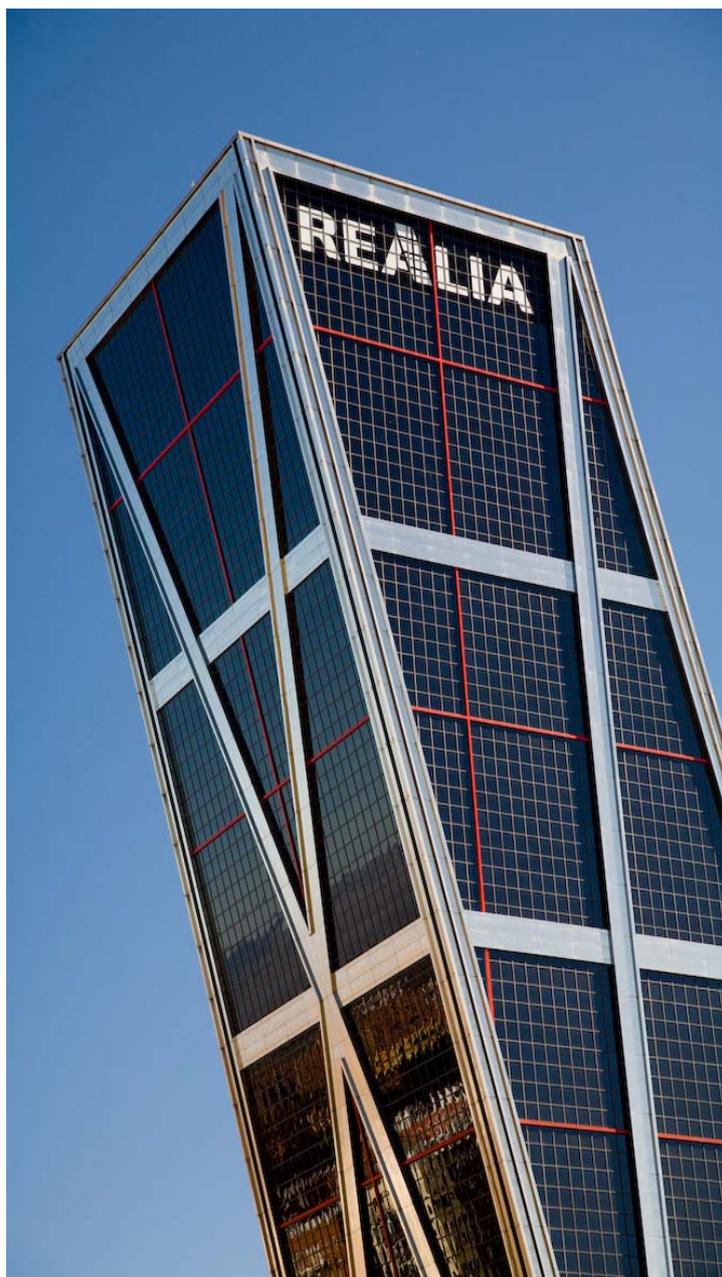


REALIA



January - September 2008 results

12 November 2008

Highlights January - September 2008

STRONG PROPERTY BUSINESS

- Strong rental growth +17.8% (**Like-for-like +7.5%**), **increasing occupancy (97.0%)**.
- **Property business represents 72.5% of the total gross margin**, and rental income covers all expenses.

HEALTHY FINANCIAL SITUATION

- €1.6bn syndicated loan 10 years maturity, signed on June 2007, which **finance** the property business and **most of the pipeline**.
- €266m **corporate debt renewed** in 2008.

PIPELINE DEVELOPMENT: ADDITIONAL FUTURE GROWTH

- The **opening of Phase I** from the Project in **Leganes** (Madrid) is estimated for May 2009, with a total **GLA of 50,949 sqm**, **81% pre-let** to prestigious tenants as **Carrefour, Decathlon, Bricoman, and Toys "R" Us**.
- As Cancelas **Shopping Centre** in **Santiago de Compostela** (Galicia) has initiated the commercialization stage. **10,800 sqm** (21% of the total GLA) has been **pre-let to Carrefour**. The opening is estimated for 2010.
- Pipeline represents additional rental growth in offices and shopping centres with **most of the financing secured by the syndicated loan**.

ASSET ROTATION: RECURRENT EARNINGS

- **€141m** assets sold **in line with CBRE valuation** as of December 2007.
- **€176m** invested in **new assets**, both property and residential.

