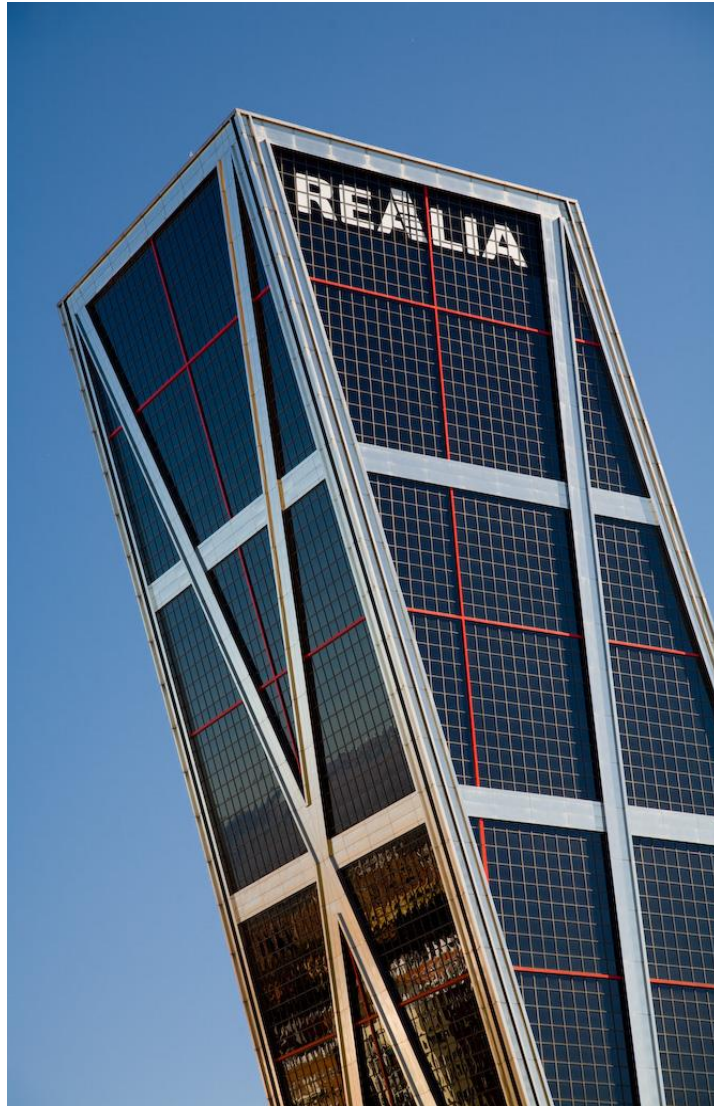


# REALIA



**January-June 2015 Results**

*30 July 2015*

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## 1.- SUMMARY

### RESULTS

- Net result for the group in 1H 2015 was €1,1m vs. €-18,6m in 1H 2014. Earnings before taxes reached €6,3m vs. €-11,9m in 2014. This improvement in the financial results is mainly due to higher operational margins and lower financial costs.

### FINANCIAL SITUATION

- Realia net financial debt reaches €1.082m, 33,7% below 1H 2014 and €11m below FY 2014, due to the Company cash generation capacity.
- Following the reduction of indebtedness, low interest rates and the expiration of all interest rate swaps in June 2014, the net financial result has improved by 62,3%. It has gone from €-27,9m in 1H 2014 to €-10,5m in 1H 2015.
- As of 30 June 2015, Realia has a gross financial debt of €1.690m and €608m in treasury and equivalents.

### COMMERCIAL PROPERTY

- Gross rental income (including expenses charged to tenants) reached €39,4m, 0,7% lower than 1H 2014. This is 78,5% of the total income of the company.
- Occupancy levels reached 90,6%, 0,4% below 1H 2014. Offices have reached an occupancy of 90%. Shopping centres have reached an occupancy of 88,4%.

### RESIDENTIAL DEVELOPMENT

- Realia has delivered 52 homes for an amount of €9,7m, due to a more selective sales policy.
- There is a stock of 602 units (homes, offices and small retail) finished non-delivered (11 pre-sold). There are also 58 land plots to be sold for family houses.
- Realia land bank has a buildable area of 1.870.289 sqm (Duse is not included), 49% of these land plots are located in Madrid and in the Centre region of Spain.

