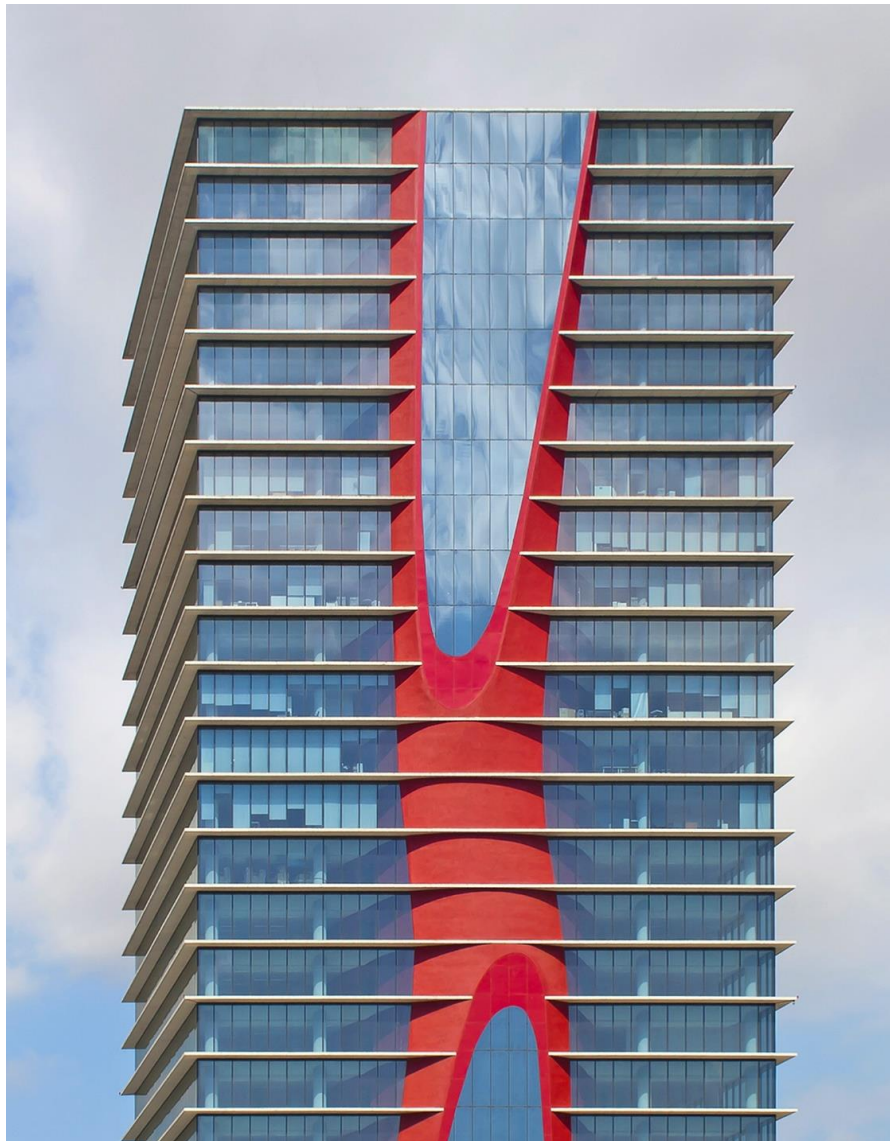


# REALIA



**January-June 2017 Results**

*28 July 2017*

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<sup>(\*)</sup> This report includes a set of Alternative Performance Measures (APMs) defined in the herewith included Appendix, as recommended by ESMA (European Securities and Markets Authority).

## 1.- SUMMARY

### REVENUE AND RESULTS

- Total revenue was €49,1m, 1% lower than in 1H 2016.
- EBITDA reached €20,9m, 5,9% better than the previous year, due to better margins and lower costs.
- As of 30 June 2017, earnings before taxes reached €35,9m vs €140,9m in 1H 2016. Net result (Group share) was €20,4m vs €130,3m in 1H 2016. A positive result in 2016 was due to haircuts obtained with the refinancing of the Residential portfolio debt (€113m) and variation in the value of the assets (€9,3m).
- Recurrent net result (Group share) has gone up by 6,3% (€10,8m vs €10,1m in 1H 2016).

### INDEBTNESS

- On 27 April 2017, Realia Patrimonio has obtained a new debt financing and has cancelled the syndicated loan signed in 2007 which had an outstanding debt of €678m. The new loan agreement has been signed, with a new syndicated bank, for an amount of €582m and it will have a term of up to seven years.
- As of 30 June 2017, Realia gross financial debt reached €786m, €65m lower than in December 2016.
- The net financial result reached €-7,6m and the weighted average rate on gross debt (derivatives included) reached 2,09%.
- As of 30 June 2017, Realia net financial debt reached €725m, 3,4% lower than in December 2016. Cash and equivalents reached €61m.

### ASSETS VALUATION

- As of June 2017, a new asset valuation (GAV) for the portfolio of Realia Patrimonio has been made. The portfolio of Realia Business has not been subject to new valuation, although it has been adjusted for stock variation. Asset valuation (GAV) reached €1.842m vs €1.833m in December 2016.
- The Net Asset Value (NNAV) reached €822m vs €805m in December 2016. In unitary terms, it reached 1,28 Euro per share, 2,2% higher than the previous year (1,25 Euro per share).
- 81% of the asset value is Commercial Property portfolio (€1.487m) and the remaining 19% is the Residential portfolio (€355m).

### COMMERCIAL PROPERTY

- Gross rental income were €29,8m (60,7% on the total income) in 1H 2017, 4,2% better than the previous year.
- Overall occupancy levels reached 93,5% in 1H 2017 vs 91,8% in 1H 2016 and 94% in December 2016.

**LAND AND HOMEBUILDING**

- Realia has delivered 53 units for a total amount of €10,3m.
- As of 30 June 2017, there is a stock of 437 units (homes, small retail and offices) finished non-delivered (17 pre-sold). There are also 41 land plots for single-family housing for sale in a development.
- Realia land bank has a buildable area of 1.851.392 sqm.

