REALIA

January - September 2007 results

30 October 2007

Highlights 3Q 2007 vs. 3Q 2006

- **Rental income €112.4 mm (+ 38%)**
- **Gross margin €314.4 mm (+ 43%)**
- **EBIT €263.1 mm (+ 42%)**
- **Profit for the period €123.1 mm (+ 24%)**

Key events

- Realia, consistent with its expressed policy of rotating of mature assets, has sold the Amper office building located in Tres Cantos Technological Park in Madrid, for €22.7 million, a value 8.6% higher than the valuation made by CB Richard Ellis in December 2.006.
- Realia has increased its commercial property portfolio, through its subsidiary SIIC de Paris, by the acquisition of an office building in Paris for €118 million. The building has 12.058 m2 (GLA) and is fully let to “Électricité de France (EDF)” until 2013. This fact guarantees steady revenues and it gives stability to its investment.
- Grupo Sánchez-Ramade and Grupo Prasa have acquired two stakes of 5% of Realia. The investments, with a clear target of stability and continuity, gives the andalusian groups an outstanding position amongst the company shareholders after major shareholders, FCC and Caja Madrid, who hold 51% of Realia through an SPV.
- The slow down of the residential market is still affecting the pre-sales. Realia continues accommodating the pace of deliveries to the evolution of pre-sales. No significant impact in the annual results is forecasted.
- During the first 9 months of 2007 Realia has sold 243.4 m sqm of building land for €255 million with a slight 1% variation below CBRE valuation as of December 2006. These transactions contribute to demonstrate the soundness of the GAV reported at the IPO.
- Realia net Income of 123.1 million shows a strong 24% growth against the same period in 2006, fuelled by strong growth of rentals and land sales which more than offset lower asset sales and weaker residential market conditions.

Financial Highlights (30 September 2007)

(€mm)	3Q 2007	3Q 2006	% Change
Total Revenues	**613.8**	**516.1**	**18.9**
Rents	112.4	81.5	37.9
EBITDA	**286.7**	**199.9**	**43.5**
EBITDA Rents	83.4	62.8	32.9
EBITDA Land & Homebuilding	169.2	95.5	77.3
EBITDA Sale of assets	31.1	41.6	-25.3
Net Income (Group share)	**123.1**	**99.4**	**23.8**
Net Financial Debt	**1,962**	**1,518**	**29.2**
Nº Shares (mm) (1)	**277.4**	**277.4**	**0.0**
Earnings per Share (€)	**0.44**	**0.36**	**23.8**
Dividends per Share (€)	**0.12**	**0.12**	**0.8**

(1) ADJUSTED FOR THE 3:1 STOCK SPLIT PREVIOUS TO THE IPO.

Operational Highlights (30 September 2007)

	3Q 2007	3Q 2006	% Change
Commercial Property			
GLA (sqm)	**757,052**	**637,222**	**18.8**
Operational	461,192	443,714	3.9
In Progress	295,860	193,508	52.9
Occupancy rate (%)	**95.0%**	**96.2%**	**-1.3**
Land & Homebuilding			
Pre-sales			
Total value of contracts (€mm)	105.8	299.9	-64.7
Homes	382	1,047	-63.5
Pre-sales backlog (€mm)	**422.6**	**673.1**	**-37.2**
Land Bank Consolidated (sqm mm)	**4.1**	**4.3 (1)**	**-4.7**
Nº Employees	**241**	**496**	**-51.4**

(1) Dec 2006

Consolidated Income Statement

(€mm)	3Q 2007	3Q 2006	% Change
Total Revenues	**613.8**	**516.1**	**18.9**
Rents	112.4	81.5	37.9
Sale of assets	33.3	43.3	-23.0
Homebuilding	208.0	252.3	-17.5
Land sales	255.0	138.4	84.2
Other	5.1	0.7	643.2
Total Gross Margin	**314.4**	**220.4**	**42.7**
% Margin	*51.2*	42.7	
Rents	89.7	66.2	35.5
Sale of assets	33.3	43.3	-23.0
Homebuilding	46.2	66.6	-30.6
Land sales	142.1	44.2	221.3
Other	3.0	0.0	
Overheads	27.7	20.5	35.0
EBITDA	**286.7**	**199.9**	**43.5**
Amortization & Depreciation	23.7	15.1	56.5
EBIT	**263.1**	**184.7**	**42.4**
% Margin	*42.9*	*35.8*	
Financial Result	61.5	25.4	142.0
Other Results	0.9	0.1	1380.3
PBT	**202.5**	**159.4**	**27.0**
Taxes	57.2	47.9	19.4
Results from Discontinued Activities	-0.8	-1.5	-47.5
Net Income	**144.5**	**110.0**	**31.4**
Minority Interests	21.4	10.5	102.8
Net Income (Group share)	**123.1**	**99.4**	**23.8**

