January - March 2008 results

12 May 2008

Highlights 1Q 2008

(€ Millions)

Rental Income	43.3	+11%
Gross Margin	77.9	-32%
EBITDA	69.1	-35%
Profit for the period	26.7	-36%

- Realia continues increasing its commercial property income, which represents 45% of the total gross margin versus 27% in 1Q 2007. Rental income gives solidity to the results and confirms the strategy of increase commercial property business with more recurrent income.

- Consistent with its strategy, Realia continues increasing its commercial property portfolio and has acquired 3 office buildings in Madrid for €82 million with 18,042 sqm (GLA) and 313 parking spaces.

- Realia has acquired an urban land plot in the centre of Bucharest for €12.2 million with a total surface of 8.394 sqm and a buildable area of 25.182 sqm, to build 240-260 homes with parking spaces and box-stores.

- Consistent with its expressed policy of rotating non-strategic assets, Realia has sold an industrial land plot for €40.5 million located in Carabanchel, in the south western suburbs of Madrid. The price is 1.4% higher than CBRE valuation as of December 2007 with important capital gains of €13.3 million.

- During the first quarter of 2008 Realia has sold building land for €19.1 million with a premium of 4% from CBRE valuation as of December 2007. Gross margin on land sales was 69%. These transactions contribute to demonstrate the high quality of the land bank.

- The pre-sales of the first quarter of 2008 are in line with the pre-sales of the previous quarter. However, due to the difficulties in obtaining financing from potential buyers and the decision from Realia to cancel some homebuilding developments (due to the slow-down of the residential market), the pre-sales backlog has decreased till €250.8 million.

- Realia Net profit for 1Q 2008 amounted to €26.7 million which represents 36.2% less versus 1Q 2007 due to lower land sales for the period due to the difficulties in obtaining financing from potential buyers for these transactions.

Financial Highlights

(€mm)	1Q 2008	1Q 2007	% Change
Total Revenues	**152.9**	**210.2**	**-27,3**
Rents	43.3	39.1	10,7
EBITDA	**69.1**	**106.3**	**-35,0**
EBITDA Rents	31.4	28.2	11,5
EBITDA Land & Homebuilding	24.7	77.2	-68,0
EBITDA Sale of assets	13.0	0.0	
Net Income (Group share)	**26.7**	**41.9**	**-36,2**
Net Financial Debt	**2,089**	**1,891**	**10,5**
Nº Shares (mm) [1]	**277.4**	**277.4**	**0,0**
Earnings per Share (€)	**0.10**	**0.15**	**-36,2**
Dividends per Share (€)	**-**	**-**	

[1] Adjusted for the 3:1 stock split previous to the IPO

Operational Highlights

	1Q 2008	1Q 2007	% Change
Commercial Property			
GLA (sqm)	**762,876**	**772,712**	**-1.3**
Operational	501,023	480,138	4.3
In Progress	261,853	292,574	-10.5
Occupancy rate (%)	**96.2%**	**96.4%**	**-0.2**
Land & Homebuilding			
Pre-sales			
Total value of contracts (€mm)	20.4	38.7	-47.3
Homes	78	192	-59.4
Pre-sales backlog (€mm)	**250.8**	**540.2**	**-53.6**
Land Bank Consolidated (sqm mm)	**3.9**	**4.3**	**-9.2**
Nº Employees	**231**	**243**	**-4.9**