LAND MANAGEMENT

- Some **options in land** for a total value of €204.9m were **cancelled without penalties** for Realia due to **milestones not completed**, reducing the total Land Bank.

VALUATION

- Income Statement as of September 2008 does not include potential value variation in the assets valuation that is doing an independent expert (CB Richard Ellis) and will be included in full year 2008 results. Nevertheless, **Realia accounts the value of its assets according to its acquisition cost** instead of its market value.

Financial Highlights

(€mm)	3Q 2008	3Q 2007	% Change
Total Revenues	354.4	613.8	-42.3
Rents	132.4	112.4	17.8
EBITDA	174.6	286.7	-39.1
EBITDA Rents	96.5	83.4	15.6
EBITDA Homebuilding	12.0	33.1	-63.8
EBITDA Land	30.4	136.1	-77.7
EBITDA Sale of assets	35.7	31.1	14.9
Net Income (Group share)	39.1	123.1	-68.2
Net Financial Debt	2,249	1,962	14.6
Nº Shares (m)	277.4	277.4	0.0
Earnings per Share (€)	0.14	0.44	-68.2
Dividends per Share (€)	0.07	0.16	-53.8

Operational Highlights

	3Q 2008	3Q 2007	% Change
Commercial Property			
GLA (sqm)	760,661	757,052	0.5
Operational	504,543	461,192	9.4
In Progress	256,118	295,860	-13.4
Occupancy rate (%)	97.0%	95.0%	2.0
Land & Homebuilding			
Pre-sales			
Total value of contracts (€m)	62.5	105.8	-40.9
Number of units	252	414	-39.1
Pre-sales backlog (€m)	190.2	422.6	-55.0
Land Bank Consolidated (sqm m)	3.6	4.1	-12.2
Nº Employees	224	241	-7.1

Consolidated Income Statement

(€mm)	3Q 2008	3Q 2007 ¹	% Change
Total Revenues	354.4	613.8	-42.3
Rents	132.4	112.4	17.8
Sale of assets (results)	36.2	33.3	8.7
Homebuilding	136.0	208.0	-34.6
Land sales	47.7	255.0	-81.3
Other	2.1	5.1	-58.6
Total Gross Margin	198.8	314.4	-36.8
% Margin	56.1	51.2	
Rents	108.0	89.7	20.3
Sale of assets	36.2	33.3	8.7
Homebuilding	22.6	46.2	-51.1
Land sales	31.9	142.1	-77.5
Other		3.0	
Overheads	24.1	27.7	-12.8
EBITDA	174.6	286.7	-39.1
Amortization & Depreciation	25.6	23.7	8.3
EBIT	149.0	263.1	-43.4
% Margin	42.0	42.9	
Financial Result	70.0	61.5	13.8
Other Results	-2.2	0.9	
PBT	76.8	202.5	-62.1
Taxes	17.9	57.2	-68.8
Results from Discontinued Activities		-0.8	
Net Income	58.9	144.5	-59.2
Minority Interests	19.8	21.4	-7.3
Net Income (Group share)	39.1	123.1	-68.2

¹2007 figures classing services activity as "Discontinued Business"

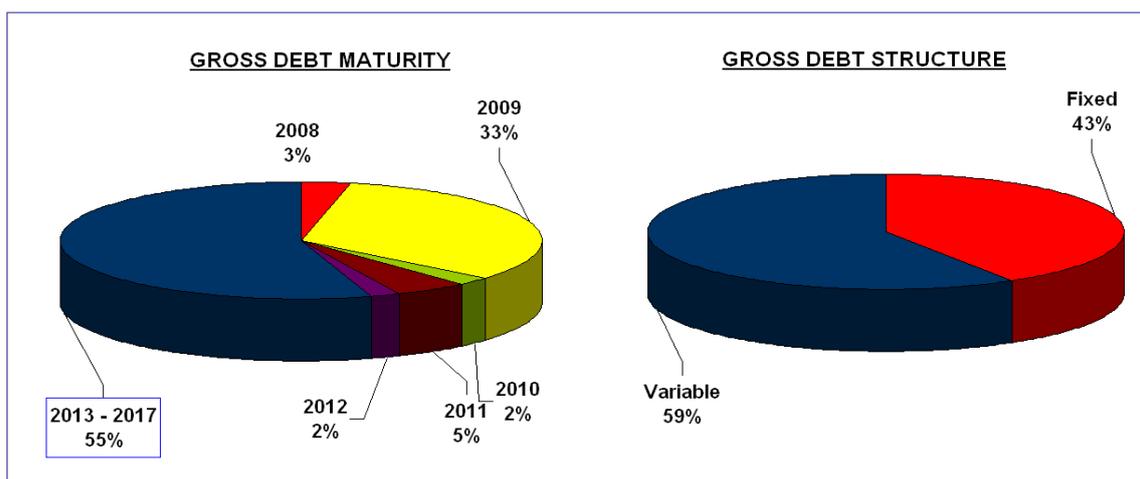
- Total revenues have decreased due to lower land and home sales due to the difficulties in obtaining financing from potential buyers.
- Property business represents 72.5% of the total gross margin, with rentals showing a growing weight and more recurrent income. Rental income covers all expenses, including interest expense.
- Net financial result reflects the increase in debt by the impact of assets acquisitions and pipeline investments. Realia has capitalized financial expenses for €14.7m. Gross debt average cost stands at 5.48%.
- Minority interests have significantly increased in 3Q due to the disposal of one office building in Madrid through Hermanos Revilla (in which Realia has minority stake).
- Net profit amounted to €37.9 million which represents 68.2% less versus 2007 due to lower land and home sales.

