

2014

ANNUAL AND
CORPORATE
RESPONSIBILITY
REPORT



REALIA

REALIA

About this Report*

REALIA



This Annual and Corporate Responsibility Report offers complete and accurate information about the economic, social and environmental management of REALIA and its subsidiaries during 2014 with the purpose of offering its stakeholders a true picture of the company. The 2013 accounts have been reformulated to include the effect of the divestment of SIIC de Paris and the adaptation to the new international accounting standards (NIIF) and facilitate the comparison between both years. For its preparation, the relevance of the issues covered for the stakeholders has been taken into account, according to the Materiality Study conducted in 2014, the current legislation and Guide G4 of the Global Reporting Initiative (GRI). The current report has obtained the "Materiality Disclosure Service" certification, which certifies that it has successfully passed the GRI materiality disclosure criteria.

() G4-17, G4-20, G4-21, G4-22 and G4-23*

Realia Business, S.A.
Pº Castellana 216,
28046 Madrid

913534400

www.realia.es
marketing@realia.es

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1. Letter from the Chairman

1. Letter from the Chairman

Dear shareholders:

2014 signalled the start of the economic recovery in Spain after six years of recession. The opening up of credit, job creation and the reduction in prices have resulted in a 1.4% GDP growth, and everything seems to indicate that this growth will be stronger in the next years.

In the real estate market, the expectations created and the low prices have resulted in a strong increase in investment. Foreign capital, Funds and Real Estate Investment Trusts are currently the main actors in the largest transactions.

The homebuilding market has started to show slight signs of recovery after many years of reduced activity: sale of housing has increased by 2.2%, according to official statistics. Construction activity has grown again for the first time since 2006, even though the development alternatives have increased notably, with banks, cooperatives and investment funds entering into the developing business.

New investors

In this situation, where uncertainty is not completely out of the picture yet, we have continued to work to consolidate

the long-term sustainability of the company. In 2014, we dedicated our efforts to analyze the incorporation of new investors. A decision was made to sell our majority stake in the French property company SIIC de Paris for 559 million Euros. The sale of SIIC de Paris reduced the net banking debt of the group and provided it with enough liquidity to tackle new investments and facilitate the negotiation of its financing.

After the interest shown by several companies during the year, Hispania announced last November its intention to submit a voluntary takeover bid over 100% of REALIA's shares, at a price of 0.49 Euros per share.

After this bid was approved by the Stock Market Authority (CNMV), the Board of Directors of REALIA issued the corresponding report in March 2015 analyzing Hispania's bid, and concluded that the offered price was not reasonable. Additionally, Inmobiliaria Carso submitted a competitive takeover bid in March, at a price of 0.58 Euros per share, and signed an agreement with Bankia to buy its 24.95% stake in the company at the same price. FCC has expressed its intention not to sell its stake.

The business

In parallel to these actions, REALIA continued to maximize the value of the property assets, both in rents and in occupancy, reducing the finished housing stock with margins adapted to the new valuations, and continuing with the urban development of land to increase its value.

As a result of these actions, revenues increased by 3.7%, up to 115.4 million Euros, and losses were reduced by 22.3%, down to 39.6 million Euros. Excluding the tax adjustment on fiscal credits activated in the past, losses would have amounted to 20.1 million, a 60.6% improvement over the previous year.

The property business continued to concentrate most of the turnover of the group, 68% of revenues and more than 100% of its gross margin. Occupancy has kept around 90% thanks to a proactive commercial policy that favours contract extension before their maturity, according to market conditions.

The homebuilding business has increased its activity above that of earlier years, with a double digit growth in revenues

1. Letter from the Chairman

as a result of the increased housing sales and the sale of a plot of land in Poland. However, margins have been reduced due to the strong discounts on selling prices.

Improved financial situation

Our financial situation is now better than in 2013. Our indebtedness with financial institutions and the like has gone down by 13%, and at year end stood at 1.711 billion. On the other hand, the treasury has increased significantly, 410.6%, up to 617.5 million, which allowed the group to tackle the debt restructuring to consolidate its future. Both improvements have resulted in the reduction of the net banking debt by 1.009 billion, and is now at 1.009 billion, 48% lower than in 2013.

Asset valuation remained stable at 1.850 billion. 74% of that corresponds to property assets, increased by the acquisition of the Goya 29 building in Madrid through the subsidiary Hermanos Revilla.

The evolution of the share price has been subject to the ups and downs of the markets, spurred by the announcement of Hispania's takeover bid at a price much lower than the quoted price. However, the quality and location of our buildings, the high occupancy rates with stable tenants of proven solvency, the good prospect for future rents and the overall improvement of the economy

Our financial situation is better now than in 2013: net banking debt has been reduced by 1.009 billion

in Spain, make REALIA an excellent option to invest in the real estate market.

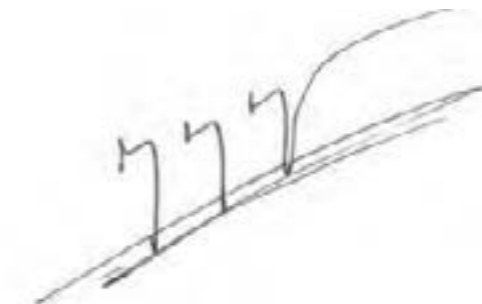
In the area of corporate responsibility, we have maintained our commitment with good governance, environmental conservation and the progress of our stakeholders: shareholders, employees, customers, suppliers and in general, the communities in which we are present.

We have drafted this integrated Annual and Corporate Responsibility Report to offer you an accurate view of the economic, social and environmental performance

of our company, the second such report, following the guidelines of the Global Reporting Initiative (GRI) in its version G4. We hope you find it to your liking.

Finally, the incorporation of new investors and the subsequent financial restructuring will allow the company to use its excellent platform of assets and markets to carry out a profitable and fruitful activity for its shareholders. Furthermore, the start of a more favourable economic cycle will help us achieve our objectives.

One more year, I must thank the Board of Directors, shareholders, employees, customers, suppliers and society in general for their trust and support.





2. Realia in a nutshell

- 2.1 | Main scope
- 2.2 | Financial indicators
- 2.3 | Relevant facts

2. Realia in a nutshell

2.1 Main scope

REALIA develops manages and operates all kinds of real estate properties since 2000. Its areas of activity include property, through the development and rental of offices and shopping centres, and the development of housing and land



Assets valued at
1.850
billion 

More than **115**
Million
in revenues 

 Prime
property
portfolio

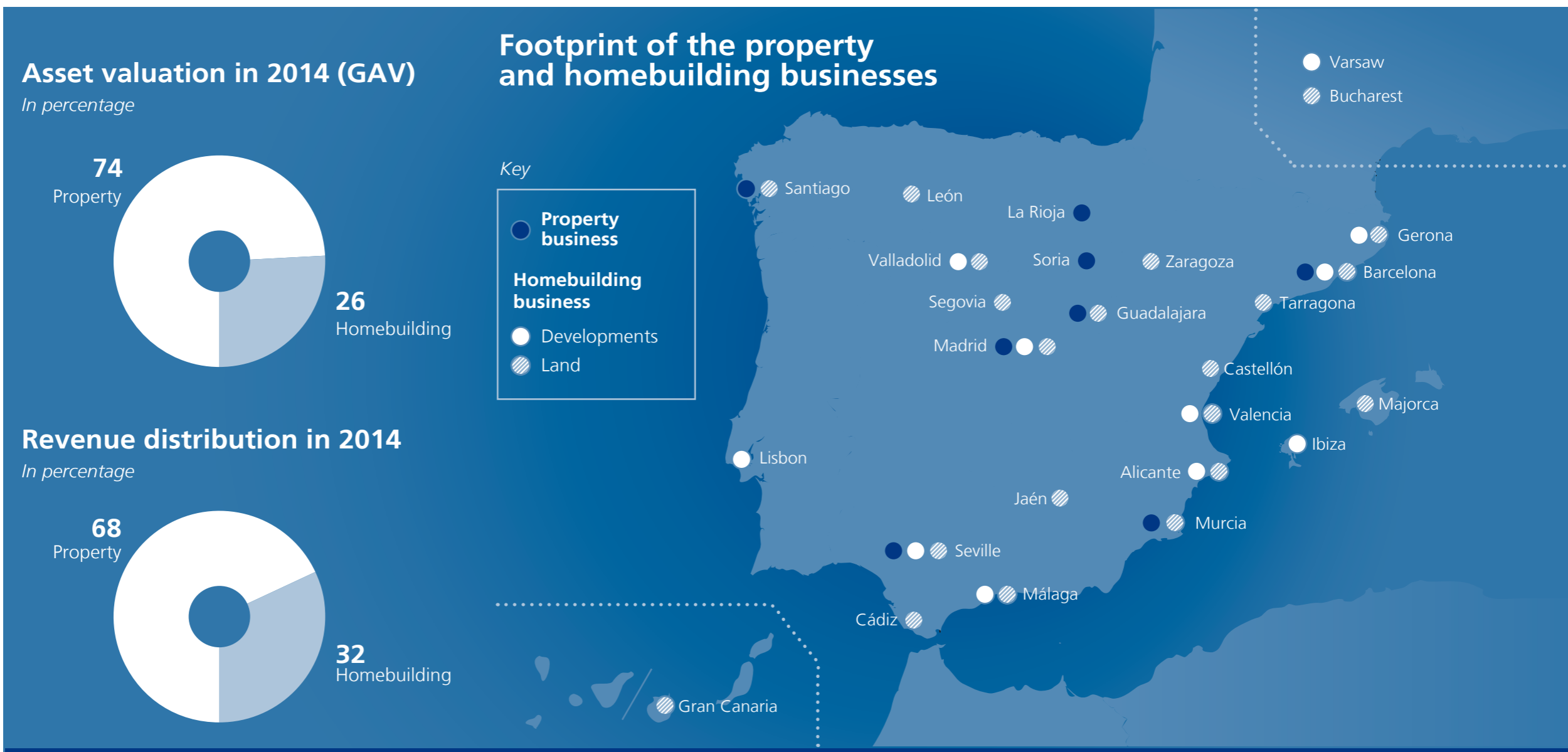
 More than **156**
Million Euros
in capitalization

99  employees

Data at year's end

Source: Realia

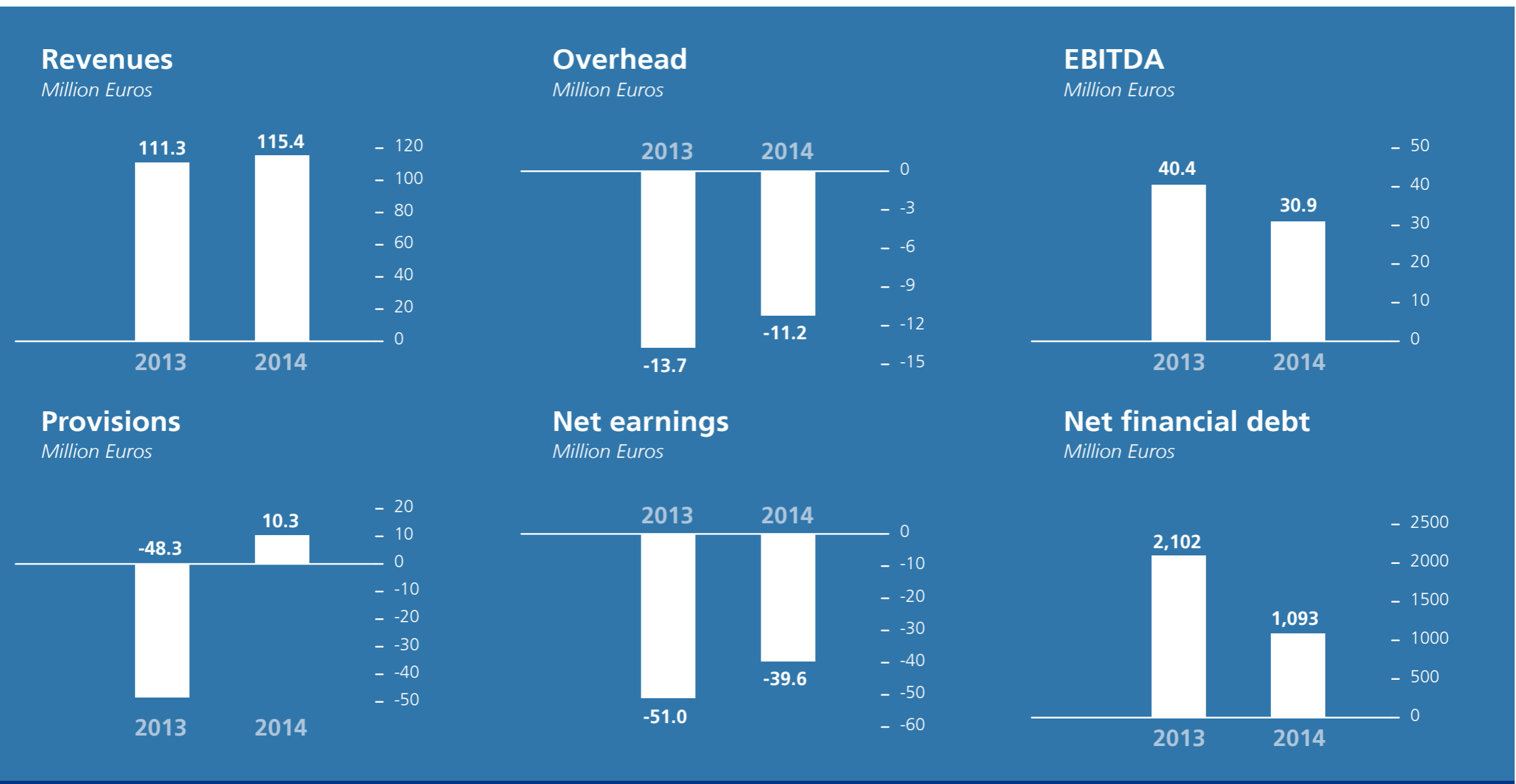
2. Realia in a nutshell | 2.1 Main scope



Source: Realia

2. Realia in a nutshell

2.2 Main financial indicators



Source: Realia

2. Realia in a nutshell

2.3 Relevant facts



2014 After 2014

 July 2014

REALIA sells SIIC de Paris to the French group Eurosic for 559 Million Euros.

 November 2014

The company sells its stake (50%) in Setecampos, proprietor of the Twin Towers Shopping Centre in Lisbon.

 November 2014

Hispania announces its intention to launch a **voluntary takeover bid on 100% of REALIA,** at the price of 0.49 Euros per share.

 December 2014

Hermanos Revilla, a subsidiary of REALIA, **acquires an office building at calle Goya 29 in Madrid,** for 29 million Euros.

 March 2015

Inmobiliaria CARSO announces its intention to launch a **competitive takeover bid** for 100% of REALIA, at the price of 0.58 €/share. It also announced the signing of a contract with Bankia for the purchase of its 24.95% REALIA stake at the price of 0.58€/share.

 March 2015

CNMV approves HISPANIA's **takeover bid** and accepts processing Inmobiliaria Carso's takeover bid.

 March 2015

Realia's Board issues a report considering **the price of Hispania's takeover bid not reasonable.**

Source: Realia

3. Who we are

3.1 | Mission, vision and values

3.2 | Profile of the group

3.3 | Business model

- 3.3.1 | Asset quality and location
- 3.3.2 | Stable relations with customers
- 3.3.3 | Excellence in service
- 3.3.4 | Innovation linked to sustainability

3.4 | Lines of activity

- 3.4.1 | Property business
- 3.4.2 | Homebuilding business

3. Who we are

3.1 Mission, vision and values

Mission



To offer high quality real state solutions to companies and individuals, with the goal of creating shareholder value thanks to an efficient asset selection and management, excellent service and innovation linked to eco-efficiency, and responsible management.

Vision



REALIA aims to become a great property company, a reference in the real estate sector, through the growth of the high-value added building rental business, its constant asset turnover, maintaining stable relationships with its tenants, balancing supply to demand, resource optimization and cost containment.

Values



TRANSPARENCY

Leadership in the sector, making management information available to shareholders.



DIALOGUE

Maintaining relations of trust and mutual benefit with its stakeholders.



PROFESSIONALISM

Profound knowledge of the sector, value creation for society and customers.