- Total revenues of €613.8 million show a solid 19% increase versus 3Q 2006 due increase rents from commercial property (37.9% over the comparable period) and increase in land sales (€255.0 million in this year versus €138.4m in 3Q 2006)
- Revenues from Commercial Property represent 24% of total, and 39% of the margin, with rentals showing a growing weight. The Land and Homebuilding division have contributed to the revenues and gross margin about 75% and 60% respectively, due to the execution of a significant portion of the targeted land sales for the year during the period. Margin from homebuilding only accounts for 15% of total gross margin.
- EBITDA grew 44% to €286.7m, with a 47% margin over total revenues.
- Net financial costs reflect the increase in debt by the impact of the 2006 acquisitions and investments (SIIC de Paris, and asset acquisitions fully funded with debt), amounting to €61.5 millions, with an implied average net cost of 4.93%
- Net profit for the period equalled €123.1 millions, showing a 24% increase versus the same period last year.
- Minority interests have significantly increased compared to 3Q 2006 mainly due to the sale of land plots by subsidiaries in which REALIA has minority partners
- Net debt amounted to €1,962 millions, of which, €1,301 are of limited recourse.

Consolidated Balance Sheet

(€mm)	3Q 2007	Dec. 2006	% Change
Tangible Fixed assets	43.1	43.0	0.1
Investment Property	2,045.8	1,881.7	8.7
Financial Investment	105.4	107.2	-1.6
Inventories	1,308.9	1,270.6	3.0
Accounts Receivable	39.8	95.2	-58.2
Others Assets	247.1	151.0	63.6
Assets Held for Sale	15.9	48.0	-66.9
Total Assets	**3,806.0**	**3,596.7**	**5.8**
Equity	705.6	676.6	4.3
Minority Shareholders	225.3	210.7	6.9
Non Current Financial Debt	1,821.0	469.7	287.7
Current Financial Debt	276.3	1,376.0	-79.9
Current Creditors	564.7	595.5	-5.2
Other Liabilities	213.0	239.8	-11.2
Liabilities Associated with Assets Held for Sale		28.3	-100.0
Total Liabilities	**3,806.0**	**3,596.7**	**5.8**

Commercial Property

Rental Income (including expenses charged)

(€mm)	3Q 2007	3Q 2006	% Change	*Like for Like % Change*	*Occupancy rate (%)*
Offices	**98.3**	**62.3**	**57.7**		**94.2**
Spain	53.4	51.0	4.7	7.3	99.4
France	44.9	11.3	297.8	N/A	85.3
Retails & Leisure	**12.9**	**13.4**	**-4.4**	**7.6**	**97.6**
Other	**1.3**	**5.8**	**-78.1**	**3.2**	**98.6**
Total Revenues	**112.4**	**81.5**	**37.9**	**7.3**	**95.0**
Offices	**80.4**	**52.3**	**53.6**		
Spain	42.5	44.0	-3.4		
France	37.9	8.4	352.8		
Retails & Leisure	**8.2**	**8.4**	**-3.3**		
Other	**1.2**	**5.5**	**-78.3**		
Total Gross Margin	**89.7**	**66.2**	**35.5**		
Margin (%)	***79.8***	***81.2***			

- Strong growth of the rental income driven by solid performance of Madrid and Paris office markets, particularly in the prime areas where Realia concentrates most of its value. The improvement is also attributable to the acquisition of SIIC de Paris in May 2006.
- Office rents account for 87% of the revenues, with a similar weight of Madrid and Paris.
- Margins remain stable, with a 1% increase versus last year. In accounting terms though, margin deteriorates in Spain Offices due to the impact of the Discontinued Activities, that provided services to the assets in 2006.

