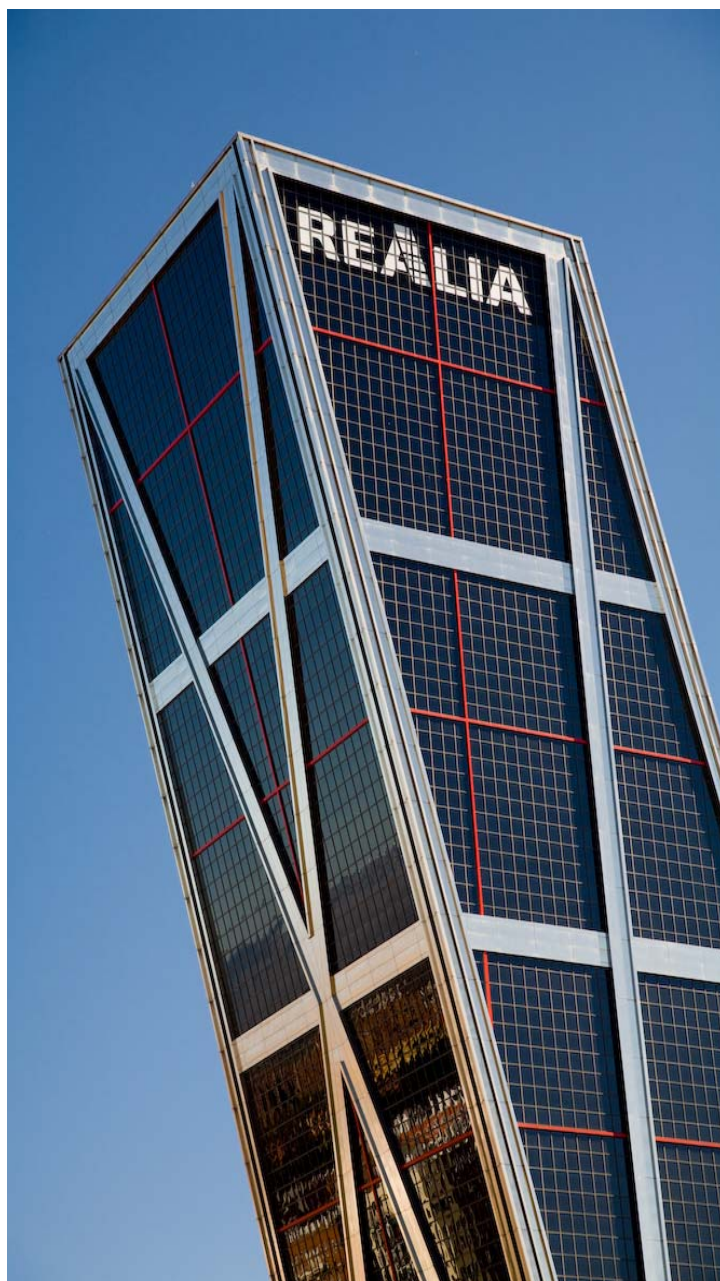


# REALIA



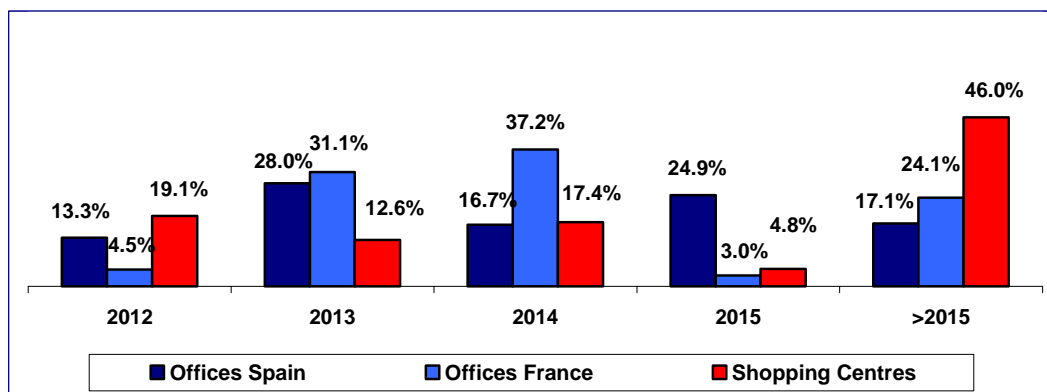
**January – March 2012 Results**

*9 May 2012*

Highlights 1Q 2012

**COMMERCIAL PROPERTY**

- The occupancy rate (91.5%) improves vs. December 2011 thanks to the commercial effort in 1Q 2012, reducing short term lease maturities and giving long term stability and visibility to the rental income:



**FINANCIAL SITUATION**

- Realia has treasury and treasury equivalents for a total of 95 million euro.
- Realia has started negotiations to reach a debt restructuring agreement with the pool of banks participating in the near-term debt to convert into long-term.

**PIPELINE**

- Quality and variety pipeline 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	85.7	6.4	6.0%	2012
<b>Total Retail</b>		<b>25,172</b>	<b>106.0</b>	<b>85.7</b>	<b>6.4</b>		
163 Malesherbes <sup>2</sup>	Paris	1,359	6.7	0.2	0.9	5.6%	2012
8 Rue Lavoisier <sup>2</sup>	Paris	2,860	1.5	0.4	1.8	5.5%	2012
73 Rue d'Anjou <sup>2</sup>	Paris	1,203	0.7	0.0	0.5	5.7%	2013
Les Miroirs <sup>2</sup>	Paris	22,386	41.0	5.6	9.7	5.8%	2013