GOOD GOVERNANCE

High-level decisions are made to achieve long-term business sustainability.



INNOVATION

Constant search for solutions that contribute added value to the company and society.

3. Who we are

3.2 Profile of the group*

(*) G4-17

REALIA is a real estate holding dedicated to the development, management and operation of office buildings, shopping centres, housing and land.

It carries out its activity in two business areas:



Property business

It generates recurring revenues through the lease and management of office buildings and shopping centres, and extraordinary revenues through asset turnover.



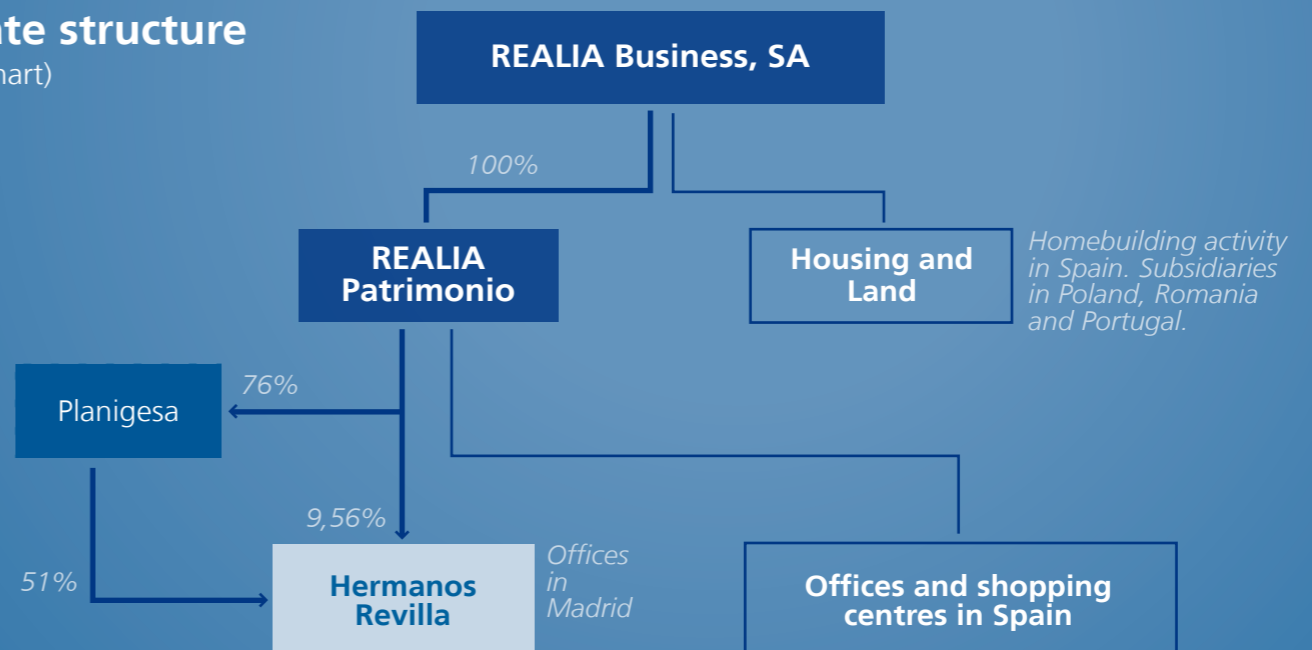
Homebuilding business

It generates revenues through the development and sale of real estate products, mainly housing, and land management.

The company owns an extensive portfolio of office buildings and shopping centres to lease, an activity that has gradually become the focus of its efforts since 2006.

Corporate structure

(simplified chart)



Corporate information

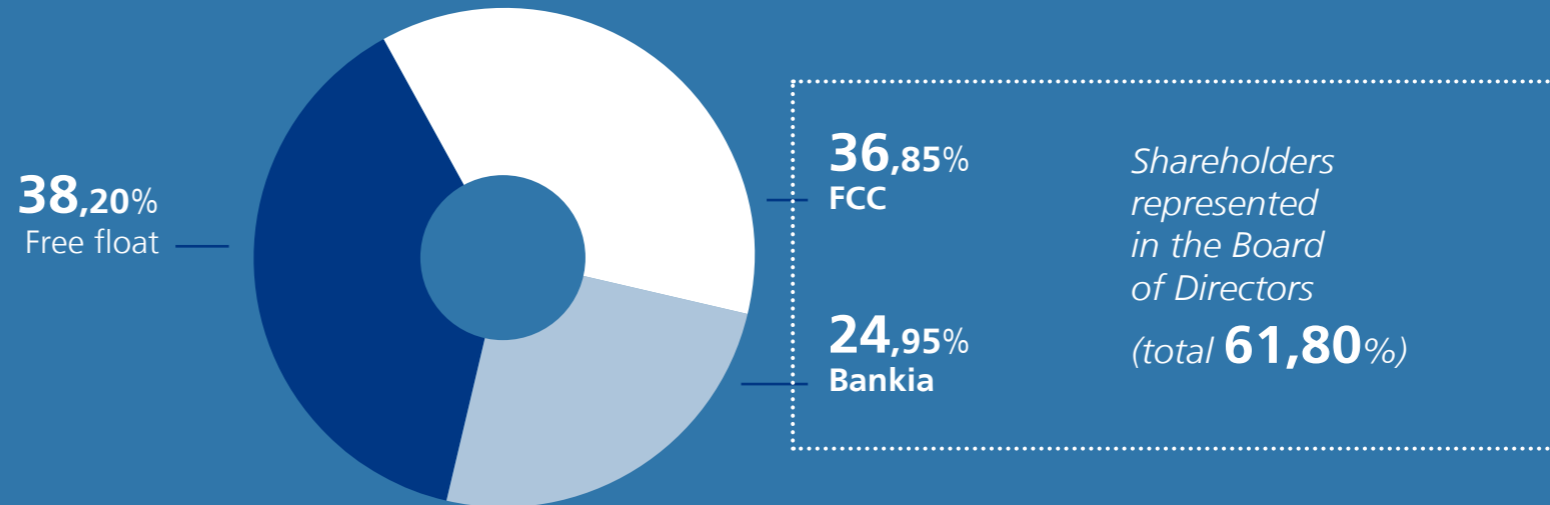
Name:	REALIA Business S.A.
Address:	Pº de la Castellana, 216. 28046 MADRID
Phone:	91 353 44 00
Web site:	www.realia.es
Equity:	73,769,023.68 €
Nº of shares:	307,370,932
Nominal value:	0.24 €
Activity:	Property – Homebuilding
Markets:	Spain, others.

Source: Realia

3. Who we are | 3.2 Profile of the group*

Shareholders

In percentage



History

2000

Establishment of REALIA Business, S.A., the parent company of the group, the result of the merger of the real state subsidiaries of FCC and Caja Madrid (currently Bankia).

2006

The company takes over control of the Société d'Investissement Immobilier Cotée de Paris (SIIC de Paris), a company which owns buildings in prime areas of the French capital.

2007

REALIA is floated in the Spanish Stock Market, after spinning off its property activity and establishing the subsidiary REALIA Patrimonio S.L.U. in February.

2009

REALIA reaches an agreement to refinance its homebuilding debt for 1.001 million Euros. Additionally, Bankia and FCC underwrite a joint equity loan for 100 million.

2010

REALIA signs an agreement with Société Foncière Lyonnaise for the transfer of 30% of its stake in SIIC de Paris.

2013

REALIA obtains the deferral of its homebuilding debt and starts searching for new investors who contribute capital.

2014

REALIA sells its stake in SIIC de Paris and focuses its property business in Spain. Hispania announces a takeover bid on 100% of the company at a price of 0.49€/share.

Source: Realia

3. Who we are

3.3 Business model

In 2006 REALIA decided to focus on the commercial property business, and a new business model emerged as a result which helped overcome the worst moments of the real estate crisis, and thanks to which it is now poised to recover its leadership in the sector. This model is based upon four pillars: asset quality and location; stable relations with customers, and innovation linked to sustainability.



QUALITY AND LOCATION OF BUILDINGS

High-quality landmark buildings in strategic locations.



STABLE RELATIONS WITH CUSTOMERS

Priority to long-term contracts with quality, notorious and solvent tenants rather than more profitable short-term agreements.



EXCELLENCE IN SERVICES

Continued effort to meet the needs of tenants as a way to increase their loyalty and maintain occupation.



INNOVATION LINKED TO SUSTAINABILITY

Attractive, efficient and innovative real estate solutions, which reduce energy expenses and maintenance costs.

Source: Realia

3. Who we are | 3.3 Business model

3.3.1 Asset quality and location

Jorge Juan 35 (Madrid)

REALIA offers companies and professionals an extensive portfolio of high value added offices and shopping centres in prime areas, to conduct their activity in optimal conditions. Its assets have two distinct features: their excellent quality and location in prime areas.

REALIA's office buildings are flagship buildings, located in consolidated business areas and well connected, with facades looking at the main thoroughfares. Inside, they sport a functional design, with wide, well illuminated areas, and they meet all technical regulations on communications, safety and energy efficiency.

Torre REALIA building is one of the icons of Madrid's skyline; Torre REALIA BCN, designed by Pritzke Award winning architect Toyo Ito, are some of the company's flagship buildings.

REALIA's shopping centres are characterized by their careful design to promote the profitability of the retail stores and to act as meeting points for their customers. They are located in areas of strong demand, and are characterized by their retail diversity and their accessibility.

The shopping centre portfolio of REALIA is composed by El Jardín de Serrano in Madrid, Plaza Nueva Parque Comercial in Leganés, La Noria Factory Outlet in Murcia, Ferial Plaza de Guadalajara and As Cancelas en Santiago de Compostela.

In turn, REALIA's homebuilding developments are located in areas of high population growth, and are normally



first-residence units. They are fitted with quality materials and finishing, and incorporate energy efficient systems.

Asset turnover

The company has for a number of years maintained a strategy of disinvesting assets considered as non strategic when they reach a certain degree of maturity to maintain the value of its portfolio and contribute to the group's

results. Accordingly, it sold in 2014 its stake in the French property company SIIC de Paris, which owns thirty buildings in the French capital, and in Setecamos, owner of the Twin Towers shopping centre in Lisbon.

The group aims to focus its investment in Spain, a market with greater growth expectation, and acquired last December the office building located at Goya 29 in Madrid, through its subsidiary Hermanos Revilla.

3. Who we are | 3.3 Business model

3.3.2 Stable relations with customers

REALIA's tenants are first-level national and international companies and institutions, renowned and financially solvent.

The company helps them achieve their corporate goals by offering them functional, unique work spaces that ensure their satisfaction and their permanence, in order to maximize occupancy.

In order to favour the stability of rental contracts, it prioritizes long-term lease contracts with high quality tenants, rather than more profitable short-term contracts.

Contracts normally have a duration of three to five years, and contemplate the allocation of all expenses, and include indexation clauses to the Consumer Price Index (CPI), and other guarantees for the landlord.

As a stimulus to the stability of its leases, the company offers potential customers flexible conditions and temporary incentives, such as the payment of staggered rents, grace periods or relocation bonuses.

In order to favour the extension of current contracts, the company negotiates its extension with the tenants before the end of the lease period, taking into account their needs and the market context.

The success of this commercial strategy is proven by the fact that REALIA's occupancy rate is higher than 90%, and 23.2% of the office rental contracts and 40.6% of the contracts with business establishments mature after 2018.



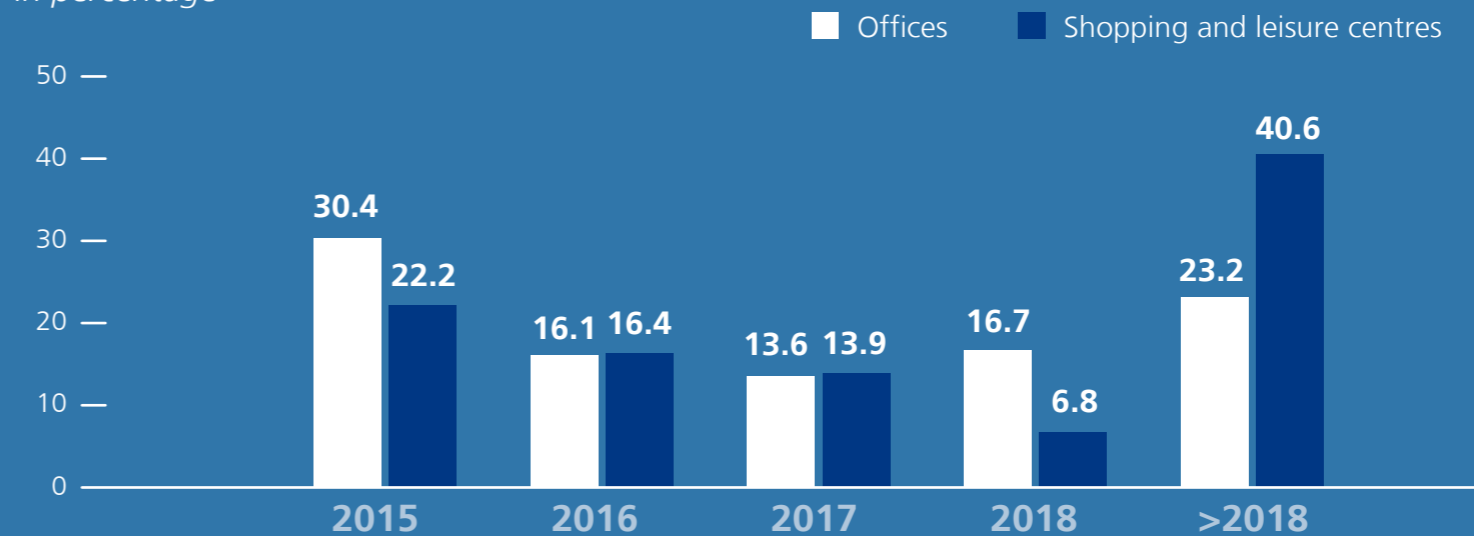
23.2% of the office rental contracts and 40.6% of the contracts with business establishments mature after 2018

Homebuilding activity

In its homebuilding activity, REALIA provides detailed information to its customers about the qualities of the property, is actively involved in all the paperwork and offers a post-sale service that covers a minimum of one year after the home is delivered.

Contract maturities over annualized rents

In percentage



Source: Realia

3. Who we are | 3.3 Business model

3.3.3 Excellence in services



Valdebebas (Madrid)

REALIA provides excellent services to its tenants and buyers that meet their needs, preserve the value of the property and reduce their operating expenses.

The company offers customized solutions to each tenant, is flexible in adapting the space, and strives to continuously improve the utilities to increase the comfort of the tenants and help them settle.

REALIA is aware that proper maintenance is essential to preserve the quality of its assets and optimize their value, and for this reason it proactively maintains its assets, and updates constantly its safety and accessibility conditions according to current legislation.

In order to reduce operating costs, it incorporates management initiatives to maximize both technical

and economic efficiency. To this end, it implements energy saving and thermal protection measures that contribute to reduce the power bill and protect the environment.

Expert professionals

It has a highly-qualified and experienced team to provide these services, who manage its real estate assets to make their operation more profitable. These company employees are spread throughout the different functional areas, supported by external contractors.

Specialized consultants manage the shopping centres, under the company's supervision.

Facilities for the buyer

In its commercial property activity, REALIA launches offers and offers advantageous conditions to potential buyers of homebuilding developments, to incentive sales and reduce its stock.

Furthermore, during the year it has facilitated the financing and subrogation with Kutxa Bank of the developments Jardín del Vivero (Fuenlabrada), Ronda Luz (Pinto) and Patraix (Valencia).

As to the sale of land, it normally grants buyers favourable payment deferral options.

3. Who we are | 3.3 Business model

3.3.4 Innovation linked to sustainability

Innovation, flexibility and capacity to adapt to change are the qualities which have helped REALIA survive the real estate crisis.

In 2006, two years before the bursting of the bubble, the company decided to focus its efforts on the commercial property business, and today it holds a valuable portfolio of buildings for rental which account for 68% of the revenues of the company.

The design and management of these buildings seek to find attractive, functional solutions adapted to the demand, which meet international energy efficiency and environmental protection standards.

