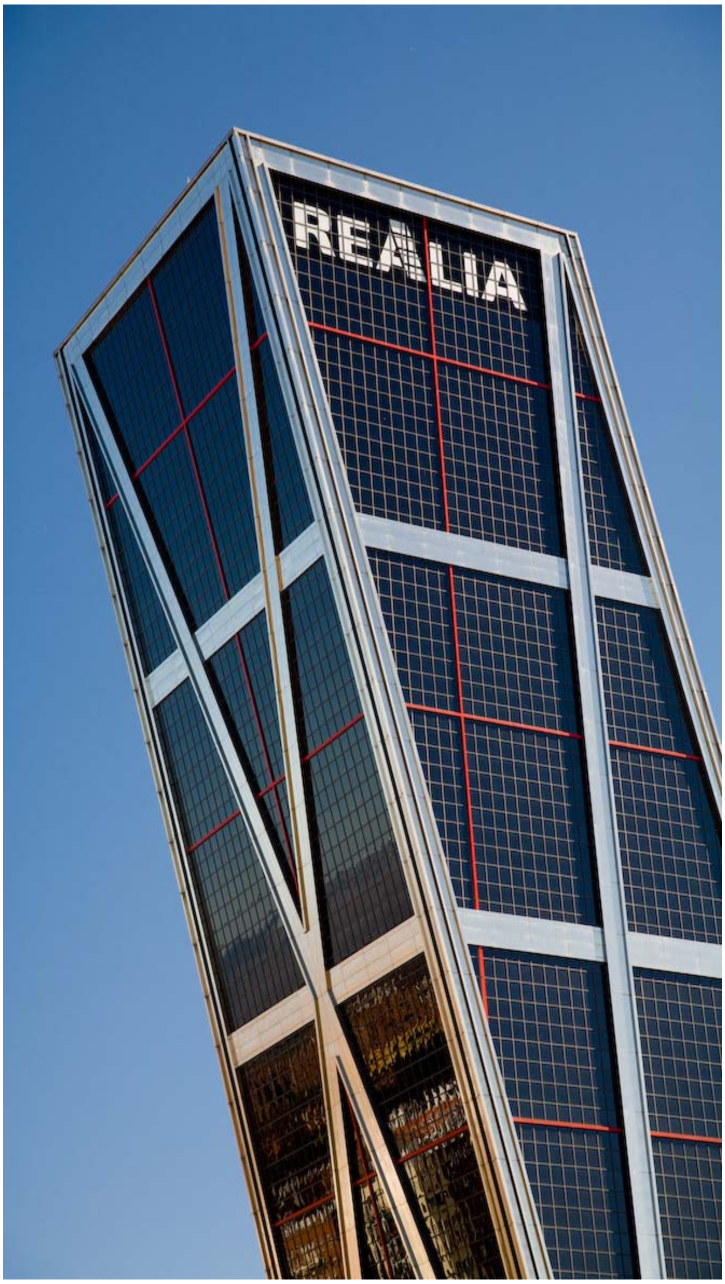
REALIA



January – December 2012 Results

28 February 2013

DEBT REESTRUCTURING, ASSETS VALUATION AND RESULTS

- Realia continues making progress in negotiations to reach a debt restructuring agreement with the pool of banks participating in the syndicated loan related to real estate development (847 million euro) matured last December 30th.

- During 2012, the financial system has faced more restricted real estate assets valuation requirements vs. previous years, with the general impact to the whole real estate sector.

- In this context, Realia has decided to use the ECO valuation method for its residential assets.

- As a result of the change on the valuation method criteria, and the deterioration in the residential business perspectives, the market value of the land bank has decreased from 1,152 million euro in December 2011 to 486 million euro in December 2012, down -58% on a like-for-like basis.

- Although Realia maintains its assets at cost in the balance sheet, an important part of the lower assets valuation has been adjusted against results (provisons) due to be the market value below the book value (268 million euro).

- Additionally, and also due to the lower value of the land bank, the value of the assets from a subsidiary where Realia owns a total stake of 36.10% have been adjusted, resulting on a negative impact of -91.9 million euro.

- Finally, and following a conservative criteria and prudence, Realia has decided not to capitalize part of the tax credit for a total amount of 55.9 million euro.

- As a result from the adjustments previously mentioned, Net result amounted to -319.2 million euro.

- Excluding asset depreciation and asset sales, the result before taxes and minority interests would be -9.9 million euro vs. -16 million euro in 2011.