### FINANCIAL RESTRUCTURING AND OPAs

- Throughout 2014, Goldman Sachs and Realia have been working together to comply with the debt refinancing agreement signed in 2013 by Realia Business. The aim of this agreement is searching for investors to repay this debt, recapitalizing the Company and the sale of FCC and Bankia stake.
- Last November 21, Hispania issued a public announcement of its intention to launch a VTO for the shares of Realia, at a price of 0,49 Euro/share, and the subsequent recapitalization of the Company.
- On March 11, the prospectus obtained the CNMV (Spanish Stock Market Regulator) approval. Likewise, within the legal term of ten calendar days, the Board of Directors of the Company issued the required report in which it expresses its opinion in the sense that the offered price was "not fair" from the financial view point.
- FCC has also announced that its stake in Realia is not for sale.

- In March, Inmobiliaria Carso announced its intention to launch a VTO at a price of 0,58 Euro/share and has also signed an agreement with Bankia to acquire its stake, at said price. This operation took place in June 2015.
- On March 27, the CNMV (Spanish Stock Market Regulator) gave leave to proceed with this competing offer. Therefore, Hispania's VTO acceptance period was interrupted and on June 23 it was finally accepted. The new acceptance period for both VTOs has been established from June 25 to July 24, both dates included.
- On July 2, within the time period established by law, the Board of Directors of the Company, issued a report in which it expresses its opinion in the sense that the price offered by Inmobiliaria Carso was "not fair" from the financial view point.
- On July 23, Hispania has withdrawn its bid for Realia. The acceptance period for Inmobiliaria Carso's VTO reached its deadline on 24<sup>th</sup> July, with a rate of adherence of 0,15% (459.940 shares).
- Therefore, the new breakdown of the shareholding structure of the company is the following: FCC (36,85%), Inmobiliaria Carso (25,1%) and Free Float (38,05%).

**2.- FINANCIAL HIGHLIGHTS**

(€mm)	1H 2015	1H 2014	Var. (%)
<b>Total Revenue</b>	<b>50,2</b>	<b>62,5</b>	<b>-19,7</b>
<b>Income</b>	<b>39,4</b>	<b>39,7</b>	<b>-0,7</b>
<b>EBITDA</b>	<b>19,2</b>	<b>15,0</b>	<b>28,0</b>
<b>Net Result (Group share)</b>	<b>1,1</b>	<b>-18,6</b>	<b>105,8</b>
<b>Net Financial Debt</b>	<b>1.082</b>	<b>1.631</b>	<b>-33,7</b>
<b>Nº Shares (mm)</b>	<b>307,4</b>	<b>307,4</b>	<b>0,0</b>
<b>Earnings per Share (€)</b>	<b>0,004</b>	<b>-0,060</b>	<b>105,8</b>

**3.- OPERATIONAL HIGHLIGHTS**

	1H 2015	1H 2014	Var. (%)
<b>Commercial Property</b>			
<b>GLA (sqm)</b>	<b>418.847</b>	<b>418.122</b>	<b>0,2</b>
Operational	418.847	418.122	0,2
In Progress	0	0	
<b>Occupancy rate (%)</b>	<b>90,6</b>	<b>91,0</b>	<b>-0,4</b>
<b>Land &amp; Homebuilding</b>			
<b>Pre-sales</b>			
Total value of contracts (€mm)	9,7	14,4	-32,4
Units	52	75	-30,7
<b>Land Bank Consolidated (sqm)</b>	<b>1.870.289</b>	<b>1.870.289</b>	<b>0,0</b>
<b>Nº Employees</b>	<b>100</b>	<b>101</b>	<b>-1,0</b>

<sup>(1)</sup> DUSE buildability is not included (547.141 sqm in Polígono Aeropuerto – Sevilla)

Number of Employees	06/30/2015	06/30/2014	Var. (%)
<b>Total (*)</b>	<b>100</b>	<b>101</b>	<b>-1,0</b>
Realia Business	48	50	-4,0
Realia Patrimonio	4	4	0,0
Hermanos Revilla (*)	47	46	2,2
Realia Polska	1	1	0,0