<b>Total Offices</b>		<b>27,808</b>	<b>49.9</b>	<b>6.2</b>	<b>12.9</b>		
<b>Total Pipeline</b>		<b>52,980</b>	<b>155.9</b>	<b>91.9</b>	<b>19.3</b>		

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

<sup>2</sup> Under refurbishment.

- As Cancelas Shopping Centre in Santiago de Compostela has reached a pre-let of 87%.
- Realia, through its French subsidiary Siic de Paris, continues increasing investments in Paris to renovate and modernize progressively the French office portfolio.

**Financial Highlights (31 March 2012)**

(€mm)	1Q 2012	1Q 2011	% Change
<b>Total Revenues</b>	<b>52.9</b>	<b>59.8</b>	<b>-11.4</b>
Rents	44.2	45.4	-2.7
<b>EBITDA</b>	<b>31.9</b>	<b>32.9</b>	<b>-3.1</b>
EBITDA Rents	31.2	32.6	-4.4
EBITDA Homebuilding	-1.8	-0.1	
EBITDA Land	0.0	-0.2	
EBITDA Sale of assets	2.6	0.7	271.1
EBITDA Others	0.0	-0.1	-82.4
<b>Net results (Group share)</b>	<b>-4.9</b>	<b>-4.8</b>	<b>3.1</b>
<b>Net Financial Debt</b>	<b>2,182</b>	<b>2,133</b>	<b>2.3</b>
<b>Nº Shares (mm)</b>	<b>277.4</b>	<b>277.4</b>	<b>0.0</b>
<b>Results per Share (€)</b>	<b>-0.02</b>	<b>-0.02</b>	<b>3.1</b>