Highlights 2012

ASSETS VALUATION

- As of December 2012, the total asset valuation (GAV) amounted to 3,537 million euro, down -17% vs. December 2011 mainly due to value adjustments in the land bank.
- Net Asset Value after tax (NNNAV) amounted to 1.92 euro per share as of December 2012, down -48% vs December 2011.
- Commercial Property business represents 81% of the total GAV and residential business 19%.
- 41% of the total GAV (1,463 million euro) is concentrated in Paris office market through the French subsidiary Siic de Paris.
- In 2012 the market value of the land bank has been adjusted -58% vs. 2011. In the period 2007-2012, on a like-for-like asset basis, the market value of the land bank has declined -79% to 154 euro per sqm vs. 744 euro per sqm in December 2006.

COMMERCIAL PROPERTY

- Rental income like-for-like increase 1.4% in 2012 due to the high quality portfolio in Paris.
- Realia sold in Q4, through its French subsidiary Siic de Paris, 30 Notre Dame des Victoires office building in Paris with a GLA of 1,925 sqm for 15 million euro. The sale is in line with the latest CBRE valuation (June 2012) and generates 2.7 million euro of capital gains.
- In 2012 Realia has negociated lease contracts for more than 119,000 sqm, representing more than 20% of the total portfolio, maintaining high occupancy levels despite the complicated market environment.
- As Cancelas Shopping Centre Development in Santiago de Compostela was opened last November 15th with a total GLA of 50,125 sqm with 97% let to prestigious tenants as Carrefour, Primark, Inditex, H&M and Cinesa.

Financial Highlights (31 December 2012)

(€mm)	2012	2011	Var. (%)
Total Revenues	**217,0**	**280,2**	**-22,6**
Rents	**173,0**	**173,4**	**-0,2**
EBITDA	**124,1**	**165,4**	**-25,0**
Recurrent EBITDA (ex asset sales)	**114,5**	**119,8**	**-4,4**
Net Income (Group share)	**-296,3**	**1,2**	
Net Financial Debt	**2.168**	**2.175**	**-0,3**
Nº Shares (mm)	**277,4**	**277,4**	
Earnings per Share (€)	**-1,04**	**0,00**	

Operational Highlights (31 December 2012)

	2012	2011	Var. (%)
Commercial Property			
GLA (sqm)	**602.318**	**605.251**	**-0,5**
Operational	573.834	553.474	3,7
In Progress	28.484	51.777	-45,0
Occupancy rate (%)	**91,1**	**91,4**	
Land & Homebuilding			
Pre-sales			
Total value of contracts (€mm)	23,8	39,1	-39,1
Homes	126	206	-38,8
Pre-sales backlog (€mm)	**10,6**	**20,2**	**-47,5**
Land Bank Consolidated (sqm mm) [1]	**3,2**	**3,3**	**-4,4**
Nº Employees	**145**	**154**	**-5,8**

[1] *Including down payments of land and land from housing developments whit out activity.*

Consolidated Income Statement

(€mm)	2012	2011	Var. (%)
Total Revenues	**217,0**	**280,2**	**-22,6**
Rents	173,0	173,4	-0,2
Sale of assets	6,6	45,6	-85,5
Homebuilding	25,2	52,9	-52,4
Land sales	3,8	5,4	-29,8
Other	8,3	2,9	189,9
Total Gross Margin	**143,6**	**185,5**	**-22,6**
Rents	131,6	132,4	-0,3
Sale of assets	6,6	45,6	-85,5
Homebuilding	2,6	7,8	-67,1
Land sales	3,0	0,0	
Other	-0,3	-0,3	
Overheads	-19,5	-20,1	-3,0
EBITDA	**124,1**	**165,4**	**-25,0**
Amortization	-36,5	-36,6	
Depreciation	-267,8	6,3	
EBIT	**-180,2**	**135,2**	
Financial Result	-84,2	-101,7	
Other Results	-93,6	-4,7	
Results before taxes	**-358,0**	**28,7**	
Taxes	34,6	14,8	
Results after taxes	**-323,4**	**43,5**	
Minority Interests	-4,2	42,3	
Net results (Group share)	**-319,2**	**1,2**	

- The Commercial Property business concentrates the bulk of the activity of the company, representing 83% of the total income and 96% of the gross margin.
- 50% of total rental revenues is generated in Paris.
- Realia has sold Commercial Property assets for a total of 23.6 million euro, generating 6.6 million euro of capital gains.
- Home sales continue affected due to the difficulties in obtaining financing from potential buyers.
- Provisions have been made because of residential assets depreciation for a total amount of 268 million euro.
- Net Financial result includes 9 million euro from the sale of a financial interest.