<sup>(1)</sup> It includes 35 people working at reception and concierge services in buildings

**4.- CONSOLIDATED INCOME STATEMENT**

(€mm)	1H 2015	1H 2014	Var. (%)
<b>Total Revenue</b>	<b>50,2</b>	<b>62,5</b>	<b>-19,7</b>
Rents	39,4	39,7	-0,7
Sale of assets	0,1	0,0	150,0
Homebuilding	9,7	14,4	-32,7
Land sales	0,0	7,7	-100,0
Other	1,0	0,7	42,0
<b>Total Gross Margin</b>	<b>24,7</b>	<b>20,5</b>	<b>20,2</b>
Rents	27,3	27,9	-2,3
Sale of assets	0,1	0,0	150,0
Homebuilding	-2,6	-2,5	-2,8
Land sales	0,0	-4,8	100,0
Other	-0,2	-0,2	10,0
Overheads	-5,5	-5,5	0,9
<b>EBITDA</b>	<b>19,2</b>	<b>15,0</b>	<b>27,9</b>
Amortization	-7,2	-7,8	7,7
Depreciation	4,4	8,6	-48,9
<b>EBIT</b>	<b>16,4</b>	<b>15,8</b>	<b>3,6</b>
Financial result	-10,5	-27,9	62,3
Equity method	0,5	0,2	114,3
<b>Earnings before taxes</b>	<b>6,3</b>	<b>-11,9</b>	<b>153,2</b>
Taxes	-2,4	-1,4	-66,7
<b>Result discontinued activities</b>	<b>0,0</b>	<b>-5,7</b>	<b>100,0</b>
<b>Results after taxes</b>	<b>4,0</b>	<b>-19,0</b>	<b>120,9</b>
Minority Interests	2,9	-0,4	767,4
<b>Net Results (Group share)</b>	<b>1,1</b>	<b>-18,6</b>	<b>105,9</b>

- Company total revenue amounted €50,2m, a decrease of 19,7% vs. 1H 2014, as a consequence of a fall on homes and land bank sales.
- Commercial Property business concentrates the bulk of the activity of the Group, 78,7% of its revenue and more than 100% of the total gross margin. Residential business has gone down by 32,4% vs. 2014 due to a more selective sales policy.
- EBITDA has increased 28,1% (€19,2m vs. €15m in 1H 2014). The margin in 2014 was penalized in €4,8m because of the sale of land bank in Poland.
- General expenses amounted €5,5m.

- Following the expiration of all interest rate swaps, the reduction of indebtedness and low interest rates, financial results have improved 62,3% and have reached €-10,5m in 1H 2015 vs. €-27,9m in 1H 2014.
- Provisions for €4,4m have been reversed, mainly related to finished residential products (€3,5m) and risks & litigations (€0,9m).
- Net result has amounted €1,1m, meaning an improvement of 106% vs. €-18,6m in 1H 2014, as a consequence of better margins in different business areas, cost control and a decrease in financial costs.
- Net income has amounted €6,3m vs. €-11,9m in 1H 2014.

## 5.- CONSOLIDATED BALANCE SHEET

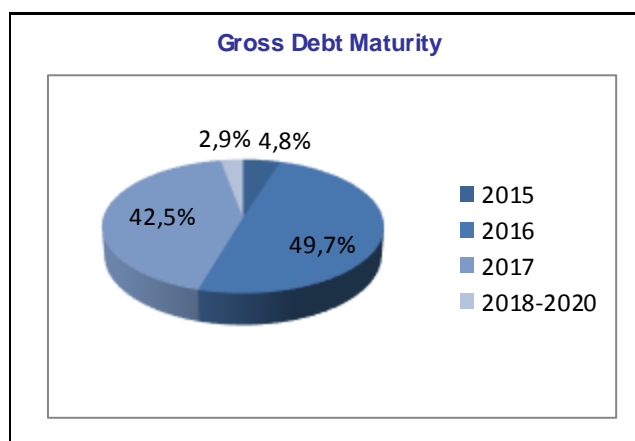
(€mm)	06/30/2015	12/31/2014		06/30/2015	12/31/2014
Tangible fixed assets	6	6	Equity	166	165
Investment property	881	886	Minority shareholders	135	136
Inventories	396	403	Financial debt	1.690	1.711
Accounts receivable	20	18	Current creditors	27	25
Treasury and equivalents	608	618	Other liabilities	104	104
Other assets	212	212			
<b>Total Assets</b>	<b>2.122</b>	<b>2.142</b>	<b>Total Liabilities</b>	<b>2.122</b>	<b>2.142</b>

- Realia accounts for the value of its assets at lower of acquisition or market value.