The company has adapted its homebuilding activity portfolio to the changing market conditions. In recent years, it has gradually given up the construction of new buildings to focus its efforts to a limited number of select developments. Currently, it does not contemplate the construction of new homebuilding projects until the market circumstances are more favourable.



The last developments built, currently under commercialization, bear witness to the concept of sustainable construction

Edificio Acanto (Madrid)



The last developments finished, currently under commercialization, bear witness to the concept of sustainable construction. Realia Parque Valdebebas in Madrid incorporates innovative energy efficiency measures, whereas Altos de Santa Bárbara in Valencia is equipped with a Storm Tank to reduce water consumption and protect the complex against possible heavy rains.

Long-term vision is key in its approach to land management.

The goal is to preserve the value of the land to favour the development activity, once market conditions change.

During 2014, REALIA renewed its commitment with new technologies and the environment, through the implementation of a waste manager with the tool Microsoft SharePoint, which improves the access of national offices to information and reduces notably paper consumption.

3. Who we are

3.4 Lines of activity

REALIA carries out its activity in two business lines: property and homebuilding. The property business of the company focuses on the rental and management of proprietary buildings, mainly office buildings and shopping centres. The homebuilding activity is based on the development and sale of real estate products, mainly housing, and land management and commercialization. The property business absorbs most of the activity of the group, accounting for 68% of total revenues.

Torre REALIA (Barcelona)



The office building and shopping centre rental business is the responsibility of the company REALIA Patrimonio. Its main activity is the management and development of real estate assets, for third party leases. It also carries out other real estate investments and property sales.

REALIA Patrimonio is the owner of a number of buildings in the main business districts of Madrid and Barcelona and has a stake in other property companies such as Hermanos Revilla. It owned a stake in SIIC de Paris until July 2014, and in the Portuguese company Setecampos, until November.

REALIA Business is responsible for the homebuilding business, which includes housing and land development. Its main activity is in Spain, but it has subsidiaries in Poland, Romania and Portugal.

Homebuilding development consists in the development and sale of real estate products, mainly housing, even though the company has suspended its construction activities awaiting a change in the real estate market. Land management involves land purchase and management to acquire land that can be developed, and the sale of that land to third parties.

3. Who we are | 3.4 Lines of activity

3.4.1 Property business

REALIA owns 41 prime assets, with a leasable surface area of 418,856 sq m at the end of 2014. All the buildings in this valuable property portfolio are under commercial operation.

Most of the buildings are located in strategic locations in Madrid, but the group also owns properties in seven more Spanish capitals, including Barcelona.

The portfolio of buildings is made up by 41 buildings in commercial operation: 29 office buildings, 6 shopping centres and a leisure centre, and a building used for logistics purposes, and other commercial premises and car parks. The portfolio of the company is completed with four plots of land for services.

Despite the general decrease in occupancy levels, REALIA's buildings have maintained an occupancy rate of 90% throughout the year, thanks to three main reasons: the privileged location of the assets, their perfect state of conservation and the swift commercial policy of advanced extension of contracts.

The yields of the assets in operation is now 5.6%, the highest being that of shopping centres (7.6%), followed by office buildings (5.2%) and other assets (4.6%).

Focusing the business on Spain

The company has focused its property business in Spain, and sold its stake in the French company SIIC de Paris, owner of some thirty buildings in the French capital. It

REALIA's assets have maintained a 90% occupancy rate during the year thanks to their prime location, perfect state of conservation, and the swift commercial policy

also sold the company Setecampos, owner of the Twin Towers shopping centre in Lisbon, and as result it no longer holds any rental assets abroad.

A new building was added to REALIA's portfolio in 2014: the Goya 29 building in Madrid acquired by Hermanos Revilla in December, and currently under commercial operation. The building has a surface area of 5,602 sq m and 87 parking spaces.

Property situation in 2014

	Buildings	Surface area sq m
IN OPERATION	41	418,856
Offices	29	244,853
- CBD	12	84,413
- BD	5	60,790
- Other areas	12	99,651
Commercial	6	128,674
Rest	6	45,329
LAND RESERVE	-	123,744
Offices	-	57,827
Commercial	-	65,917

Source: Realia

3. Who we are | 3.4 Lines of activity | 3.4.1 Property business

a) Offices

REALIA's office portfolio is made up at year end, by 29 buildings with a leasable surface area of 244,853 sq m, 27 of which are located in Madrid, one in Barcelona and another one in Seville.

More than half of the assets located in the Spanish capital, a total of 12, are located in the central business district (CBD), while five of them are in the metropolitan area (BD, excluding the CBD) and the rest in the periphery.

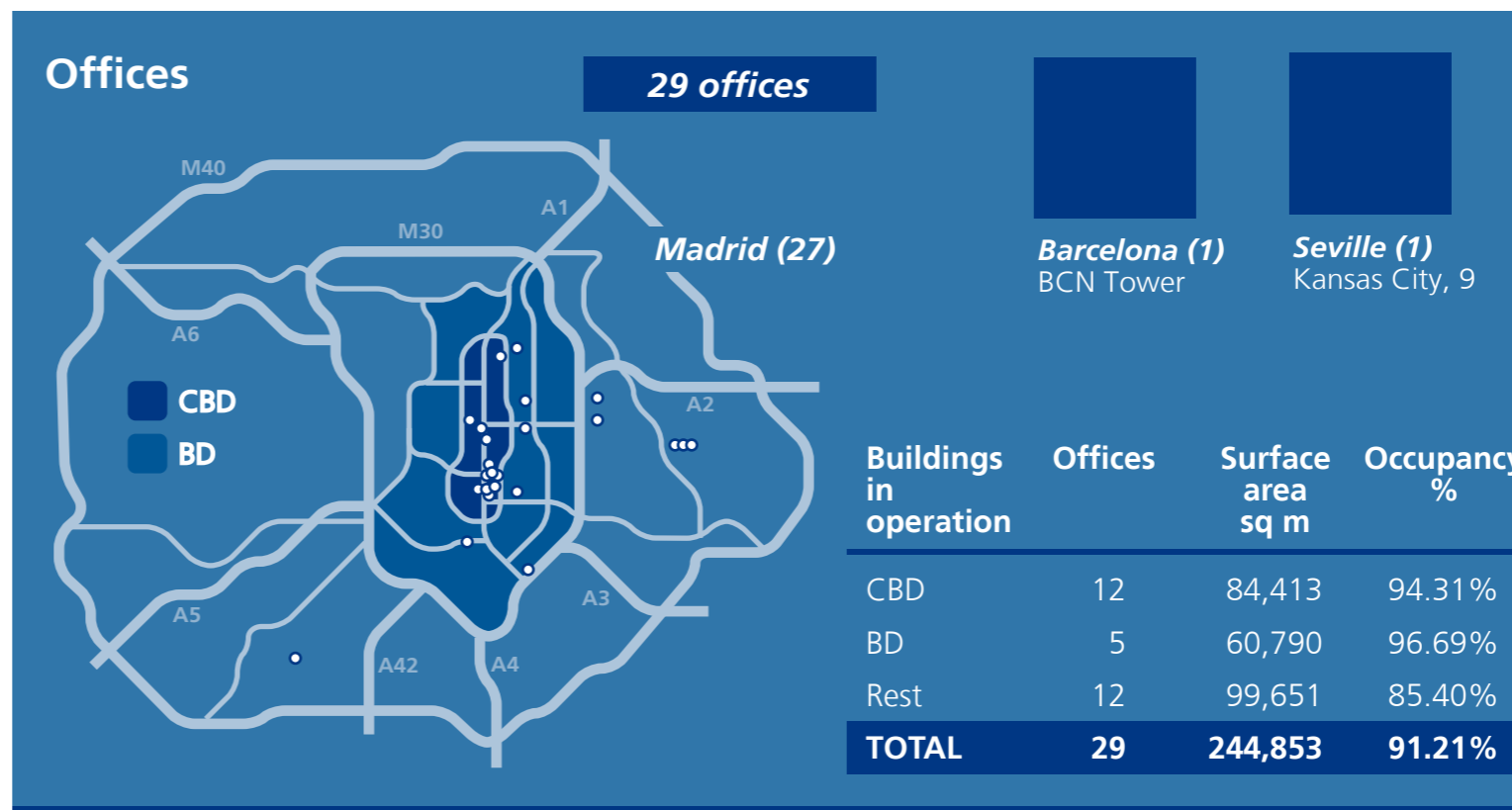
Occupancy of Spanish offices increased up to 91.21% in 2014, and reached 96.69% in the metropolitan area of Madrid, and 94.31% in the business district.

The yields of Realia's offices reached 5.2%, higher in the metropolitan area (5.9%) and the periphery (5.8%) than in the central business district (4.5%).

Flagship buildings for prestigious clients

As of December 31, the most relevant buildings of REALIA in Madrid are Torre Realia, headquarters of the company, and the Los Cubos building.

In Barcelona, the group owns the Torre Realia BCN, a building designed by architect Toyo Ito, and a building on Avenida de Kansas City 9 in Seville.



Source: Realia

The yields of Realia's offices reached 5.2%, with metropolitan offices having the highest yield.

REALIA leases office space to top level customers, including institutional agencies and numerous national and international companies of known financial solvency such as Marsh & McLennan, Gómez-Acebo & Pombo, British Telecom, KPMG, St. Gobain, Amadeus, DHL or Ericsson.

3. Who we are | 3.4 Lines of activity | 3.4.1 Property business

b) Shopping centres

As of December 31, 2014, REALIA owns six shopping centres in operation in Madrid, Guadalajara, Murcia, Santiago de Compostela and Soria, and a wellness centre in Madrid. These centres add up to a total of 135,319 sq m of leasable surface area, and have 6,642 parking spaces.

These are modern centres, located in urban areas and provincial capitals with a strong commercial demand or great potential for development. They are equipped with excellent common areas and services, ample accesses, and are prepared to provide a pleasant shopping experience to its customers.

Thanks to these excellent conditions and REALIA's policy to extend contracts before their maturity, shopping centres maintained an 89% occupancy level.

The yield of REALIA's shopping centres reached 7.6% during 2014.

These centres hold local, national and international companies and retailers from many different sectors, such as Carrefour, Decathlon, Inditex or BricoMark.

The most representative commercial property in Madrid, due to its location at the so called Golden Mile of Madrid, is Jardín de Serrano, with a leasable surface area of 2,124 sq m. Nearby, at Manuel Becerra 17, there is a centre specialized in wellness.

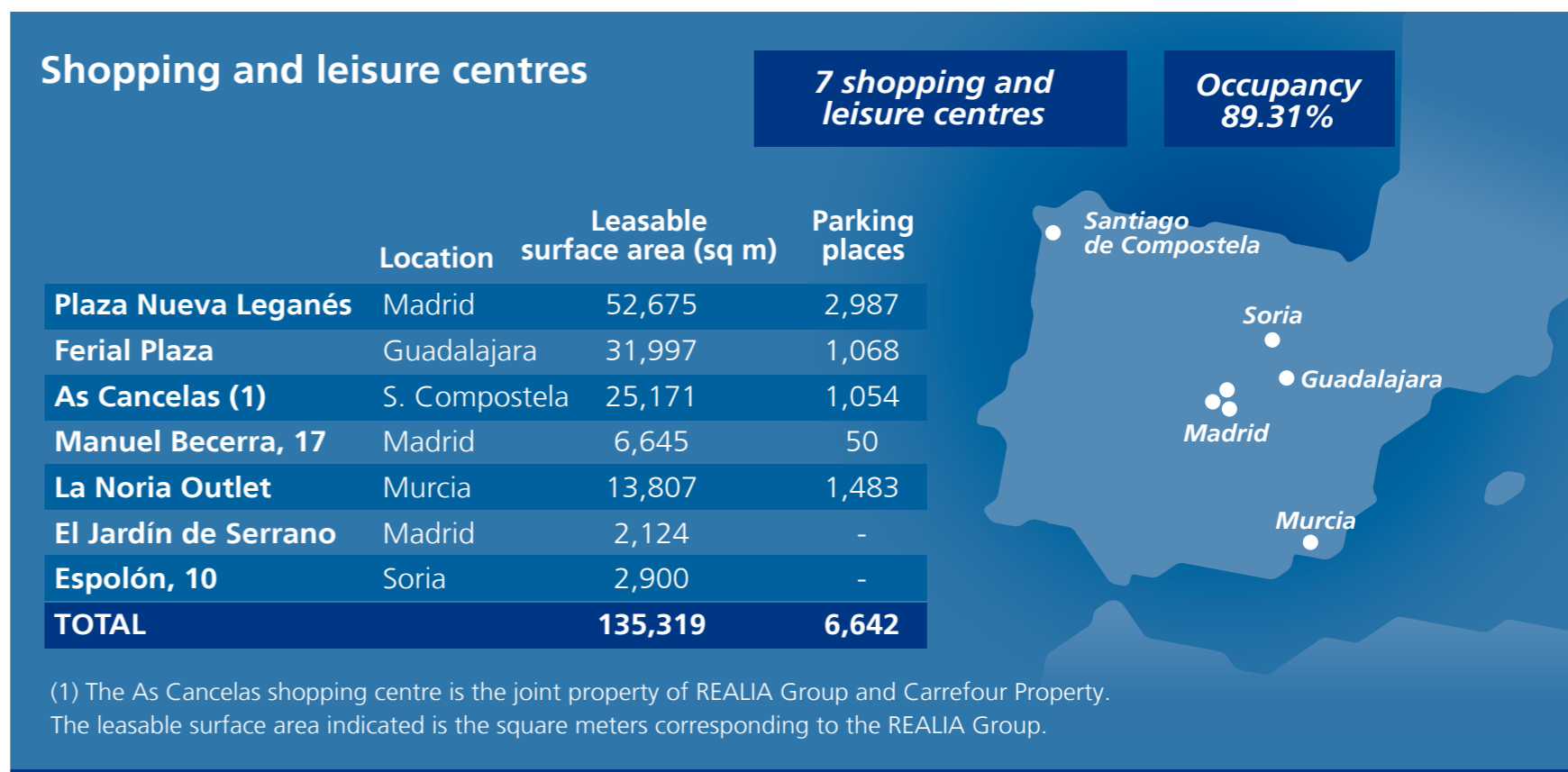
One of the largest shopping centres is the Parque

Comercial Plaza Nueva de Leganés, in Madrid, one of the most valuable assets of the company, with 52,675 sq m of gross leasable surface area.

In Murcia, it owns the Noria Factory Outlet, a centre specialized in offering high quality products at great discount prices throughout the year. This outlet format is increasingly popular in recent years.

Around one hundred retailers and recreation companies rent their premises at the Ferial Plaza de Guadalajara, equipped also with an extensive range of services.

As Cancelas, located in Santiago de Compostela, is the most recent shopping centre. It opened in 2012, and offers a diverse mix of retail stores and leisure.