**Operational Highlights (31 March 2012)**

	1Q 2012	1Q 2011	% Change
<b>Commercial Property</b>			
<b>GLA (sqm)</b>	<b>604,389</b>	<b>626,395</b>	<b>-3.5</b>
Operational	551,409	564,831	-2.4
In Progress <sup>1</sup>	52,980	61,564	-13.9
<b>Occupancy rate (%)</b>	<b>91.5</b>	<b>92.9</b>	
<b>Land &amp; Homebuilding</b>			
<b>Pre-sales</b>			
Total value of contracts (€mm)	8.2	10.0	-18.0
Homes	34	53	-36.8
<b>Pre-sales backlog (€mm)</b>	<b>24.1</b>	<b>44.3</b>	<b>-45.7</b>
<b>Land Bank Consolidated (sqm mm)<sup>2</sup></b>	<b>3.3</b>	<b>3.4</b>	<b>-1.5</b>
<b>Nº Employees</b>	<b>155</b>	<b>164</b>	<b>-5.5</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)	1Q 2012	1Q 2011	% Change
<b>Total Revenues</b>	<b>52.9</b>	<b>59.8</b>	<b>-11.4</b>
Rents	44.2	45.4	-2.7
Sale of assets	2.6	0.7	271.1
Homebuilding	2.8	11.6	-76.3
Land sales		1.3	
Other	3.4	0.7	359.0
<b>Total Gross Margin</b>	<b>36.4</b>	<b>37.9</b>	<b>-4.0</b>
<i>% Margin</i>	<i>68.7</i>	<i>63.4</i>	
Rents	33.2	34.6	-4.0
Sale of assets	2.6	0.7	271.1
Homebuilding	0.6	2.9	-78.7
Land sales		-0.2	
Other	0.0	-0.1	-87.6
Overheads	-4.5	-4.9	-9.4
<b>EBITDA</b>	<b>31.9</b>	<b>32.9</b>	<b>-3.1</b>
Amortization	-9.0	-9.0	-0.8
Depreciation	-1.4	-1.9	-24.5
<b>EBIT</b>	<b>21.5</b>	<b>22.0</b>	<b>-2.3</b>
<i>% Margin</i>	<i>40.6</i>	<i>36.8</i>	
Financial Result	-24.2	-25.2	-4.1
Other Results	-0.5	-1.9	-74.9
<b>Results before taxes</b>	<b>-3.1</b>	<b>-5.1</b>	<b>-38.4</b>
Taxes	3.6	5.1	-30.3
<b>Results after taxes</b>	<b>0.4</b>	<b>0.1</b>	<b>650.3</b>
Minority Interests	-5.4	-4.8	11.1
<b>Net results (Group share)</b>	<b>-4.9</b>	<b>-4.8</b>	<b>3.1</b>

- Commercial Property business continues showing a recurrent income giving the company stability and solidity, representing 98% of the total gross margin.
- 47% of total rental revenues is generated in Paris.
- Realia has sold Commercial Property assets for a total of 8.6 million euro, with 2.6 million euro of capital gains.
- Home sales continue affected due to the difficulties in obtaining financing from potential buyers.
- Other income include 2.7 million euro from a favorable legal claim for Realia.
- Realia continues with an important cost-cutting effort reducing overheads -9.4% vs. 1Q 2011.
- 1Q 2012 gross debt average cost stood at 4.06%.
- Net Income amounted to -4.9 million euro vs. -4.8 million euro in 1Q 2011.