**6.- FINANCIAL STRUCTURE**

	REALIA Patrimonio	REALIA Business	1H 2015	1H 2014	Var. (%)
	Commercial Property	Land & Homebuilding			
Syndicated loans	822	789	1.610	1.621	-0,7
Other loans	58	15	73	75	-2,9
Interests	0	9	9	9	-1,1
Debt formalisation expenses	-3	0	-3	-4	31,0
<b>Total Gross Financial Debt</b>	<b>877</b>	<b>813</b>	<b>1.690</b>	<b>1.702</b>	<b>-0,7</b>
Cash and equivalents	566	42	608	70	763,5
<b>Total Net Financial Debt</b>	<b>311</b>	<b>771</b>	<b>1.082</b>	<b>1.631</b>	<b>-33,7</b>

- As of 30 June 2015, Realia's gross debt (with financial institutions) was €1.690m. vs. €1.702m in the same period last year (reduced in 0,7%).
- Cash & Equivalents reach €608m, therefore its financial debt (with financial institutions) is of €1.082m vs. €1.631m in 1H 2014, it has gone down by 33,7%.
- 4,8% of the total debt matures in 2015, 49,7% in 2016 and 45,5% in 2017 or after.
- As of 30 June, financial costs were 1,49% vs. 3,30% as of December 2014.





**7.- COMMERCIAL PROPERTY**
Rents

(Thousands of Euros)	1H 2015	1H 2014	Var. (%)
Rental income	33.769	33.399	1,1%
Other income	8.724	8.771	-0,5%
<b>Total Revenue</b>	<b>42.493</b>	<b>42.170</b>	<b>0,8%</b>
Expenses incurred	-11.292	-10.701	-5,5%
Other Expenses	-2.325	-2.464	5,6%
<b>Gross Margin</b>	<b>28.876</b>	<b>29.005</b>	<b>-0,4%</b>
<b>Margin (%)</b>	<b>85,5%</b>	<b>86,8%</b>	<b>-1,5%</b>

(\*) The data in this chart don't follow the New International Reporting Standards concerning listed companies.. There are operating data of the business and the data of As Cancelas appear proportionally (50%). SIIC de Paris and Setecamos don't appear neither in 2015 nor in 2014.

Rental Income
**Breakdown of rents by sector**

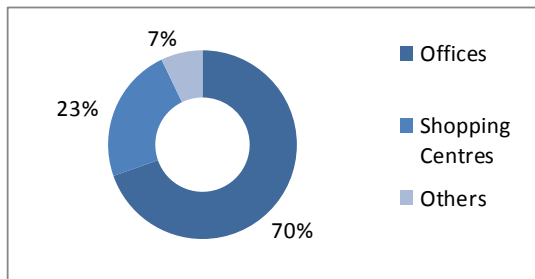
(Thousands of Euros)	1H 2015	1H 2014	Var. (%)	GLA (sqm)	Ocup. 2015 (%)	Ocup. 2014 (%)
<b>Offices</b>	<b>23.515</b>	<b>23.243</b>	<b>1,2%</b>	<b>244.844</b>	<b>90,0%</b>	<b>91,4%</b>
CBD	10.858	10.495	3,5%	84.385	92,8%	94,6%
BD	6.282	6.106	2,9%	60.808	95,1%	94,9%
Periphery	6.375	6.642	-4,0%	99.651	84,4%	86,8%
<b>Retail</b>	<b>7.843</b>	<b>7.687</b>	<b>2,0%</b>	<b>128.674</b>	<b>88,4%</b>	<b>87,2%</b>
<b>Other</b>	<b>2.412</b>	<b>2.469</b>	<b>-2,3%</b>	<b>45.329</b>	<b>100,0%</b>	<b>100,0%</b>
<b>Total Revenue</b>	<b>33.769</b>	<b>33.398</b>	<b>1,1%</b>	<b>418.847</b>	<b>90,6%</b>	<b>91,0%</b>

