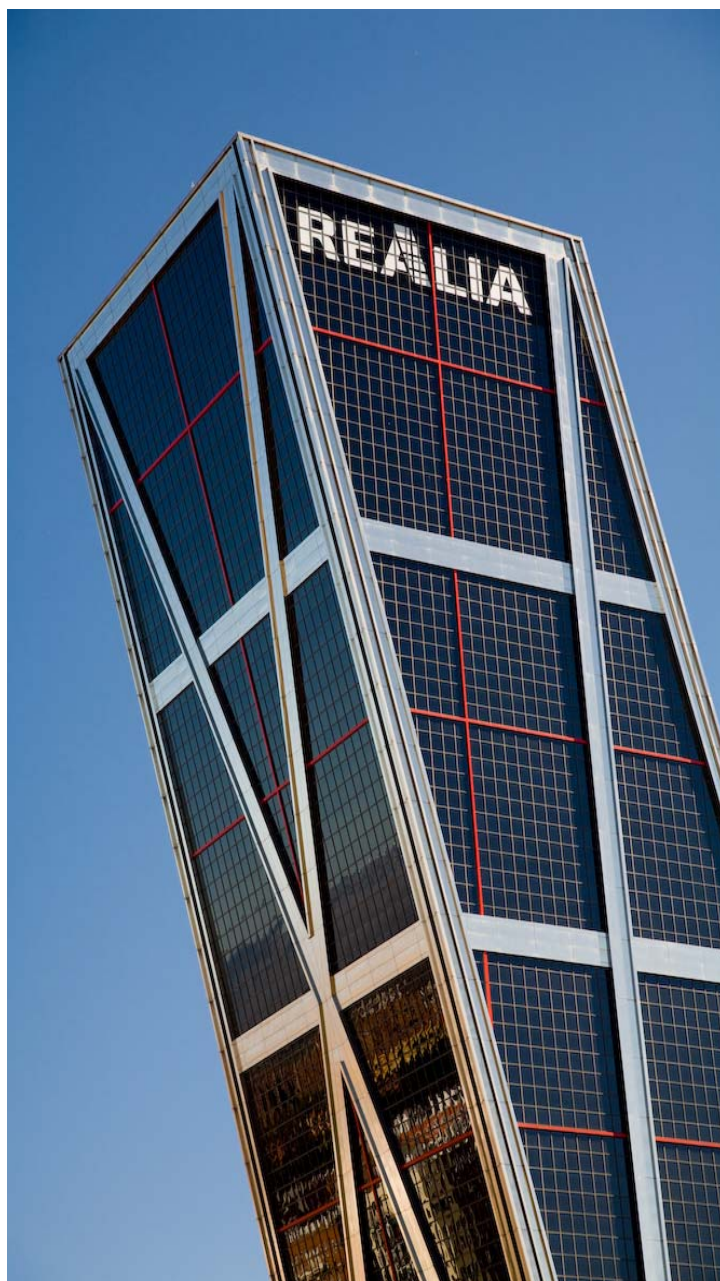


# REALIA



**January - September 2012 results**

*7 November 2012*

## Highlights 9M 2012

### RESULTS

- Like-for-like rental income has increased 0.7% thanks to the positive performance of the French offices portfolio.
- 50% of total rental revenues are generated in Paris.
- The occupancy rate (90.4%) improves vs. the previous quarter (89.5%).
- Important cost-cutting effort reducing overheads -6.4% vs. 9M 2011.
- Net Income amounted to -14.4 million euro in 9M 2012.

### FINANCIAL STRUCTURE

- Realia continues making progress in negotiations to reach a debt restructuring agreement with the pool of banks participating in the debt maturing in December 2012.

### PIPELINE

- As Cancelas Shopping Centre Development in Santiago de Compostela is 97% pre-let (total GLA of 50,344 sqm) to prestigious tenants as Carrefour, Primark, Inditex, H&M and Cinesa.
- The opening is scheduled for the 15th November 2012.



### HOMEBUILDING

- Realia has a total stock of 1,021 homes (244 under construction and 777 finished) of which 65 had already been pre-sold and 956 for sale (339 in Madrid and central area, 255 in Andalusia, 164 in Levante, 126 in Catalonia, 40 in Warsaw (Poland), 22 in Portugal, and 10 in Canary Islands).