Source: Realia

3. Who we are | 3.4 Lines of activity | 3.4.1 Property business

Main Spanish property assets

REALIA PATRIMONIO	HERMANOS REVILLA
<p>Torre Realia Use: Offices Location: Madrid Market: CBD Year of construction: 1996 Surface area: 28,424 sq m</p>	<p>María de Molina, 40 Use: Offices Location: Madrid Market: CBD Year of construction: 1988 Surface area: 9,604 sq m</p>
<p>Torre Realia BCN Use: Offices Location: Barcelona Market: Periferia Year of construction: 2009 Surface area: 31,960 sq m</p>	<p>Castellana, 41 Use: Offices Location: Madrid Market: CBD Year of construction: 1991 Surface area: 4.584 sq m</p>
<p>Edificio Los Cubos Use: Offices Location: Madrid Mercado: BD Last reform: 2011 Surface area: 18,324 sq m</p>	<p>Goya 6 and 8 Use: Offices Location: Madrid Market: CBD Year of construction: 1991 Surface area: 7,516 sq m</p>
<p>CC As Cancelas Use: Commercial Location: Santiago de Compostela Year of construction: 2012 Surface area: 50,342 sq m</p>	<p>CC. El Jardín de Serrano Use: Commercial Location: Madrid Market: CBD Last reform: 1991 Surface area: 2,124 sq m</p>

Offices ⁽¹⁾	Surface area sq m
Torre REALIA BCN	31,960
Torre REALIA	28,424
Salvador de Madariaga (2)	24,850
Albasanz, 16 (2)	19,549
C.N. Eisenhower I, II, III and IV	19,071
Edificio Los Cubos	18,324
CN Méndez Álvaro	13,248
Maria de Molina, 40 (2)	9,604
Av. Bruselas, 36	8,856
Príncipe de Vergara, 132 (2)	8,780
C.N.Kansas City	8,735
Goya, 6 and 8 (2)	7,516
Musgo, 1 and 3 (2)	5,389
Goya, 29 (2)	5,062
Paseo de la Castellana, 41 (2)	4,584
Albasanz, 12 (2)	4,160
Alfonso XII, 30 (2)	4,007
Serrano, 21 (2)	3,864
Marqués del Duero, 4 (2)	3,000
Prim, 19 (2)	2,786

(1) Assets with more than 2,000 sq m - (2) Through Hermanos Revilla

Source: Realia

3. Who we are | 3.4 Lines of activity

3.4.2 Homebuilding business



Hato Verde (Sevilla)

Evolution of the homebuilding portfolio*

	2014	2013	Variation (%)
Pre sales			
Units	144	145	-0.7%
Revenues (Bn)	23.8	24.2	-1.5%
Deliveries			
Units	152	131	16.0%
Revenues (Bn)	27.4	24.2	13.4%
Total available portfolio at year's end (units)	694	769	-9.8%

(* Including land plots)

Source: Realia

As of December 31, 2014, REALIA holds a portfolio with 665 housing units, 636 of which were for sale and 19 already sold and pending delivery. This premium stock is mainly housing, but it also includes commercial premises and offices. Additionally, it owns 58 plots for single-family housing for sale in a development.

Out of the available housing stock, 77% correspond to first residences, and 23% to second residences.

REALIA conducts its homebuilding activity in Spain through five offices: Catalonia; Canaries; Eastern Region and the Balearic Islands; and Madrid and central region. It also develops housing in Portugal and Poland, sold through its subsidiaries REALIA Portugal and REALIA Polska respectively.

Homebuilding activity picked up during 2014, with 152 units delivered, compared to 131 the year before, for a

total of 27.4 million Euros. Additionally, 144 have also been pre-sold for 23.8 million.

The commercial policy of price adjustments and the imminent opening up of credit explain the stock reduction. The average discount was 42.88% of the original price, placing the average price at 180,924 Euros. The highest prices were those of the Realia Parque Valdebebas development in Madrid.

3. Who we are | 3.4 Lines of activity | 3.4.2 Homebuilding business

More than one third of sales took place in Madrid and the Central region (50 homes and a commercial premise in Madrid and 13 homes in Castilla-León), followed by Catalonia with 33 homes; Andalusia with 21; Eastern Region and the Balearic Islands with 18; Canaries with 7.5 (the units from developments made in a joint venture with other companies are accounted for as 0.5).

After the sales, Madrid and Andalusia concentrate more than two thirds of the stock, with 217 and 209 units, respectively. In the Eastern region there are 117 units for sale and 74 in Catalonia.

In turn, the land plots are located in Catalonia (30) and Andalusia (28).

Abroad, six homes have been delivered in Portugal, and one home and one commercial premise in Poland. At year end, there were no homes for sale outside Spain. Poland holds a stock of five commercial premises, and in Portugal four premises and ten offices are still for sale.

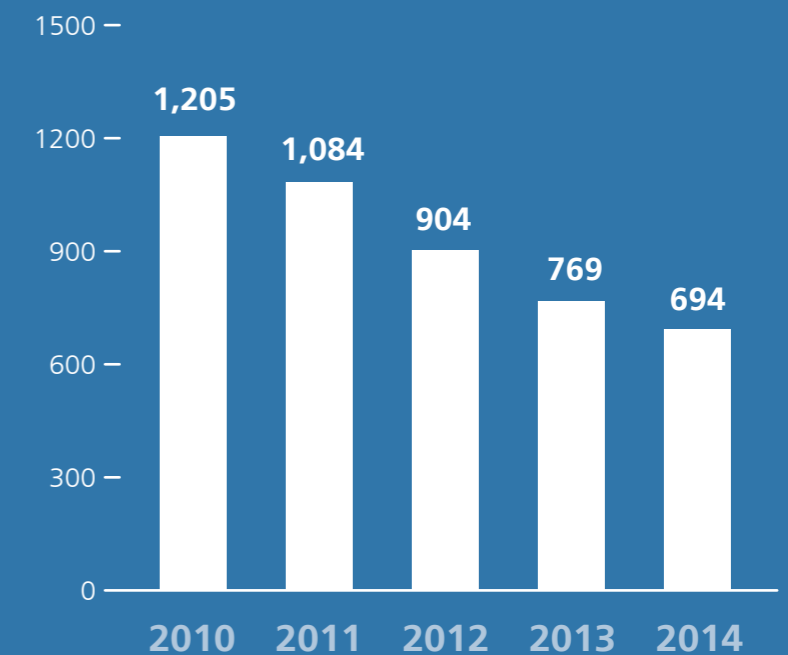
No new developments have started in the year, following the group strategy not to undertake any new construction until the market will allow for it with no financial risks.



Jardín del Vivero (Fuenlabrada, madrid)

Reduction in the stock of available housing

In units



4 new developments started in 2010 (361 homes)
2 new developments started in 2011 (147 homes)

Source: Realia

3. Who we are | 3.4 Lines of activity | 3.4.2 Homebuilding business

Breakdown of buildable land

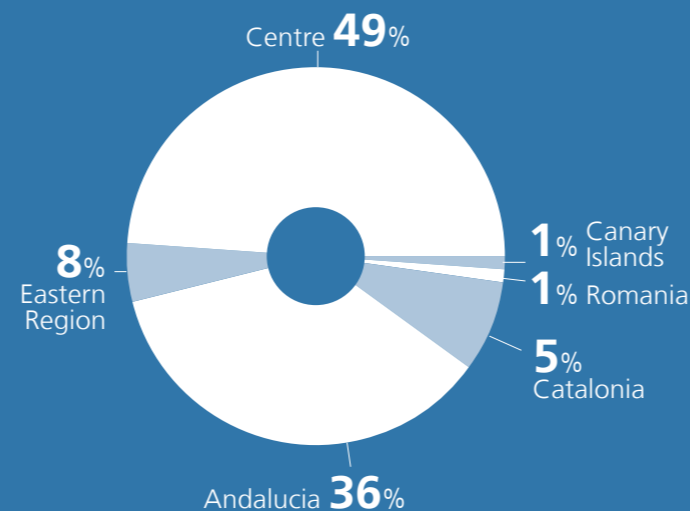
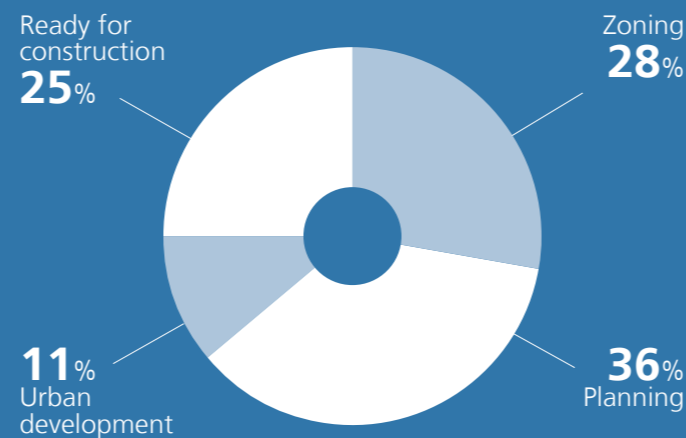
Thousand sq m

ACCORDING TO URBAN DEVELOPMENT STATUS

	2014	2013	%
Zoning	518	518	28
Planning	670	706	36
Urban development	214	182	11
Ready for construction	474	539	25
TOTAL	1,876	1,945	100

BY GEOGRAPHIC AREAS

	2014	2013	%
Centre	926	677	49
Catalonia	93	932	5
Andalusia	677	92	36
Eastern Region	150	150	8
Canary Islands	19	19	1
Romania	11	75	1
TOTAL	1,876	1,945	100



Source: Realia

REALIA's land portfolio has been reduced to 5.757 million sq m, after the sale of a plot of land in Poland.

Land

REALIA's land portfolio has gone down to 5.757 million sq m at the end of 2014, after the sale of a plot of land in the Wilanow district of Warsaw (Poland) for 7.7 million Euros.

The company owns 1.876 billion sq m of buildable surface area, 25% of which corresponds to land ready for construction, 11% to land under development, 36% to land under planning and the rest to land under zoning.

In recent months, only consolidated and well located urban land, with potential demand and which requires a limited investment have raised some interest.

Daily land management is the result of a joint effort between the Madrid headquarters and the regional offices where the company is present.



4. Year 2014

4.1 | Economic and trade environment

4.2 | Strategy

4.3 | Results of the year

4.3.1 | Financial situation

4.3.2 | Asset valuation

4.3.3 | Economic and financial parameters

4.4 | Evolution of share prices

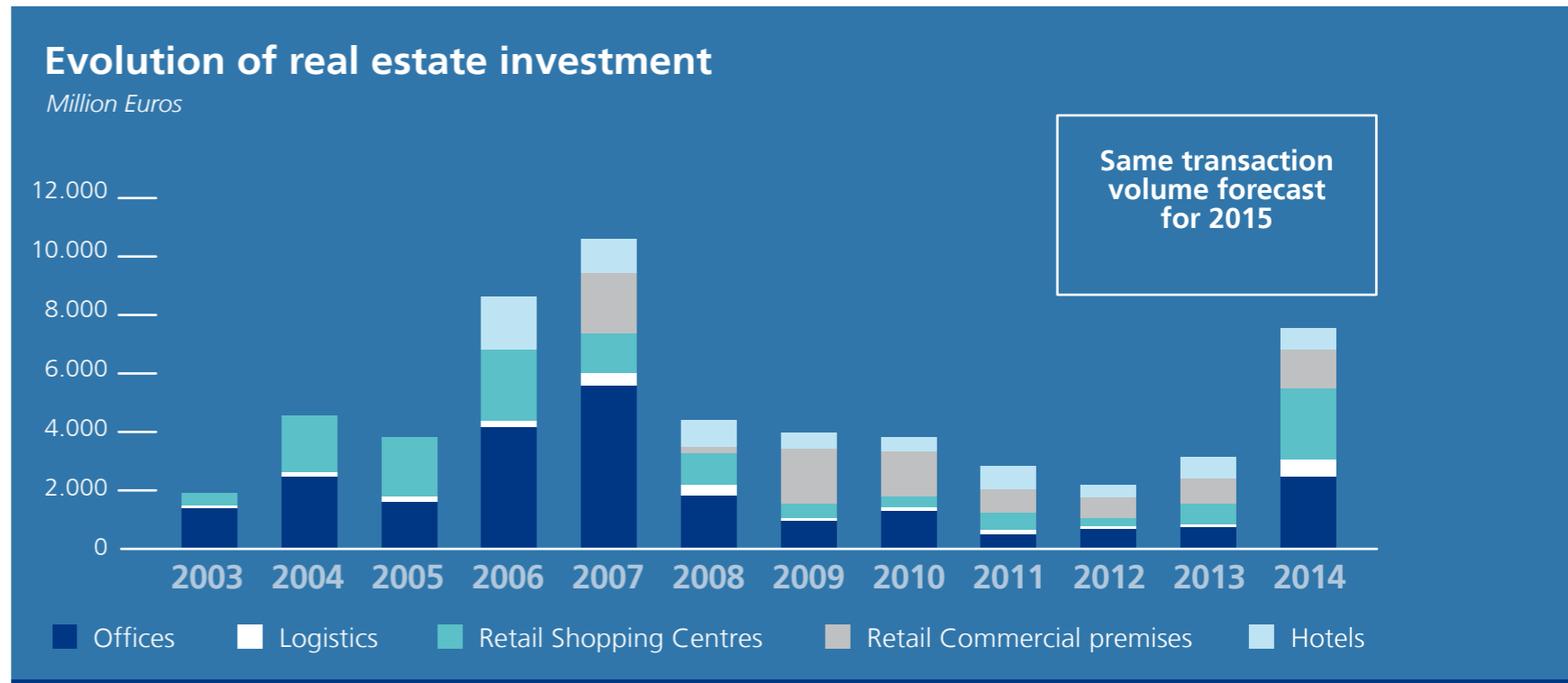
4. Year 2014

4.1 Economic and trade environment

2014 has brought about economic recovery in Spain. After six years of nearly uninterrupted recession, the economy is growing again. Employment has increased, prices have fallen and credit is opening up, favouring consumption and, hopefully, the eagerly awaited recovery. The real estate market is receiving a massive inflow of foreign capital, and the homebuilding business is still weak, but it starts to show signs of improvement.

Gross Domestic Product (GDP) finished 2014 with an annual average growth of 1.4%, 2.6 percentage points higher than in 2013. This increase confirms the changing trend in Spanish economy, supported by the stability of public finance, the restructuring of the banking sector and the increase in productivity.

The Spanish rental market is become a refuge for international investors seeking safer and more profitable alternatives to those offered by other markets. However, there are few assets in the market that meet their expectations, and the evolution of rents is highly heterogeneous.



Source: Aguirre Newman

Investment market

The homebuilding market has deteriorated gradually since mid-2007, and continues to suffer from excessive supply and shrinking demand. However, demand has begun to grow in the premium market segments, and financing has also improved, especially to individuals and self-development projects, whereas developing companies lack direct financing.

The real estate business is attracting the appetite of investors. The improvement of the macroeconomic context, the favourable expectations on rents, price adjustment and the opening of credit have resulted in investment operations exceeding 7.5 billion Euros in land for services and 1.8 billion Euros for land, rehabilitation and housing, according to Aguirre Newman.

4. Year 2014 | 4.1 Economic and trade environment

Most of the investment is foreign capital seeking investment alternatives with a low risk profile in the Spanish real estate market. Also, real estate investment trusts (RETI) and international investment funds have become the main players in the market.

There is currently a gap between these high levels of investment, similar to those of 2006, and the prime rents of Madrid and Barcelona which, although on the path to recovery, are still 30% below the maximum levels reached before the crisis.

Real estate investment in offices amounted to 2.5 Billion Euros, the highest in the last 10 years, concentrated on Madrid and Barcelona. In both cities, the investment in the year trebled that of 2013.

In turn, the shopping centre market has recorded maximum historical levels of transactions, with more than 30 shopping centres sold, as a reflection of the focus on rents growth, which is still low.

The land, renovation and housing market has also recovered in part. In 2014, the value of transactions amounted to 1.818 billion Euros.

Office rental

The Spanish office rental market has proven its robustness again in 2014. In Madrid, where most of the homebuilding activity of REALIA is concentrated,

Available office space

	SURFACE AREA (million sq m)	AVAILABILITY RATE (%)	YIELDS (%)	AVERAGE PRICE (€/sq m/month)
Madrid	12.729	12.9%	5.25%	24.27
Barcelona	5.881	13.7%	5.25%	15.65

(*) Average rent prices in January 2015 in "prime" offices

Source: Aguirre Newman

contracts grew 9.4%, reaching 432,195 sq m, against the 295,181 sq m recorded in 2013.

Contrary to 2013, when two major transactions set the pace for the evolution of the market, a notable increase in the number of transactions has been registered, from 392 in 2013 to 508 transactions in 2014.

Thanks to the greater activity in contracts and the small number of new projects, the availability rate of Madrid offices fell from 14.1% in January 2014 to 12.9% in January 2015.

In absolute terms, the stock has reached 1.64 million sq m available. Occupancy levels have increased in practically all areas, and the space availability of the business district, excluding the "4 towers", is now around 7%.

Average rent in the prime area of the Spanish capital at year end is 23.22 Euros per sq m per month, which represents a 4% increase over the previous year. However, rent prices are quite far from the prices paid in 2007, before the bursting of the real estate bubble.

4. Year 2014 | 4.1 Economic and trade environment

In Barcelona, contracts have grown considerably, 47% above 2013, and currently the available surface area stands at 289,770 sq m. Demand in non central areas was especially positive, and the number of contracts doubled the 2013 figure.