- Other results reflect the value adjustment made in the assets of a subsidiary where Realia owns a total stake of 36.10%, resulting on a negative impact of -91.9 million euro.
- Realia has decided to not capitalize part of the tax credit of a total amount of 55.9 million euro.
- Net Income amounted to -319.2 million euro vs. 1.2 million euro in 2011, mainly due to lower capital gains from assets sales and provisions made because of residential assets depreciation.
- Excluding asset depreciation and asset sales, the result before taxes and minority interests would have been -9.9 million euro vs. -16 million euro in 2011.

Consolidated Balance Sheet

(€mm)	2012	2011		2012	2011
Tangible Fixed assets	9	9	Equity	181	462
Investment Property	2.332	2.319	Minority Shareholders	512	525
Financial Investment	26	94	Financial Debt	1.853	2.260
Inventories	579	882	Current Creditors	53	64
Accounts Receivable	60	61	Other Liabilities	797	304
Treasury and Equivalents	204	85			
Other Assets	186	165			
Total Assets	**3.396**	**3.615**	**Total Pasivo**	**3.396**	**3.615**

Realia accounts the value of its assets according to its acquisition cost instead of its market value

- The equity of Realia as of December 2012 amount to 158 million euro due to losses in 2012 net income.
- Realia accounts the value of its assets according to its acquisition cost instead of its market value. The book value of assets as of December 2012 totalled 2,923 million euro (vs. 3,404 million euro in 2011), therefore Realia holds unrealised and unrecognised capital gains after minorities and tax of 365 million euro, which do not appear on the balance sheet.

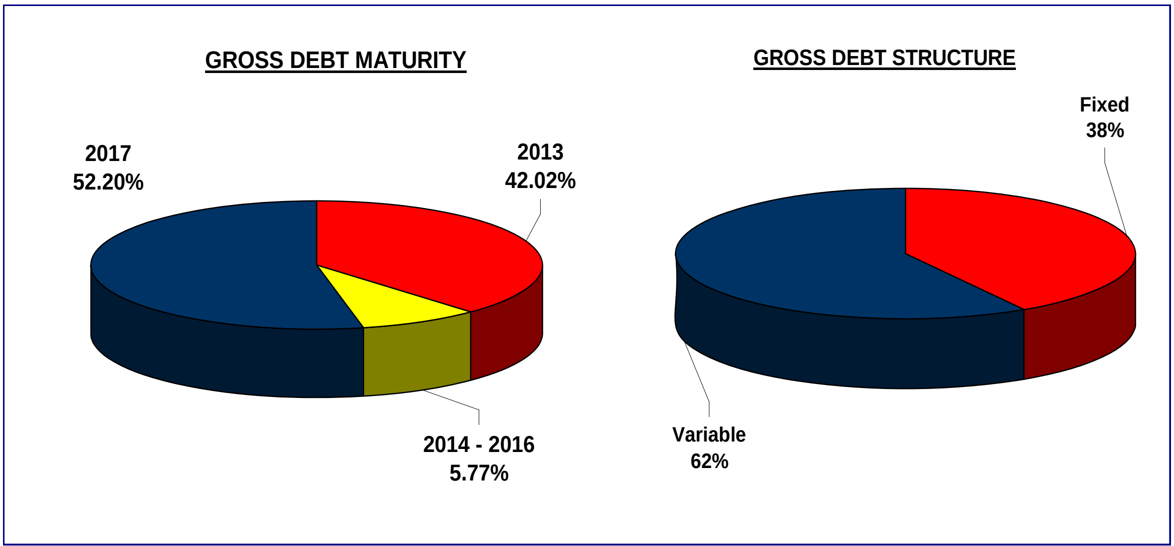
	Book Value	GAV (CBRE)	GAV Realia´s share	Capital Gains	Capital Gains Realia´s share	Capital Gains After Taxes
Commercial Property	2.338	2.875	1.998	542	386	321
Land & Homebuilding	585	662	622	72	63	44
Assets Realia Group	2.923	3.537	2.620	614	449	365

- Last December 31st, Bankia has transferred to Sareb its loan in Realia related to real estate development for a total amount of 438 million euro and its shareholder´s loan of 56 million euro, reflected in other liabilities.

Financial Structure

Financial Structure	2012	2011
Syndicated loan	2.174,6	2.083,7
Credit lines	30,0	40,5
Mortgage loans	127,3	124,8
Loans	39,7	10,7
Total Gross Financial Debt	**2.371,6**	**2.259,8**
Treasury	150,4	59,1
Treasury equivalents	53,5	25,5
Total Net Financial Debt	**2.167,7**	**2.175,2**

- Realia has treasury and treasury equivalents for a total of 203.9 million euro.
- Realia continues making progress in negotiations to reach a debt restructuring agreement with the pool of banks participating in the syndicated loan related to real estate development maturated last December 2012.
- Last December 28th, Realia reached an agreement with five of the seven banks that participate on a syndicated loan. The five banks, which represent 93.55% of the total syndicated loan, signed a stand-still compromise until March 27th in order to complete debt restructuring negotiations.
- The total amount of the syndicated loan is 847 million euro.