Consolidated Balance Sheet

(€mm)	3Q 2008	Dec. 2007		3Q 2008	Dec 2007
Tangible Fixed assets	16	44	Equity	695	691
Investment Property	2,207	2,070	Minority Shareholders	279	288
Financial Investment	102	105	Financial Debt	2,393	2,136
Inventories	1,286	1,313			
Accounts Receivable	81	77	Current Creditors	372	656
Others Assets	240	260	Other Liabilities	193	129
Assets Held for Sale		31			
Total Assets	3,932	3,900	Total Liabilities	3,932	3,900

Assets in balance sheet at acquisition cost, not revaluated.

FINANCIAL STRUCTURE	(€mm)
Syndicated loan	1,405.2
Credit lines	782.3
Mortgage loans	143.1
Loans	62.5
Total Gross Financial Debt	2,393.1
Treasury	121.1
Treasury equivalents	22.6
Total Net Financial Debt	2,249.4



- 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 €1,632m loan with a final maturity of 10 years.
- €266m corporate debt renewed in 2008 due to the low loan-to-value (LTV) ratio.
- Financial debt has increased due to the reduction in current creditors after some payments from postponed amounts of some assets acquired in previous years.

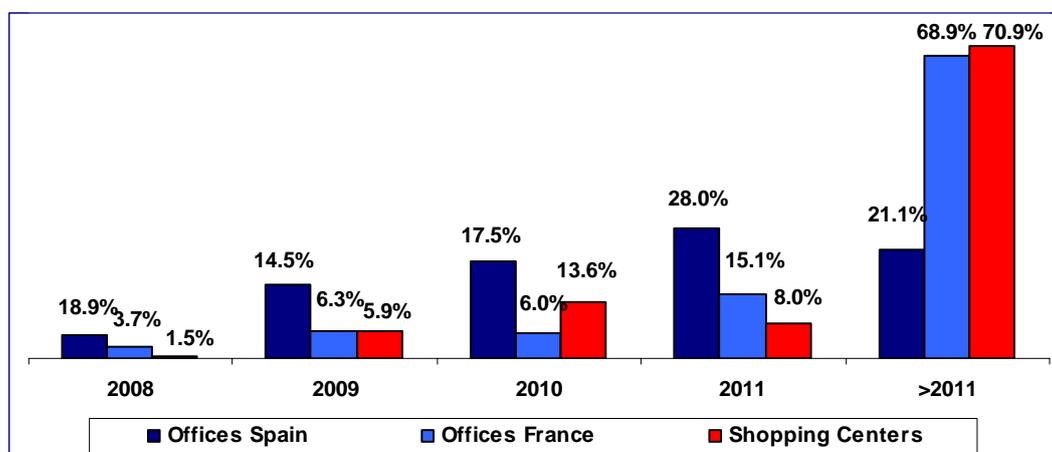
Commercial Property
Rental Income (including expenses charged)