**2.- FINANCIAL HIGHLIGHTS**

(€mm)	1H 2017	1H 2016	Var. (%)
<b>Total Revenue</b>	49,1	49,6	-1,1
<b>Rental Income</b>	29,8	28,6	4,2
<b>EBITDA</b>	20,8	19,7	5,9
<b>Net Result (Group share)</b>	20,4	130,3	-84,3
<b>Net Financial Debt</b>	725	910	-20,4
<b>Nº Shares (mm)</b>	644,2	460,1	40,0
<b>Earnings per Share (€)</b>	0,032	0,283	-88,8

**3.- OPERATIONAL HIGHLIGHTS**

	1H 2017	1H 2016	Var. (%)
<b>Commercial Property</b>			
<b>GLA (sqm) <sup>(1)</sup></b>	405.842	404.807	0,3
<b>Occupancy rate (%)</b>	93,5	91,8	1,9
<b>Land &amp; Homebuilding</b>			
<b>Pre-sales</b>			
Total value of contracts (€mm)	10,3	10,5	-1,4
Units	53	53	0,0
<b>Land Bank Consolidated (sqm)</b>	1.851.392	1.850.914	0,0
<b>Nº Employees</b>	92	94	-2,1

<sup>(1)</sup> 18.324 sqm (Building Los Cubos) non-included

Number of Employees	30 June 2017	30 June 2016	Var. (%)
<b>Total <sup>(2)</sup></b>	92	94	-2,1
Realia Business	41	42	-2,4
Realia Patrimonio	4	4	0,0
Hermanos Revilla <sup>(2)</sup>	46	47	-2,1
Realia Polska	1	1	0,0

<sup>(2)</sup> It includes 35 people working at reception and concierge services in buildings

**4.- CONSOLIDATED INCOME STATEMENT**

(€mm)	1H 2017	1H 2016	Var. (%)
<b>Total Revenue</b>	<b>49,1</b>	<b>49,6</b>	<b>-1,1</b>
Rents	29,8	28,6	4,2
Expenses provision	7,8	7,8	0,1
Sale of assets	0,0	0,4	-100,0
Homebuilding	10,3	10,5	-1,4
Land sales	0,0	0,9	-100,0
Services	0,6	0,1	337,2
Other	0,6	1,3	-55,9
<b>Total Gross Margin</b>	<b>24,9</b>	<b>23,9</b>	<b>4,3</b>
Rents	25,7	24,8	3,6
Homebuilding	-1,0	-1,1	9,6
Services	0,2	0,1	21,7
Overheads	-3,9	-4,1	4,6
Other costs	-0,1	0,0	-172,7
<b>EBITDA</b>	<b>20,9</b>	<b>19,7</b>	<b>5,9</b>
Amortization	-0,2	-0,2	9,5
Depreciation	5,9	1,2	405,9
<b>EBIT</b>	<b>26,5</b>	<b>20,7</b>	<b>28,5</b>
Fair value appraisal result	15,6	9,3	69,1
Financial result	-7,6	109,1	-107,0
Equity method	1,3	1,9	-30,5
<b>Earnings before taxes</b>	<b>35,9</b>	<b>140,9</b>	<b>-74,5</b>
Taxes	-8,9	-5,4	-64,8
<b>Results after taxes</b>	<b>26,9</b>	<b>135,5</b>	<b>-80,1</b>
Minority Interests	6,5	5,2	24,1
<b>Net Results (Group share)</b>	<b>20,4</b>	<b>130,3</b>	<b>-84,3</b>
Recurrent Net Results (Group share)	10,8	10,1	6,3

- Rental income (overhead costs non-included) reached €29,8m vs €28,6m in 1H 2016, due to better occupancy.
- EBITDA has improved by 5,9% amounting to €20,9m, due to better margins in all areas.
- Financial results reached €-7,6m vs €109,1m in 1H 2016. It is due to the impact of a haircut for €113m in 2016.
- Provisions for €5,9m (€1,2m in 1H 2016) have been reversed:

Breakdown Provisions (€mm)	1H 2017
Reversal of provisions residential finished product	0,3
Residential finished product	1,7
Land with developments under construction	0,0
Land	-0,1
Others (clients, proceedings,...)	3,9
<b>Total</b>	<b>5,9</b>

- Earnings before taxes reached €35,9m vs €140,9m in 1H 2016. Net result reached €20,4m vs €130,3m in 1H 2016.
- Excluding extraordinary effects, recurrent net result reached €10,8m vs €10,1m in 1H 2016 (6,3% better):

Recurrent Net Results (Group share)	1H 2017	1H 2016
<b>Net Results (Group share)</b>	<b>20,4</b>	<b>130,3</b>
<b>Adjustments</b>		
Extraordinary haircut		-113,6
Assets revaluation (net of taxes)	-8,9	-5,5
Others	-0,8	-1,0
<b>Total</b>	<b>10,8</b>	<b>10,1</b>

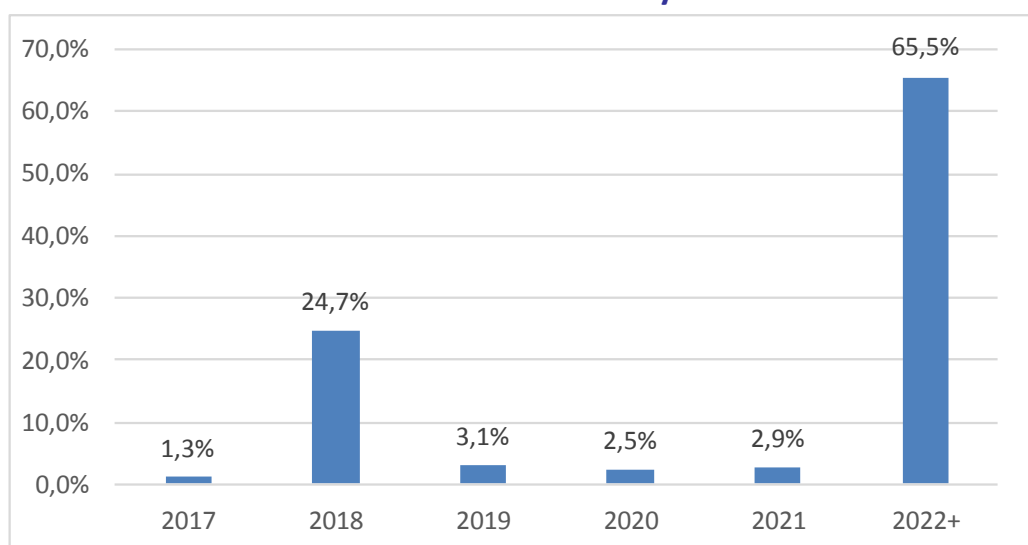
## 5.- CONSOLIDATED BALANCE SHEET

(€mm)	ASSETS	30 June 2017	30 June 2016	LIABILITIES	30 June 2017	30 June 2016
	Tangible fixed assets	5	5	Equity	797	644
	Investment property	1.252	1.367	Minority shareholders	238	228
	Inventories	309	367	Financial debt	786	927
	Accounts receivable	12	17	Current creditors	24	26
	Treasury and equivalents	61	37	Other liabilities	182	186
	Other assets	387	217			
	<b>Total Assets</b>	<b>2.026</b>	<b>2.011</b>	<b>Total Liabilities</b>	<b>2.026</b>	<b>2.011</b>

