants as Carrefour, Primark, Inditex, H&M and Cinesa.



### HOMEBUILDING

- Realia has sold in 2Q 2012 one land plot in Madrid for 3.8 million euro, with 3 million euro of capital gains. The sale is in line with the latest CBRE valuation as of December 2011.

**Financial Highlights (30 June 2012)**

(€mm)	1H 2012	1H 2011	% Change
<b>Total Revenues</b>	<b>105.0</b>	<b>170.9</b>	<b>-38.6</b>
Rents	86.6	88.0	-1.6
<b>EBITDA</b>	<b>64.8</b>	<b>108.8</b>	<b>-40.5</b>
EBITDA Rents	63.4	64.2	-1.1
EBITDA Homebuilding	-4.9	1.2	
EBITDA Land	3.0	-0.2	
EBITDA Sale of assets	3.4	43.8	-92.2
EBITDA Others	-0.2	-0.2	-7.8
<b>Net results (Group share)</b>	<b>-9.5</b>	<b>11.0</b>	<b>-186.0</b>
<b>Net Financial Debt</b>	<b>2,179</b>	<b>2,141</b>	<b>1.8</b>
<b>Nº Shares (mm)</b>	<b>277.4</b>	<b>277.4</b>	<b>0.0</b>
<b>Results per Share (€)</b>	<b>-0.03</b>	<b>0.04</b>	<b>-186.0</b>

**Operational Highlights (30 June 2012)**

	1H 2012	1H 2011	% Change
<b>Commercial Property</b>			
<b>GLA (sqm)</b>	<b>603,766</b>	<b>605,431</b>	<b>-0.3</b>
Operational	554,054	540,996	2.4
In Progress <sup>1</sup>	49,712	64,435	-22.8
<b>Occupancy rate (%)</b>	<b>89.5</b>	<b>93.2</b>	
<b>Land &amp; Homebuilding</b>			
<b>Pre-sales</b>			
Total value of contracts (€mm)	11.9	19.8	-39.8
Homes	55	109	-49.8
<b>Pre-sales backlog (€mm)</b>	<b>22.2</b>	<b>24.7</b>	<b>-10.0</b>
<b>Land Bank Consolidated (sqm mm) <sup>2</sup></b>	<b>3.3</b>	<b>3.3</b>	<b>0.7</b>
<b>Nº Employees</b>	<b>155</b>	<b>162</b>	<b>-4.3</b>

<sup>1</sup> Excluding some development projects postponed until more favourable market conditions. Including only 50% As Cancelas.

<sup>2</sup> Including down payments of land and land from housing developments whit out activity.

**Consolidated Income Statement**

(€mm)	1H 2012	1H 2011	% Change
<b>Total Revenues</b>	<b>105.0</b>	<b>170.9</b>	<b>-38.6</b>
Rents	86.6	88.0	-1.6
Sale of assets	3.4	43.8	-92.2
Homebuilding	7.2	36.2	-80.1
Land sales	3.8	1.2	216.1
Other	4.0	1.7	130.2
<b>Total Gross Margin</b>	<b>74.3</b>	<b>119.3</b>	<b>-37.7</b>
<i>% Margin</i>	<i>70.8</i>	<i>69.8</i>	
Rents	67.6	68.5	-1.3
Sale of assets	3.4	43.8	-92.2
Homebuilding	0.5	7.4	-93.4
Land sales	3.0	-0.2	
Other	-0.1	-0.2	-8.6
Overheads	-9.6	-10.4	-8.5
<b>EBITDA</b>	<b>64.8</b>	<b>108.8</b>	<b>-40.5</b>
Amortization	-18.1	-18.1	-0.1
Depreciation	-2.8	1.4	-293.9
<b>EBIT</b>	<b>43.9</b>	<b>92.2</b>	<b>-52.4</b>
<i>% Margin</i>	<i>41.8</i>	<i>53.9</i>	
Financial Result	-47.3	-50.3	-6.1
Other Results	-1.1	-2.4	-54.7
<b>Results before taxes</b>	<b>-4.5</b>	<b>39.4</b>	<b>-111.4</b>
Taxes	6.5	2.3	188.3
<b>Results after taxes</b>	<b>2.0</b>	<b>41.7</b>	<b>-95.1</b>
Minority Interests	11.5	30.6	-62.4
<b>Net results (Group share)</b>	<b>-9.5</b>	<b>11.0</b>	<b>-186.0</b>