Assets Valuation

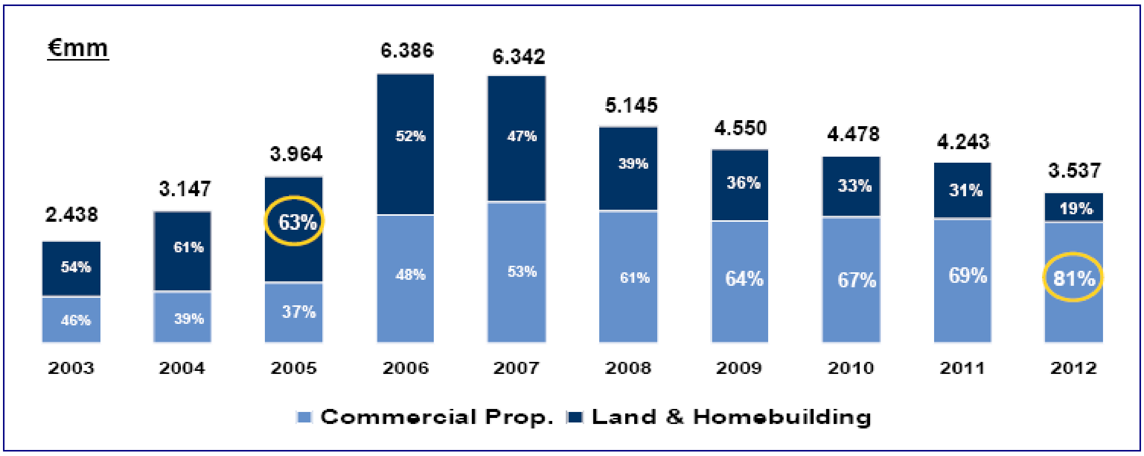
- The asset valuation as of December 2012 has been made by two independent experts: CB Richard Ellis, as previous years, has valuated the commercial property portfolio, and TINSA has valuated the residential portfolio.
- The reason to change the appraiser on the residential portfolio is due to the change on the valuation method criteria. TINSA has applied the ECO Method instead of the RICS Method applied by CB Richard Ellis in previous years.
- The ECO Method uses the mortgage value, sustainable, versus the market value. It is characterized by the use of a conservative criteria on the different valuation methods, standing out the valuation as rustic land for land plots in the planning and zoning stages of development.

(€mm)	2012 [1]	2011 [1]	Var. (%)
Commercial Property	2.875	2.899	-0,8
Homebuilding	176	192	-8,3
Land Bank	486	1.152	-57,8
Total Assets Valuation	**3.537**	**4.243**	**-16,6**

[1] *Excluding transfer cost.*

- As of December 2012, the total asset valuation (GAV) amounted to 3,537 million euro.
- Commercial Property business represents 81% of the total GAV and residential business 19%.
- 41% of the total GAV (1,463 million euro) is concentrated in Paris office market through the French subsidiary Siic de Paris.
- The loan-to-value (LTV) ratio as of December 2012 stands at 61%.

Gross Assets Value Evolution (GAV)



2011 and 2012 excluding transfer cost.

Commercial Property Valuation

	sqm	GAV 2012 [1]	GAV 2011 [1]	Change (%)	LfL (%)	Yield 2012 (%) [2]	Yield 2011 (%) [2]	GAV € / sqm
Offices	**398.309**	**2.260,5**	**2.300,0**	**-1,7**	**1,4**	**5,8**	**5,8**	**5.675**
Spain	**242.033**	**981,6**	**1.007,8**	**-2,6**	**0,0**	**6,1**	**6,1**	**4.056**
CBD	80.999	482,0	495,1	-2,6	0,1	5,7	5,7	5.950
BD	61.387	230,0	233,8	-1,6	1,0	6,2	6,2	3.747
Periphery/Other	99.647	269,7	279,0	-3,3	-0,9	6,9	6,8	2.706
France	**156.276**	**1.278,9**	**1.292,2**	**-1,0**	**2,5**	**5,5**	**5,6**	**8.183**
CBD	57.742	682,9	689,9	-1,0	6,4	5,0	5,2	11.826
BD	75.914	480,5	489,9	-1,9	-2,0	6,6	6,5	6.329
Periphery/Other	22.620	115,5	112,6	2,6	2,6	4,0	4,1	5.106
Retail & Leisure	**138.941**	**344,9**	**255,8**	**34,9**	**-2,1**	**8,0**	**7,9**	**2.483**
Other Assets [3]	**36.585**	**18,7**	**19,9**	**-6,1**	**-3,7**	**6,4**	**6,3**	**510**
Pipeline	**152.293**	**250,9**	**322,9**	**-22,3**				**1.648**
Total	**726.127**	**2.875,0**	**2.898,6**	**-0,8**	**1,8**	**6,0**	**6,0**	**3.959**