Consolidated Income Statement

(€mm)	1Q 2008	1Q 2007[1]	% Change
Total Revenues	**152.9**	**210.2**	**-27.3**
Rents	43.3	39.1	10.7
Sale of assets	13.3	-	
Homebuilding	77.0	33.9	127.4
Land sales	19.1	137.3	-86.1
Other	0.2	-	
Total Gross Margin	**77.9**	**114.6**	**-32.0**
% Margin	*51.0*	*54.5*	
Rents	35.2	30.5	15.2
Sale of assets	13.3	-	
Homebuilding	16.3	6.8	140.4
Land sales	13.1	76.5	-82.8
Other	-	0.8	
Overheads	8.8	8.4	5.5
EBITDA	**69.1**	**106.3**	**-35.0**
Amortization & Depreciation	8.1	7.5	8.0
EBIT	**61.1**	**98.8**	**-38.2**
% Margin	*39.9*	*47.0*	
Financial Result	21.4	18.4	15.8
Other Results	-0.3	-0.4	-19.5
PBT	**39.4**	**80.0**	**-50.7**
Taxes	10.7	24.6	-56.6
Results from Discontinued Activities	-	-0.4	-100.0
Net Income	**28.7**	**55.0**	**-47.8**
Minority Interests	2.0	13.1	-84.6
Net Income (Group share)	**26.7**	**41.9**	**-36.2**

[1] *2007 figures classing services activity as "Discontinued Business"*

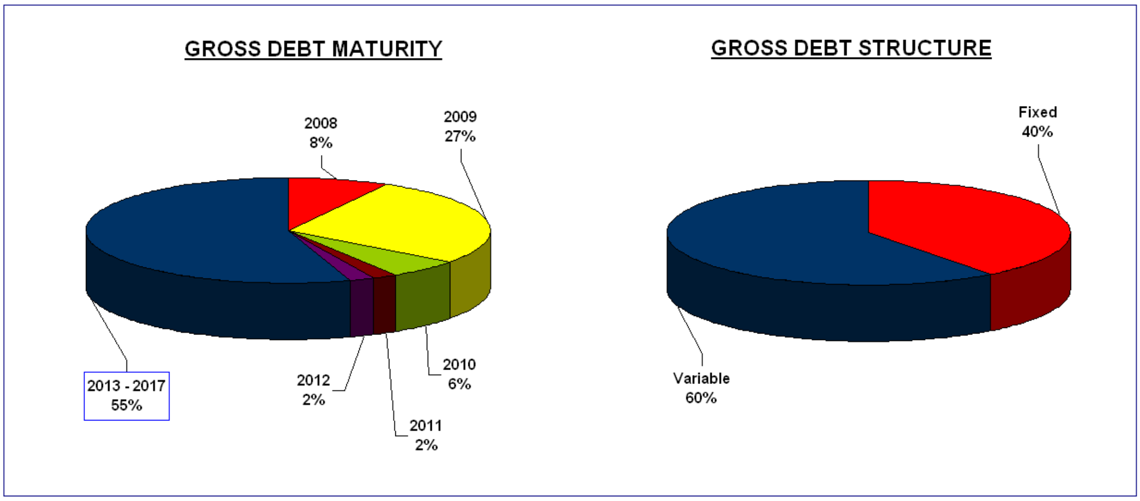
- Total revenues amounted to €152.9 million, which represents 27.3% less versus 1Q 2007 due to lower land sales partly compensated by rental increase and commercial property asset rotation.
- Revenues from Commercial Property represent 37% of the total, and 62% of the margin, with rentals showing a growing weight. The Land and Homebuilding division represent 63% of the revenues. But only accounts for 38% of total gross margin (versus 62% in December 2007).
- Net financial costs reflect the increase in debt by the impact of assets acquisitions and pipeline investments. Realia has started to capitalized financial expenses in 1Q 2008. Gross debt average cost stands at 5.33%.
- Minority interests have significantly decreased compared to 1Q 2007 mainly due to less sale of land plots by subsidiaries in which REALIA has minority partners.
- Net profit for 1Q 2008 amounted to €26.7 million which represents 36.2% less versus 1Q 2007 due to lower land sales due to the difficulties in obtaining financing from potential buyers.