- Commercial Property business continues showing a recurrent income giving the company stability and solidity, representing 95% of the total gross margin.
- 47.2% of total rental revenues is generated in Paris.
- Home sales continue affected due to the difficulties in obtaining financing from potential buyers.
- Realia has sold in 2Q 2012 one land plot for 3.8 million euro, with 3 million euro of capital gains.
- Other income include 2.7 million euro from a favorable legal claim for Realia.
- Realia continues with an important cost-cutting effort reducing overheads -8.5% vs. 1H 2011.
- 1H 2012 gross debt average cost stood at 3.95%.
- Net Income amounted to -9.5 million euro vs. 11 million euro in 1H 2011.

**Consolidated Balance Sheet**

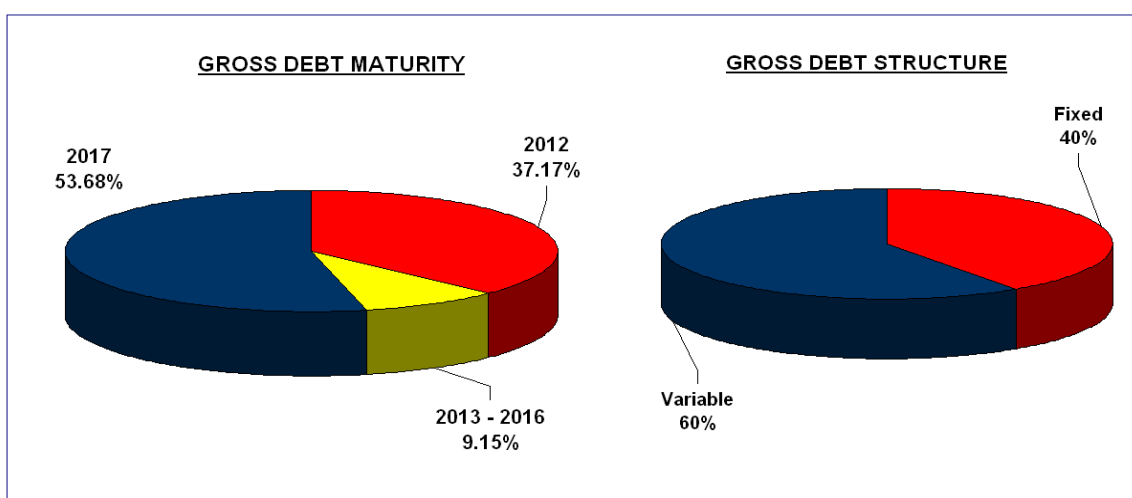
(€mm)	1H 2012	2011		1H 2012	2011
Tangible Fixed assets	9	9	Equity	453	462
Investment Property	2,325	2,319	Minority Shareholders	533	525
Financial Investment	93	94	Financial Debt	2,290	2,260
Inventories	872	882	Current Creditors	66	64
Accounts Receivable	54	61	Other Liabilities	282	304
Treasury and Equivalents	111	85			
Others Assets	160	165			
<b>Total Assets</b>	<b>3,624</b>	<b>3,615</b>	<b>Total Liabilities</b>	<b>3,624</b>	<b>3,615</b>

Realia accounts the value of its assets according to its acquisition cost instead of its market value

**Financial Structure**

Financial Structure	1H 2012	1H 2011
Syndicated loan	2,095.0	2,159.6
Credit lines	46.3	42.2
Mortgage loans	111.6	127.3
Loans	37.4	15.7
<b>Total Gross Financial Debt</b>	<b>2,290.3</b>	<b>2,344.9</b>
Treasury	87.4	161.2
Treasury equivalents	24.1	42.4
<b>Total Net Financial Debt</b>	<b>2,178.8</b>	<b>2,141.2</b>