**Consolidated Balance Sheet**

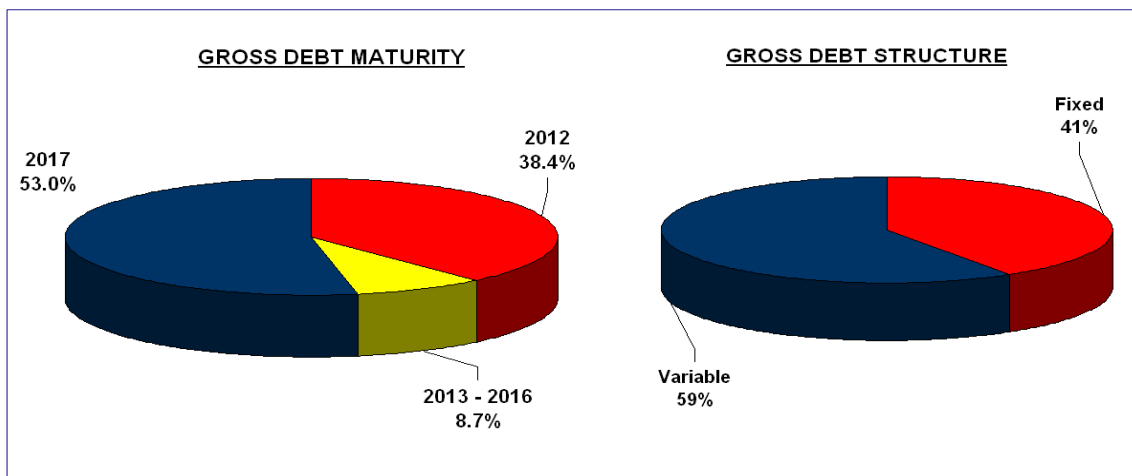
(€mm)	1Q 2012	2011		1Q 2012	2011
Tangible Fixed assets	9	9	Equity	460	462
Investment Property	2,318	2,319	Minority Shareholders	527	525
Financial Investment	93	94	Financial Debt	2,277	2,260
Inventories	881	882	Current Creditors	63	64
Accounts Receivable	60	61	Other Liabilities	294	304
Treasury and Equivalents	95	85			
Others Assets	164	165			
<b>Total Assets</b>	<b>3,622</b>	<b>3,615</b>	<b>Total Liabilities</b>	<b>3,622</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	1Q 2012	1Q 2011
Syndicated loan	2,096.1	2,189.2
Credit lines	48.6	58.5
Mortgage loans	131.8	134.2
Loans	0.8	18.1
<b>Total Gross Financial Debt</b>	<b>2,277.3</b>	<b>2,400.0</b>
Treasury	50.7	214.4
Treasury equivalents	44.4	52.9
<b>Total Net Financial Debt</b>	<b>2,182.2</b>	<b>2,132.7</b>

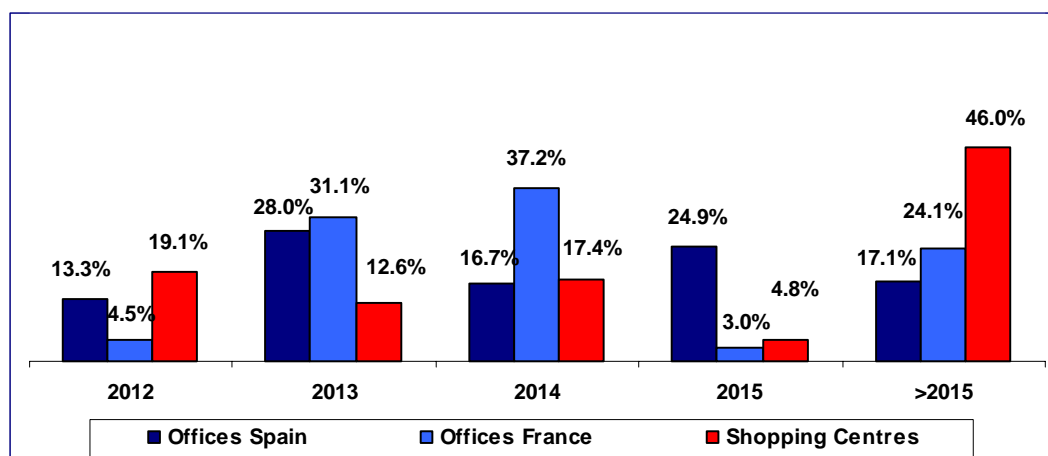
- Realia has treasury and treasury equivalents for a total of 95 million euro.
- Realia has started negotiations to reach a debt restructuring agreement with the pool of banks participating in the near-term debt to convert into long-term.



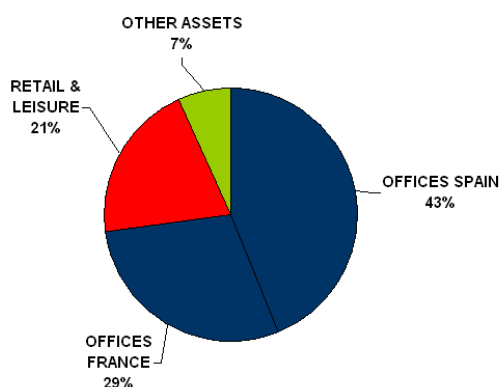
**Commercial Property**
Rental Income (including expenses charged)

