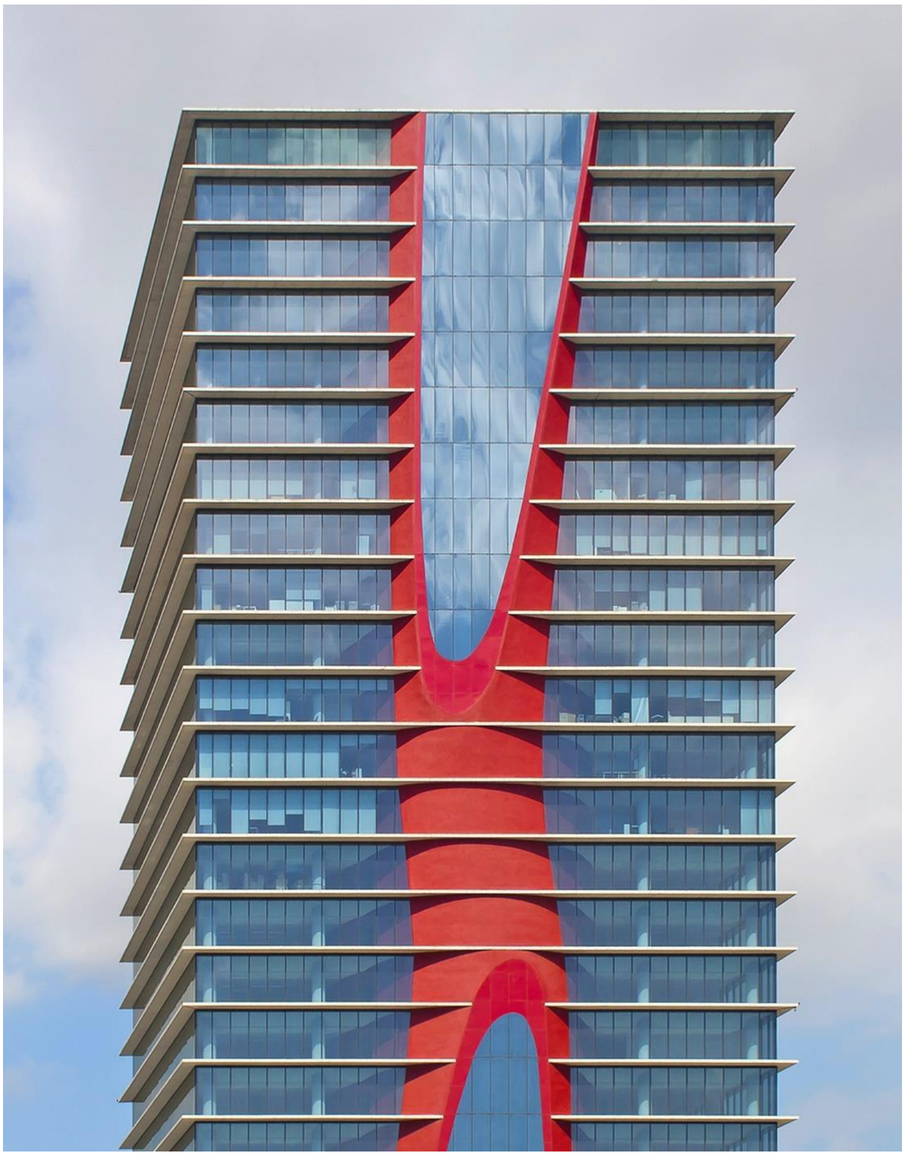

January-September 2018 Results

5th November 2018

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(*) This report includes a set of Alternative Performance Measures (APMs) defined in the herewith included Appendix, as recommended by ESMA (European Securities and Markets Authority).

1.- SUMMARY

REVENUE AND RESULTS

- Total revenue was €70,1m, 6,8% lower than in 3H 2017. The Commercial Property portfolio has gone up by 3,2% and Land & Homebuilding portfolio has gone down by 42,6% (7,2 mm€).
- Land & Homebuilding portfolio has gone down mainly due to the lower value of the units delivered in 2018 vs the ones delivered in 2017; a delay in the delivery of the pre-sold finished product and due to the reversal of the sale of plots of land, for an amount of 1 million Euros, by the Board of Compensation of Valdebebas. At the time, this amount had been provided by Realia.
- EBITDA reached €33,3m, 1,2% better than the previous year, due to better margins in the Commercial Property portfolio and lower operating costs.
- As of September 2018, earnings before taxes reached €45,4m vs €44,9m in September 2017 (1,1 % better).