Consolidated Balance Sheet

(€mm)	1Q 2008	2007		1Q 2008	2007
Tangible Fixed assets	13	44	Equity	697	691
Investment Property	2,166	2,070	Minority Shareholders	267	288
Financial Investment	105	105	Financial Debt	2,278	2,136
Inventories	1,302	1,313			
Accounts Receivable	81	77	Current Creditors	581	656
Others Assets	244	260	Other Liabilities	118	129
Assets Held for Sale	31	31			
Total Assets	**3,941**	**3,900**	**Total Liabilities**	**3,941**	**3,900**

FINANCIAL STRUCTURE

FINANCIAL STRUCTURE	(€mm)
Syndicated loan	1,327
Credit lines	739
Mortgage loans	142
Loans	70
Total Gross Financial Debt	**2,278**
Treasury	93
Treasury equivalents	24
Other financial assets	72
Total Net Financial Debt	**2,089**



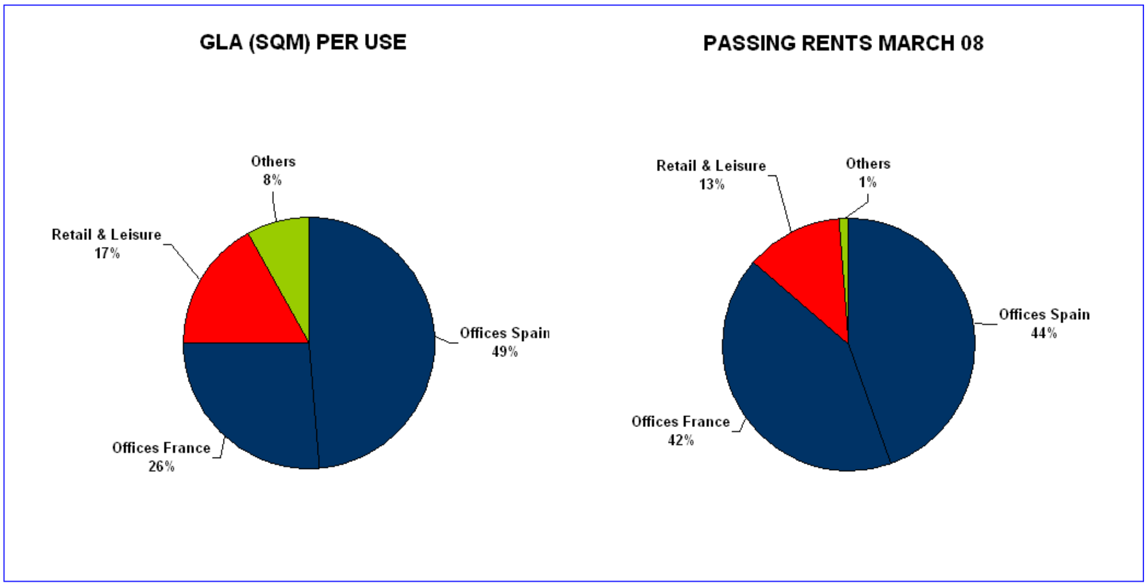
- 55% of gross financial debt has a maturity of more than 5 years and most of the total debt was successfully syndicated last year in a 1,632 million loan with a final maturity of 10 years.

Commercial Property

Rental Income (including expenses charged)

(€mm)	1Q 2008	1Q 2007	% Change
Offices	**36.4**	**34.0**	**6.9**
Spain	18.6	17.8	4.5
France	17.8	16.3	9.5
Retails & Leisure	**6.5**	**4.6**	**40.3**
Other	**0.4**	**0.4**	**-1.5**
Total Revenues	**43.3**	**39.1**	**10.7**
Total Gross Margin	**35.2**	**30.5**	**15.2**
Margin (%)	***81.4***	***78.2***	**-**

- 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.
- Rental income from Shopping Centres show an important increase due to the opening last November of the Shopping Centre Ferial Plaza located in Guadalajara with 31,868 sqm (GLA).
- The quality and exceptional location of most of the office assets both in Madrid and Paris allows for occupancy rates of 96.2% versus 95.7% in December 2007.



- Office rents account for 86% of the total rental income, with a similar weight of Madrid and Paris.