**6.- FINANCIAL STRUCTURE**

	REALIA Patrimonio	REALIA Business	1H 2017	Dec 2016	Var. (%)
	Commercial Property	Land & Homebuilding			
Syndicated loans	582	0	582	678	-14,2
Other loans	57	158	215	174	23,4
Valuation of derivatives	3	0	3	0	
Interests	2	0	2	0	
Debt formalisation expenses	-16	-0	-16	-1	-1.549,0
<b>Total Gross Financial Debt</b>	<b>628</b>	<b>158</b>	<b>786</b>	<b>851</b>	<b>-7,7</b>
Cash and equivalents	18	42	61	101	-39,7
<b>Total Net Financial Debt</b>	<b>610</b>	<b>115</b>	<b>725</b>	<b>750</b>	<b>-3,4</b>

- Following the restructuring agreement with the holders of the debt, as of 30 June 2017, Realia has a gross financial debt (with banks and assimilated entities) of €786m, €65m lower than in 2016.
- As of 30 June 2017, cash and equivalents reached €61m. Therefore, the net financial debt reached €725m vs €750m in December 2016 (3,4% lower).
- As of 30 June 2017, the weighted average interest rate of the remunerated gross debt was 2,09% (financial derivatives included, following the Commercial Property portfolio debt financing), vs 0,54% at December 2016.
- As of 30 June 2017, the breakdown of the Group gross debt maturity is the following:

**Gross Debt Maturity**




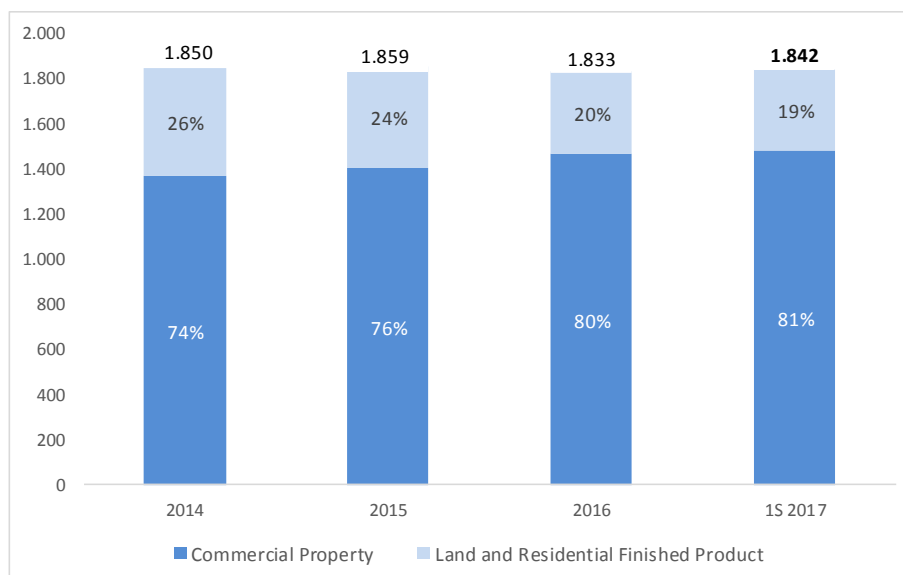
7.- ASSETS VALUATION

- The assets valuation has been performed by CBRE (CB Richard Ellis). This Company has valued the portfolio of Realia Patrimonio and subsidiaries (Rental Assets).
- The portfolio of Realia Business and subsidiaries have not been subject to new valuation (Residential Assets). Therefore, their value, adjusted for stock variation, shows the valuation performed by Tinsa, as of December 2016.

(€mm)	1H 2017	Dec 2016	1H 2016	Interan. Var. (%)
Rental assets	1.430,8	1.412,6	1.367,6	4,6
Tertiary land	56,1	56,1	56,1	0,0
<b>TOTAL RENTAL ASSETS</b>	<b>1.486,9</b>	<b>1.468,7</b>	<b>1.423,7</b>	<b>4,4</b>
Residential finished product	67,3	77,0	89,0	-24,4
Residential land and others	287,4	287,4	349,3	-17,7
<b>TOTAL RESIDENTIAL ASSETS</b>	<b>354,7</b>	<b>364,3</b>	<b>438,3</b>	<b>-19,1</b>
<b>TOTAL ASSETS</b>	<b>1.841,6</b>	<b>1.833,0</b>	<b>1.861,9</b>	<b>-1,1</b>

- The valuation of rental assets has gone up by 4,6% in year-on-year terms due to the market improvement. Realia portfolio is mainly composed of prime assets.
- The residential finished product has gone down by 24,4% in year-on-year terms. This figure shows sales over this period.
- 81% of the total GAV relates to the commercial property portfolio and the remaining 19% to the residential portfolio.

Gross Asset Value evolution (GAV) (€ MM)