INDEBTNESS

- In June 2018, the Realia Group obtained a new debt financing for Realia Business. The new loan agreement has been signed for an amount of €120m with expiry date on 30 December 2020. In April 2018, a redemption for an amount of €13,6m was satisfied.
- As of 30 September 2018, Realia gross financial debt reached €727,4m vs €762,9m at December 2017 (4,7% lower)
- Cash and equivalents reached €54,7m vs €85,1m in 3H 2017.
- As of 30 September 2018, Realia net financial debt reached €672,7m, 5,4% lower than in 3H 2017. Compared to the closing of the previous financial year, net financial debt has gone down by 0,8%. The cash flow generated by the Group together with the Company's cash have allowed the reduction of the net financial debt and the investment of €27,5m to acquire a land plot in Alcalá de Henares (Madrid).
- The net financial result reached €-11,5m (derivatives included), €-11,9m lower than in 3H 2017. The weighted average rate on gross debt (derivatives included) reached 1,91% vs 1,97% in 3H 20.17.

COMMERCIAL PROPERTY

- Gross rental income were €45,8m (65,3% on the total income) in 3H 2018, 2,2% better than the previous year.
- Overall occupancy levels reached 93,2% in 3H 2018 vs 93,8% in 3H 2017. This slight reduction in occupancy levels is mainly due to the expiration of lease contracts duration in the office building Albasanz, 16. Currently, this asset is in the commercialisation process.

LAND AND HOMEBUILDING

- As of 30 September 2018, Realia has delivered 68 units for a total amount of €10,7m. It has gone down by 36,7% (€6,2m) vs 3H 2017. This result is mainly due to the lower value of the units delivered in 2018 vs the ones delivered in 2017 and to a delay in the delivery of the pre-sold finished product.
- As of 30 September 2018, there is a stock of 465 units (homes, small retail and offices) finished non-delivered (29 pre-sold). There are also 41 land plots for single-family housing.
- Realia land bank, in its different urbanistic stages, reached a gross leasable area of 5.742.359 sqm and a buildable area of 1.875.632 sqm. approx.

2.- FINANCIAL HIGHLIGHTS

(€mm)	3H 2018	3H 2017	Var. (%)
Total Revenue	**70,1**	**75,2**	**-6,8**
Rental Income	45,8	44,8	2,2
Expenses provision	12,7	11,9	6,7
Homebuilding & Land revenue	9,7	16,9	-42,6
Other	1,9	1,6	18,8
EBITDA	**33,3**	**32,9**	**1,2**
Net Result (Group share)	**24,0**	**25,4**	**-5,5**
Net Financial Debt	**672,7**	**711,3**	**-5,4**
Nº Shares (mm) (treasury shares not included)	**643,4**	**644,2**	**-0,1**
Earnings per Share (€)	**0,037**	**0,039**	**-5,1**

3.- OPERATIONAL HIGHLIGHTS

	3H 2018	3H 2017	Var. (%)
Commercial Property			
GLA (sqm)	**405.809**	**405.877**	**0,0**
Occupancy rate (%)	**93,2%**	**93,8%**	**-60,0%**
Land & Homebuilding			
Pre-sales			
Total value of contracts (€mm)	10,7	16,9	**-36,7**
Units	68	80	**-15,0**
Nº Employees	**90**	**91**	**-1,1**

Number of Employees	30 Sept. 2018	30 Sept. 2017	Var. (%)
Total [(1)]	**90**	**91**	**-1,1**
Realia Business	40	40	**0,0**
Realia Patrimonio	4	4	**0,0**
Hermanos Revilla [(1)]	45	46	**-2,2**
Realia Polska	1	1	**0,0**

(1) It includes 33 and 35 people working at reception and concierge services in buildings over 2018 and 2017 respectively.