	GLA	Rents	Passing rents (1)	GAV (Dec 06)	Yield	Occupancy (%)
Offices	**367,502**	**85.5**	**123.5**	**2,650.2**	**4.7**	**94.2**
Spain	231,985	45.2	67.6	1,300.1	5.2	99.4
CBD	109,395	25.6	40.1	822.1	4.9	100.0
BD	64,563	11.6	17.4	289.3	6.0	100.0
Periphery/Other	58,027	7.9	10.1	188.7	5.4	97.6
France	135,517	40.3	55.9	1,350.1	4.1	85.3
CBD	78,373	28.6	35.4	895.1	4.0	84.2
BD	48,602	11.4	20.1	377.8	5.3	99.0
Periphery/Other	8,543	0.4	0.4	77.2	0.5	17.0
Retails & Leisure	**53,309**	**10.0**	**10.9**	**217.8**	**5.0**	**97.6**
Other	**40,382**	**1.2**	**1.0**	**34.0**	**3.0**	**98.6**
Total	**461,192**	**96.8**	**135.4**	**2,902.0**	**4.7**	**95.0**

(1) Passing rents as of September 2007.

Operational highlights

- Current yields, based on annualized rents (passing rents as of September 2007) show a slight increase in Spain offices, as a result of the occupancy growth (100%), partially offset by the largest vacancy in France attributable to assets under refurbishment.

Asset Sales

(€mm)	3Q 2007	3Q 2006	% Change
Spain	88.5	71.6	23.5
France	3.6		
Total Revenues (sale proceeds)	**92.0**	**71.6**	**28.5**
Spain	32.9	43.3	-24.1
France	0.5		
Total Gross Margin	**33.3**	**43.3**	**-23.0**
Margin (%)	***36.2***	***60.4***	

- Assets sold at September 2007 included the Leisure Centre Diversia (€46.0 million) and Cinema Proyecciones (€19.7 million).
- Consistent with its expressed policy of rotating of mature assets, Realia has sold the Amper office building in Madrid (€22.7 million) and two non-estrategic assets in Paris (€3.6 million).

Pipeline

Pipeline	Location	Use	GLA	Total investment	Incurred investment	Gav CBRE	Annual rent expected	Yield to cost	Opening	Pre-let %
C.C. Ferial Plaza	Guadalajara	Retail	31,745	86.3	38.3	60.6	6.9	8.0%	2007	100%
La Noria F-I	Murcia	Retail	17,955	35.5	16.6	19.8	2.9	8.2%	2008	54%
La Noria F-II	Murcia	Retail	12,000	19.5	3.1	4.6	1.4	7.2%	2011	
C.C. Plaza Nueva	Madrid	Retail	90,632	163.7	36.5	50.0	11.6	7.1%	2008	99%
As Cancelas	Santiago	Retail	53,002	163.0	54.3	8.8	10.9	6.7%	2009	
C.C. Denia	Denia	Retail	34,500	85.0			5.8	6.8%	2010	
Total Retail			**239,834**	**553.0**	**148.8**	**143.8**	**39.5**	**7.1%**		
Torre Porta Fira	Barcelona	Offices	32,008	128.5	12.7	15.6	8.4	6.5%	2009	
Park Central 22@	Barcelona	Offices	9,168	25.0	8.6	13.0	2.0	8.0%	2010	
François Ory' / rue Louis Lejeune	Paris	Offices	14,850	85.0	48.7	52.0	5.6	6.6%	2009	
Total Offices			**56,026**	**238.5**	**70.0**	**80.6**	**16.0**	**6.7%**		
Total Pipeline			**295,860**	**791.5**	**218.8**	**224.4**	**55.5**	**7.0%**		