[1] *Excluding transfer cost.*

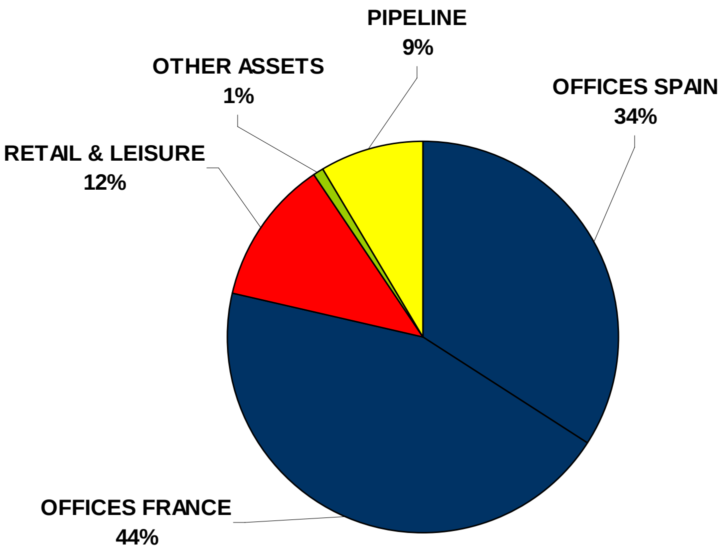
[2] *Passing rents as of Dec. 2012 (assuming 100% occupancy) divided by property values (CBRE).*

[3] *Mainly a warehouse in Logroño (Spain)*

- The market value of the commercial property portfolio amounted to 2,875 million euro, -0.8% below December 2011.
- On a *like-for-like* asset basis, the value increase 1,8% with comparable assets in December 2011.
- The market value of the Spanish offices portfolio is in line on a *like-for-like* asset basis with December 2011.
- The market value of the offices portfolio from the French subsidiary of Realia, Siic de Paris, shows an increase of 2.5% vs. comparable assets in December 2011, confirming the positive performance of the Paris prime office market with strong volumes in the investment market.
- On a like-for-like asset basis, the market value of the retail & leisure portfolio has declined -2.1% against comparable assets in December 2011, due to the decline on market rents and the deterioration in consumer expending perspectives.
- Current yield (rents as of Dec. 2012 assuming 100% occupancy divided by property values based on market appraisal from CB Richard Ellis) stands at 6.0%.

Commercial Property Valuation

(GAV)



Main Assets by market value (GAV)

Assets	Location	Use	GLA
Puerta Europa	Madrid	Offices	28.424
Tour Coface	Paris	Offices	28.418
61/63 rue des Belles Feuilles	Paris	Offices	11.653
10/12/14 rue de Tilsitt	Paris	Offices	7.429
Torre Realia BCN	Barcelona	Offices	31.960
Salvador de Madariaga 1	Madrid	Offices	24.850
Francois Ory, Montrouge	Paris	Offices	14.038
16 à 22 rue du Capitane Guynemer	Paris	Offices	12.008
Plaza Nueva Parque Comercial	Leganés	Retail	52.065
C.C. Ferial Plaza	Guadalajara	Retail	31.971

Land and Homebuilding Valuation

- The asset valuation for the residential portfolio has been made by independent expert TINSA, instead of CB Richard Ellis (2006-2011), according to the ECO Method instead of RICS Method:

(€mm)	2012 [1]	2011 [2]	*% Change*
Land Bank	**486**	**1.152**	**-57,8**
Started Projects	**26**	**40**	**-34,6**
Finisheds Projects	**150**	**152**	**-1,5**
Total	**662**	**1.345**	**-50,7**

[1] *Valuation according to the ECO Method*

[2] *Valuation according to the RICS Method*

- The market value of the residential portfolio amounted to 662 million euro, -51% below December 2011, mainly due to value adjustments in the land bank:

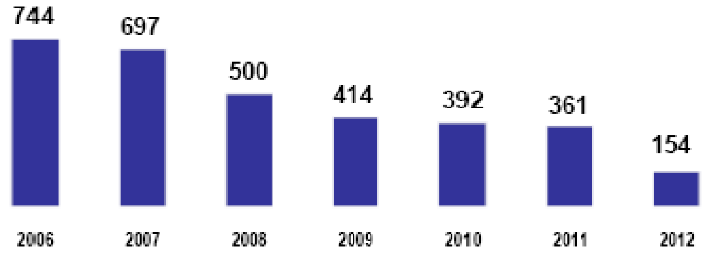
	Gross land (000) sqm	Building land (000) sqm	GAV 2012 [1] €mm	€ / sqm	GAV 2011 [2] €mm	€ / sqm	*% Change*
Zoning	3.135	904	48	54	126	140	-61,5%
Planning	3.202	1.416	106	75	541	383	-80,4%
Urbanization	279	269	82	305	130	483	-36,8%
Project	587	571	250	437	355	622	-29,7%
Total	**7.203**	**3.159**	**486**	**154**	**1.152**	**361**	**-57,8%**

[1] *Valuation according to the ECO Method*

[2] *Valuation according to the RICS Method.*

- In the period 2007-2012, on a *like-for-like* asset basis, the market value of the land bank has declined -79.8% to 154 euro per sqm vs. 744 euro per sqm in December 2006.
- Main value adjustments have been made to land plots in the planning and zoning stages of development, where the prudence criteria of the ECO Method has more impact, considering those land plots as rustic land.
- In those land plots in the urbanization and Project stages of development, the value adjustments reflect the deterioration in the residential market.

Land Bank Gross Assets Value (GAV) Evolution (€ / sqm)



Net Assets Value (NNNAV)

(€mm)	Property 2012	Property 2011	Residential 2012	Residential 2011	TOTAL 2012	TOTAL 2011	Var. %
Total GAV	**2,875**	**2,942**	**662**	**1,345**	**3,537**	**4,286**	**-17.5**
Minorities	877	897	40	102	917	999	**-8.2**
GAV Realia	1,998	2,045	622	1,243	2,620	3,287	**-20.3**
Book value of assets	1,616	1,610	556	990	2,172	2,600	**-16.5**
Latent capital gains	383	434	66	253	449	687	**-34.6**
Tax	64	68	20	76	84	144	**-41.7**
Latent capital gains after tax	319	366	46	177	365	543	**-32.8**
Adjustments					7	8	**-12.9**
Equity					158	462	**-65.8**
NNAV (before tax)					**615**	**1,157**	**-47.0**
NNNAV (after tax)					**530**	**1,012**	**-47.7**
Number of shares (mm)					**277.4**	**277.4**	
NNAV (before tax) per share (€)					**2.22**	**4.19**	**-47.0**
NNNAV (after tax) per share (€)					**1,92**	**3.67**	**-47.7**

- Net Asset Value after tax (NNNAV) amounted to 1.92 euro per share as of December 2012, down -48% vs December 2011 mainly due to value adjustments in the land bank.

GAV (Gross Asset Value)	**3,537**
- Minorities	**-917**
- Net debt (ex - minorities)	**-1,993**
- Net other assets / liabilities	**-15**
- Taxes on potential capital gains	**-84**
NNNAV (Net Asset Value after tax)	**530**

Net Assets Value Evolution (NNNAV)

	2006	2007	2008	2009	2010	2011	2012
NNNAV (€mm)	2,426	2,258	1,576	1,195	1,077	1,012	530
NNNAV (€ per share)	8.75	8.31	5.83	4.34	3.91	3.67	1.92
Share price as of Dec. 31st	6.5 [1]	6.5	1.55	1.66	1.56	1.09	0.75
Discount NNNAV	**-26%**	**-22%**	**-73%**	**-62%**	**-60%**	**-70%**	**-61%**

[1] 2006 stock price is the IPO price (June 2007)