**Commercial Property Valuation**

	N. Building	sqm	GAV 1H 2017 <sup>1</sup>	GAV Dec. 2016 <sup>1</sup>	Var. (%)	LfL (%) <sup>2</sup>	Value €/sqm	Yield 1H 2017 (%) <sup>3</sup>	Yield 2016 (%) <sup>3</sup>
<b>Offices</b>	<b>27</b>	<b>226.729</b>	<b>1.014</b>	<b>995</b>	<b>1,9</b>	<b>1,9</b>	<b>4.471</b>	<b>4,9%</b>	<b>4,8%</b>
CBD <sup>4</sup>	12	84.420	565	556	1,7	1,7	6.696	4,3%	4,2%
BD <sup>5</sup>	3	42.653	162	159	1,8	1,8	3.791	5,3%	5,0%
Periferia/Others	12	99.656	287	280	2,2	2,2	2.877	5,9%	6,0%
<b>Retail &amp; Leisure</b>	<b>7</b>	<b>135.856</b>	<b>278</b>	<b>278</b>	<b>0,1</b>	<b>0,1</b>	<b>2.048</b>	<b>7,4%</b>	<b>7,1%</b>
<b>Other Assets<sup>6</sup></b>	<b>6</b>	<b>43.257</b>	<b>87</b>	<b>87</b>	<b>0,4</b>	<b>0,4</b>	<b>2.010</b>	<b>3,7%</b>	<b>3,7%</b>
<b>Total Operational</b>	<b>40</b>	<b>405.842</b>	<b>1.379</b>	<b>1.360</b>	<b>1,4</b>	<b>1,4</b>	<b>3.397</b>	<b>5,3%</b>	<b>5,2%</b>
<b>Land &amp; Pipeline<sup>7</sup></b>		<b>146.301</b>	<b>108</b>	<b>109</b>	<b>-0,9</b>	<b>-0,9</b>	<b>739</b>		
<b>Total</b>	<b>40</b>	<b>552.143</b>	<b>1.487</b>	<b>1.469</b>	<b>1,2</b>	<b>1,2</b>	<b>2.693</b>		

<sup>1</sup> GAV in €mm

<sup>2</sup> It compares homogeneous assets in operation

<sup>3</sup> Yield: passing rents assuming 100% occupancy divided by the assets GAV

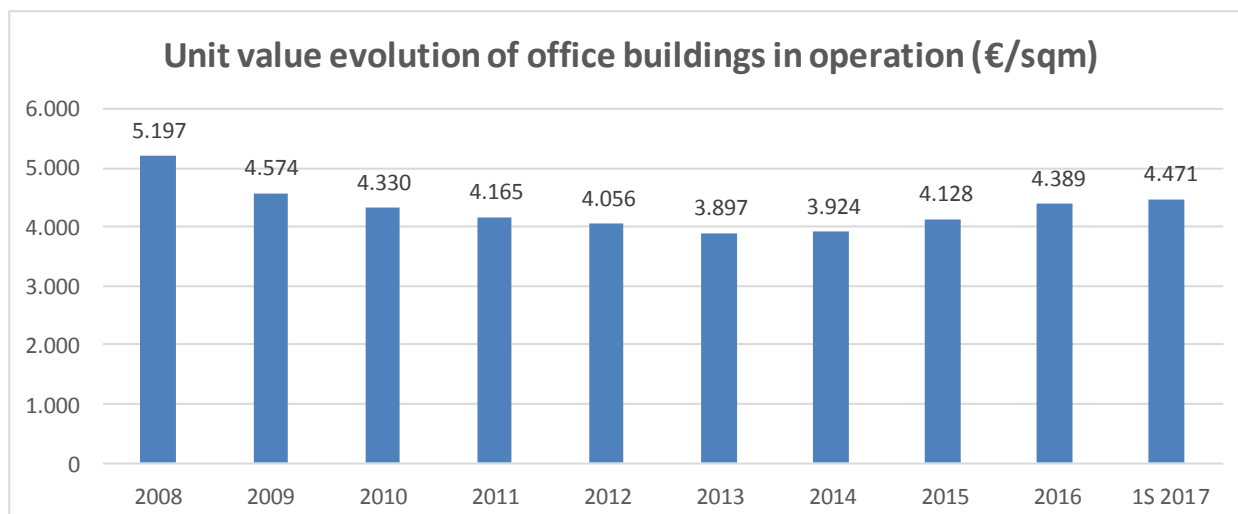
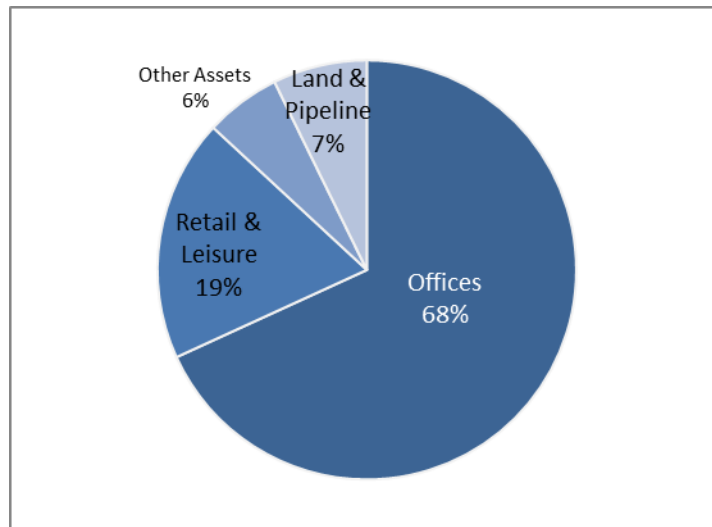
<sup>4</sup> Central Business District

<sup>5</sup> Business District, excluding CBD

<sup>6</sup> Warehouse in Logroño and other assets such as commercial premises, parking spaces ...

<sup>7</sup> Building in refurbishment and land bank in Aguacate St., La Noria, Park Central (22@) and Leganés

- As of 30 June 2017, the market value of the Commercial Property portfolio reached €1.487m, 1,2% higher than in December 2016.
- The market value of the office buildings increased by 1,9%. The market value of the Retail & Leisure portfolio has remained stable.
- The current Yield (annualized June 2017 rents, considering 100% occupancy divided by the assets value, according to CBRE) of the Commercial Property portfolio in operation reached 5,3%.



**Main assets for asset value (GAV)**

Assets	Location	Use	GLA
Torre REALIA	Madrid	Offices	28.424
Torre REALIA BCN	Barcelona	Offices	31.960
Plaza Nueva Parque Comercial	Leganés	Retail	52.675
Salvador de Madariaga 1	Madrid	Offices	24.868
María de Molina 40	Madrid	Offices	9.684
C.C. Ferial Plaza	Guadalajara	Retail	31.997
Edificio Los Cubos	Madrid	Offices	18.324
Albasanz 16	Madrid	Offices	19.551
Príncipe de Vergara 132	Madrid	Offices	8.804
C.N. Méndez Álvaro	Madrid	Offices	13.248

### Land and Homebuilding valuation

- As of 31 December 2016, the residential assets valuation has been performed by TINSA, following the Appraisal-Valuation ECO Method.
- This valuation has been adjusted to 1H 2017 due to a decrease in stock of finished product. The Residential business valuation reached €355m, as of June 2017.