Throughout the year, availability rate has gradually gone down until it reached 13.69% of the stock. As of January 2015, there are 805,306 sq m of office space available, mainly in the business district.

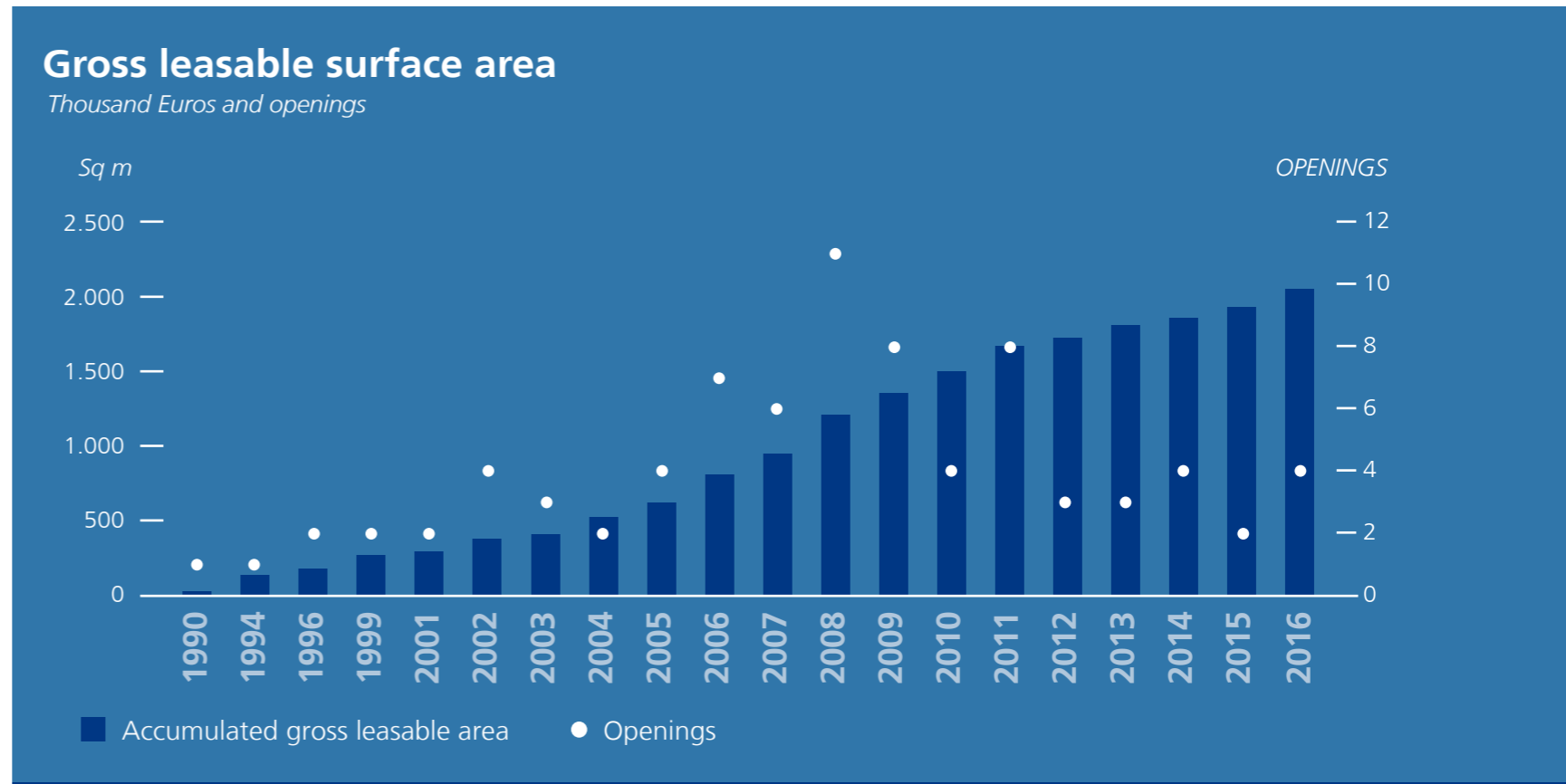
As a consequence of the strong demand and the shortage of new supply, rents in Barcelona have improved in all areas, except in the suburbs. In the business district, they have increased 7.9% compared to the second half of 2013.

Shopping centre rental

Spain had 545 shopping centres and malls at the end of 2014, with a gross leasable surface area of 15.44 million sq m, a slight 0.9% increase over the previous year.

In the period 2012-2014, 25 centres have been opened or extended, creating a gross leasable surface area of 813,660 sq m. The Spanish Association of Shopping Centres and Malls forecasts that this pace will be maintained during 2015-2017.

In the medium-sized shopping centre market, retail density is nearly 93.3 sq m per thousand inhabitants, which represents a 6% increase over the previous year



Source: Savills

thanks to the improvement in the main socioeconomic indicators and consumption forecasts, according to the market survey "Medium-sized shopping centres in Spain" by Savills. The regions with the highest retail density

include Murcia, Aragón and the Community of Valencia.

Prime shopping malls have an occupancy near 100%, and their rent levels is stable at 16 €/sq m/ month.

4. Year 2014 | 4.1 Economic and trade environment

Homebuilding market

After several years of constant decreases, the homebuilding market is starting to recover. The sale of housing grew 2.2% in 2014, reaching 319,389 units, according to the Instituto Nacional de Estadística (INE), and two-digit growth was registered during the final months of the year.

The opening up of credit from banks and the better interest rates have favoured mortgage loans, even though these are strongly conditioned by the income level of buyers.

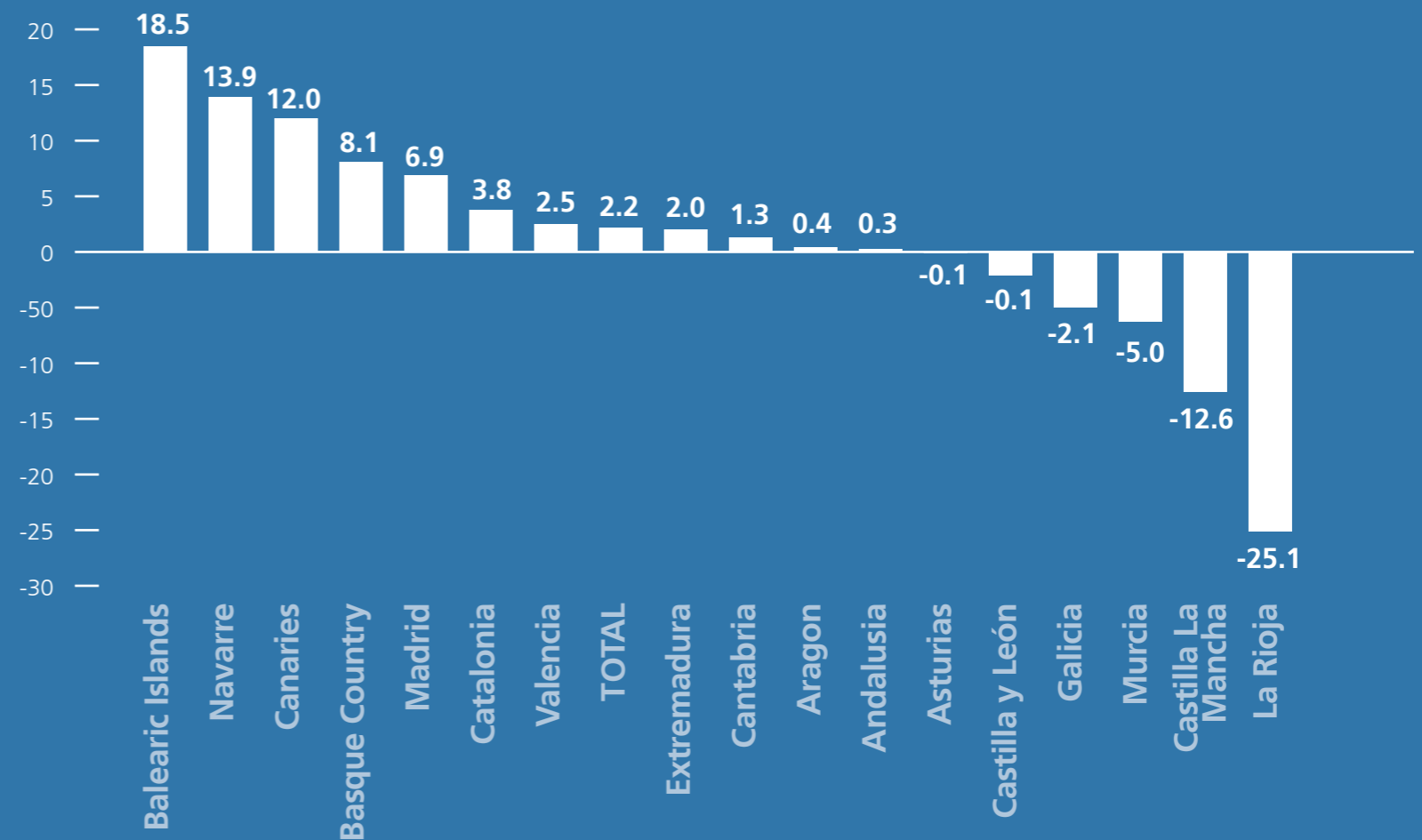
The average price of unsubsidised housing has gone down 0.3% from last year, down to 1,463.1 Euros per sq m, in the seventh consecutive year of decrease, according to the Ministry of Industry. However, in keeping with the market recovery, in the last quarter of the year, prices have picked up for the first time since the beginning of the crisis.

Construction activity grew again in 2014 for the first time since 2006, as reflected by the increase in the number of work permits. But now there are more actors, and the prevailing model is self-development. Classic developers are now joined by cooperatives, investment funds and banks.

Cooperatives are financing the purchase of land with contributions from their members, and are obtaining funding for construction without great difficulties,

Annual variation of the number of home purchases in 2014

In percentage



Source: Realia

4. Year 2014 | 4.1 Economic and trade environment

Urban land prices went up 5.2% during the fourth quarter of 2014, compared to the same period of 2013

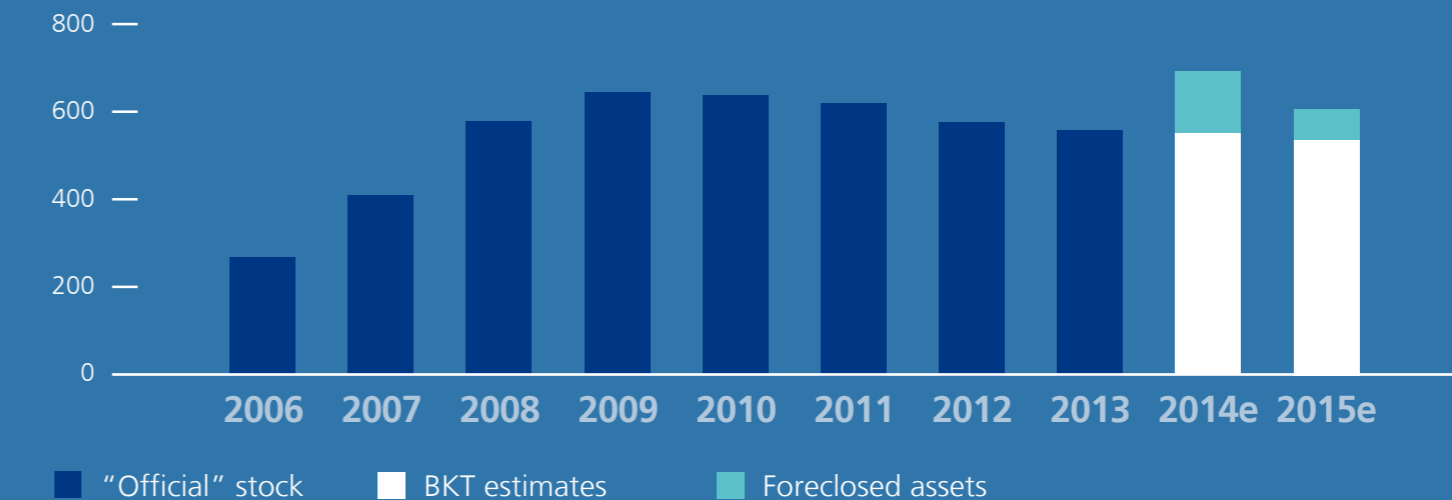
whereas investment funds contribute capital for land and construction and they select highly qualified companies to take care of the management. In turn, banks are selling or removing from their balance sheets the value of land developing or establishing partnerships with third parties.

In turn, the Sareb (Sociedad de Gestión de Activos Procedentes de Reestructuración Bancaria) sold 15,300 buildings and hopes to reach a similar figure in 2015, thus confirming the stability of demand. One out of every five units was sold in Madrid and Barcelona.

Analysts forecast that the housing stock has gone down again in 2014, judging from the stock officially recognized by the Ministry of Industry and the foreclosed homes present in the balance sheets of financial institutions and Sareb. According to Bankinter, this high stock will not be an obstacle for the recovery of the construction activity.

Housing stock in Spain

Thousand units



Source: Ministerio de Fomento (2006-2013) and Bankinter estimates (2014-2015), including foreclosed assets.

Land

The land market also picked up in 2014. During the year, 15,899 urban land transactions took place, 9.0% more than the 14,555 of 2013, according to data from the Ministry of Industry,

Urban land prices went up 5.3% during the fourth quarter of 2014 compared to the same period of the previous year, recording the highest prices (in municipalities over

50,000 inhabitants) in Madrid, Barcelona and the Balearic Islands.

The surface area of these transactions amounted to 23.7 million sq m, 12.2% more than the 21.1 million of 2013.

In terms of value, the total for 2014 was 2.4703 billion Euros, 3.3% more than the 2.3911 billion of 2013.

4. Year 2014

4.2 Strategy

The priority objective for REALIA is to attain long-term feasibility, and this was the axis of its strategy in 2014. In order to achieve it, the company has strived to look for new investors which can take care of its homebuilding-related debt, and has sold the homebuilding assets it owned in France through its subsidiary SIIC de Paris to focus its business in Spain. In parallel, it has worked hard to preserve the value of its real estate assets to protect the rights of shareholders through a different strategy in every business area.

CC As Cancelas (Santiago de Compostela)



2014 has been a year of restructuring for REALIA, with the purpose of meeting the terms of the refinancing agreement for the homebuilding business signed in 2013 with the bank syndicate, by which the company committed to attract capital to serve its debt, recapitalize the company and give the shareholders who wanted to leave the group the opportunity to do so.

Within the framework of this restructuring, REALIA sold

its 58.95% stake in the French property company SIIC de Paris to the company Eurosic for a total amount of 559 million Euros, at a unit price of 22 Euros per share.

This transaction, completed in July after receiving authorization from the French competition authorities, reduced the net debt of the group by 1.023 billion Euros, and contributed 4.2 million Euros to the Parent company trading account in 2014.

4. Year 2014 | 4.2 Strategy

With this sale, the company has obtained sufficient liquidity to tackle new property investments in Spain, a market with more opportunities than the mature French market, and has repositioned itself to attract new investors.

Following the same policy of asset turnover and focusing its business in Spain, REALIA has sold its stake in the property company Setecampos, owner of the Twin Towers shopping centre in Lisbon. This sale has generated 2.5 million Euros in revenues for the company.

Search for new investors

In 2014, REALIA and Goldman Sachs have worked to attract new investors who can contribute funds to pay in cash, totally or partially, the 792 million Euro syndicated loan that supports its homebuilding business and matures in 2016.

After the interest shown by some companies, which did not finally materialize, Hispania – a real estate

company dedicated to property asset management in Spain – published a prior notification of a takeover bid on November 21.

The notice describes the conditions of the bid offered to shareholders: a voluntary takeover bid at the price of 0.49 Euros per share, followed by the recapitalization of the group. The offer is subject to its acceptance by a minimum of 55% of the share capital, and is preceded by an agreement with the creditors for the acquisition of 50% of the syndicated loan, at a 21% discount.