Commercial Property

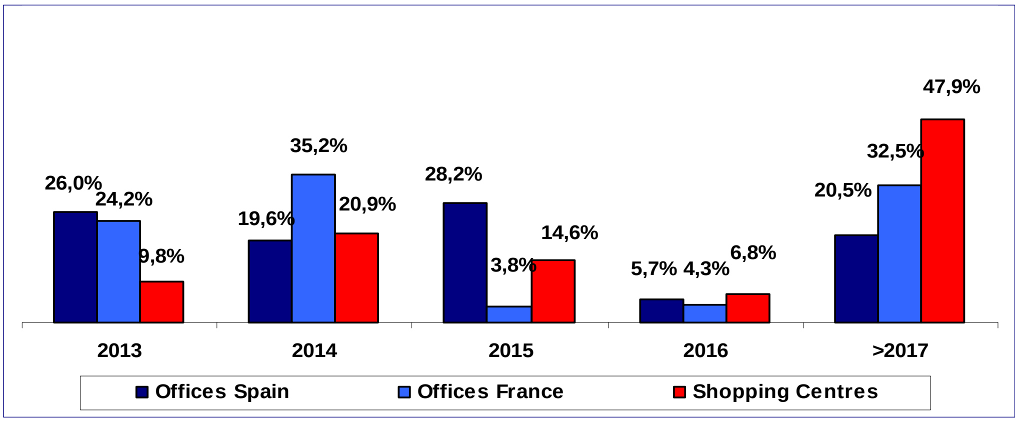
Rental Income

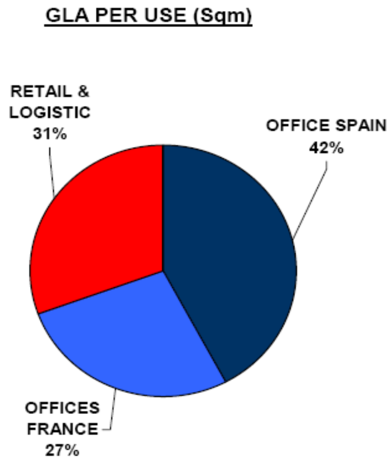
(€mm)	2012	2011
Rental income	145.7	145.7
Income from expenses charged	27.3	27.7
Total Revenues	**173.0**	**173.4**
Expenses charged	-37.4	-36.9
Expenses non charged	-4.0	-4.1
Gross Margin	**131.6**	**132.4**
Margin (%)	***90.3***	***90.9***

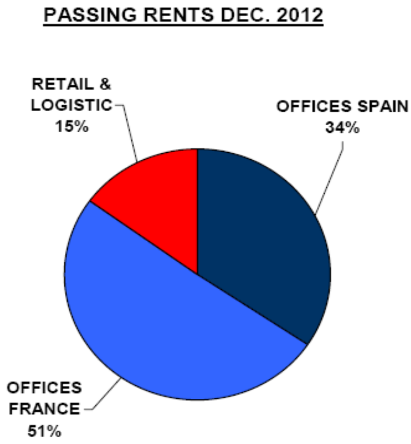
(€mm)	2012	2011	*% Change*	Like for Like (%)	Occupancy (%)
Offices	**128.5**	**127.6**	**0.7**	**2.4**	**91.4**
Spain	54.5	54.2	0.6	-0.3	89.8
France	74.0	73.4	0.8	4.7	93.8
Retails & Leisure	**16.0**	**16.5**	**-3.0**	**-5.1**	**88.0**
Other	**1.2**	**1.7**	**-29.4**	**-3.5**	**100.0**
Total Revenuess	**145.7**	**145.7**	**0.0**	**1.4**	**91.1**

- Rental income *like-for-like* increase 1.4% in 2012 due to the high quality portfolio.
- French offices *like-for-like* rental income has increased 4.7% mainly due to indexation effects.
- Spanish offices *like-for-like* rental income has decreased -0.3% due to rent reductions in leases renewed in 2012.
- Retail & Leisure rental income has decreased -3.0% mainly as a result of some incentives in leases renewed in 2012 and 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)







Asset Sales

- Consistent with the policy of asset rotation, Realia has sold assets through its French subsidiary Siic de Paris, for a total of 23.6 million euro, with 5.1 million euro of capital gains:
  - Realia sold in Q4, through its French subsidiary Siic de Paris, 30 Notre Dame des Victoires office building in Paris with a GLA of 1,925 sqm for 15 million euro. The sale is in line with the latest CBRE valuation (June 2012) and generates 2.7 million euro of capital gains.
  - Realia sold in first quarter 2012, through the French subsidiary Siic de Paris, 65 rue de Courcelles in Paris with a GLA of 911 sqm for 8.6 million euro. The sale was in line with the latest CBRE valuation (December 2011) and generates 2.3 million euro of capital gains.

*** Realia accounts the value of its assets according to its acquisition cost instead of its market value**

Pipeline

- In the period 2013-2014 Realia intends to carry out some investments which will provide a bigger Commercial Property portfolio and additional rental growth:

Pipeline	Location	Use	GLA	Total investment	Incurred investment	Annual rent expected	Opening
163 Malesherbes [1]	Paris	Offices	1,294	5.5	0.7	0.9	2.014
73 Rue d´Anjou [1]	Paris	Offices	1,147	0.9	0.1	0.5	2.013
36 Rue de Liège [1]	Paris	Offices	1,600	2.6	0.0	0.8	2.013
22/24 Vendome [1]	Paris	Offices	1,650	3.4	0.5	1.1	2.013
Les Miroirs [1]	Paris	Offices	22,793	41.0	21.9	9.7	2.013
Total Pipeline			**28,484**	**53.4**	**23.2**	**13.0**	