4.- CONSOLIDATED INCOME STATEMENT

(€mm)	3H 2018	3H 2017	Var. (%)
Total Revenue	**70,1**	**75,2**	**-6,8**
Rents	45,8	44,8	2,2
Expenses provision	12,7	11,9	6,7
Homebuilding	10,7	16,9	-36,7
Land sales	-1,0	-	-
Services	1,4	0,8	75,0
Other (Homebuilding & Com. Property)	0,5	0,8	-37,5
Total Gross Margin	**38,6**	**38,5**	**0,3**
Rents	41,0	38,7	5,9
Homebuilding	-2,8	-0,3	-833,3
Services	0,4	0,1	300,0
Overheads	-5,2	-5,5	5,5
Other costs	-0,1	-0,1	0,0
EBITDA	**33,3**	**32,9**	**1,2**
Amortization	-0,3	-0,3	0,0
Depreciation	6,5	6,7	-3,0
EBIT	**39,5**	**39,3**	**0,5**
Fair value appraisal result	15,5	15,6	-0,6
Net financial result	-11,5	-11,9	3,4
Equity method	1,9	1,9	0,0
Earnings before taxes	**45,4**	**44,9**	**1,1**
Taxes	-11,2	-11,1	-0,9
Results after taxes	**34,2**	**33,8**	**1,2**
Minority Interests	10,2	8,4	21,4
Net Results (Group share)	**24,0**	**25,4**	**-5,5**

- Rental income (overhead costs non-included) reached €45,8m vs €44,8m in 3H 2017, due to better rents, reduction of discounts and contract incentives.
- EBITDA has improved by 1,2% amounting to €33,3m, due to better margins in the Commercial Property portfolio.
- Net financial results reached €-11,5m vs €-11,9m in 3H 2017.

- Provisions for €6,5m (€6,7m in 3H 2017) have been reversed:

Breakdown provisions (€mm)	3H 2018
Excess provisions	0,1
Residential finished product	2,3
Land bank	-0,3
Others (clients, proceedings, …)	4,4
Total	**6,5**

- Earnings before taxes reached €45,4m vs €44,9m in 3H 2017. Net result reached €24,0m vs €25,4m in 3H 2017.

5.- CONSOLIDATED BALANCE SHEET

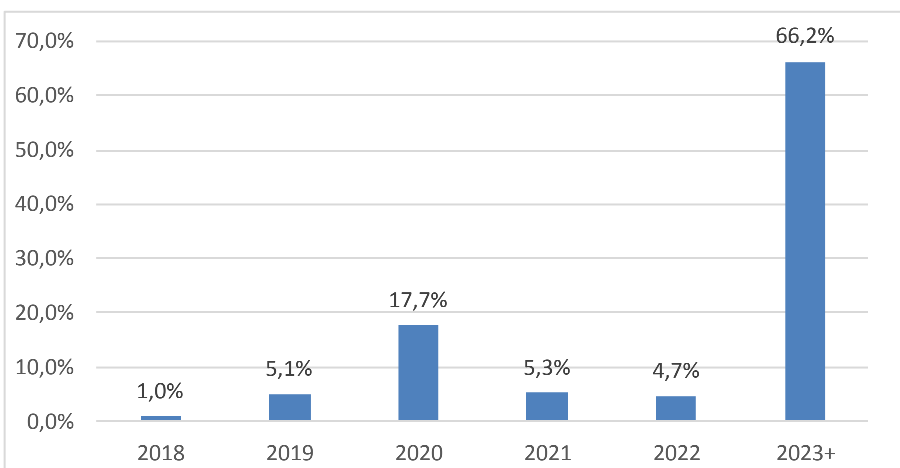
(€mm) ASSETS	30 Sept. 2018	30 Sept. 2017	LIABILITIES	30 Sept. 2018	30 Sept. 2017
Tangible fixed assets	2,7	4,8	Equity	834,4	806,3
Investment property	1.408,3	1.383,1	Minority shareholders	236,3	237,9
Inventories	318,1	295,6	Financial debt	727,4	762,9
Accounts receivable	13,8	14,0	Current creditors	29,2	22,4
Treasury and equivalents	54,7	85,1	Other liabilities	187,6	184,6
Other assets	217,3	231,5			
Total Assets	**2.014,9**	**2.014,1**	**Total Liabilities**	**2.014,9**	**2.014,1**