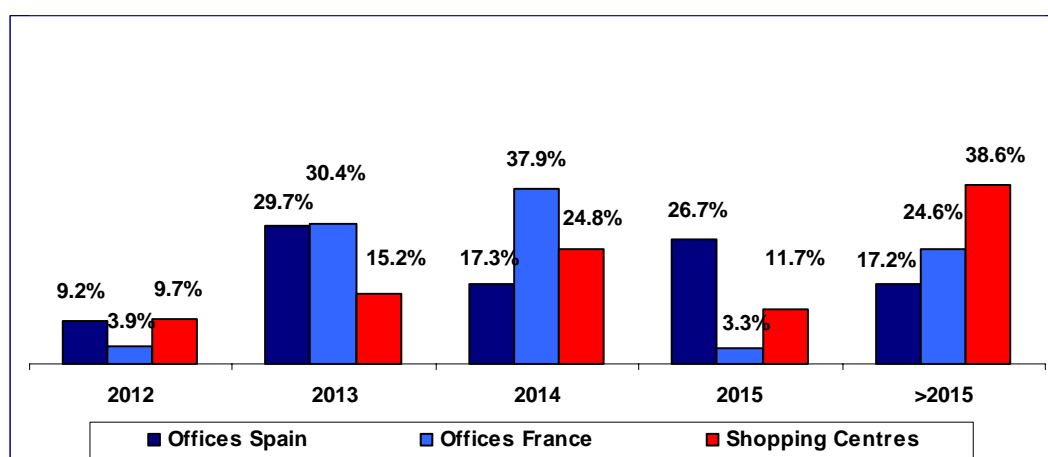
- Realia has treasury and treasury equivalents for a total of 111.5 million euro.
- Realia continues making progress in negotiations to reach a debt restructuring agreement with the pool of banks participating in the near-term debt to convert into long-term.



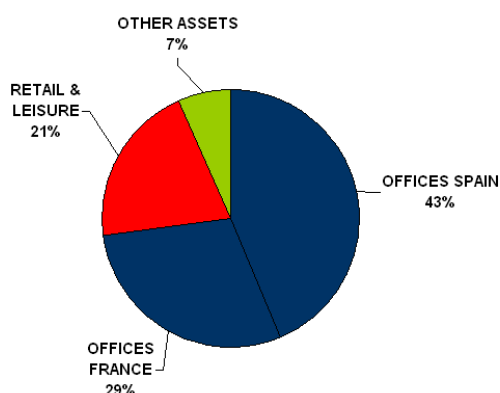
**Commercial Property**
Rental Income (including expenses charged)

(€mm)	1H 2012	1H 2011	% Change	Like for Like (%)	Occupancy (%)
<b>Offices</b>	<b>75.8</b>	<b>74.2</b>	<b>2.1</b>	<b>4.6</b>	<b>89.4</b>
Spain	34.9	32.8	6.3	5.7	88.1
France	40.9	41.4	-1.2	3.8	91.2
<b>Retails &amp; Leisure</b>	<b>10.2</b>	<b>12.7</b>	<b>-19.7</b>	<b>-8.4</b>	<b>86.7</b>
<b>Other</b>	<b>0.6</b>	<b>1.1</b>	<b>-43.4</b>	<b>4.0</b>	<b>100.0</b>
<b>Total Revenues</b>	<b>86.6</b>	<b>88.0</b>	<b>-1.6</b>	<b>2.9</b>	<b>89.5</b>
<b>Gross Margin</b>	<b>67.6</b>	<b>68.5</b>			
<b>Margin (%)</b>	<b>78.1</b>	<b>77.8</b>			

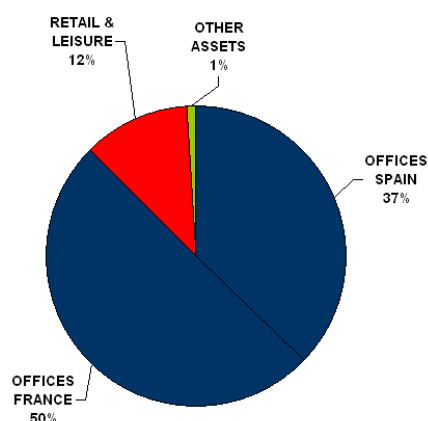
- Rental income increased 2.9% on a like-for-like asset basis in 1H 2012 due to the high quality portfolio.
- Spanish offices rental income has increased +6.3% mainly due to the extraordinary income of 1.5 million euro from the compensation received from a tenant due to lease early termination.
- French offices rental income has decreased -1.2% due to asset sales in 2011 and 1Q 2012.
- Retail rental income has decreased -19.7% mainly as a result of the sale in 2Q 2011 of Realia minority interest in La Vaguada Shopping Centre in Madrid.
- During 1H 2012 Realia has signed rental contracts for more than 30,000 sqm, giving long term stability and visibility to the rental income:

Expiry % of lease contracts including break options


**GLA PER USE (SQM)**



**PASSING RENTS JUNE 2012**



**Asset Sales**

- Consistent with the policy of asset rotation, Realia has sold through its French subsidiary Siic de Paris, 65 rue de Courcelles office building in Paris for 8.6 million euro. The sale is in line the latest CBRE valuation as of December 2011 and generates 2.3 million euro of capital gains.

**Pipeline**

- In the period 2012-2013 Realia intends to carry out some investments which will provide a bigger Commercial Property portfolio and additional rental growth:

Pipeline	Location	GLA	Total investment	Incurred investment	Annual rent expected	Yield to cost	Opening
As Cancelas <sup>1</sup>	Santiago	25,172	106.0	92.1	6.4	6.0%	2012
<b>Total Retail</b>		<b>25,172</b>	<b>106.0</b>	<b>92.1</b>	<b>6.4</b>		
163 Malesherbes <sup>2</sup>	Paris	1,359	6.7	0.2	0.9	5.6%	2012
73 Rue d'Anjou <sup>2</sup>	Paris	1,147	0.7	0.0	0.5	5.7%	2013
Les Miroirs <sup>2</sup>	Paris	22,034	41.0	6.5	9.7	5.8%	2013
<b>Total Offices</b>		<b>24,540</b>	<b>48.4</b>	<b>6.7</b>	<b>11.1</b>		
<b>Total Pipeline</b>		<b>49,712</b>	<b>154.4</b>	<b>98.8</b>	<b>17.5</b>		

<sup>1</sup> Only Realia's share (50% Shopping Centre + commercial land).

<sup>2</sup> Under refurbishment.

- As Cancelas Shopping Centre Development in Santiago de Compostela has entered its final phase and the opening is estimated for November 2012. The Project is 89% pre-let (total GLA of 50,344 sqm) to prestigious tenants as Carrefour, Primark, Inditex, H&M and Cinesa.
- Realia, through its French subsidiary Siic de Paris, continues increasing investments in Paris to renovate and modernize progressively the French office portfolio.



**Land and Homebuilding**

(€mm)	1H 2012	1H 2011	% Change
<b>Revenues</b>			
Homebuilding	7.2	36.2	-80.1
Land sales	3.8	1.2	216.1
<b>Total Revenues</b>	<b>11.0</b>	<b>37.4</b>	<b>-70.6</b>
<b>Gross Margin</b>			
Homebuilding	0.5	7.4	-93.4
Land sales	3.0	-0.2	
<b>Total Gross Margin</b>	<b>3.5</b>	<b>7.2</b>	<b>-51.3</b>
<b>Margin Homebuilding (%)</b>	<b>6.7</b>	<b>20.4</b>	

- Home sales continue affected due to the difficulties in obtaining financing from potential buyers.
- Realia has sold in 2Q 2012 one land plot in Madrid for 3.8 million euro, with 3 million euro of capital gains. The sale is in line with the latest CBRE valuation as of December 2011.
- Realia has delivered 41 homes in 1H 2012 for a total amount of 7.2 million euro:

Deliveries	Nº Units	Revenues
	Homes	€mm
Levante	12	2.4
Polonia	10	1.3
Andalucía	6	1.0
Cataluña	6	1.1
Madrid / Centro	5	1.1
Canarias	1	0.1
Portugal	1	0.3
<b>Total</b>	<b>41</b>	<b>7.2</b>