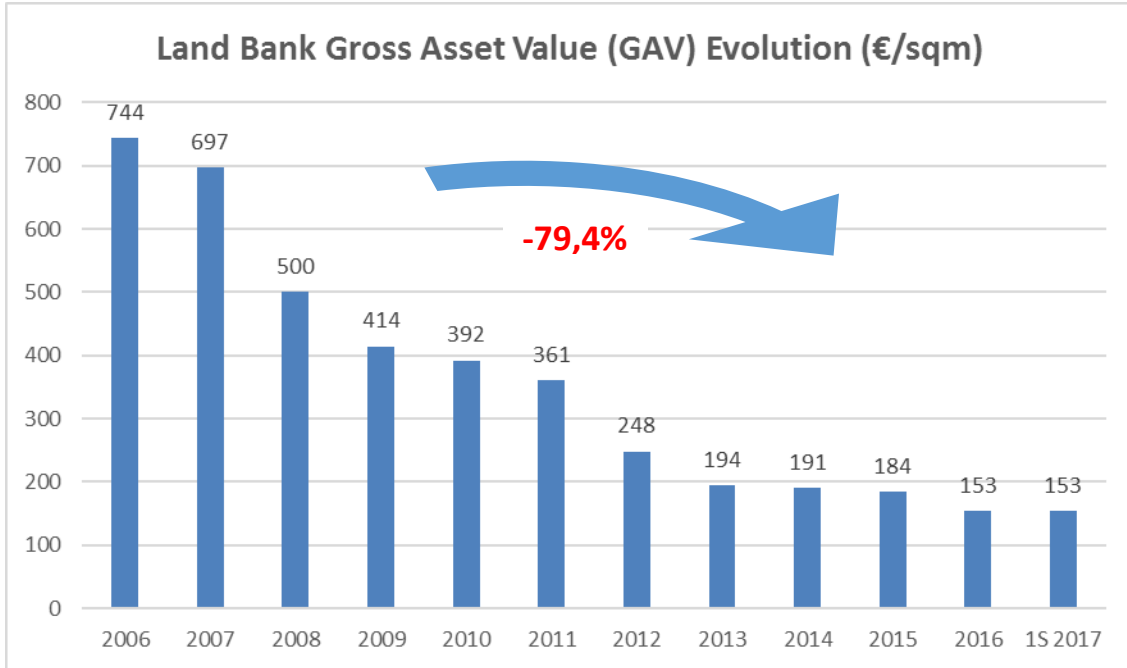
(€mm)	1H 2017	Dec. 2016	1H 2016	Var.interan.(%)
Land bank & others (1)	287	287	349	-17,7%
Finished projects	67	77	89	-24,4%
<b>Residential Assets Total Value</b>	<b>355</b>	<b>364</b>	<b>438</b>	<b>-19,1%</b>

<sup>(1)</sup> It includes Hato Verde Golf Course

- The total value of the land portfolio reached €287m with a unit value of 153 €/sqm.

### Land Bank valuation

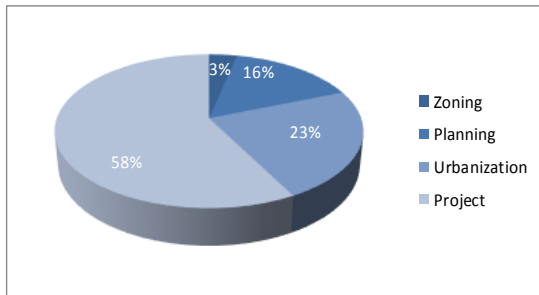
	Gross land sqm	Building land sqm	GAV 1H 2017 MM €	GAV 1H 2017 €/sqm	GAV 1H 2016 MM €	GAV 1H 2016 €/sqm	Var. €/m <sup>2</sup> (%)
Zoning	3.307.598	520.787	10	19	25	48	-61%
Planning	1.760.683	647.270	44	68	57	88	-23%
Urbanization	191.076	213.596	65	307	70	326	-6%
Project	478.804	469.740	163	348	191	407	-14%
<b>Total</b>	<b>5.738.160</b>	<b>1.851.392</b>	<b>283</b>	<b>153</b>	<b>343</b>	<b>184</b>	<b>-18%</b>



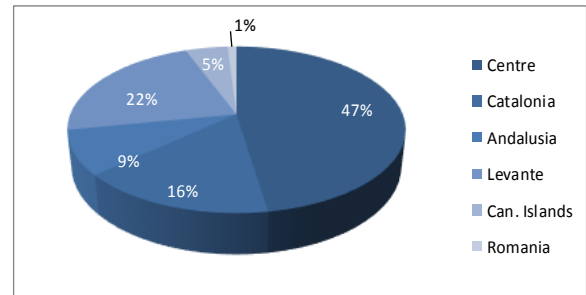
2006-2011 Valuation according to the RICS Method.  
 2012-2016 Valuation according to the ECO Method

### GAV Land Bank Breakdown (MM €)

By urbanistic stage



By geographical area



**8.- NET ASSET VALUE (NNAV)**

(€mm)	COMMERCIAL PROPERTY <sup>(1)</sup>		RESIDENTIAL		TOTAL		Var. %
	1H 2017	2016	1H 2017	2016	1H 2017	2016	
<b>Total GAV</b>	<b>1.503</b>	<b>1.484</b>	<b>339</b>	<b>349</b>	<b>1.842</b>	<b>1.833</b>	<b>0,5</b>
Minorities	295	290	1	1	296	291	1,6
GAV Realia	1.208	1.194	338	347	1.546	1.542	0,3
Book value of assets	909	770	314	319	1.224	1.089	12,3
Latent capital gains	441	424	25	28	466	452	3,0
Tax	110	106	6	7	116	113	3,0
Latent capital gains after tax	331	318	19	21	349	339	3,0
Adjustments					-324	-311	
Equity					797	777	2,6
<b>NNAV (after tax)</b>					<b>822</b>	<b>805</b>	<b>2,2</b>
Number of shares (mm)					644	644	0,0
<b>NNAV (after tax) per share (€)</b>					<b>1,28</b>	<b>1,25</b>	<b>2,2</b>

<sup>(1)</sup> Commercial Property GAV includes Hato Verde Golf Course, Planigesa and As Cancelas

- As of 30 June 2017, the Net Asset Value (NNAV) reached 1,28 Euro per share, 2,2% higher than in December 2016.