**Breakdown of rents by geographical area**

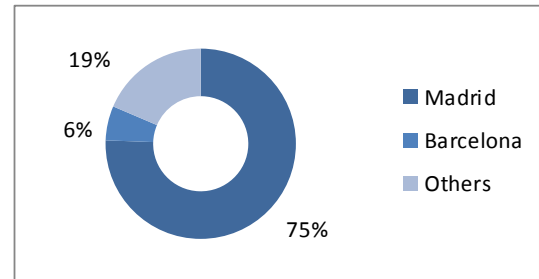
(Thousands of Euros)	1H 2015	1H 2014	Var. (%)	GLA (sqm)	Ocup. 2015 (%)	Ocup. 2014 (%)
<b>Madrid</b>	<b>25.518</b>	<b>25.011</b>	<b>2,0%</b>	<b>267.583</b>	<b>92,6%</b>	<b>93,0%</b>
CBD	11.197	10.834	3,4%	79.528	93,8%	96,3%
BD	7.152	7.022	1,9%	67.689	95,6%	95,4%
Periphery	7.169	7.155	0,2%	120.366	90,0%	89,5%
<b>Barcelona</b>	<b>1.974</b>	<b>2.053</b>	<b>-3,8%</b>	<b>32.321</b>	<b>81,8%</b>	<b>90,7%</b>
<b>Other</b>	<b>6.276</b>	<b>6.334</b>	<b>-0,9%</b>	<b>118.943</b>	<b>88,5%</b>	<b>87,0%</b>
<b>Total Revenue</b>	<b>33.769</b>	<b>33.398</b>	<b>1,1%</b>	<b>418.847</b>	<b>90,6%</b>	<b>91,0%</b>

- Total Rental income (rents and expenses) have risen by 0,8% in the whole of the portfolio. Rents have gone up 1,1% and occupancy has gone down 90,6% (91% in 1H 2014).
- Office rental income (rents without expenses) has gone up 1,2% and occupancy has gone down 1,4% (reaching 90%) due to several tenants that have left spaces: 2.876 sqm in Torre REALIA Barcelona and 2.688 sqm in Nudo Eisenhower III (Madrid).
- Retail rental income (rents without expenses) has gone up by 2% and the occupancy has risen by 1,2% (reaching 88,4%).