Land and Homebuilding

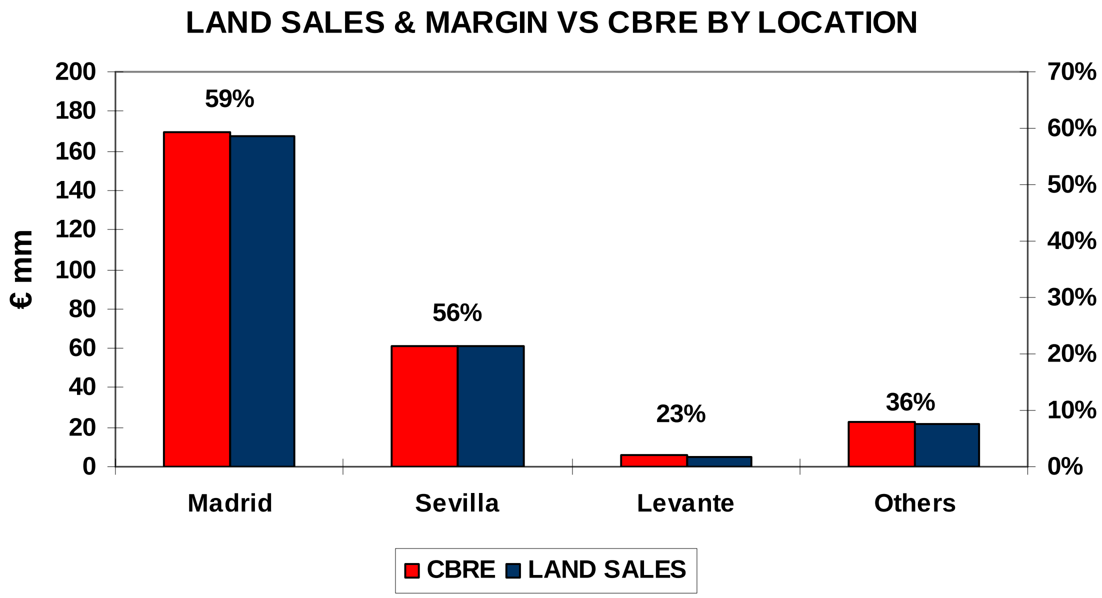
(€mm)	3Q 2007	3Q 2006	% Change
Revenues			
Homebuilding	208.0	252.3	-17.5
Land sales	255.0	138.4	84.2
Total Revenues	**463.0**	**390.6**	**18.5**
Gross Margin			
Homebuilding	46.2	66.6	-30.6
Land sales	142.1	44.2	221.3
Total Gross Margin	**188.3**	**110.8**	**69.9**
% of revenues	***40.7***	***28.4***	

- Total revenues increased by 19% versus the same period of last year, while gross margin posted a significant growth (70%) fuelled by strong land sales at a 56% margin. On the contrary, Homebuilding revenues significantly decreased versus 2006, mainly due to the fact that a significant portion of the deliveries are forecasted for the 4th quarter of the year.

Land

	3Q 2007		3Q 2006		
	sqm	€mm	sqm	€mm	% Change
Acquisitions	107,942	82.1	787,538	468.1	-82.5
Disposals	243,431	255.0	221,663	138.4	84.2

- On the land acquisitions, the most significant acquisitions have been c. 53,000 sqm of buildable area in Zaragoza and c. 41,000 in Toledo, both in the first quarter and concentrate in land in growing areas to develop primary residences. Also an option in land was cancelled in Portugal for 14,500 sqm of a total value of €10.9mm.
- The implied average cost of the land acquired was c. 761 €/sqm.
- On the land sales, the most important land plots sold were 64,200 sqm in Madrid of first residence land, 52,500 sqm in Seville of first residence land (through a 51% owned subsidiary), 41,700 in Valladolid and 45,500 in Toledo. The aggregate amount of these disposals was of €225.6mm.
- The implied average sale price of the land sold was c. 1,047 €/sqm.
- Selling price was only 1% below CBRE valuation as of Dec. 2006.