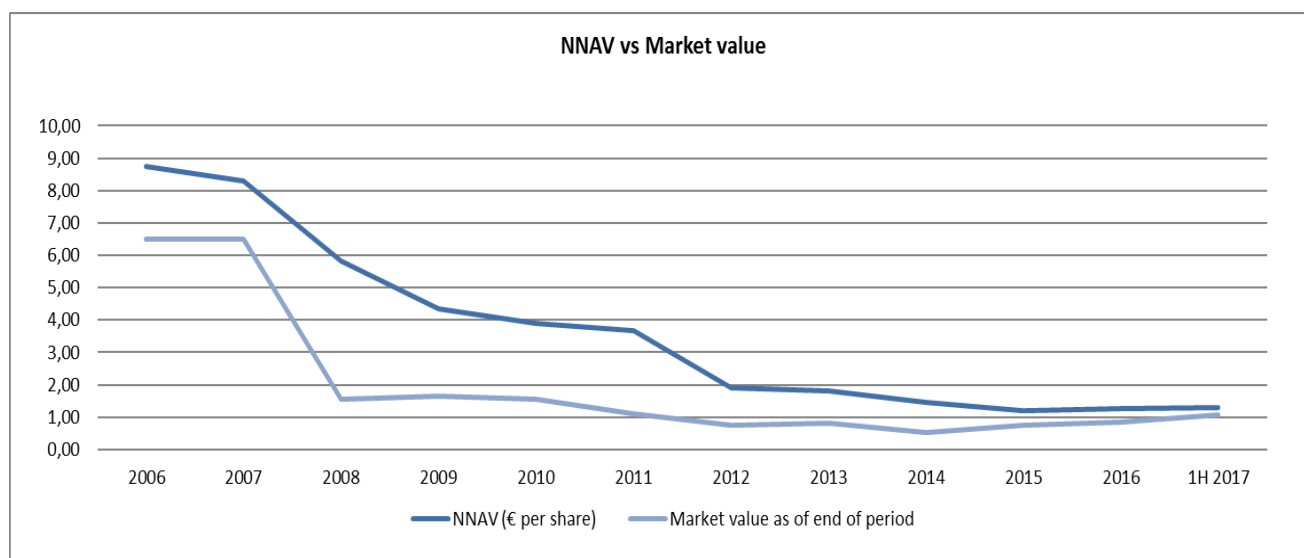
<b>CONSOLIDATED NET EQUITY ATTRIBUTABLE TO THE PARENT COMPANY</b>	<b>797,0</b>
Adjustments:	
+ Capital gains tangible fixed assets (own use)	7,2
+ Capital gains stock	18,2
<b>ADJUSTED NET EQUITY ATTRIBUTABLE TO THE PARENT COMPANY</b>	<b>822,4</b>
Number of shares (treasury shares not included)	644.197.956
<b>NNAV PER SHARE</b>	<b>1,28</b>

<b>GAV (Market value)</b>	<b>1.842,0</b>
- Minority shareholders	-296,4
- Net debt (ex minority shareholders)	-695,0
- Other adjustments	28,2
<b>Net Asset Value after taxes</b>	<b>822,4</b>

**Net Asset Value Evolution (NNAV)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	1H 2017
NNAV (€mm)	2.426	2.258	1.576	1.195	1.077	1.012	530	556	449	552	805	822
NNAV (€/share)	8,75	8,31	5,83	4,34	3,91	3,67	1,92	1,81	1,46	1,20	1,25	1,28
Share price as of end of period	6,50	6,50	1,55	1,66	1,56	1,09	0,75	0,83	0,51	0,76	0,86	1,08
Discount NNAV	-26%	-22%	-73%	-62%	-60%	-70%	-61%	-54%	-65%	-37%	-31%	-16%

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



**9.- COMMERCIAL PROPERTY**
Rents IAS

(Thousands of Euros)	1H 2017	1H 2016	Var. (%)
Rental income IAS	29.771	28.570	4,2%
Provisions	7.817	7.811	0,1%
Disposal of tangible fixed assets	0	437	-100,0%
Other income	168	209	-19,6%
<b>Total Revenue IAS</b>	<b>37.756</b>	<b>37.027</b>	<b>2,0%</b>
Building common charges	-10.438	-10.661	2,1%
Other charges	-1.586	-1.518	-4,5%
<b>Gross Margin IAS</b>	<b>25.732</b>	<b>24.848</b>	<b>3,6%</b>
<b>Margin IAS (%)</b>	<b>86,4%</b>	<b>87,0%</b>	<b>-0,6%</b>

Rents – Operational Data <sup>(1)</sup>

(Thousands of Euros)	1H 2017	1H 2016	Var. (%)
Rental income	32.165	30.964	3,9%
Other income	9.076	8.783	3,3%
<b>Total Revenue</b>	<b>41.241</b>	<b>39.747</b>	<b>3,8%</b>
Expenses incurred	-11.177	-11.416	2,1%
Other Expenses	-2.235	-2.126	-5,1%
<b>Gross Margin</b>	<b>27.829</b>	<b>26.205</b>	<b>6,2%</b>
<b>Margin (%)</b>	<b>86,5%</b>	<b>84,6%</b>	<b>2,2%</b>

<sup>(1)</sup> The data in this chart are operational. The data from As Cancelas appear proportionally (50%).

- Total rental income (expenses charged to tenants not included) reached €29,8m (60,7% of the total income). Due to better occupancy, it has increased by 4,2% (93,5% vs 91,8%).
- Commercial Property gross IAS margin reached 86,4%.