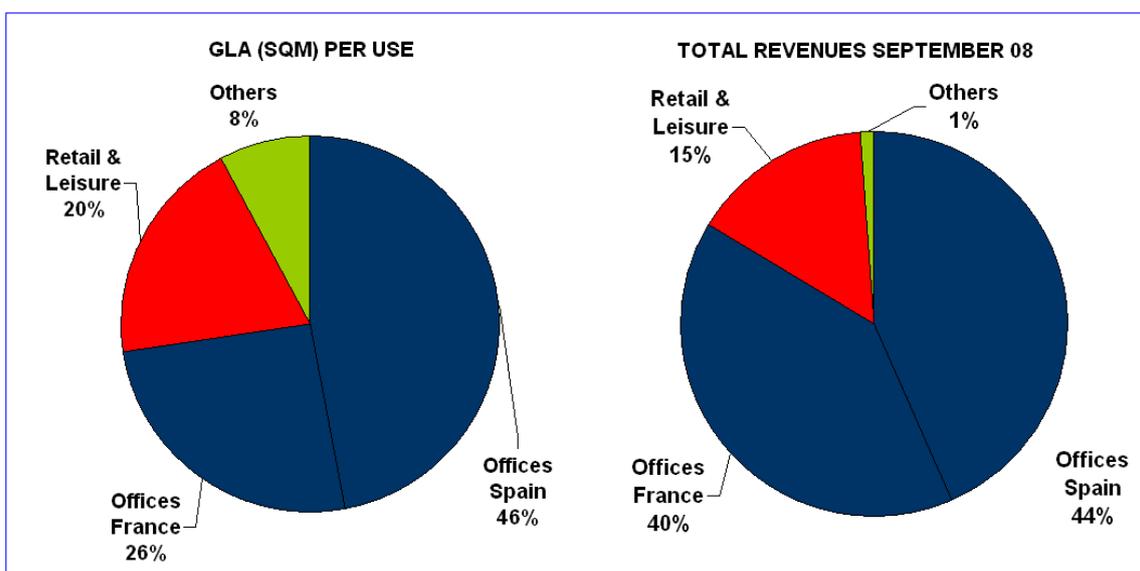
(€mm)	3Q 2008	3Q 2007	% Change	Like for Like	Occupancy rate (%)
Offices	110.7	98.3	12.7	7.2	97.4
Spain	57.3	53.4	7.3	5.0	98.4
France	53.4	44.9	19.0	9.9	95.5
Retails & Leisure	20.4	12.9	58.8	10.1	94.5
Other	1.3	1.3	2.7	1.1	99.9
Total Revenues	132.4	112.4	17.8	7.5	97.0
Total Gross Margin	108.0	89.7	20.3		
Margin (%)	81.5	79.8			

- Property business is performing very strong with important rental growth (+17.8%) and increasing occupancy (97% vs 95% in Sept 2007).
- Strong rental growth driven by rental reversions on re-letting and renewals both in offices (Like-for-like +7.2%) and shopping centres (Like-for-like +10.1%) and the increase in occupancy due to new lease contracts signed in some assets that have been refurbished in Paris.

Expiry % of lease contracts

- Most of lease contracts from offices in Paris and Shopping Centres in Spain have maturity of more than 5 years, giving solidity to the rental income. Lease contracts from offices in Spain that matures in 2008 and 2009 show high reversionary potential.





- Office rents account for 84% of the total rental income, with a similar weight of Madrid and Paris. Realia concentrates most of its assets in prime area with long term tenants with high solvency such as government agencies and services companies.

Asset Sales

(€m)	3Q 2008	3Q 2007	% Change
Spain	68.0	88.5	-23.1
France	25.2	3.6	608.8
Total Revenues	93.2	92.0	1.3
Spain	34.2	32.9	4.1
France	2.0	0.5	323.5
Total Gross Margin	36.2	33.3	8.7
Margin (%)	38.9	36.2	

- Consistent with the policy of rotating non-strategic assets, Realia has sold assets for €93.2m, with a slight premium to CBRE valuation as of December 2007.
- In 3Q Realia has sold one office building in Madrid Business District (BD) through Hermanos Revilla with a capital gain of €20.9m. This transaction confirms the recurrent earnings for Realia from asset rotation.
- Assets rotation of mature and non-strategic assets to reinvest into new assets with potential for value creation is one of the main strategic goals for Realia.

Acquisitions



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

	Location	Use	Surface	Parking	Investment
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	13	25.5
Total			18,042	308	82.1

*Through Hermanos Revilla

- Realia continues increasing its commercial property portfolio and has acquired 3 office buildings in Madrid for €82.1m with 18,042 sqm (GLA) and 308 parking spaces.