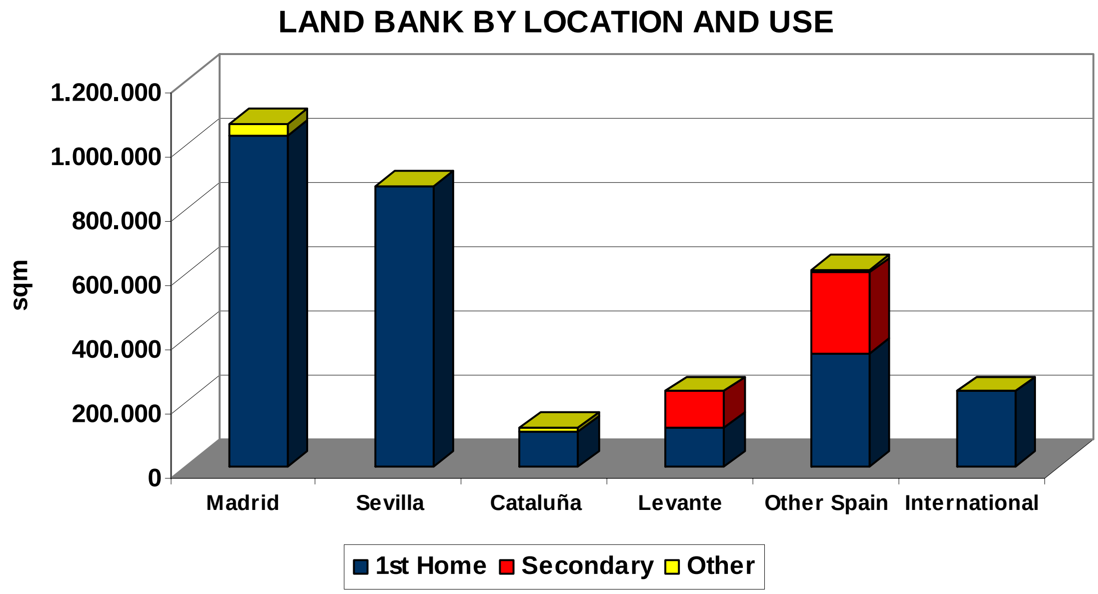


Land Bank Evolution

- Building Land Bank as of September 2007 is 3.1 million sqm once deducted the plots already under construction and the land own by minority partners. The appraised value of the Land Bank (values from CBRE as of Dec 2006 and acquisition cost for land bought less land sales afterwards) is €2.2 million.

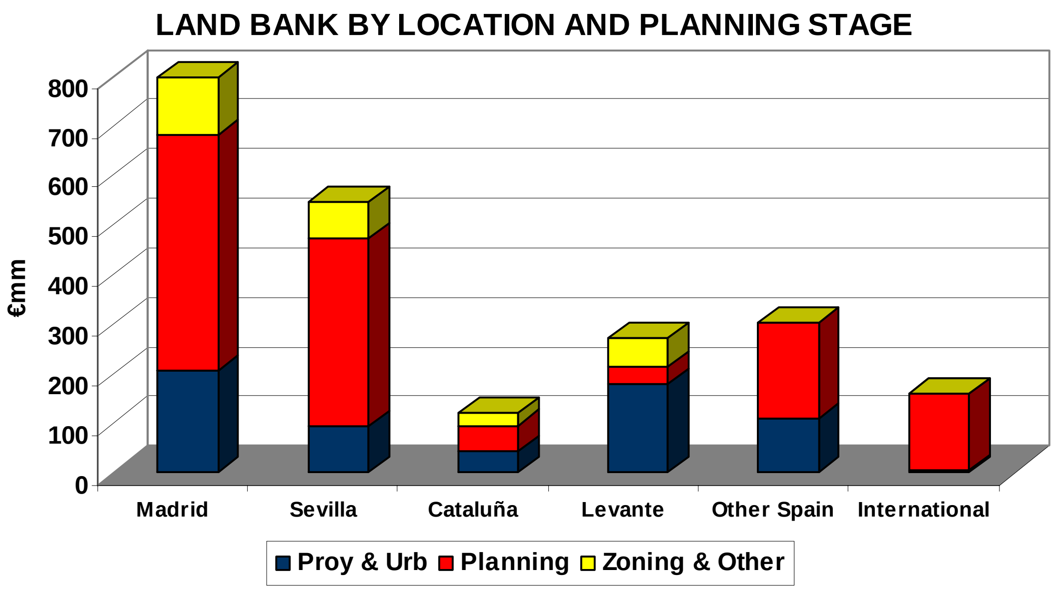
Land Bank Evolution	(000) sqm	Value (€mm)	€ per sqm
Dec. 06 (As reported in IPO)	4,333	3,224	744
Land attributed to started developments	465	638	1,374
Land owned by minorities	595	207	348
Adjusted Dec 06 Land Bank	**3,274**	**2,379**	**727**
Acquisitions	108	82	761
Disposal	243	255	1.047
September 07 Land Bank	**3,138**	**2,206**	**703**

- Land for Primary homes accounts for 86% of the total Land Bank and 91% of the value. Secondary homes amount to 12% of the area and 7% of the value.