Rental income (Lfl)<sup>(1)</sup>
**Breakdown of rents by sector (Lfl)**

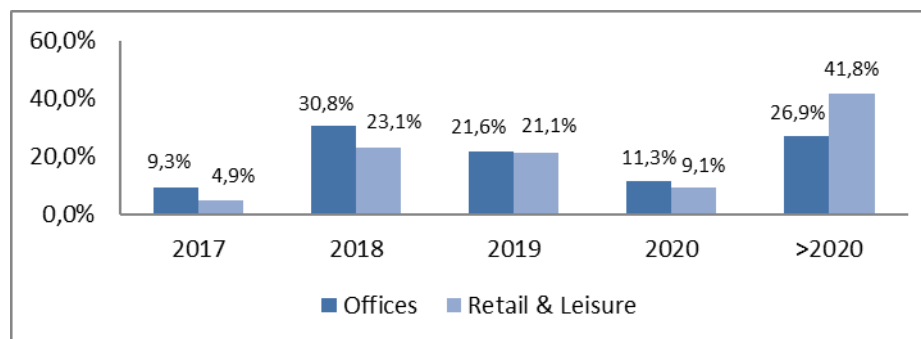
(Thousands of Euros)	1H 2017	1H 2016	Var. (%)	GLA (sqm)	Ocup. 1H 2017 (%)	Ocup. 1H 2016 (%)
<b>Offices</b>	<b>21.957</b>	<b>20.856</b>	<b>5,3%</b>	<b>226.729</b>	<b>94,7%</b>	<b>91,8%</b>
CBD	10.640	10.158	4,7%	84.420	93,0%	94,2%
BD	3.958	3.840	3,1%	42.653	100,0%	95,9%
Periferia	7.359	6.858	7,3%	99.656	94,0%	88,1%
<b>Retails &amp; Leisure</b>	<b>8.464</b>	<b>8.491</b>	<b>-0,3%</b>	<b>135.856</b>	<b>89,3%</b>	<b>89,0%</b>
<b>Other</b>	<b>1.744</b>	<b>1.617</b>	<b>7,8%</b>	<b>43.257</b>	<b>100,0%</b>	<b>100,0%</b>
<b>Total Revenue</b>	<b>32.165</b>	<b>30.964</b>	<b>3,9%</b>	<b>405.842</b>	<b>93,5%</b>	<b>91,8%</b>

**Breakdown of rents by geographical area (Lfl)**

(Thousands of Euros)	1H 2017	1H 2016	Var. (%)	GLA (sqm)	Ocup. 1H 2017 (%)	Ocup. 1H 2016 (%)
<b>Madrid</b>	<b>23.064</b>	<b>22.325</b>	<b>3,3%</b>	<b>249.826</b>	<b>96,4%</b>	<b>93,5%</b>
CBD	10.915	10.506	3,9%	79.563	95,8%	95,1%
BD	4.861	4.731	2,8%	49.895	100,0%	96,5%
Periferia	7.288	7.088	2,8%	120.367	95,4%	91,3%
<b>Barcelona</b>	<b>2.674</b>	<b>2.217</b>	<b>20,6%</b>	<b>32.325</b>	<b>97,7%</b>	<b>82,1%</b>
<b>Other</b>	<b>6.427</b>	<b>6.422</b>	<b>0,1%</b>	<b>123.691</b>	<b>86,3%</b>	<b>90,7%</b>
<b>Total Revenue</b>	<b>32.165</b>	<b>30.964</b>	<b>3,9%</b>	<b>405.842</b>	<b>93,5%</b>	<b>91,8%</b>

<sup>(1)</sup> Homogeneous surfaces and rents (Like for Like)

- Office rental income has gone up by 5,3%, due to better occupancy and rents.
- According to geographical situation, rents have increased in Barcelona (+20,6%), due to both, better occupancy (+15,6 pp) and rents in Torre REALIA BCN.
- Rental income in Retail & Leisure portfolio remains stable and reaches similar levels to previous periods.

Expiry of lease contracts on annual rents


**10.- RESIDENTIAL BUSINESS (LAND AND HOMEBUILDING)**

(€mm)	1H 2017	1H 2016	Var. (%)
<b>Revenue</b>			
Homebuilding	10,3	10,5	-1,5
Land sales & Others	0,4	2,0	-79,3
<b>Total Revenue</b>	<b>10,7</b>	<b>12,5</b>	<b>-13,8</b>
<b>Costs</b>			
Sale costs	-9,4	-11,6	18,9
Other costs	-2,3	-2,0	-18,1
<b>Total Costs</b>	<b>-11,8</b>	<b>-13,6</b>	<b>13,4</b>
<b>Homebuilding Margin</b>	<b>-1,0</b>	<b>-1,1</b>	<b>9,2</b>
<b>Homebuilding Margin (%)</b>	<b>-9%</b>	<b>-9%</b>	<b>-5,3</b>
<b>Provisions Reversal</b>	<b>1,7</b>	<b>2,0</b>	<b>-14</b>
<b>Margin (Provisions not included)</b>	<b>0,7</b>	<b>0,8</b>	<b>-19</b>

Residential portfolio

- Revenue from the Land & Homebuilding business amounted €10,7m, 13,8% lower than in 1H 2016.
- Gross margin reached €-1m. The residential business has reached €0,7m, once deducted the reversal of provisions for an amount of €1,7m in residential finished product.
- Realia has delivered 53 units (homes, small retail, offices and land plots) for an amount of €10,3m. The same number of units were delivered in 1H 2016 for an amount of €10,5m.
- On the other hand, 56 deposit agreements for an amount of €12,4m were signed in 1H 2017 vs 54 deposit agreements for an amount of €11,4m in 1H 2016.

Deliveries	Nr Unts	Revenue €MM
Madrid/Centre	30	7,3
Levante	4	0,4
Catalonia	4	0,6
Andalusia	14	1,8
Poland	1	0,2
<b>Total</b>	<b>53</b>	<b>10,3</b>

Home stock evolution	1H 2017	1H 2016	Var. (%)
<b>Pre-sales</b>			
Number of units	56	54	4,7%
Total value of contracts (€MM)	12,4	11,4	8,7%
<b>Deliveries</b>			
Number of homes	53	53	0,0%
Total value of contracts (€MM)	10,3	10,5	-1,8%
<b>Stock at eoP</b>			
Number of units	461	559	-17,5%

- As of 30 June 2017, Realia has a total stock of 437 units (houses, small retail and offices) finished and non-delivered, of which 17 are pre-sold and 420 are for sale (91 in Madrid and Centre region of Spain, 176 in Andalusia, 86 in Levante, 54 in Catalonia, 12 in Portugal and 1 in Poland).
- There are also 41 land plots for single-family housing for sale in a development (15 in Catalonia and 26 in Andalusia).
- The breakdown of these homes is the following: 75,5% first homes and 24,5% second homes.