Pipeline

Pipeline	Location	GLA	Total investment	Incurred investment	Annual rent expected	Yield to cost	Opening	Pre-let %
La Noria P-II	Murcia	16,213	24.8	6.0	1.8	7.4%	2011	
C.C. Plaza Nueva P-I	Madrid	50,949	83.9	37.3	6.2	7.4%	2009	81%
C.C. Plaza Nueva P-II	Madrid	24,500	49.9	10.5	3.4	6.8%	2011	
C.C. Plaza Nueva P-III	Madrid	23,235	42.6	12.1	3.1	7.2%	2011	
As Cancelas	Santiago	50,000	163.0	71.8	10.9	6.7%	2010	21%
C.C. Denia	Denia	31,214	85.0	0,2	5,8	6,8%	2010	
Total Retail		196,111	449.2	139.5	31.1	6.9%		
Torre Realia BCN	Barcelona	31,957	128.5	13.5	7.6	5.9%	2009	
Park Central 22@	Barcelona	9,200	25.0	9.3	2.0	8.1%	2011	
François Ory / rue Louis Lejeune	Paris	14,850	85.0	54.4	5.6	6.6%	2010	
129 Malesherbes *	Paris	1,281	5.0	0.1	0.7	7.0%	2010	
163 Malesherbes / 12 rue Amper *	Paris	2,719	7.5		1.5	8.2%	2010	
Total Offices		60,007	251.0	77.3	17.5	6.5%		
Total Pipeline		256,118	700.2	216.8	48.6	6.8%		

* Under refurbishment

- Pipeline provides additional rental growth in offices and shopping centres with most of the financing secured by the syndicated loan.

- Realia opened on June 26 **La Noria Outlet Shopping** in Murcia (south-east of Spain) with a total GLA of 13,806 sqm and 1,525 parking spaces. Carolina Herrera has joined recently to prestigious tenants in the outlet as Nike, Levi's, Dockers, Ray-ban, Adolfo Dominguez, Pepe Jeans..., as well as a great variety of restaurants and a fitness area.
- The opening of the **Phase I** of the Project **in Leganés** (Madrid) is estimated for May 2009, with a total GLA of 50,949 sqm, 81% pre-let to prestigious tenants as Carrefour, Decathlon, Bricoman, and Toys "R" Us.
- **As Cancelas Shopping Centre** in Santiago de Compostela (Galicia) has initiated the commercialization stage. 10,800 sqm (21% of the total GLA) has been pre-let to Carrefour. The opening is estimated for 2010.
- **Torre Realia BCN** is an emblematic office tower located in Barcelona, designed by the prestigious Japanese architect Toyo Ito. Construction work is due to complete in 2009 and will be 117 metres high with 22 floors and an area of 31,957 sqm above ground and 8,800 m² below ground. The tower will become a city landmark due to its emblematic location and design.



View from office tower Torre Realia BCN in Barcelona

Land and Homebuilding

(€mm)	3Q 2008	3Q 2007	% Change
Revenues			
Homebuilding	136.0	208.0	-34.6
Land sales	47.7	255.0	-81.3
Total Revenues	183.6	463.0	-60.3
Gross Margin			
Homebuilding	22.6	46.2	-51.1
Land sales	31.9	142.1	-77.5
Total Gross Margin	54.5	188.3	-71.0
Margin Homebuilding (%)	16.6	22.2	
Margin Land sales (%)	67.0	55.7	

- Total revenues on homebuilding and land sales have decreased versus 2007 due to the difficulties in obtaining financing from potential buyers.
- Gross margin on homebuilding was 16.6% versus 22.2% in Sept 2007 due to price reductions in finish homes sold in 3Q.
- Gross margin on land sales was 67% versus 55.7% in Sept 2007.

Land Management

	3Q 2008		3Q 2007		% Change
	sqm	€m	sqm	€m	
Acquisitions	46,299	37.3	122,442	91.8	-59.4
Disposals	34,861	47.7	243,431	255.0	-81.3
Options	-361,248	-204.9	-14,500	-10.9	
Total	-349,810	-215.3	-135,489	-174.0	23.7

- Realia has acquired urban land plots in Bucharest (Romania) and Sabadell (Cataluña).
- Some options in land for a total value of €204.9m were cancelled without penalties for Realia due to milestones not completed, reducing the total Land Bank. The most significant in Portugal for 163,000 sqm of a total value of €122.3m.
- The implied average cost of the land acquired was c. 805 €/sqm.
- On the land sales, Realia has sold €47.7 million slightly below CBRE valuation as of December 2007, with 67% gross margin (55.7% in 3Q 07). The most significant 17,064 sqm in Madrid.
- The implied average sale price of the land sold was c. 1,367 €/sqm.
- Buildable Land Bank as of Sept 2008 is 2.9 million sqm once deducted the plots already under construction and the land own by minority partners.