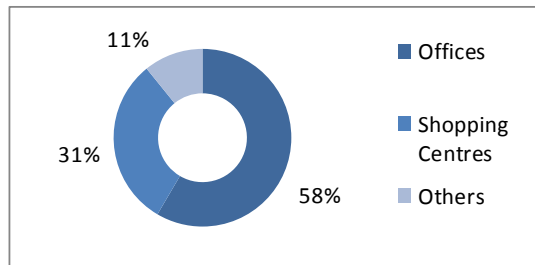
**Rents by sector**



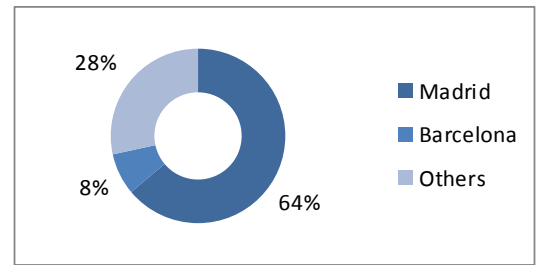
**Rents by geographical area**



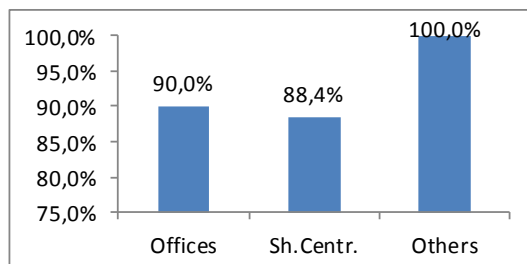
**GLA by sector**



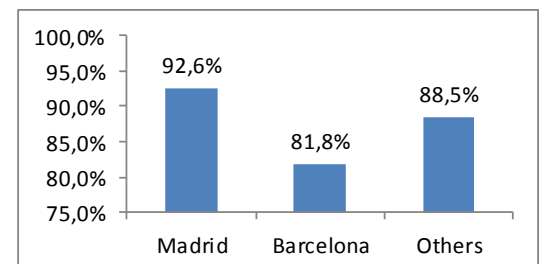
**GLA by geographical area**



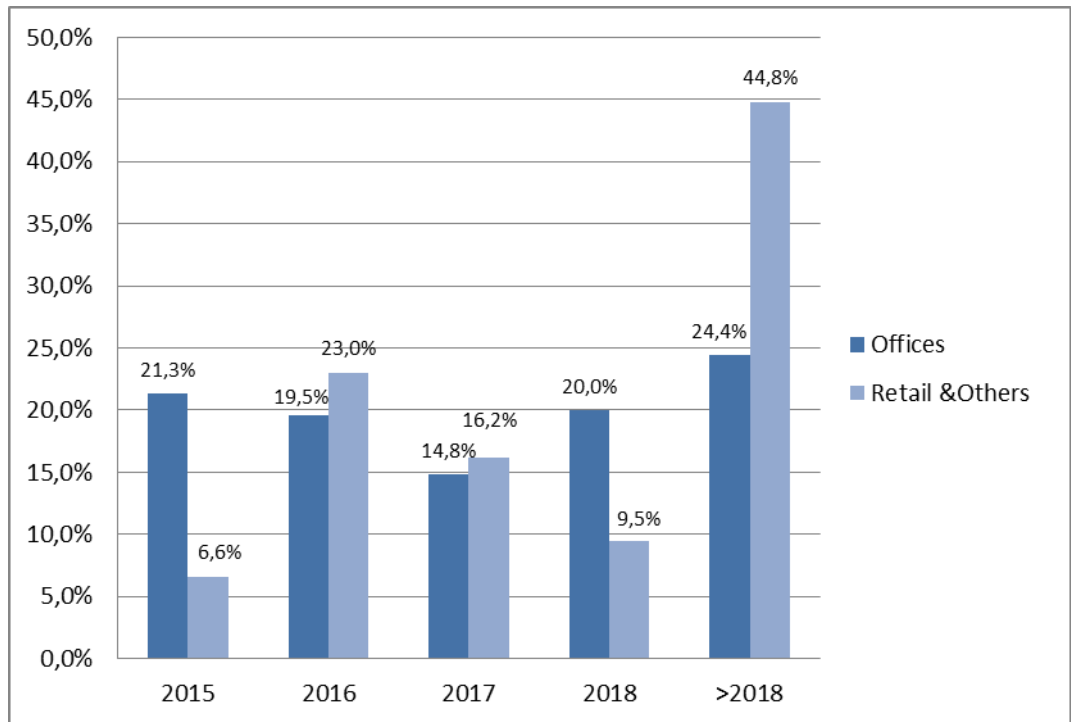
**Occupancy by sector**



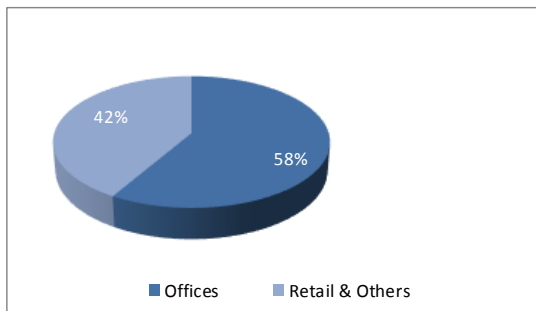
**Occupancy by geographical area**



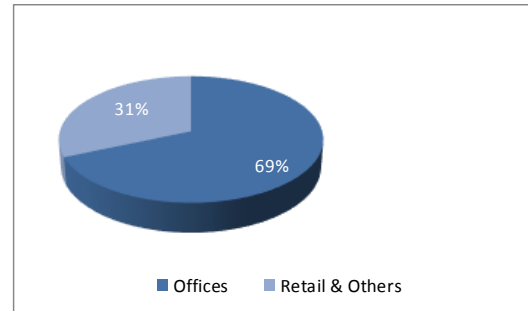
**Expiry on lease contracts on anual rents**  
 (Considering the options of anticipated cancellations)