**Land Bank**

- As of 31 June 2017, Realia has a gross land bank of 5.738.160 sqm and a buildable area of 1.851.392 sqm, 25% of this land bank is in the pipeline and 49% are located in Madrid and in the Centre area of Spain:

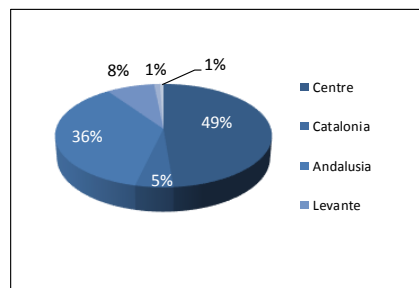
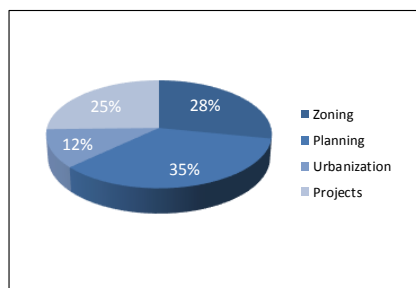
**Land Bank breakdown (Buildability by sqm)**

**By urbanistic stage**

	Buildability area (sqm)
Zoning	520.787
Planning	647.270
Urbanization	213.596
Projects	469.740
<b>Total</b>	<b>1.851.392</b>

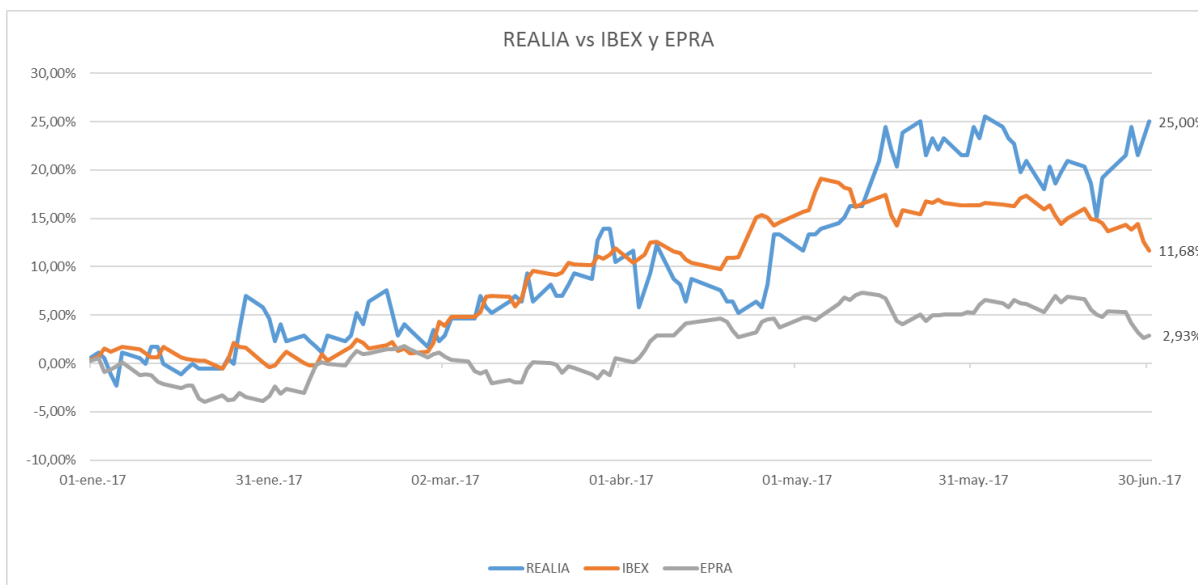
**By geographical area**

	Buildability area (sqm)
Centre	901.679
Catalonia	92.888
Andalusia	677.142
Levante	150.231
Can. Islands	18.541
Romania	10.912
<b>Total</b>	<b>1.851.392</b>



**11.- STOCK DATA**

- The closing stock price (€ per share) has been 1,075 Euro. It increased by 25% vs 2016. IBEX 35 index has increased by 11,68% and EPRA (european real estate companies) has increased by 2,93%.



	<b>30 June 2017</b>
Closing Stock Price (€ per share)	1,075
Market cap. EoP (€)	693.168.553
High of the period (€ per share)	1,110
Low of the period (€ per share)	0,830
Average market price (€ per share)	0,948
Daily trading volume (€)	302.099
Daily trading volume (shares)	315.493

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**APPENDIX – GLOSSARY OF APMs****Gross Margin:**

Results directly attributable to the business activity. Company's total revenue (net revenue, other operating revenues and sale of assets) minus direct costs (variation in stock of finished product or product in the pipeline, depreciations, other operating charges - overheads deducted -, disposal of assets and other results).

**EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization):**

Operating result (profit or loss) deducted from provisions for depreciation and variation in operating provisions.

**EBIT (Earnings Before Interest and Taxes):**

Operating profit plus change in the value of investment property and result for variation between assets value and impairment of assets.

**Recurrent Result:**

Net result attributable to the parent Company without effects of extraordinary items such as haircuts, provisions and change in the value of investment property.

**Gross Financial Debt:**

Current and non-current loans with credit institutions plus current and non-current financial liabilities. Financing from equity loans and debts with suppliers of fixed assets are not included

**Net Financial Debt (NFD):**

Gross financial debt minus cash and cash equivalents.

**EPRA Net Net Asset Value (NNAV):**

Equity attributable to the parent Company, adjusted for any latent capital gains of current assets and own use at market value and deducting the taxes that will be borne for these capital gains, considering tax regulation at the time of the calculation

**EPRA Net Net Asset Value (NNAV) per share:**

It is calculated by dividing EPRA NNAV into number of shares outstanding (treasury shares not included).

**EPRA (European Public Real Estate Association):**

Association of European listed property companies that recommend standards of best practices.

**Earnings per share:**

It is calculated by dividing the result attributable to the parent Company and the number of shares outstanding (treasury shares not included) at the end of the referred period.

**Loan to Value (LTV):**

The LTV ratio is calculated by dividing the Net Financial Debt (NFD) into the GAV, replacement asset value, (assets market value plus transaction costs, performed by two independent appraisers: (CB Richard Ellis, valuation according to the RICS Method and TINSA, valuation according to the ECO Method).

**GAV (Liquidation Value):**

Assets valuation performed by independent appraisers (Tinsa and CBRE).

**BD:**

Business District

**CBD:**

Central Business District

**Rents like for like:**

Comparison of rents from different periods. Investments/divestments, projects, refurbishments and other adjustments as indemnities are not included.

**GAV like for like:**

Comparison of valuation data from different periods, investments/divestments non-included.

**Occupancy:**

Surface area occupied by the rental assets portfolio divided by the surface of the portfolio in operation.

**Yield:**

Annualized rents, considering 100% occupancy divided by GAV of assets in operation (percentage rate).

**LEGAL DISCLOSURE**

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