At year end, the Stock Market Authority, the Comisión Nacional del Mercado de Valores (CNMV) was analyzing the takeover bid brochure, and approved it in March. Once approved, the Board of Directors of REALIA issued its opinion within 10 calendar days, as legally required. In the corresponding Report, the Board of Directors considers the compensation offered unreasonable to shareholders from a financial point of view. It also held that the sale of numerous assets within a short period of time, as established in the takeover bid brochure, may have a negative impact on its selling prices, with the corresponding loss of value for the company and its shareholders.

Furthermore, FCC, one of the majority shareholders of the company together with Bankia, announced its intention to suspend the sale of its stake in Realia. FCC and Bankia announced jointly in 2013 their intention to dilute their positions in REALIA as part of the process of attracting new investors.



Alfonso XII (Madrid)

4. Year 2014 | 4.2 Strategy

In turn, in March 2015, Inmobiliaria Carso announced its intention to launch another competitive takeover bid for 100% of REALIA, at the price of 0.58 Euros per share, and signed an agreement with Bankia for the purchase of its stake (24.95%) in the company. The takeover bid has been admitted for processing and the brochure is being currently analyzed by the CNMV.

Focus of activity

Waiting for the arrival of new majority shareholders, the company has continued to work to maintain its long-term feasibility and preserve the value of its real estate assets, with a differentiated strategy for each one of the business areas.

Property business strategy

- ▶ Optimization of resources and cost reduction, to reduce the overhead.
- ▶ Prudent asset valuation and renegotiation of rentals.
- ▶ Asset value maximization, both in terms of rents and occupancy.
- ▶ Maintaining an appropriate asset turnover policy.

Homebuilding business strategy

- ▶ Sale of the finished housing stock with margins adapted to the new valuations.
- ▶ Preserving the value of the investments made.
- ▶ Continuing urban land management to increase its value.

This strategy is part of a Business Plan, which establishes

Inmobiliaria Carso announced in March 2015 that will launch a competitive takeover bid for 100% of REALIA, at the price of 0.58 Euros per share

as guidelines the restructuring of the balance sheet, the reduction of leveraging, and a probable capital increase, as well as the servicing of the debt linked to the homebuilding business and the seizing of the opportunities offered by the market.

Prospects for 2015

A change in the shareholder structure is foreseeable in 2015, which can influence the strategy of the group. However, and given the property, financial and shareholding situation existing at year end, REALIA will continue on the same path of previous years, both in the property and the homebuilding businesses.

In homebuilding, the company will continue with the sale of its approximately 650 finished homes, and does not contemplate to start new developments until the market allows for them without having to take great financial risks. Furthermore, it will continue to develop urban management in different areas until the market recovers.

In the property business, the objective of REALIA is to reinvest the funds from the sale of the property company SIIC de Paris onto prime real estate assets, of a similar location to those currently in the portfolio, which allows it to maintain an attractive loan to value ratio (total debt / asset market value) for future investments.

4. Year 2014

4.3 Results of the year

REALIA finished 2014 with a 3.7% growth in revenues, up to 115.4 million Euros, and a 22.3% decrease in net losses, down to 39.6 million Euros in the negative. The result has been penalized by taxes, most of which (19.5 Million) are due to a tax adjustment on tax credits activated in the past, as a result of the corporate tax hike up to 25% in 2016.

Consolidated income statement

Million Euros

	2014	2013	Variation (%)
Total operating revenues	115.4	111.3	3.7
Rents	78.6	79.9	-1.7
Sale of property (result)	0.0	0.7	-94.4
Developments	27.4	24.2	13.4
Land	7.7	3.4	123.0
Others	1.7	3.0	-43.2
Gross Margin	42.1	54.1	-22.2
Rents	54.7	55.5	-1.5
Sale of property	0.0	0.7	-94.4
Developments	-7.6	-2.7	-184.7
Land	-4.8	1.0	-566.7
Others	-0.3	-0.5	47.9
Overhead	-11.2	-13.7	18.6
EBITDA	30.9	40.4	-23.4
Amortizations	-15.5	-16.1	3.6
Provisions	10.3	-48.3	121.3
EBIT	25.7	-24.0	206.9
Net financial result	-39.7	-2.3	-1.639.9
Equity method	-0.4	-0.9	56.2
Earnings before taxes	-14.4	-27.2	47.0
Taxes	-23.8	-0.8	-2.767.5
Discontinued activities	1.8	6.8	-73.5
Earnings after taxes	-36.4	-21.2	-71.5
External partners	3.2	29.8	-89.2
Attributable net result	-39.6	-51.0	22.3

(*) Data corrected after the sale of SIIC de Paris and the adaptation to the International Accounting Rules (NIIF).

Source: Realia

4. Year 2014 | 4.3 Results of the year

REALIA generated 115.5 Million Euros in revenues in 2014, a 3.7% increase, and reduced its negative results again by 22.3%, down to 39.6 Million Euros, mainly as a result of the effect of provisions: reversal of provisions this year (10.3 Million Euros), against the provisions of the previous year (-48.3 Million).

The sale of SIIC de Paris represented the disposal of all the shares that REALIA Patrimonio owned in the French company to the French group Eurosic, and had a dual effect on the accounts: on one hand, the 559 Million obtained from the sale, and on the other, the consolidation of the net financial debt of the company sold by 476.7 Million Euros. Furthermore, it generated a result attributed to the parent company of 4.2 million Euros.

The property business continued to concentrate most of the group turnover, with 68% of the revenues and more than 100% of its gross margin. In turn, revenues from its homebuilding business went up 13%, even though margins dropped as a result of the discount prices offered in sales.

EBITDA went down 23.4%, to 30.9 Million Euros, due to the negative gross margin against the historical cost of the development activity and land sale, whereas the commercial operation earnings increased to 20.6 Million Euros, 21.5% more, due to the comparison with the provisions allocated due to impaired stock that took place in 2013.

Financial result accounts for 39.7 Million Euros, against the 2.3 Million in 2013.



CC Plaza Nueva (Leganes, Madrid)

However, if we discount the non-recurring effects registered in 2013 due to the 17 million haircut of the debt refinancing and the sale of a company, financial results have improved by 34%.

In turn, net earnings suffered the impact of taxes, most of which (19.5 Million) are due to the adjustment on tax credits activated previously, as a result of the raise in corporate tax up to 25% in 2016.

The 2013 items that appear in the P&L of this report have been re-formulated without taking into account the revenues and expenses of SIIC de Paris, so that comparisons could be made in like for like terms. Furthermore, REALIA has adapted its accounts to the new international accounting standards (NIIF), applicable to holding companies in which a company has control over the shares. Currently, these companies are not integrated proportionally in the financial statements, and they just contribute their result through the equity method.

4. Year 2014 | 4.3 Results of the year

Property business revenues

The property activity generated revenues for 84.308 Million Euros, 66.1 million of which correspond to rents, 18.1 million to expense allocation, and 29,000 Euros to other revenues. The revenues are slightly lower than those registered in 2013 (1.7%), due to the adjustment of prices to adapt them to market reality.

Even though the occupancy of REALIA offices for rent increased up to 91%, rent revenues have nonetheless gone down 4% due to the update of rents of some contracts renewed in previous years, some of them with anticipated renewal. 30% of the office contracts expire in 2015.

In the case of shopping centres, the weakness in consumption led to a downward renegotiation of

shopping centre rents, which led to a 6.6% decrease in rents. However, despite this difficult situation, occupancy remained stable at 89%. 22.2% of contracts will be renegotiated or will expire in 2015.

Apart from selling SIIC de Paris, the company divested its 50% stake in the company Setecampos, owner of the Twin Towers Shopping Centre in Lisbon, for 2.5 Million Euros. The sale had a 0.1 million Euros negative impact on the results.

In December, the company Hermanos Revilla, which controls REALIA through Planigesa, acquired a building on Goya 29 in Madrid, for 28 Million Euros. This building, with a surface area of 5,000 sq m above ground and 87 parking spaces, was undergoing renovation of the common areas and is now in commercial operation.

Rent revenues

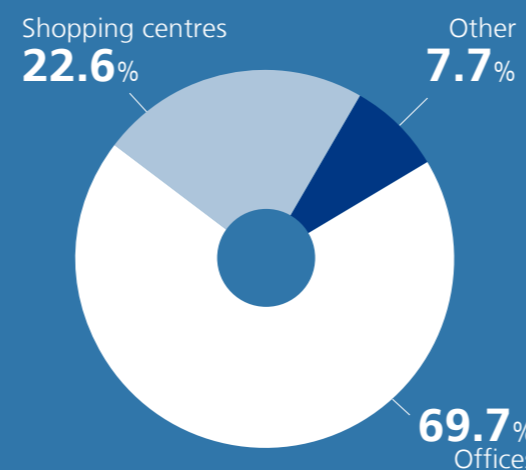
Thousand Euros

	2014	2013*	Var (%)	Occupancy in 2014 (%)
Rents	66,152	68,871	-4	91.6
- Offices	46,115	47,980	-3.89	91.2
- Shopping centres	14,973	16,028	-6.58	89.3
- Other	5,064	4,863	4.13	100.0
Revenues from expense allocation	18,127	16,951	7	
Other revenues	29	215	-87	
TOTAL	84,308	86,036	-2	

(*) Operational business management data (includes As Cancelas at 50%)

Breakdown of rents by use

In percentage



Source: Realia

The property activity generated 84.3 million Euros in revenues, 66.1 million of which correspond to rents

4. Year 2014 | 4.3 Results of the year

Homebuilding business revenues

The homebuilding business registered greater activity than in previous years. Revenues went up to 35.1 Million Euros, 27% more than in 2013, thanks to housing deliveries and the divestment of a plot of land in Poland.

However, the margins of this activity continued to drop, with losses of 12.4 million Euros, due to the strongly reduced selling prices of the divested assets. These losses have already been covered by provisions from previous years.

Revenues from developments have increased 13.4%, up to 27.4 Million Euros, due to the sale of 152 units, thanks to the reduction in prices, greater confidence from potential buyers, and the appearance in the market of some mortgage loans at good prices.

Revenues from the sale of land went up to 7.7 million Euros, 123% higher than in 2013, due to the sale of a land plot in Warsaw (Poland), even though the price obtained is 4.5% lower than its appraised price in 2013.

Expenses

The continued policy of cost containment and reduction of non operating expenses that the group has implemented in recent years is reflected in 2014 by an 18.6% reduction in overhead compared to 2013 expenses. The parent company is responsible for most of the overhead, since it is responsible for central services and the development area.

In 2014, the company has reversed total provisions for 10.3 million Euros: 1.5 million for land; 4.8 million for homebuilding development stock; 5 million in the rental building portfolio and 2 million for other adjustments.

Following a criterion of accounting prudence, no fiscal credits have been activated for an amount of 10 million Euros.

Balance sheet

REALIA held assets for 2.142 billion Euros as of December 31, 2014, versus the 3.136 billion of the previous year. This major reduction in assets is the result of the sale of SIIC de Paris.

The net worth of the company at year end amounts to 165 million Euros.

Consolidated balance sheet

Million Euros

	2014	2013		2014	2013
Plant and equipment	6	9	Net attributed equity	165	191
Real estate investments	886	2,264	Minority shareholders	136	515
Stock	403	450	Debt with credit institutions	1,711	2,224
Debtors and receivables	8	49	Creditors and accounts payable	25	48
Cash and equivalent	618	121	Other liabilities	105	158
Other assets	211	243			
TOTAL ASSETS	2,142	3,136	TOTAL LIABILITIES	2,142	3,136

Source: Realia

4. Year 2014 | 4.3 Results of the year

4.3.1 Financial situation

REALIA has reduced its net financial banking debt by 1.009 billion Euros, 48% lower, down to 1.093 billion at the end of 2014 thanks to the sale of SIIC de Paris. Excluding the divestment of its French subsidiary, the debt would have decreased by 546 million Euros, or 33.3%.

The company held 618 million Euros in cash and cash equivalents as of December 31, and its net gross financial debt went up to 1.711 billion Euros, against the 2.224 billion in 2013 (1.726 billion when the 2013 debt of SIIC de Paris is deducted).

As of December 31, financial cost went down from 3.38% in 2013 to 1.46% in 2014, as a result of the interest rate leverages of the company maturing in June 2014. If the current interest rates are maintained, the lower cost of the debt would have a positive impact of approximately 24 million Euros annually in the trading account.

Financial structure*Million Euros*

	REALIA Patrimonio Property	REALIA Business Developments and Land	2104	2013 (without SIIC)	Var (%)	2013 (with SIIC)
Syndicated	838	792	1,630	1,633	-0.2	2,098
Other loans	62	19	81	93	-12.9	128
Interests	0	3	3	5	-40.0	5
Arrangement costs	-3	0	-3	-5	40.0	-7
Total debt	897	814	1,711	1,726	-0.9	2,224
Cash	567	51	618	87	610.3	122
NET DEBT	330	763	1,093	1,639	-33.3	2,102

Source: Realia

After the negotiation of the debt agreed in 2013, 49.5% of the debt matures in 2016 and 47.3% in 2017 or subsequent years

After the renegotiation of the debt agreed in 2013, 49.5% matures in 2016, and 47.3% in 2017 or subsequent years. Only 3.2% of the debt matures in 2015.

The net banking debt of the homebuilding business accounted for 763 million Euros at the end of 2014, 70%

of the total. Out of the total gross financial banking debt, 792 million Euros corresponded to syndicated loans and 19 million to other types of loans.

The net banking debt of the property business stood at 330 million Euros as of December 31, 2014.

4. Year 2014 | 4.3 Results of the year

4.3.2 Asset valuation

CC La Noria (Murcia)

GAV Asset Valuation

Million Euros

	2014	2013*	Var (%)
Rent business	1.374	1.341	2,5
- Offices	961	930	3.3
- Shopping centres	247	247	-0.3
- Other assets	107	103	3.8
- Tertiary land	60	61	-1.2
Homebuilding business	476	529	-10.0
- Developments	112	146	-23.3
- Land and others**	364	383	-5.0
Zoning	38	39	-3%
Planning	57	68	-12%
Urban development	69	63	-5%
Ready for construction	194	208	6%
TOTAL VALUE	1,850	1,869	-1.0

(*) Excluding SIIC de Paris and Setecampos
 (**) Includes Hato Verde Golf Course

Source: Realia



As of December 31, 2014, REALIA's portfolio of real estate assets was valued at 1.850 billion Euros at market prices (GAV). This is 45.3% lower than in 2013 due to the sale of the French subsidiary SIIC de Paris, the divestment of its stake in Setecampos (owner of the Portuguese shopping centre Twin Towers) and the reduction of its housing stock. In like for like terms, however, the portfolio stayed at levels similar to those of 2013.

REALIA's real estate portfolio is valued at 1.850 billion Euros at market prices

4. Year 2014 | 4.3 Results of the year | 4.3.2 Asset valuation

Out of the total value of assets, 74% corresponds to the rental building portfolio in Spain, which recovered slightly, 2.5%, up to 1.374 billion Euros thanks to the acquisition of the Goya 29 building. The remaining 26% corresponds to housing buildings and land, which went down 10%, down to 476 million Euros, due to the sale of housing and land.

Just like in previous years, the valuation of property assets was commissioned to two independent experts with different valuation methods. CB Richard Ellis (CBRE), which uses the RICS (Royal Institution of Chartered Surveyors), valued the property portfolio; whereas TINSA, which uses the ECO method regulated by the Ministry of Finance, has appraised the homebuilding business assets.