6.- FINANCIAL STRUCTURE

(€ mm)	REALIA Patrimonio Commercial Property	REALIA Business Land & Homebuilding	3H 2018	Dec. 2017	Var. (%)
Syndicated loans	569,2	0,0	569,2	575,9	-1,2
Other loans	46,3	120,0	166,3	196,4	-15,3
Valuation of derivatives	3,5	0,0	3,5	3,1	12,9
Interests	1,8	0,2	2,0	2,7	-25,9
Debt formalisation expenses	-13,2	-0,4	-13,6	-15,2	10,5
Total Gross Financial Debt	**607,6**	**119,8**	**727,4**	**762,9**	**-4,7**
Cash and equivalents	27,8	26,9	54,7	85,1	-35,7
Total Net Financial Debt	**579,8**	**92,9**	**672,7**	**677,8**	**-0,8**

- As of 30 September 2018, Realia has a gross financial debt for an amount of €727,4m, €35,5m lower than in 2017. There has been a reduction by 4,7%.
- As of September 2018, cash and equivalents reached €54,7m. Therefore, the net financial debt reached €672,7m vs €677,8m in December 2017 (0,8% lower). The cash flow generated by the Group and the Company's cash have allowed the reduction of the net financial debt and the investment of €27,5m to acquire a land plot in Alcalá de Henares (Madrid).
- As of 30 September 2018, the weighted average interest rate of the remunerated gross debt was 1,91% (derivatives included, following the new loan agreement for the Commercial Property business), vs 1,97% at 30 December 2017.
- As of September 2018, the breakdown of the Group gross debt maturity is the following:

Gross Debt Maturity



7.- COMMERCIAL PROPERTY

Rents – Consolidated Data

(Thousands of Euros)	3H 2018	3H 2017	Var. (%)
Rental income	45,8	44,8	2,2%
Expenses provision	12,7	11,9	6,7%
Other income	0,2	0,2	0,0%
Total Revenue	**58,7**	**56,9**	**3,2%**
Provision for common building expenses	-15,5	-15,8	1,9%
Other charges	-2,2	-2,4	8,3%
Gross Margin	**41,0**	**38,7**	**5,9%**
Margin (%)	***89,5%***	***86,4%***	***3,6%***

- Total rental income (expenses charged to tenants not included) reached €45,8m (78% of the total income). It has increased by 2,2%, due to better rents and reduction of discounts and contract incentives.
- Commercial Property gross margin reached 89,5%, 3,6% higher than in 3H 2017.

Rents – Operational Data (1)

(€ mm)	3H 2018	3H 2017	Var. (%)
Rental income	49,2	48,2	2,1%
Expenses provision	13,9	13,0	6,9%
Other income	0,2	0,2	0,0%
Total Revenue	**63,3**	**61,4**	**3,1%**
Provision for common building expenses	-16,7	-16,9	1,2%
Other charges	-2,9	-3,1	6,5%
Gross Margin	**43,7**	**41,4**	**5,6%**
Margin (%)	***88,8%***	***85,9%***	***3,4%***

(1) *The data of this chart is operational. The data from As Cancelas appear proportionally (50%).*

Rental income

Breakdown of rents by sector (LfL)

(Thousands of Euros)	3H 2018	3H 2017	Var. (%)	GLA (sqm)	Occup. 3H 2018 (%)	Occup. 3H 2017 (%)
Offices	**33,6**	**32,9**	**2,1%**	**226.676**	**94,9%**	**95,2%**
CBD	16,3	15,8	3,2%	84.366	95,8%	93,9%
BD	6,0	6,0	0,0%	42.653	100,0%	100,0%
Periferia	11,3	11,1	1,8%	99.658	91,9%	94,2%
Retails & Leisure	**13,0**	**12,7**	**2,4%**	**135.876**	**88,3%**	**89,5%**
Other	**2,6**	**2,6**	**0,0%**	**43.257**	**100,0%**	**100,0%**
Total Revenue	**49,2**	**48,2**	**2,1%**	**405.809**	**93,2%**	**93,8%**

Breakdown of rents by geographical area (LfL)