Asset Sales

(€mm)	1Q 2008	1Q 2007	% Change
Spain	40.5		
France	-		
Total Revenues	**40.5**	**-**	
Spain	13.3		
France	-		
Total Gross Margin	**13.3**	**-**	
Margin (%)	***32.9***		

- Realia, consistent with its expressed policy of rotating non-strategic assets, has sold an industrial land plot for €40.5 million located in Carabanchel, in the south western suburbs of Madrid. The price is 1.4% higher than CBRE valuation as of December 2007, and Realia obtains capital gains of €13.3 million. This transaction demonstrates the high quality of the land bank.

Pipeline

Pipeline	Location	Use	GLA	Total investment	Incurred investment	Gav CBRE	Annual rent expected	Yield to cost	Opening	Pre-let %
La Noria F-I	Murcia	Retail	16,660	35.5	21.0	29.2	3.0	8.3%	2008 / 2010	66%
La Noria F-II	Murcia	Retail	13,340	19.5	3.1	4.5	1.4	7.0%	2010	
C.C. Plaza Nueva	Madrid	Retail	90,632	163.7	37.1	60.6	11.0	6.7%	2009 / 2011	52%
As Cancelas	Santiago	Retail	50,000	163.0	64.1	70.7	10.9	6.7%	2010	
C.C. Denia	Denia	Retail	31,214	85.0			5.8	6.8%	2010	
Total Retail			**201,846**	**466.7**	**125.2**	**165.1**	**31.9**	**6.8%**		
Torre Porta Fira	Barcelona	Offices	31,957	128.5	12.7	15.8	7.8	6.0%	2009	
Park Central 22@	Barcelona	Offices	9,200	25.0	8.9	14.5	2.0	8.1%	2010	
François Ory' / rue Louis Lejeune	Paris	Offices	14,850	85.0	51.6	52.3	5.6	6.6%	2010	
129 Malesherbes	Paris	Offices	1,281	5.0		10.2	0.7	7.0%	2009	
163 Malesherbes / 12 rue Amper	Paris	Offices	2,719	7.5		19.7	1.5	8.2%	2009	
Total Offices			**60,007**	**251.0**	**73.2**	**112.5**	**17.6**	**6.6%**		
Total Pipeline			**261,853**	**717.7**	**198.4**	**277.6**	**49.6**	**6.8%**		

- The Project in Murcia “La Noria” has different phases. The opening of the *outlet* from the first phase is estimated to be in third quarter 2008 with a total GLA of approx 13,700 sqm (66% have been pre-let). The remaining GLA from phase I (approx 3,000 sqm) and phase II (approx 13,340 sqm) is estimated the opening in 2010.
- The Project in Leganés (Madrid) has also different phases. Most of the total GLA (approx 50,000 sqm) is destinated for big commercial surfaces, 25,000 sqm for “Plaza Nueva” Shopping Centre and approx 15,000 sqm for commercial/residential use. The opening of the area for big commercial surfaces is estimated to be in early 2009. Most GLA have been pre-let (82%).

Acquisitions

BP Oil headquarters in Spain located in Arroyo de la Vega, in Alcobendas (Madrid)

	Location	Use	Surface	Parking	Investment
Spain					
Avda. de Bruselas	Alcobendas	Offices	8,856	243	38.5
Musgo, 1 y 3	Madrid	Offices	5,383	52	18.1
Alfonso XII, 30	Madrid	Offices	3,803	18	25.5
Total			**18,042**	**313**	**82.1**

- Realia continues increasing its commercial property portfolio and has acquired 3 office buildings in Madrid for €82 million with 18,042 sqm (GLA) and 313 parking spaces.