- According to its geographical distribution, 62% of the building surface is in the urban areas of greater Madrid and Sevilla, accounting for 61% of the value. The rest is spread over Cataluña, Levante, Lisbon, Warsaw…

- With regards to the different stages of development, 18% of the land (29% of the value) is in the final phases of development (urbanization and project); 61% (59% of the value) is in the planning phase, and only 21% of the land (12% of the value) is in the early stages of development.



Homebuilding

Deliveries	Nº Units	Revenues
Local Offices	**Homes**	**€mm**
Madrid	402	118.5
Levante	72	20.4
Andalucía	174	51.7
Cataluña	17	6.5
Canarias	19	7.1
Portugal	13	3.0
Asturias	8	0.9
Total	**705**	**208.0**

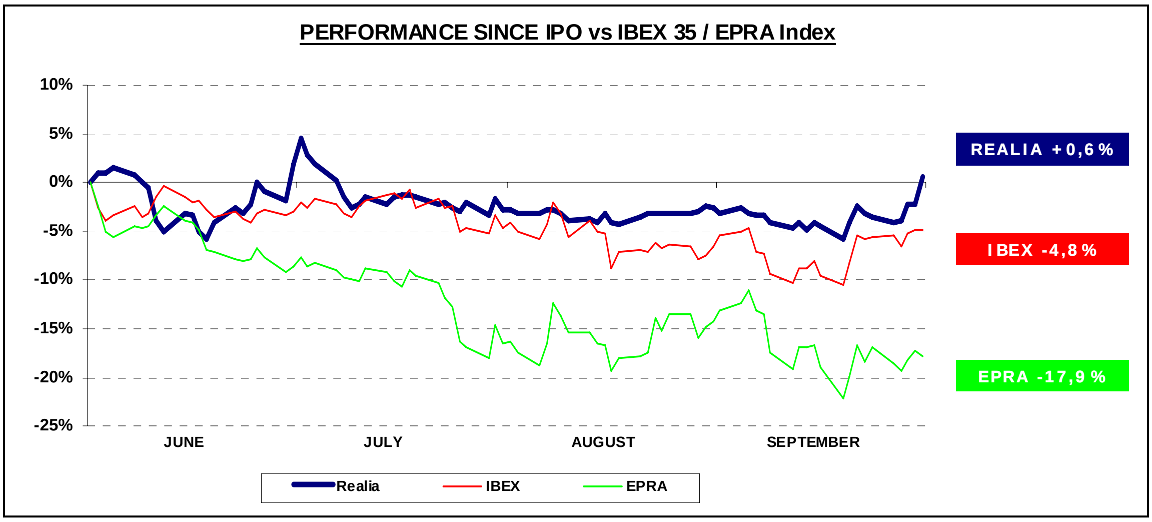
- Most of home's deliveries in 2007 have taken place in Madrid and Sevilla where Realia concentrates his homebuilding activity.
- Pre-sales coverage for 2007 and 2008 from expected deliveries stand at 100% and 79% respectively.

Pre sales evolution	3Q 2007	3Q 2006	% Change
Pre-sales backlog at BoP			
Number of homes	1,843	2,218	-16.9
Total value of contracts (€mm)	524.9	625.4	-16.1
(+) Pre-sales			
Number of homes	382	1,047	-63.5
Total value of contracts (€mm)	105.8	299.9	-64.7
(-) Deliveries			
Number of homes	705	857	-17.8
Total value of contracts (€mm)	208.0	252.3	-17.5
Pre-sales backlog at EoP			
Number of homes	1,521	2,408	-36.8
Total value of contracts (€mm)	422.6	673.1	-37.2

- In view of the evidenced slow down of the residential markets that has impacted on the pre-sales of the third quarter of the year, Realia continues accommodating home's deliveries to the evolution of pre-sales.

Stock Data

- The stock closed September at €6.54, a 0.6% raise versus the IPO price, while IBEX-35 and EPRA index have seen falls of 4.8% and 17.9% respectively during the same period.



	3Q 2007
Closing Stock Price (€ per share)	6.54
Market cap. EoP (€ MM)	1,814
High of the period	6.91
Low of the period	5.97
Trading Volume (share)	194,328,635
Trading Volume (€MM)	1,249

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