[1] ***Under refurbishment.***

- 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)	2012	2011	*% Change*
Revenues			
Homebuilding	25.2	52.9	-52.4
Land sales	3.8	5.4	-29.8
Total Revenues	**29.0**	**58.3**	**-50.3**
Gross Margin			
Homebuilding	2.6	7.8	-67.1
Land sales	3.0	0.0	
Total Gross Margin	**5.6**	**7.9**	**-29.0**
MargIn Homebuilding (%)	***10.2***	***14.8***	
MargIn Land sales (%)	***78.9***	***0.0***	

- Home sales continue affected due to the difficulties in obtaining financing from potential buyers.
- However, revenues have increased in 4Q 2012 due to the increase on deliveries before the year ends because of the rise in VAT rate in 2013 and the finalisation of a homebuilding development in Fuenlabrada (Madrid) where 38 homes have been delivered.
- Realia has delivered 148 homes in 2012 for a total amount of 25.2 million euro:

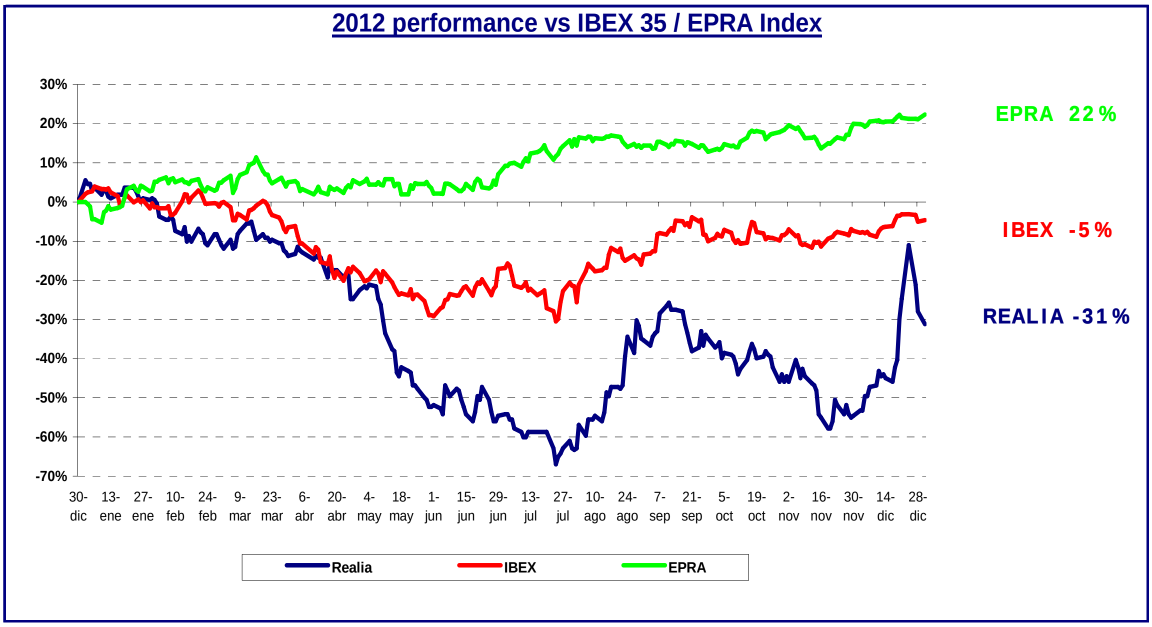
Deliveries	Nº Units Homes	Revenues €mm
Madrid / Centre	59	10.4
Levante	38	6.7
Cataluña	22	4.0
Poland	15	2.0
Andalucía	10	1.5
Canary Islands	3	0.3
Portugal	1	0.3
Total	**148**	**25.2**

- Pre-sales amounted to 126 homes in 2012 for a total amount of 23.8 million euro:

Pre sales evolution	2012	2011
(+) Pre-sales		
Number of units	126	206
Total value of contracts (€mm)	33.8	39.1
(-) Deliveries		
Number of homes	148	274
Total value of contracts (€mm)	25.2	52.9
Pre-sales backlog at EoP		
Number of units	32	96
Total value of contracts (€mm)	10.6	20.2

- Realia has a total stock of 936 homes (153 under construction and 783 finished) of which 32 had already been pre-sold and 904 for sale (306 in Madrid and central area, 252 in Andalusia, 154 in Levante, 122 in Catalonia, 36 in Warsaw (Poland), 22 in Portugal, and 12 in Canary Islands).

Stock Data



	2012
Closing Stock Price (€ per share)	0.75
Market cap. EoP (€)	208,032,242
High of the period (€ per share)	1,19
Low of the period (€ per share)	0,35
Daily Trading Volume (€)	130,770
Daily Trading Volume (shares)	98,567

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LEGAL DISCLOSURE

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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