Property portfolio valuation

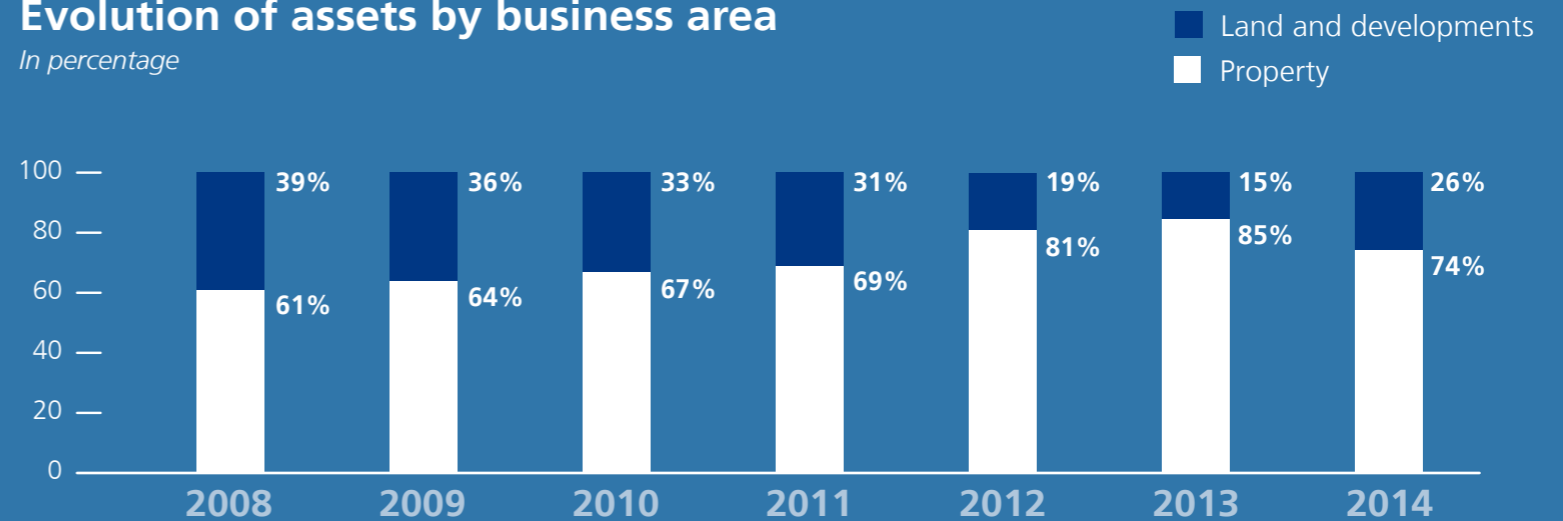
Property assets have increased their valuation by 2.5%, 0.4% in like for like terms, showing the excellent location of its buildings and its correct maintenance, despite the difficult market situation.

The Spanish office building portfolio has increased its valuation 3.3%, up to 961 million Euros, 0.3% in like for like terms, whereas the valuation of shopping centres remained stable at 247 million Euros, a 0.3% drop in valuation in like for like terms.

Current profitability (annualized rents as of December 2013, assuming 100% occupancy divided by asset value according to CBRE) of the property portfolio stands at 5.6%.

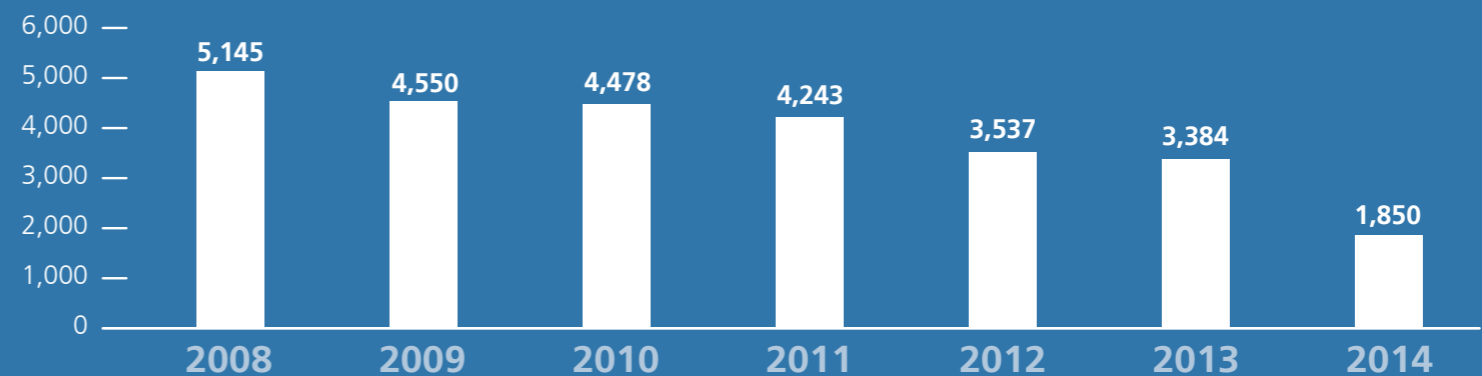
Evolution of assets by business area

In percentage



Evolution of Asset Market Value (GAV)

Million Euros



Source: Realia

4. Year 2014 | 4.3 Results of the year | 4.3.2 Asset valuation

Homebuilding valuation

TINSA has valued the homebuilding business at 476 million, 10% lower than in 2013 due to the reduction of the housing stock, the sale of a land plot in Poland and the value adjustments of the land portfolio.

The value of the finished development stock fell 23.3%, whereas the land portfolio valuation fell by 5%.

The greatest value adjustment was registered by the land under planning, with a 12% decrease, followed by land under urban development (5%) and land under spatial planning (3%). The valuation of fully-permitted land increased by 6%, after the sale of the land plot in Poland.

Net asset value

At the end of 2014, the net asset value (NNAV) amounted to 449 million Euros, or 1.46 Euros per share, 19.1% lower in absolute terms due to the lower value of assets and the impact of the fiscal reform. As of December 31, REALIA's shares were quoted at 0.51 Euros per share, with a 65% discount over the NNAV.

REALIA accounts for its assets at the lowest price between the acquisition and market price, and as a result it holds latent capital gains, after minority shareholders and taxes, of 278 million Euros.

Net asset value

Million Euros

	PROPERTY		DEVELOPMENT		TOTAL		Var (%)
	2104	2013	2104	2013	2104	2013	
Market value (GAV)*	1,403	2,885	447	499	1,850	3,384	-45.3
Minority shareholders	270	875	11	13	281	888	-68.4
Market value of REALIA's stake	1,133	2,010	436	486	1,569	2,497	-37.2
Book value	804	1,626	394	441	1,198	2,067	-42.0
Capital gains	329	385	42	45	371	430	-13.8
Taxes	82	57	10	14	92	71	29.8
CAPITAL GAINS AFTER TAXES	247	327	31	32	278	359	-22.6
Adjustments					6	6	10.3
Equity					165	191	-13.6
NAV before taxes					544	629	-13.6
NNAV after taxes					449	556	-19.1
Number of shares (millions)					307.4	307.4	0.0
NAV before taxes per share (€/ share)					1.77	2.05	-13.6
NNAV after taxes per share (€/share)					1.46	1.81	-19.1

(*) GAV of Property in this table includes Hato Verde Golf Course and the Planigesa and As Cancelas land.

Source: Realia

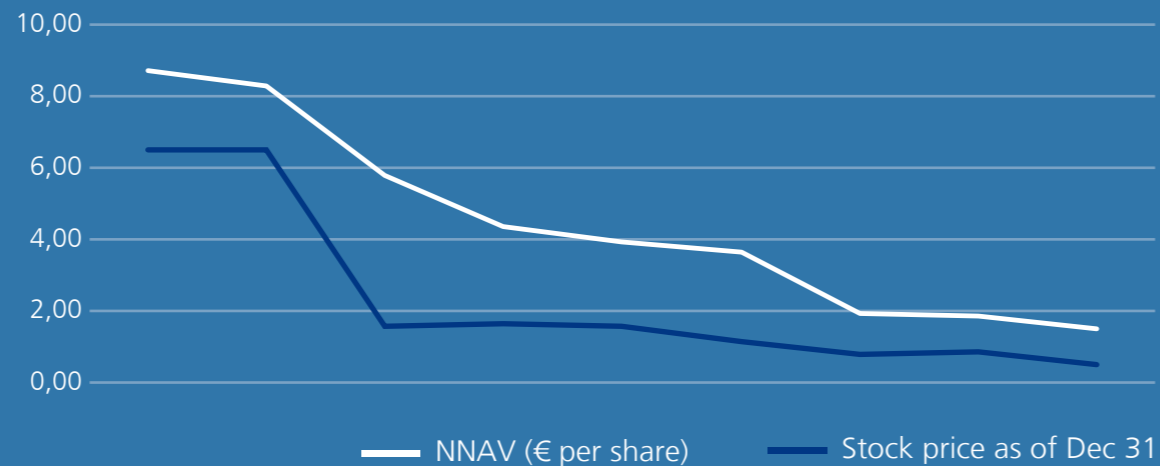
4. Year 2014 | 4.3 Results of the year | 4.3.2 Asset valuation

Evolution of the net asset value (NNAV)

	2006	2007	2008	2009	2010	2011	2012	2013	2014
NNAV (M €)	2,426	2,258	1,576	1,195	1,077	1,012	530	556	449
NNAV (€/share)	8.75	8.31	5.83	4.34	3.91	3.67	1.92	1.81	1.46
Price as of Dec 31	6.50*	6.50	1.55	1.66	156	1.09	0.75	0.83	0.51
Discount over NNAV	-26%	-22%	-73%	-62%	-60%	-70%	-61%	-54%	-65%

(*) In 2006, stock price is the price at the time of flotation (July 2007)

NNAV vs Stock price



Source: Realia

Torre REALIA (Madrid)



4. Year 2014 | 4.3 Results of the year

4.3.3 Economic and financial parameters

Results 2014					
<i>Million Euros</i>					
	2014	2013*	2012	2011	2010
Total revenues	115.4	111.3	217.0	280.2	317.5
Turnover	97.6	93.3	175.8	205.2	258.3
Revenues from asset sales	0.0	0.7	6.6	45.6	28.0
Other revenues	17.8	17.3	34.6	29.4	31.2
Total Ebitda	30.9	40.4	124.1	165.5	147.6
Ebitda from developments and land	-19.2	-11.2	-5.3	-3.7	-4.1
Ebitda from rents	50.5	51.4	123.1	123.9	123.9
Ebitda from services and others	-0.4	-0.5	-0.3	-0.3	-0.3
Ebitda from asset sales	0.0	0.7	6.6	45.6	28.0
Amortizations and provisions	-5.2	-64.4	304.3	30.3	29.9
Net financial result	-39.7	-2.3	84.2	101.7	98.1
Other results	-0.4	-0.9	-93.6	-4.7	-11.5
Earnings before taxes	-14.4	-27.2	-358.0	28.8	8.0
Taxes	-23.8	-0.8	34.6	-14.8	-1.7
Result discontinued operations	1.8	6.8	-	-	-
Earnings after taxes	-36.4	-21.2	-323.4	43.5	9.7
Minority shareholders	3.2	29.8	-4.2	42.3	8.6
Net attributable profit	-39.6	-51.0	-319.2	1.2	1.1

(*) Data reformulated after the sale of SIIC de Paris and the adaptation to the New International Accounting Rules (NIIF).

Source: Realia

4. Year 2014 | 4.3 Results of the year | 4.3.3 Economic and financial parameters

Property Business Results

Million Euros

	2014	2013*	2012	2011	2010
REVENUES					
Rent revenues	61.9	64.5	145.9	145.7	144,4
Revenues from allocation of expenses	16.7	15.4	27.1	27.7	26,5
Asset sales (results)	0.0	0.7	6.6	45.6	28,0
Other revenues	0.8	0.5	1.4	0.0	0,0
Chargeable costs and other expenses	28.9	29	51.3	49.5	46,9
Cost of asset sales	0.0	0.0	0.0	0.0	0,0
Ebidta Property	50.5	52.1	129.7	169.5	151,9
Ebidta rents	50.5	51.4	123.1	123.9	123,9
Asset sales	0.0	0.7	6.6	45.6	28,0
Rent margin	82%	80%	71%	71%	73%

(* Data recalculated after the sale of SIIC de Paris and the adaptation to the new International Accounting Standards (NNIF).

Source: Realia

4. Year 2014 | 4.3 Results of the year | 4.3.3 Economic and financial parameters

Management information: property business

	2014	2013*	2012	2011	2010
Surface area by type (sq m)	418,856	413,795	573,834	553,474	571,362
Offices	244,853	239,792	398,309	402,999	399,539
Shopping centres	128,674	128,674	132,296	107,245	126,540
Logistics, leisure and others	45,329	45,329	45,329	45,329	45,284
Parking spaces	10,435	10,484	12,504	11,425	11,276
Occupancy (%)	91 %	91 %	91%	91%	93%
Average rent (€/sq m/month)	16.9	17.9	22.8	23.4	23.2

(* Data recalculated after the sale of SIIC de Paris and Setecampus)

Source: Realia

4. Year 2014 | 4.3 Results of the year | 4.3.3 Economic and financial parameters

Homebuilding business results

Million Euros

	2014	2013	2012	2011	2010
Total revenues	35.3	28.9	36.0	58.3	112.5
Revenues from developments	27.6	25.5	32.2	52.9	103.4
Land revenues	7.7	3.4	3.8	5.4	9.1
Cost of developments	42.0	37.7	39.0	56.6	111.1
Cost of land	12.5	2.4	2.3	5.4	5.5
Ebidta Developments and Land	-19.2	-11.2	-5.3	-3.7	-4.1
Ebidta Developments	-14.4	-12.2	-6.8	-3.7	-7.7
Ebidta Land	-4.8	1.0	1.5	0.0	3.6
Developments sales margin	-52.2%	-47.8%	-21.1%	-7.1%	-7.4%
Sales in contracts	32.0	20.2	27.7	34.9	100.7

Source: Realia

4. Year 2014 | 4.3 Results of the year | 4.3.3 Economic and financial parameters

Management information: homebuilding business

	2014	2013	2012	2011	2010
Homes delivered					
Number of homes	152	131	148	274	447
Revenues (Bn. €)	27.4	24.3	24.8	52.9	103.4
Average price (€)	180,924	185,496	168,441	193,004	231,375
Average price (€/sq m)	1,642	1,805	1,845	1,850	1,868
Homes delivered by Autonomous Community					
Madrid	51	33	47	123	105
Catalonia	33	17	22	33	70
Castilla y León	13	8	12	23	27
Andalusia	21	18	10	21	59
Balearic Islands	15	5	8	20	26
Community of Valencia	3	12	30	19	72
Canaries*	8	6	3	18	21
International	8	32	16	14	47
Asturias	-	-	-	3	20
Castilla-La Mancha	-	-	-	-	-

(* Units built in a joint-venture with other companies are accounted for as 0.5 units.