**GLA per use (sqm)**



**Passing Rents**



**8.- RESIDENTIAL (LAND AND HOMEBUILDING)**

(€mm)	1H 2015	1H 2014	Var. (%)
<b>Revenues</b>			
Homebuilding	9,7	14,4	-32,4
Land sales	0,0	7,7	
<b>Total Revenues</b>	<b>9,7</b>	<b>22,1</b>	<b>-55,9</b>
<b>Gross Margin</b>			
Homebuilding	-2,5	-2,5	-1,2
Land sales	0,0	-4,8	
<b>Total Gross Margin</b>	<b>-2,5</b>	<b>-7,3</b>	<b>65,2</b>
<b>Homebuilding Margin (%)</b>	<b>-26,0</b>	<b>-17,3</b>	<b>-49,7</b>
<b>Land Sales Margin (%)</b>		<b>-62,2</b>	

Residential Portfolio

- Revenue from the Land & Homebuilding business amounted €9,7m vs. €22,1m in 1H 2014, 55,9% below the previous year, due to a fall on homes and land bank sales comparing to previous years.
- Sales have gone down due to a more selective sales policy waiting for a market recovery.
- Margins have been positive €1m, considering the reversal of provisions of €3,5m in finished residential product.
- Realia has delivered 52 units (homes, small retail and offices) for an amount of €9,7m vs. 75 units in 1H 2014 for an amount of €22,1m (56,1% below the previous year).

Deliveries	Nº Units	Revenue €MM
Madrid/Centre	24	4,6
Levante	7	1,3
Catalonia	7	1,0
Poland	0	0,0
Andalusia	14	2,7
Canary Islands	0	0,0
Portugal	0	0,0
<b>Total</b>	<b>52</b>	<b>9,7</b>

- In 1H 2015, 48 units have been pre-sold (38,5% less than in 1H 2014) for an amount of €9,2m (30% less than the same period last year):

Home stock evolution	1H 2015	1H 2014	Var. (%)
<b>Pre-sales</b>			
Number of units	48	78	-38,5%
Total value of contracts (€MM)	9,2	13,1	-30,0%
<b>Deliveries</b>			
Number of homes	52	75	-30,7%
Total value of contracts (€MM)	9,7	22,1	-56,1%
<b>Stock at eoP</b>			
Number of units	649	754	-13,9%

- Realia has a total stock of 602 units (homes, small retail and offices) finished non-delivered, of which 11 are pre-sold and 591 are for sale (192 in Madrid, 200 in Andalusia, 112 in Levante, 68 in Catalonia, 14 in Portugal and 5 in Poland).
- There are also 58 land plots to be sold for family houses (30 in Catalonia and 28 in Andalusia).
- The breakdown of these homes is the following: 77,2% first homes and 22,8% secondary homes.

Land Bank

- As of 30 June, Realia has a gross land bank of 5.724.863 sqm and a buildable area of 1.870.289 sqm. 25% of this land bank is in the pipeline and 49% of this land bank is in Madrid and in the Centre region of Spain:

Land Bank breakdown (Buildability by sqm) (\*)

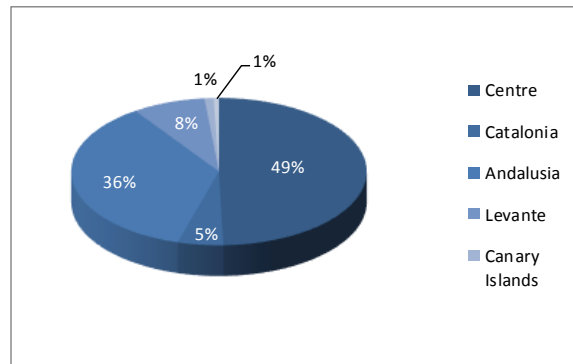
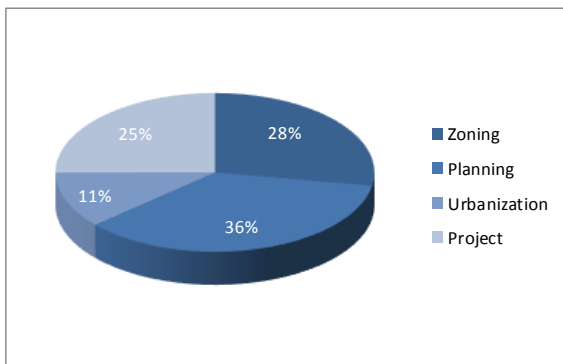
By urbanistic stage