Land and Homebuilding

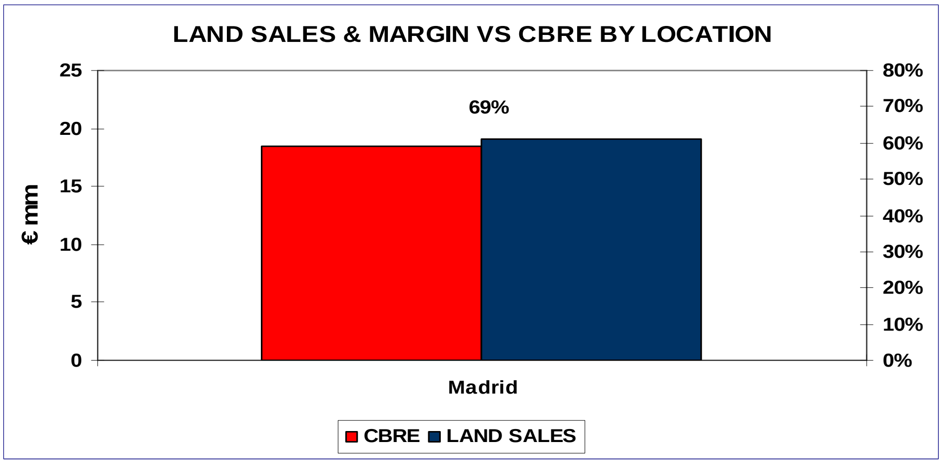
(€mm)	1Q 2008	1Q 2007	Var. (%)
Revenues			
Homebuilding	77.0	33.9	127.4
Land sales	19.1	137.3	-86.1
Total Revenues	**96.1**	**171.1**	**-43.8**
Gross Margin			
Homebuilding	16.3	6.8	140.4
Land sales	13.1	76.5	-82.8
Total Gross Margin	**29.4**	**83.2**	**-64.7**
Margin (%)	***30.6***	***48.6***	

- Total revenues decreased -43.8% versus 1Q 2007 due to the difficulties in obtaining financing from potential buyers for these transactions. Furthermore, a significant portion of land sales in 2007 was reported in the first quarter of the year.
- Homebuilding revenues posted a significant growth due to more deliveries for the first quarter of the year.
- Gross margin on homebuilding was 21.1% versus 23.0% in December 2007 due to the less margin obtained in 55 protected homes delivered in the first quarter of 2008. Gross margin on land sales was 69% versus 60% in December 2007.

Land

	1Q 2008		1Q 2007		
	sqm	mm €	sqm	mm €	*% Change*
Acquisitions	8,394	12.2	116,196	83.1	-85.3
Disposals	8,783	19.1	139,479	137.3	-86.1

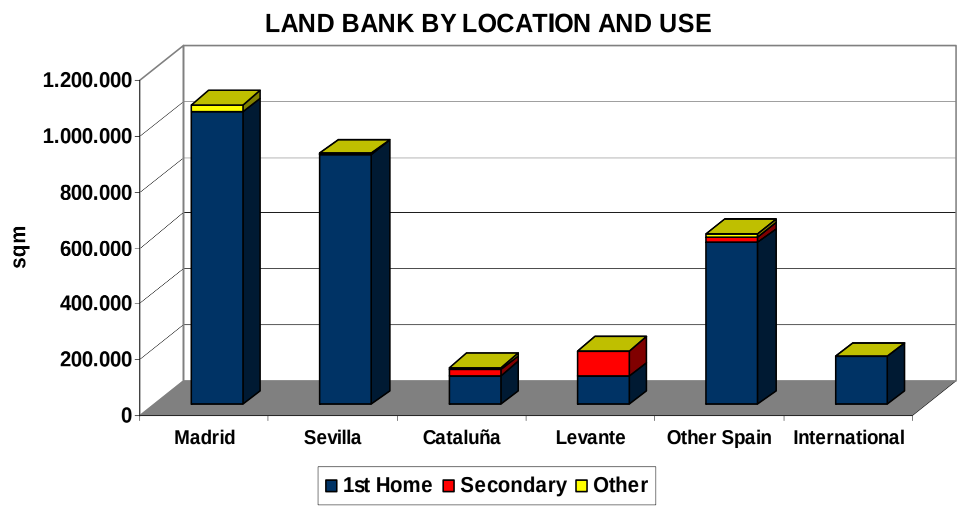
- On the land acquisitions, Realia has acquired an urban land plot in Bucharest to build 240-260 homes with parking spaces and box-stores.
- The implied average cost of the land acquired was c. 484 €/sqm.
- On the land sales, Realia has sold 7,556 sqm in Madrid and 1,227 sqm in Guadalajara.
- The implied average sale price of the land sold was c. 2,179 €/sqm.