Homebuilding



Aquamaris homebuilding development in Denia (Alicante)

Deliveries	Nº Units	Revenues
	Homes	€m
Madrid / Centro	124	30.6
Levante	69	19.2
Andalucía	134	40.5
Cataluña	92	30.4
Canarias	69	12.4
Portugal	15	2.8
Total	503	136.0

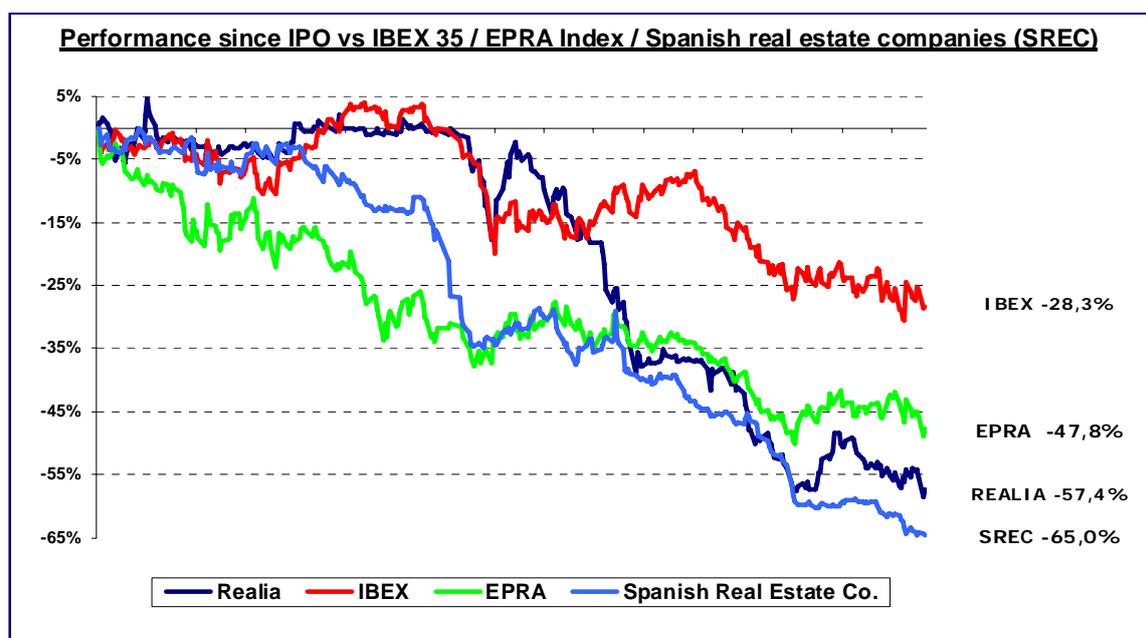
- Most of home's deliveries in 2008 have taken place in Madrid, Sevilla and Cataluña where Realia concentrates his homebuilding activity.

Pre sales evolution	3Q 2008	3Q 2007
(+) Pre-sales		
Number of units	252	414
Total value of contracts (€m)	62.5	105.8
(-) Deliveries		
Number of homes	503	723
Total value of contracts (€m)	136.0	208.0
Pre-sales backlog at EoP		
Number of units	712	1,558
Total value of contracts (€m)	190.2	422.6

- 3Q pre-sales (92) are slightly above pre-sales from previous quarters (82 in 2Q08, 78 in 1Q08, 77 in 4Q07) but due to the difficulties in obtaining financing from potential buyers and the decision from Realia to cancel some homebuilding developments, pre-sales backlog has decreased to €190.2m.

Stock Data

- The stock closed Sept at €2.77, down -57.4% versus the IPO price, while IBEX 35, EPRA Index and Spanish real estate companies have seen falls of -28.3%, -47.8% and -65.0% respectively during the same period.



	2008
Closing Stock Price (€ per share)	2.77
Market cap. EoP (€)	768,332,412
High of the period (€ per share)	6.42
Low of the period (€ per share)	2.70
Daily Trading Volume (€)	994,004
Daily Trading Volume (shares)	240,956

Dividend 2008

- Consistent with its 50% pay-out policy, Realia paid on June 19th a complementary dividend for the 2007 income of €0.014 euro gross per share and the first interim dividend (out of 2008 income) of €0.06 gross per share.

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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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