**Financial Highlights (30 September 2012)**

(€mm)	9M 2012	9M 2011	% Change
<b>Total Revenues</b>	<b>155.4</b>	<b>227.6</b>	<b>-31.7</b>
Rents	130.7	133.1	-1.8
<b>EBITDA</b>	<b>93.8</b>	<b>140.0</b>	<b>-33.0</b>
<b>Net results (Group share)</b>	<b>-14.4</b>	<b>7.4</b>	<b>-295.4</b>
<b>Net Financial Debt</b>	<b>2,169</b>	<b>2,153</b>	<b>0.7</b>
<b>Nº Shares (mm)</b>	<b>277.4</b>	<b>277.4</b>	
<b>Results per Share (€)</b>	<b>-0.05</b>	<b>0.03</b>	

**Operational Highlights (30 September 2012)**

	9M 2012	9M 2011	% Change
<b>Commercial Property</b>			
<b>GLA (sqm)</b>	<b>604,359</b>	<b>604,873</b>	<b>-0.1</b>
Operational	553,953	544,306	1.8
In Progress <sup>1</sup>	50,406	60,567	-16.8
<b>Occupancy rate (%)</b>	<b>90.4</b>	<b>93.3</b>	
<b>Land &amp; Homebuilding</b>			
<b>Pre-sales</b>			
Total value of contracts (€mm)	17.1	25.3	-32.4
Homes	85	146	-41.8
<b>Pre-sales backlog (€mm)</b>	<b>13.6</b>	<b>21.4</b>	<b>-36.4</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>146</b>	<b>164</b>	<b>-11.0</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 without activity.

**Consolidated Income Statement**

(€mm)	9M 2012	9M 2011	% Change
<b>Total Revenues</b>	<b>155.4</b>	<b>277.6</b>	<b>-31.7</b>
Rents	130.7	133.1	-1.8
Sale of assets	3.7	44.0	-91.6
Homebuilding	11.1	43.1	-74.2
Land sales	3.8	5.1	-25.5
Other	6.3	2.2	186.4
<b>Total Gross Margin</b>	<b>107.5</b>	<b>154.7</b>	<b>-30.5</b>
<i>% Margin</i>	69.2	67.9	
Rents	99.7	102.7	-2.9
Sale of assets	3.7	44.0	-91.6
Homebuilding	1.2	7.7	-84.4
Land sales	3.0	0.5	538.3
Other	-0.1	-0.2	-66.7
Overheads	-13.7	-14.7	-6.4
<b>EBITDA</b>	<b>93.8</b>	<b>140.0</b>	<b>-33.0</b>
Amortization	-27.2	-27.1	-0.2
Depreciation	-8.0	-0.9	788.9
<b>EBIT</b>	<b>58.6</b>	<b>112.0</b>	<b>-47.7</b>
<i>% Margin</i>	37.7	49.2	
Financial Result	-60.0	-76.0	-21.0
Other Results	-1.5	-3.0	-50.7
<b>Results before taxes</b>	<b>-2.9</b>	<b>32.9</b>	<b>-108.8</b>
Taxes	7.2	8.9	-19.3
<b>Results after taxes</b>	<b>4.3</b>	<b>41.9</b>	<b>-89.7</b>
Minority Interests	18.8	34.5	-45.6
<b>Net results (Group share)</b>	<b>-14.4</b>	<b>7.4</b>	<b>-295.4</b>

- Commercial Property business continues showing a recurrent income giving the company stability and solidity, representing 86% of the total income and 96% of the total gross margin.
- 50% of total rental revenues are generated in Paris.
- 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 -6.4% vs. 9M 2011.
- Net Financial result includes 9 million euro from the sale of a financial interest.
- Net Income amounted to -14.4 million euro vs. 7.4 million euro in 9M 2011 mainly due to lower capital gains from asset sales in 2012.