(€mm)	1Q 2012	1Q 2011	% Change	Like for Like (%)	Occupancy (%)
<b>Offices</b>	<b>39.0</b>	<b>38.3</b>	<b>1.8</b>	<b>3.0</b>	<b>92.1</b>
Spain	18.1	16.3	10.6	9.7	91.7
France	20.9	22.0	-4.7	-2.3	92.6
<b>Retails &amp; Leisure</b>	<b>4.9</b>	<b>6.4</b>	<b>-23.7</b>	<b>-12.1</b>	<b>86.9</b>
<b>Other</b>	<b>0.3</b>	<b>0.7</b>	<b>-55.6</b>	<b>3.5</b>	<b>100.0</b>
<b>Total Revenues</b>	<b>44.2</b>	<b>45.4</b>	<b>-2.7</b>	<b>1.0</b>	<b>91.5</b>
<b>Gross Margin</b>	<b>33.2</b>	<b>34.6</b>	<b>-4.0</b>		
<b>Margin (%)</b>	<b>75.1</b>	<b>76.2</b>			

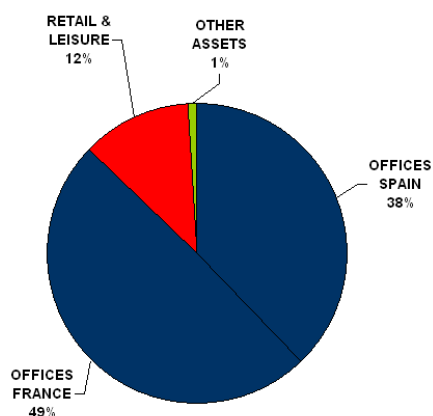
- Rental income decreased -2.7% in 1Q 2012 due to the impact of some downward rent reviews and lower occupancy rate vs. 1Q 2011 (92.9%).
- However, the occupancy rate (91.5%) improves vs. December 2011 (91.4%) thanks to the commercial effort in 1Q 2012.
- Spanish offices rental income has increased +10.6% mainly due to the extraordinary income of 1.5 million euro from the compensation received from a tenant due to lease early termination.
- Retail rental income has decreased -23.7% mainly as a result of the sale in 2Q 2011 of Realia minority interest in La Vaguada Shopping Centre in Madrid.
- Important lease contracts maturing in 2012 have already been renewed in 1Q 2012, giving long term stability and visibility to the rental income:

Expiry % of lease contracts including break options


**GLA PER USE (SQM)**



**PASSING RENTS MARCH 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 (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	85.7	6.4	6.0%	2012
<b>Total Retail</b>		<b>25,172</b>	<b>106.0</b>	<b>85.7</b>	<b>6.4</b>		
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<b>Total Offices</b>		<b>27,808</b>	<b>49.9</b>	<b>6.2</b>	<b>12.9</b>		
<b>Total Pipeline</b>		<b>52,980</b>	<b>155.9</b>	<b>91.9</b>	<b>19.3</b>		

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

<sup>2</sup> Under refurbishment.

- Realia and Carrefour Property have created a 50% Joint Venture to develop and operate As Cancelas Shopping Centre in Santiago de Compostela, with a total GLA of 50,812 sqm. The Project is 87% pre-let to prestigious tenants as Carrefour, Primark, Inditex and Cinesa. The opening is estimated for the 4Q 2012.
- 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)	1Q 2012	1Q 2011	% Change
<b>Revenues</b>			
Homebuilding	2.8	11.6	-76.3
Land sales	0.0	1.3	
<b>Total Revenues</b>	<b>2.8</b>	<b>12.9</b>	<b>-78.7</b>
<b>Gross Margin</b>			
Homebuilding	0.6	2.9	-78.7
Land sales	0.0	-0.2	
<b>Total Gross Margin</b>	<b>0.6</b>	<b>2.6</b>	<b>-77.0</b>
<b>Margin Homebuilding(%)</b>	<b>22.2</b>	<b>24.6</b>	

- Home sales continue affected due to the difficulties in obtaining financing from potential buyers.
- Realia has delivered 15 homes in 1Q 2012 for a total amount of 2.8 million euro:

Deliveries	Nº Units Homes	Revenues €mm
Madrid / Centro	4	0.9
Andalucía	4	0.6
Cataluña	3	0.5
Levante	2	0.5
Polonia	1	0.1
Canarias	1	0.1
<b>Total</b>	<b>15</b>	<b>2.8</b>

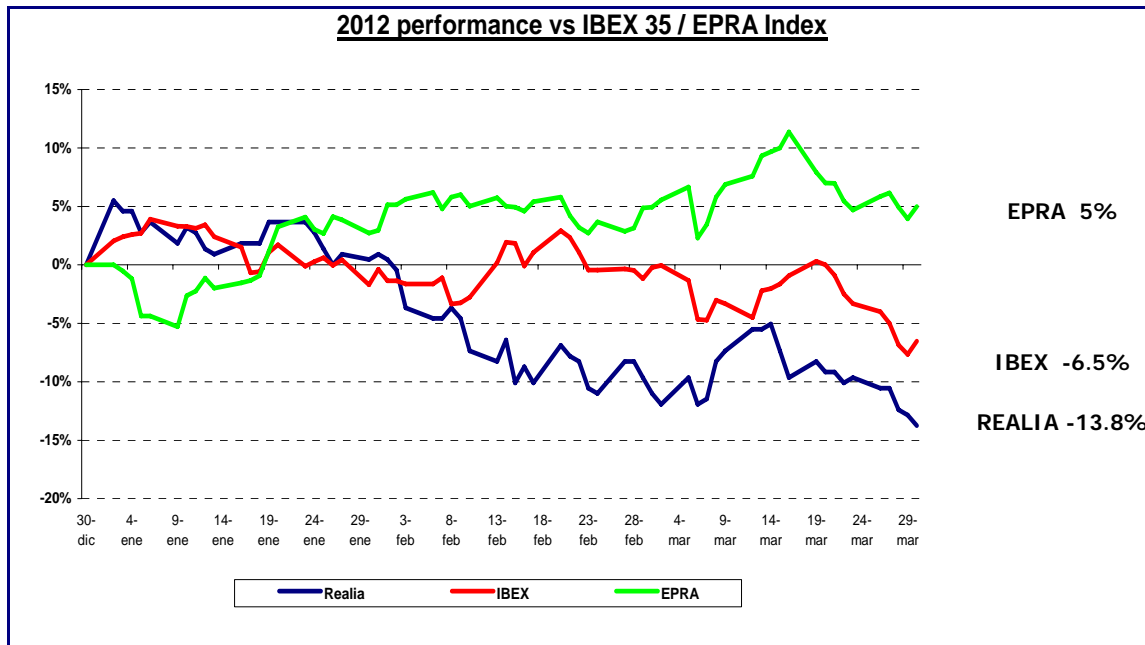
- Pre-sales amounted to 34 homes in 1Q 2012 for a total amount of 8.2 million euro:

Pre sales evolution	1Q 2012	1Q 2011
<b>(+) Pre-sales</b>		
Number of units	34	53
Total value of contracts (€mm)	8.2	10.0
<b>(-) Deliveries</b>		
Number of homes	15	61
Total value of contracts (€mm)	2.8	11.6
<b>Pre-sales backlog at EoP</b>		
Number of units	107	208
Total value of contracts (€mm)	24.1	44.3

- Realia has a total stock of 1,070 homes (286 under construction and 784 finished) of which 107 had already been pre-sold and 963 for sale (319 in Madrid and central area, 256 in Andalusia, 179 in Levante, 137 in Catalonia, 44 in Warsaw (Poland), 23 in Portugal, and 5 in Canary Islands).



**Stock Data**



	1Q 2012
Closing Stock Price (€ per share)	0.94
Market cap. EoP (€)	260,733,743
High of the period (€ per share)	1.15
Low of the period (€ per share)	0.94
Daily Trading Volume (€)	84,013
Daily Trading Volume (shares)	82,516

**Contact Information**

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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).

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