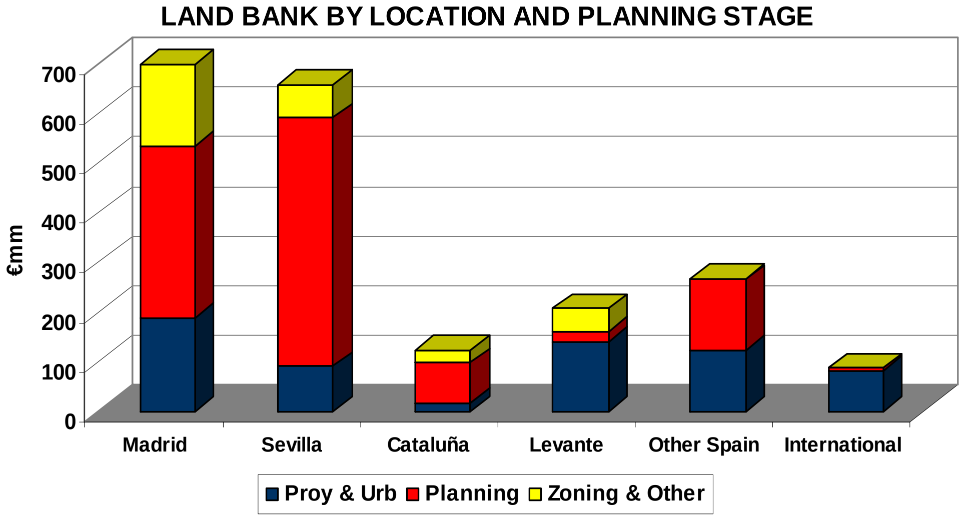
- Realia has sold land for €19.1 million with a premium of 4% from CBRE valuation as of December 2007. Gross margin on land sales was 69%. These transactions contribute to demonstrate the high quality of the land bank.

Land Bank Evolution

- Building Land Bank as of March 2008 is 3.01 million sqm once deducted the plots already under construction and the land own by minority partners.



- Land for Primary homes accounts for 94% of the total Land Bank. Secondary homes amount to 4% of the area and other use amount to 2% of the area.



- According to its geographical distribution, 64% of the building surface is located in Madrid and Sevilla. The rest is spread mainly over Cataluña, Levante, Lisbon, Warsaw and Bucharest.
- With regards to the different stages of development, 24% of the land is in the final phases of development (urbanization and project); 53% is in the planning and zoning phases, and only 23% of the land (0.1% of the value) is in the early stages of development

Homebuilding

Deliveries	Nº Units Homes	Revenues €mm
Madrid / Centro	108	27.4
Levante	9	2.4
Andalucía	69	20.6
Cataluña	64	25.0
Canarias	3	0.5
Portugal	7	1.1
Total	**260**	**77.0**

- Most of home's deliveries in the first quarter of 2008 have taken place in Madrid, Sevilla and Cataluña where Realia concentrates his homebuilding activity.
- Pre-sales coverage for 2008 and 2009 from expected deliveries stand at 100% and 38% respectively.