**Consolidated Balance Sheet**

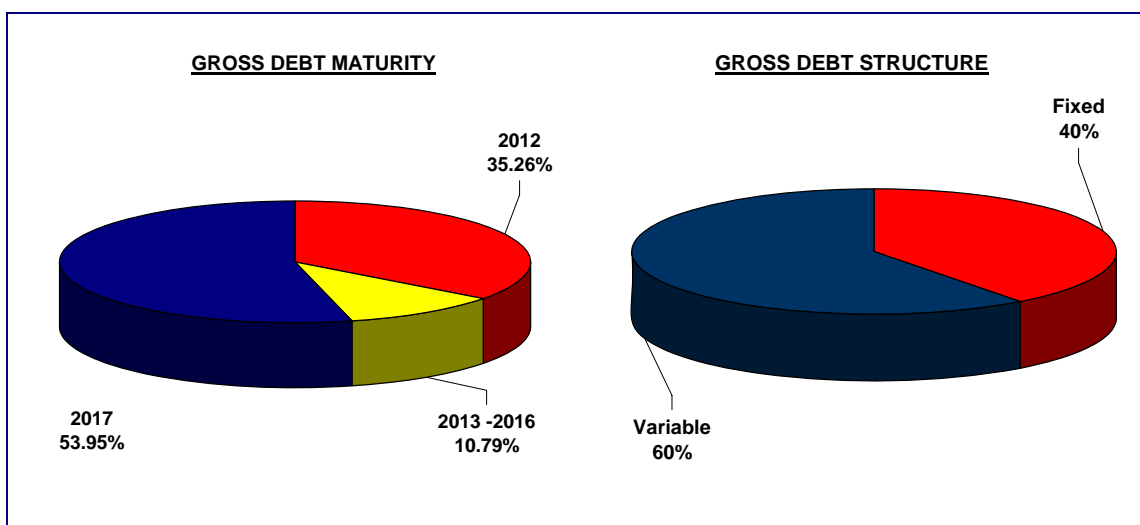
(€mm)	9M 2012	2011		9M 2012	2011
Tangible Fixed assets	9	9	Equity	455	462
Investment Property	2,327	2,319	Minority Shareholders	529	525
Financial Investment	92	94	Financial Debt	2,328	2,260
Inventories	844	882	Current Creditors	61	64
Accounts Receivable	56	61	Other Liabilities	276	304
Treasury and Equivalents	159	85			
Others Assets	162	165			
<b>Total Assets</b>	<b>3,649</b>	<b>3,615</b>	<b>Total Liabilities</b>	<b>3,649</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	9M 2012	9M 2011
Syndicated loan	2,138.9	2,076.4
Credit lines	45.8	38.5
Mortgage loans	105.8	126.9
Loans	37.3	13.2
<b>Total Gross Financial Debt</b>	<b>2,327.7</b>	<b>2,255.0</b>
Treasury	73.1	47.9
Treasury equivalents	85.4	54.0
<b>Total Net Financial Debt</b>	<b>2,169.2</b>	<b>2,153.2</b>

- Realia has treasury and treasury equivalents for a total of 158.5 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**

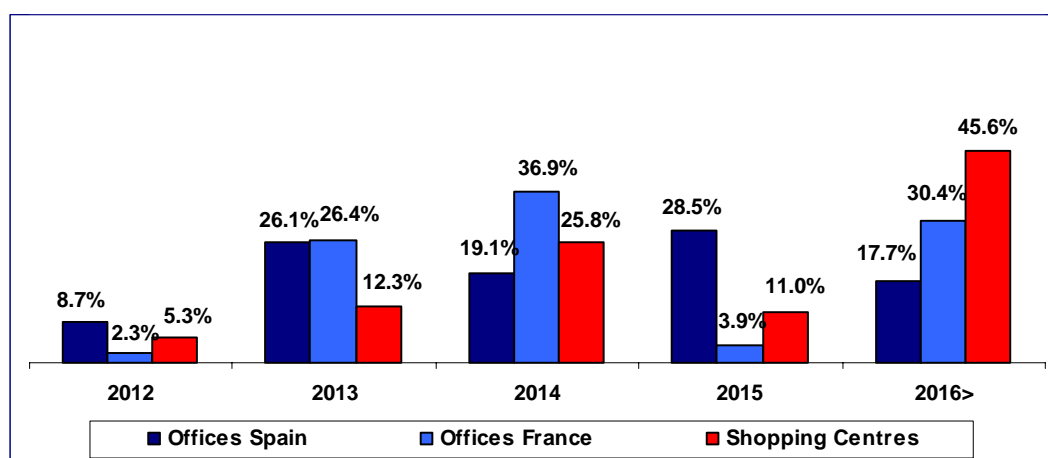
**Rental Income (including expenses charged)**