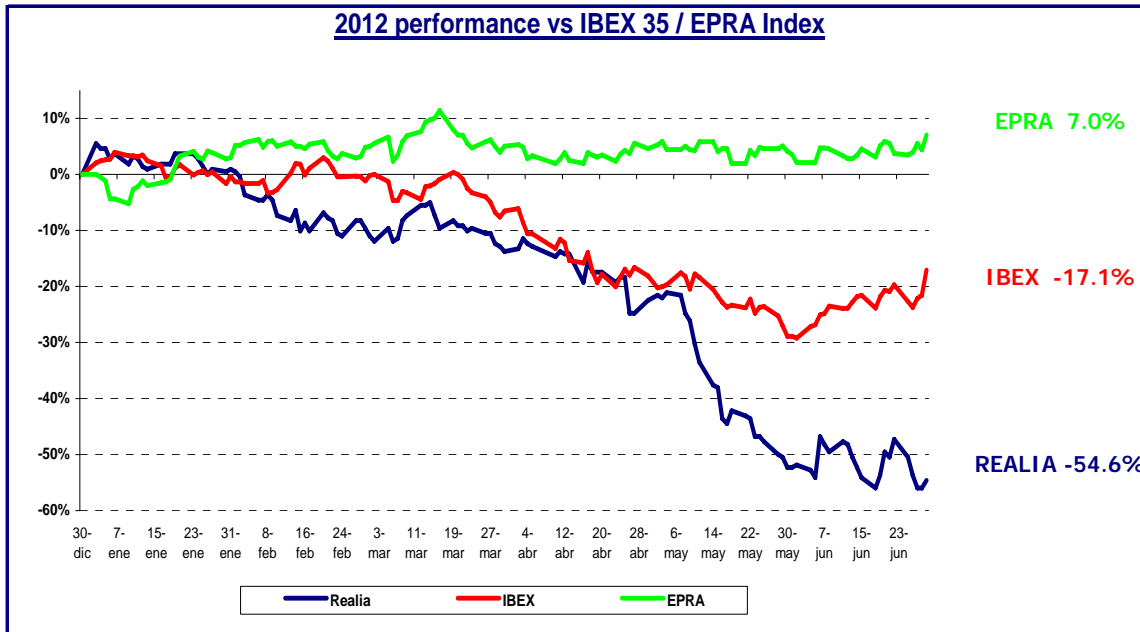
- Pre-sales amounted to 55 homes in 1H 2012 for a total amount of 11.9 million euro:

Pre sales evolution	1H 2012	1H 2011
<b>(+) Pre-sales</b>		
Number of units	55	109
Total value of contracts (€mm)	11.9	19.8
<b>(-) Deliveries</b>		
Number of homes	41	184
Total value of contracts (€mm)	7.2	36.2
<b>Pre-sales backlog at EoP</b>		
Number of units	93	120
Total value of contracts (€mm)	22.2	24.7

- Realia has a total stock of 1,043 homes (244 under construction and 799 finished) of which 93 had already been pre-sold and 950 for sale (314 in Madrid and central area, 256 in Andalusia, 174 in Levante, 134 in Catalonia, 41 in Warsaw (Poland), 22 in Portugal, and 9 in Canary Islands).



**Stock Data**



	1H 2012
Closing Stock Price (€ per share)	0.50
Market cap. EoP (€)	137,301,279
High of the period (€ per share)	1.15
Low of the period (€ per share)	0.48
Daily Trading Volume (€)	58,137
Daily Trading Volume (shares)	66,115

**Contact Information**

Tel: +34 91 210 10 28

E-mail: [inversores@realia.es](mailto:inversores@realia.es) / [accionistas@realia.es](mailto:accionistas@realia.es)

**LEGAL DISCLOSURE**

The accounting statements contained in this document have been verified by independent third parties through the performance of a limited review, which offers limited assurance as regards the scope of the work performed. That review was performed in accordance with the ISRE 2410 standard issued by the International Federation of Accountants (IFAC).

Neither the Company nor its consultants and representatives accept any liability whatsoever, for negligence or otherwise, for damages or losses derived from the use of this document and the information contained herein.

This document is neither an offer nor an invitation to acquire or subscribe shares, in accordance with provisions of Spain's Securities Market Law 24/1998 of 28 July, Royal Decree-Law 5/2005 of 11 March, and/or Royal Decree 1310/2005 of 4 November, and their implementing regulations.

Additionally, this document is neither an offer to buy nor a request to purchase, sell or exchange shares, nor is it a request for any kind of vote or approval in any other jurisdiction.

Neither this document nor any part of it is contractual, nor can it be used or construed as a contract or any other type of commitment.