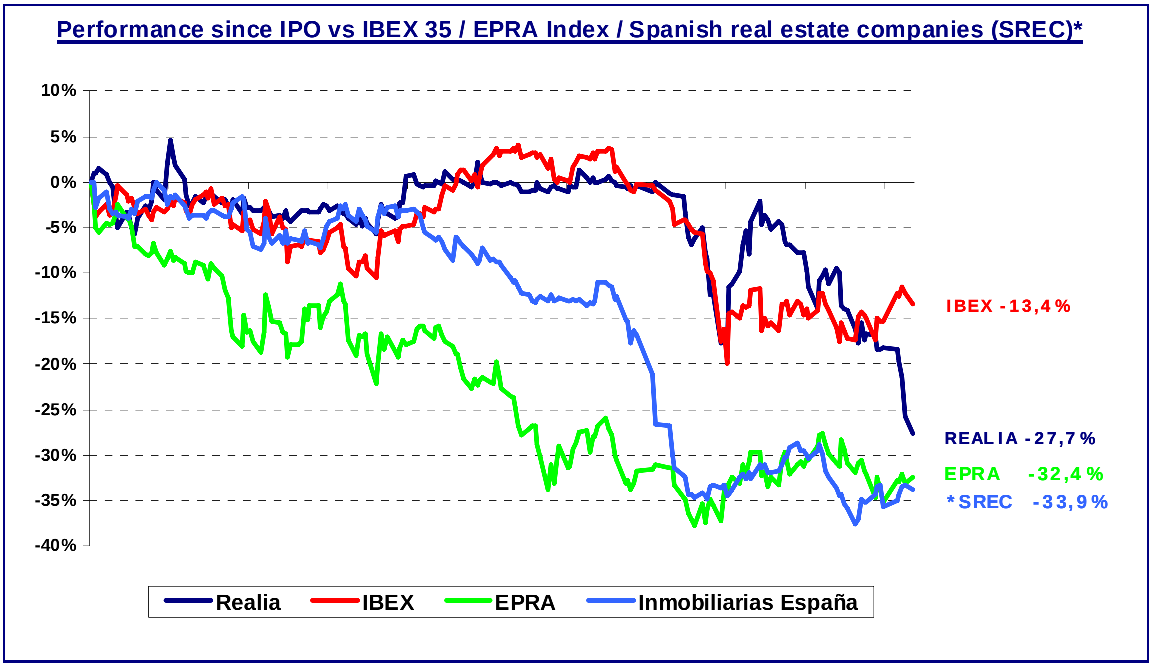
Pre sales evolution	1Q 2008	4Q 2007	1Q 2007
(+) Pre-sales			
Number of units	78	77	192
Total value of contracts (€mm)	20.4	32.9	38.7
(-) Deliveries			
Number of homes	260	402	111
Total value of contracts (€mm)	77.0	115.4	33.9
Pre-sales backlog at EoP			
Number of units	923	1.181	1.964
Total value of contracts (€mm)	250.8	334.2	540.2

- The pre-sales of the first quarter of 2008 are in line with the pre-sales of the previous quarter. However, due to the difficulties in obtaining financing from potential buyers and the decision from Realia to cancel some homebuilding developments (due to the slow-down of the residential market), the pre-sales backlog has decreased till €250.8 million.

- 67% of pre-sales backlog is for Primary homes and 33% for Secondary homes.

Stock Data

- The stock closed March at €4.7, down 27.7% versus the IPO price, while IBEX-35, EPRA Index and Spanish real estate companies have seen falls of 13.4%, 32.4% and 33.9% respectively during the same period.



	1T 2008
Closing Stock Price (€ per share)	4,7
Market cap. EoP (€ MM)	1,3
High of the period	6,5
Low of the period	4,7
Daily Trading Volume (€MM)	1,5
Daily Trading Volume (shares)	259.734

Dividends

- Consistent with its 50% pay-out policy, an additional dividend (out of 2007 income) of €0,014 gross per share will be paid after the approval in the General Meeting of Shareholders to be held in Madrid on thursday, 5 June, 2008.
- Two interim dividends (out of 2007 income) of €0.12 were paid on June 2nd and December 17th 2007.

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