	Buildability area (sqm)
Zoning	517.994
Planning	669.961
Urbanization	213.596
Projects	468.737
<b>Total</b>	<b>1.870.289</b>

By geographical area

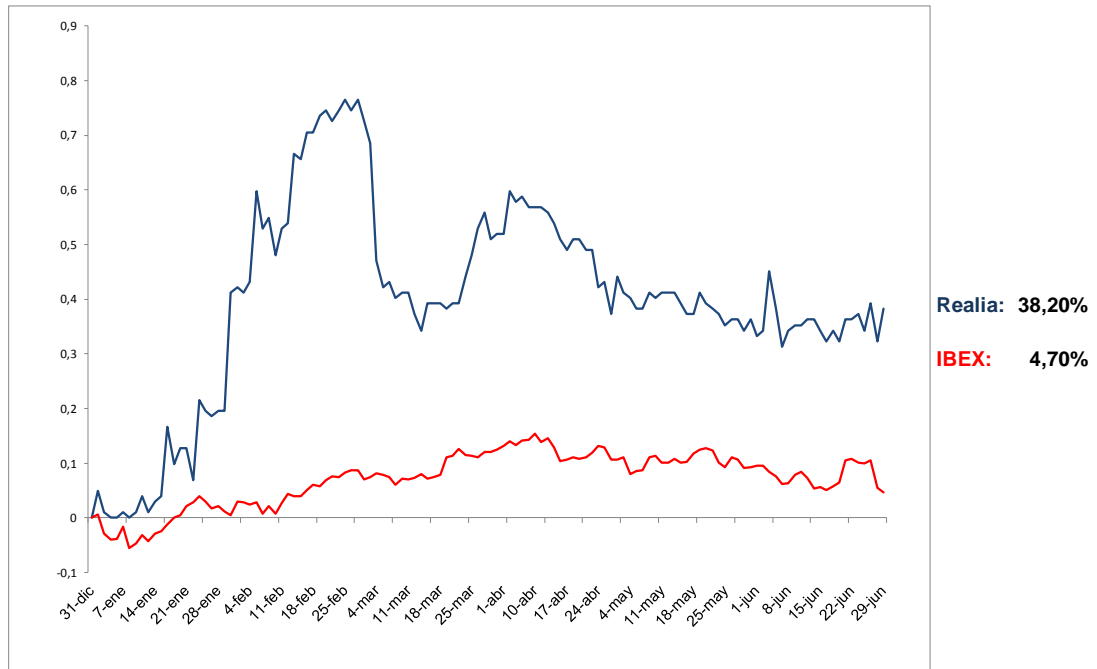
	Buildability area (sqm)
Centre	925.994
Catalonia	93.190
Andalusia	671.610
Levante	150.042
Canary Islands	18.541
Romania	10.912
<b>Total</b>	<b>1.870.289</b>

(\*) DUSE buildability is not included (547.141 sqm in Polígono Aeropuerto – Sevilla)



**9.- STOCK DATA**

- The closing stock has been of 0,705 Euro. There has been an increase of 38,2% vs. December 2014 (0,51 Euro). IBEX 35 has performed +4,70% in the same period of time.



	<b>06/30/2015</b>
Closing Stock Price (€ per share)	0,705
Market cap. EoP (€)	216.696.507
High of the period (€ per share)	0,94
Low of the period (€ per share)	0,50
Daily Trading Volume (€)	1.098.629
Daily Trading Volume (shares)	1.668.439

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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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