(€nm)	9M 2012	9M 2011	% Change	Like for Like (%)	Occupancy (%)
<b>Offices</b>	<b>114.8</b>	<b>113.7</b>	<b>0.9</b>	<b>2.1</b>	<b>90.0</b>
Spain	50.3	49.2	2.1	1.1	88.5
France	64.5	64.5	0.0	2.9	91.3
<b>Retails &amp; Leisure</b>	<b>14.9</b>	<b>18.0</b>	<b>-16.9</b>	<b>-8.9</b>	<b>86.9</b>
<b>Other</b>	<b>1.0</b>	<b>1.4</b>	<b>-33.3</b>	<b>3.3</b>	<b>100.0</b>
<b>Total Revenues</b>	<b>130.7</b>	<b>133.1</b>	<b>-1.8</b>	<b>0.7</b>	<b>90.4</b>
<b>Gross Margin</b>	<b>99.7</b>	<b>102.7</b>			
<b>Margin (%)</b>	<b>76.3</b>	<b>77.1</b>			

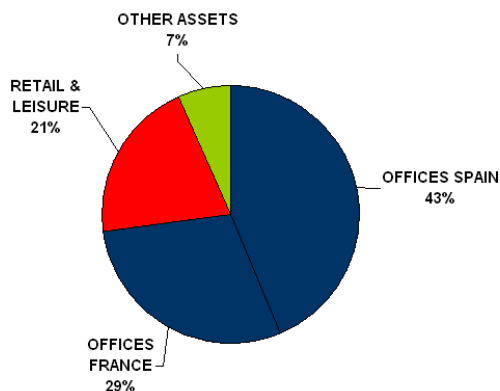
- Like-for-like rental income increased 0.7% in 9M 2012 due to the high quality offices portfolio.
- French offices like-for-like rental income has increased 2.9% mainly due to indexation effects.
- Spanish offices rental income has increased 1.1% mainly due to the extraordinary income of 1.5 million euro from the compensation received from a tenant due to lease early termination.
- Retail rental income has decreased -16.9% mainly as a result of the sale in 2Q 2011 of Realia minority interest in La Vaguada Shopping Centre in Madrid.

**Expiry % of lease contracts including break options**

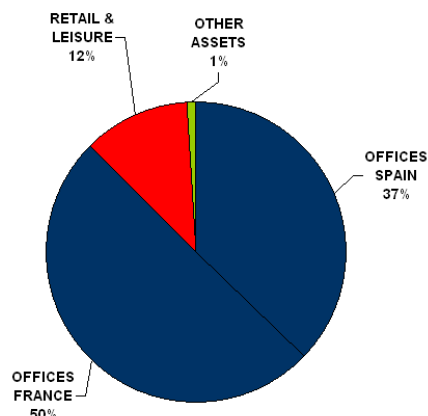
(Passing rents)



**GLA PER USE (SQM)**



**PASSING RENTS JUNE 2012**



**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	94.7	6.4	6.0%	2012
<b>Total Retail</b>		<b>25,172</b>	<b>106.0</b>	<b>94.7</b>	<b>6.4</b>		
163 Malesherbes <sup>2</sup>	Paris	1,294	6.7	0.5	0.9	5.6%	2013
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	22,793	41.0	11.4	9.7	5.8%	2013
<b>Total Offices</b>		<b>25,234</b>	<b>48.4</b>	<b>11.9</b>	<b>11.1</b>		
<b>Total Pipeline</b>		<b>50,406</b>	<b>154.4</b>	<b>106.6</b>	<b>17.5</b>		

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

<sup>2</sup> Under refurbishment.