(Thousands of Euros)	3H 2018	3H 2017	Var. (%)	GLA (sqm)	Occup. 3H 2018 (%)	Occup. 3H 2017 (%)
Madrid	35,1	34,5	**1,7%**	**249.772**	**94,1%**	**96,4%**
CBD	16,7	16,2	3,1%	79.509	95,7%	95,7%
BD	7,2	7,3	-1,4%	49.895	100,0%	100,0%
Periferia	11,2	11,0	1,8%	120.368	90,7%	95,5%
Barcelona	**4,3**	**4,1**	**4,9%**	**32.325**	**98,9%**	**98,2%**
Other	**9,8**	**9,6**	**2,1%**	**123.711**	**89,8%**	**87,3%**
Total Revenue	**49,2**	**48,2**	**2,1%**	**405.809**	**93,2%**	**93,8%**

- Office rental income has gone up by 2,1%, due to progressive better rents.
- According to geographical area, rents have increased in Barcelona (+4,9%), due to better occupancy and rents in Torre REALIA BCN.
- Rental income in Retail & Leisure has gone up by 2,4% due to reduction of discounts and contract incentives granted to tenants, as well as, rents updating.

8.- RESIDENTIAL BUSINESS (LAND AND HOMEBUILDING)

(€mm)	3H 2018	3H 2017	Var. (%)
Revenue			
Homebuilding	10,7	16,9	-36,7%
Land sales	-1,0	-	-
Total Revenue	**9,7**	**16,9**	-42,6%
Costs			
Sale costs	-10,6	-14,8	28,4%
Other costs	-1,9	-2,4	20,8%
Total Costs	**-12,5**	**-17,2**	27,3%
Homebuilding Gross Margin	***-2,8***	***-0,3***	-833,3%
Homebuilding Gross Margin (%)	***-28,9%***	***-1,8%***	-1505,6%
Provisions Reversal finished product	***2,3***	***2,6***	-11,5%
Gross Margin (Provisions not included)	***-0,5***	***2,3***	-121,7%

Residential portfolio

- Revenue from Land & Homebuilding business amounted €9,7m, 42,6% lower than in 3H 2017 (€7,2m). It is partially due to the lower value of the units delivered in 2018 vs the ones delivered in 2017; a delay in delivery of pre-sold product and due to the reversal of the sale of plots of land, for an amount of 1 million Euros, by the Board of Compensation of Valdebebeas. At the time, this amount had been provided by Realia. As of 30 September 2018, Realia has delivered 68 units (homes, small retail, offices and land plots) for a total amount of €10,7m.
- Gross margin reached €-2,8m vs €-0,3m in 3H 2017. Once deducted the reversal of provisions for an amount of €-0,5m vs €2,3m in 3H 2017. This variation is mainly due because the units of Valdebebas delivered in 2017 had a positive gross margin.
- As of 30 September 2018, there is a stock of 465 units (homes, small retail and offices) finished or in the pipeline non-delivered (29 pre-sold). There are also 41 land plots for single-family housing.

9.- STOCK DATA

- The closing stock Price (€ per share) has been 1,038 Euro. It has gone down by 5,6% vs 2017.

	30 Sept. 2018
Closing Stock Price (€ per share)	1,038
Market cap. EoP (€)	669.310.658
High of the period (€ per shrae)	1,180
Low of the period (€ per share)	0,962
Average of the period (€ per share)	1,070
Daily Trading Volume (€)	163.291
Daily Trading Volume (shares)	151.202

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ANEXO – APPENDIX – GLOSSARY OF APMs

Gross Margin:

Results directly attributable to the business activity. Company's total revenue (net revenue, other operating revenues and sale of assets) minus direct costs (variation in stock of finished product or product in the pipeline, depreciations, other operating charges - overheads deducted -, disposal of assets and other results).

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization):

Operating result (profit or loss) deducted from provisions for depreciation and variation in operating provisions.

EBIT (Earnings Before Interest and Taxes):

Operating profit plus change in the value of investment property and result for variation between assets value and impairment of assets.

Gross Financial Debt:

Current and non-current loans with credit institutions plus current and non-current financial liabilities. Financing from equity loans and debts with suppliers of fixed assets are not included

Net Financial Debt (NFD):

Gross financial debt minus cash and cash equivalents.

Earnings per share:

It is calculated by dividing the result attributable to the parent Company and the number of shares outstanding (treasury shares not included) at the end of the referred period.

BD:

Business District

CBD:

Central Business District

Occupancy:

Surface area occupied by the rental assets portfolio divided by the surface of the portfolio in operation.

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