- The opening of As Cancelas Shopping Centre Development in Santiago de Compostela is scheduled for the 15<sup>th</sup> November 2012. The Project is 97% 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)	9M 2012	9M 2011	% Change
<b>Revenues</b>			
Homebuilding	11.1	43.1	-74.2
Land sales	3.8	5.1	-25.5
<b>Total Revenues</b>	<b>14.9</b>	<b>48.2</b>	<b>-69.2</b>
<b>Gross Margin</b>			
Homebuilding	1.2	7.7	-84.4
Land sales	3.0	0.5	538.3
<b>Total Gross Margin</b>	<b>4.2</b>	<b>8.2</b>	<b>-48.8</b>
<b>Margin Homebuilding (%)</b>	<b>10.9</b>	<b>17.9</b>	
<b>Margin Land sales (%)</b>	<b>78.7</b>	<b>9.2</b>	

- Home sales continue affected due to the difficulties in obtaining financing from potential buyers.
- Realia has delivered 63 homes in 9M 2012 for a total amount of 11.1 million euro:

Deliveries	Nº Units	Revenues
	Homes	€mm
Levante	19	3.7
Polonia	12	1.6
Cataluña	12	2.2
Madrid / Centro	11	2.1
Andalucía	7	1.1
Canarias	1	0.1
Portugal	1	0.3
<b>Total</b>	<b>63</b>	<b>11.1</b>

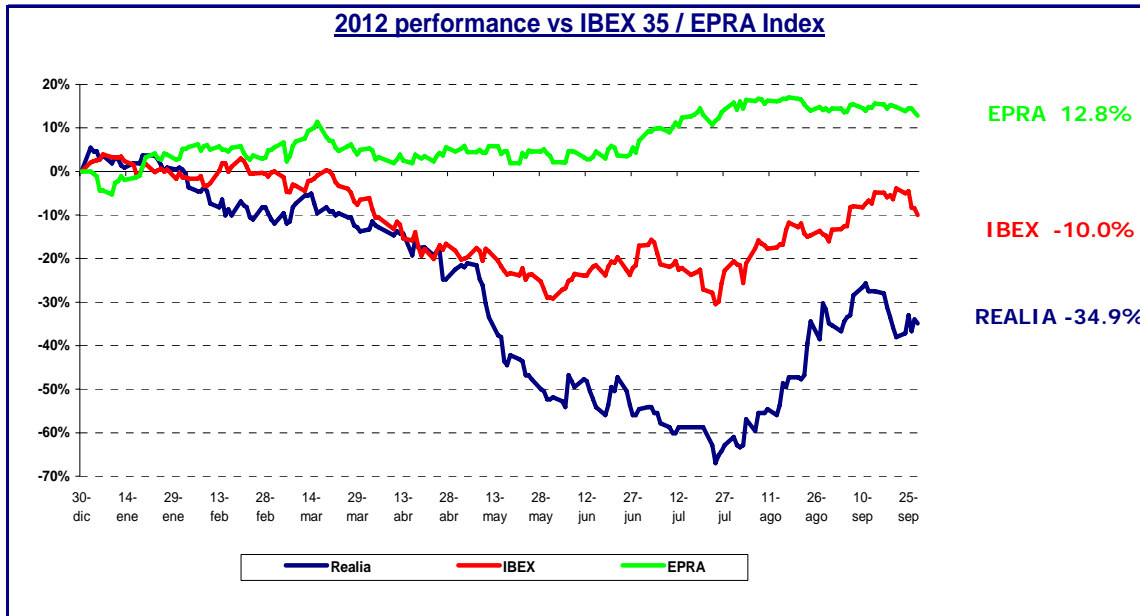
- Pre-sales amounted to 85 homes in 9M 2012 for a total amount of 17.1 million euro:

Pre sales evolution	9M 2012	9M 2011
<b>(+) Pre-sales</b>		
Number of units	85	146
Total value of contracts (€mm)	17.1	25.3
<b>(-) Deliveries</b>		
Number of homes	63	220
Total value of contracts (€mm)	11.1	43.1
<b>Pre-sales backlog at EoP</b>		
Number of units	65	111
Total value of contracts (€mm)	13.6	21.4

- Realia has a total stock of 1,021 homes (244 under construction and 777 finished) of which 65 had already been pre-sold and 956 for sale (339 in Madrid and central area, 255 in Andalusia, 164 in Levante, 126 in Catalonia, 40 in Warsaw (Poland), 22 in Portugal, and 10 in Canary Islands).



**Stock Data**



	9M 2012
Closing Stock Price (€ per share)	0.71
Market cap. EoP (€)	196,937,189
High of the period (€ per share)	1.19
Low of the period (€ per share)	0.35
Daily Trading Volume (€)	70,141
Daily Trading Volume (shares)	91,201

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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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