Source: Realia

4. Year 2014 | 4.3 Results of the year | 4.3.3 Economic and financial parameters

Management information: Land*Sq m*

	2014	2013	2012	2011	2010
Surface area (sq m)					
Land bank	1,875,586	1,945,608	3,159,498	3,272,697	3,272,697
Breakdown by Autonomous Communities (sq m)					
Andalusia	676,907	676,852	1,541,943	1,539,639	1,541,067
Aragón	154,508	152,405	154,170	154,170	154,170
Balearic Islands	9,559	9,559	12,059	12,059	12,059
Community of Valencia	98,885	98,885	98,609	98,609	105,063
Canaries	18,541	18,531	18,541	18,541	18,541
Castilla-La Mancha	222,886	222,886	506,902	616,791	616,791
Castilla y León	63,323	63,323	63,636	63,636	64,275
Catalonia	93,190	92,584	96,483	99,983	100,289
Galicia	6,184	6,184	6,184	6,184	6,184
International	10,912	75,182	75,182	75,182	75,182
Madrid	479,093	487,619	544,192	546,306	563,659
Murcia	41,598	41,598	41,598	41,598	41,598

Source: Realia

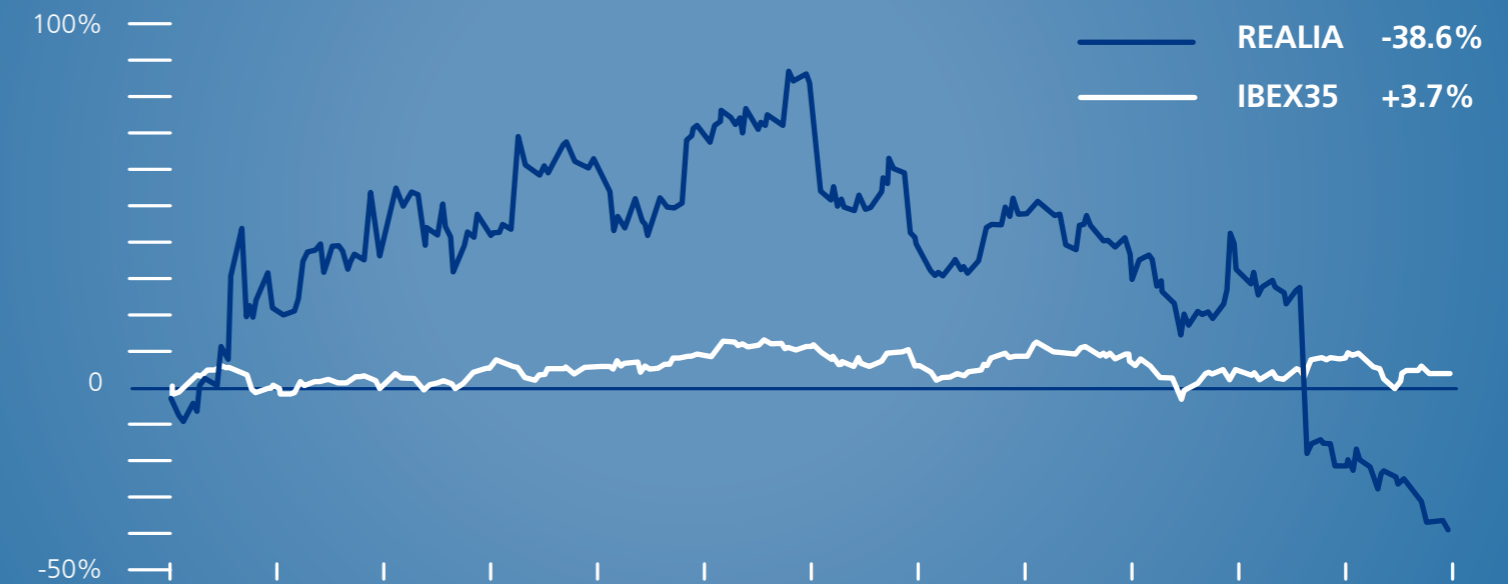
4. Year 2014

4.4 Evolution of share prices

REALIA's share price suffered a strong correction of 38.6% in 2014, and finished the year at a price of 0.51 Euros. This has been a year of ups and downs in the stock market which, in the case of the real estate company, was intensified as a result of the price increases resulting from the rumors about possible acquisition bids and after the sale of SIIC de Paris; and subsequently, in November there was a sudden fall in share price due to the launching of a takeover bid by Hispania at a price much lower than the quoted price. Thus, during the year, the share registered a minimum price of 0.51 Euros and a maximum of 1.64 Euros.

Realia in the Stock Exchange Market

In percentage



Stock Market data 2013

Market price at year end (€ / share)	0.51
Stock market capitalization at year end (€)	156,759,175
Maximum price in the year (€ / share)	1.64
Minimum price at year end (€ / share)	0.51
Average daily amount traded (€)	1,837,337
Average daily volume traded (shares)	1,619,929

Source: Realia

5. Corporate Governance

5.1 | Corporate Governance Bodies

- 5.1.1 | General Shareholders' Meeting
- 5.1.2 | Board of Directors
- 5.1.3 | Management Committee
- 5.1.4 | Remuneration Policy

5.2 | Ethical framework

- 5.2.1 | Ethical Code
- 5.2.2 | Internal Code of Conduct

5.3 | Risk management

5. Corporate Governance

5.1 Corporate Governance Bodies

REALIA has a Corporate Governance system, designed to create value for its shareholders and generate trust among its stakeholders. This governance system is based upon the best international practices, and is equipped with rules and mechanisms that establish and separate the roles of its administrative bodies, regulate their relationships with third parties and ensure ethical and transparent behaviour.

REALIA meets the current legislation and voluntarily complies with the best practices and international recommendations on governance.

The Presidency, under delegation from the Board of Directors, is the body ultimately responsible for the design and review of the organizational structure of the group.

The two main governance bodies of REALIA are the Shareholders' General Meeting and the Board of Directors.

The Shareholders' General Meeting is the highest body representing share capital. It meets at least once a year, within the first six months of the year. Its duties include the approval of the previous year's accounts, both of the



CC La Noria (Murcia)

company and its consolidated group, and decide on the payout of dividends.

The main mission of the Board of Directors is to design the corporate strategy and to arrange the appropriate structure to implement it. Additionally, it monitors and controls that Management meets the goals set and assesses its own performance. It also oversees compliance with the legislation on stakeholders.

In order to attain greater efficacy and transparency in their duties, the Board of Directors organizes its work through a number of Committees: Executive Committee, Audit and Control Committee, Appointments and Remuneration Committee, and Related Party Transactions Committee.

Annual reports

As provided for by the Stock Market Act, it submits an annual Corporate Governance report. This report can be found on the following website: www.realia.es, and is adapted to the Good Governance Code of the Comisión Nacional del Mercado de Valores (CNMV).

Furthermore, the company prepares an annual Management Report, attached to the annual accounts, that presents a true account of the evolution of the activities of the company, and an Annual Directors Compensation Report, also available at its website.

5. Corporate Governance | 5.1 Corporate Governance Bodies

5.1.1 General Shareholders' Meeting

The General Shareholders' Meeting is the corporate body made up by all of its shareholders.

Its duties include the appointment, confirmation or dismissal of the members of the Board of Directors and auditors; the approval of the social management, the accounts and the payout of last year's results; the approval of capital increases

or decreases, an the issuing of bonds. It also authorizes the winding up, merger, spin-off or global transfer of assets and liabilities; it approves the operations that entail structural changes in the company; and deals with all matters reserved, legally or in the by-laws, to its competency.

General Shareholders' Meeting can be either ordinary

or extraordinary. The ordinary meeting meets within the first six months of every year to approve last year's accounts, to decide on the payout of results, to evaluate the performance of the Board of Directors and to deal with all the items in the agenda.

The rest of the meetings of the General Shareholders' Meetings are extraordinary. They can be convened by the Board of Directors, at their own initiative or at the request of shareholders who hold at least five per cent (5%) of the share capital.

General Shareholders' Meeting 2014

Only one ordinary Shareholders' Meeting was held in 2014.

The meeting approved a share capital increase through the compensation of credits, in case that the Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria (Sareb) decides to sell, after the advanced maturity of the syndicated loan, the option in such case, REALIA would issue 14.483 million new shares at a nominal price of 0.24 Euros per share, with an issuance premium of 1.78 Euros per share.

Furthermore, it agreed to authorize the parent company and all the companies in the group the derivative acquisition of treasury stock, through their acquisition at the quoted price on the day of acquisition.



Goya 6 (Madrid)

5. Corporate Governance | 5.1 Corporate Governance Bodies

5.1.2 Board of Directors

REALIA's Board of Directors is made up by ten members, two of which are executive directors, six are proprietary directors, and two are independent. During 2013, the Board of Directors met 14 times.

The duties of the Board include the investment and financing policy, the definition of the group's structure, the corporate governance policy and the corporate responsibility policy. It is also responsible for the approval of the strategic plan, the management and budgetary objectives, and the remuneration policy. It evaluates the performance of senior managers, risk control and management, and the dividend payout policy.

Directors are professionals of proven integrity, solvency, technical competence and expertise, appointed after the corresponding report from the Appointments and Remuneration Committee.

Their mandate is established by the By-Laws, and in no case can exceed a maximum of four years. When a director finishes their term or steps down, they are not allowed to serve in any company that is a competitor of REALIA for two years.

The percentage of women in REALIA's Board of Directors is much higher than the average of Spanish companies: four of the ten members of the Board of Directors are women (40%).

In June 2014, the General Shareholders' Meeting approved the appointment of two directors: Mr. Paulo Almadanin De Nápoles Santa Marta, representing Inmogestión y Patrimonios, replacing Mr. Octavio Miguel Sánchez Laguna, who went on to represent Mediación y Diagnósticos.

The Board of Directors organizes its work in four committees:

► Executive Committee

It is the main management, administration and representation body of the company. It is made up by eight members. It met on nine occasions in 2013.

► Appointment and Remuneration Committee

It is responsible for submitting to the Board the proposals for appointment of independent directors and to report on the remuneration and bonus policy. It met six times during last year.

Four of the ten members of REALIA's Board of Directors are women

► Audit and Control Committee

Its main function is to support the Board of Directors in its supervisory role through the periodic review of the process of drafting the economic-financial information. It also supervises the external and internal audit services. It met on eight occasions last year.

► Related Party Transactions Committee

Its role is to control the transactions that REALIA may carry out with individuals or corporations related to the company, such as main shareholders, managers and directors. It met on three occasions in 2013.

Directors are professionals of proven integrity, solvency, technical competence and expertise

5. Corporate Governance | 5.1 Corporate Governance Bodies | 5.1.2 Board of Directors

Name	Position	Type of director	Executive Committee	Appointment and Remuneration Committee	Audit and Control Committee	Related Party Transaction Committee
Mr. Ignacio Bayón Mariné	President	Executive	<i>Chairman</i>			<i>Member</i>
Mr. Íñigo Aldaz Barrera	Director	Executive	<i>Member</i>			<i>Member</i>
EAC Inversiones Corporativas, S.L. Represented by Mrs. Esther Alcocer Koplowitz	Director	Proprietary, appointed by FCC	<i>Member</i>	<i>Member</i>		
Mrs. Carmen Iglesias Cano	Director	Independent		<i>Member</i>	<i>Member</i>	<i>Member</i>
Inmogestión y Patrimonios S.A. Represented by Mr. Paulo Almadanin de Nápoles Santa Marta	Director	Proprietary, appointed by BFA	<i>Member</i>	<i>Member</i>	<i>Member</i>	
Mrs. M^a Antonia Linares Liébana	Director	Independent		<i>Chairwoman</i>	<i>Chairwoman</i>	<i>Chairwoman</i>
Mediación y Diagnósticos, S.A. Represented by Mr. Octavio Miguel Sánchez Laguna	Director	Proprietary, appointed by BFA	<i>Member</i>	<i>Member</i>	<i>Member</i>	
Meliloto S.L. Represented by Mrs. Alicia Alcocer Koplowitz	Director	Proprietary, appointed by FCC	<i>Member</i>		<i>Member</i>	
Mr. Rafael Montes Sánchez	Director	Proprietary, appointed by FCC	<i>Member</i>	<i>Member</i>	<i>Member</i>	
Participaciones y Cartera de Inversión, S.L. Represented by Mr. Antonio Zafra Jiménez	Director	Proprietary, appointed by BFA	<i>Member</i>			

Board of REALIA, as of December 31, 2014

Mr. Jesús Rodrigo Fernández
Secretary (non member)

Mr. José María Richi Alberti
Undersecretary (non member)

5. Corporate Governance | 5.1 Corporate Governance Bodies

5.1.3 Management Committee



The business and functional areas of the company are represented in the Management Committee

REALIA's Management Committee is made up by six prestigious professionals with extensive experience in the real estate sector.

Besides the Chairman and the General Manager, who are Members of the Board of Directors, all the business areas, and the Financial and Strategy Departments of the Company, are represented in this Committee .

One of the six members of the Management Committee is a woman.

Management Committee	
Chairman	
	Mr. Ignacio Bayón Mariné
Managing Director	
	Mr. Íñigo Aldaz Barrera
Deputy Managing Director/ Chief Financial Officer	
	Mr. Juan Antonio Franco Díez
Deputy Managing Director/ Corporate Strategy and Investor Relations Director	
	Mr. Jaime Lloréns Coello
Deputy Managing Director/ Commercial Property Director	
	Mr. Agustín González Sánchez
Housing Development Director	
	Mrs. Ana Hernández Gómez

5. Corporate Governance | 5.1 Corporate Governance Bodies

5.1.4 Remuneration Policy

The By Laws of the company establish that the position of director is remunerated. This remuneration consists in a fixed annual amount in cash, to be determined by the General Shareholders' Meeting, at the request of the Appointments and Remuneration Committee.

The Board, following the agreement from the General Shareholders' Meeting, pays out the remuneration agreed by this body among its members. To this end, it takes into account the duties of each of the members within the Board or its Committees.

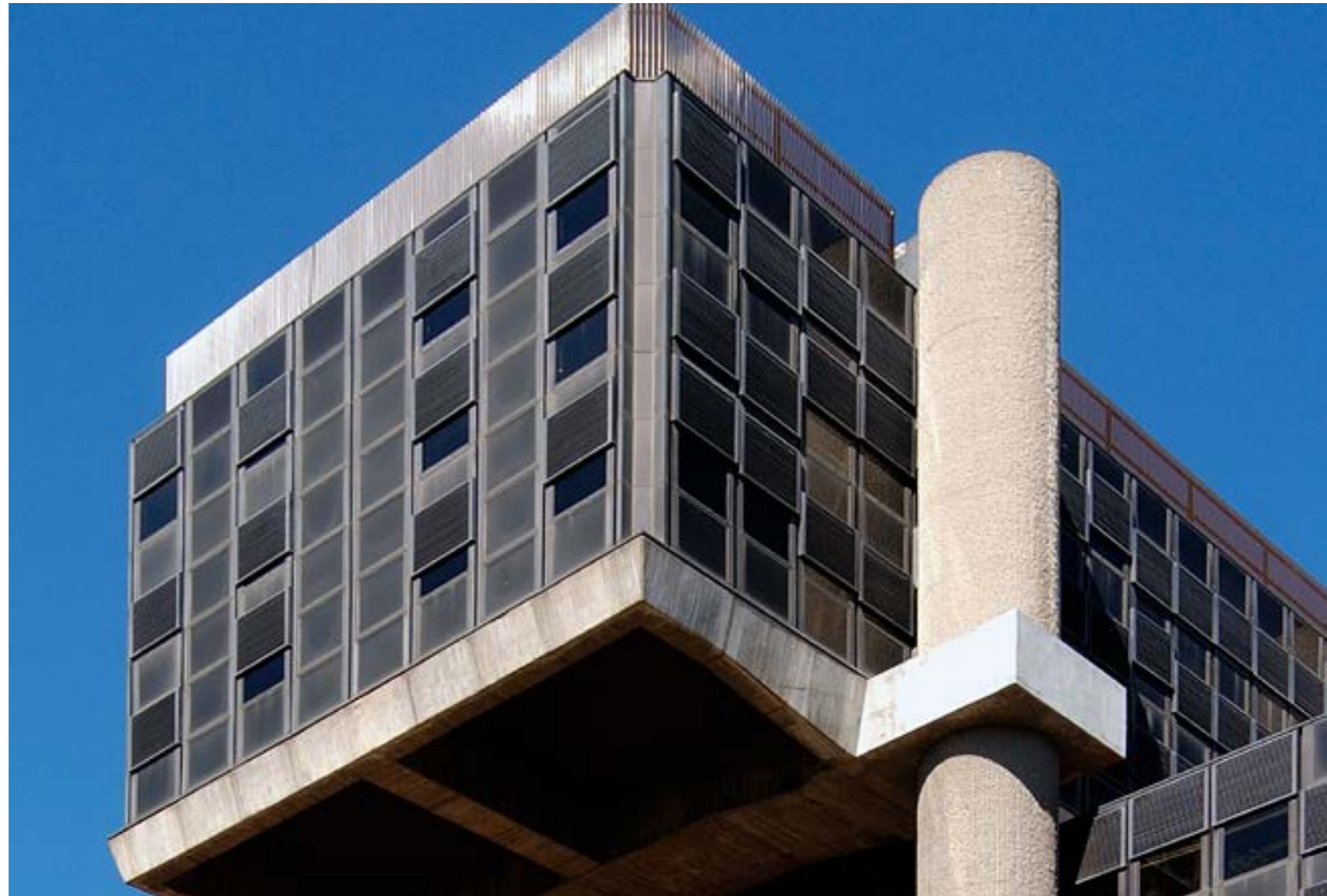
The remunerations contemplated are compatible and independent of the salaries, remunerations or compensations of any type for the Members of the Board of Directors who perform executive duties.

The members of the Board of Directors received a remuneration of 1.976 million euros, including the total remuneration of the Executive Directors in 2014. A sum of 84,000 Euros must be added to this figure, corresponding to the rights accrued in the form of pensions.



The members of the Board of Directors received a remuneration of 1.976 million Euros in 2014

Los Cubos (Madrid)



5. Corporate Governance

5.2 Ethical framework

REALIA favours integrity in the conduct of all its activities, through an ethical framework inspired by its corporate values, that guide the conduct of the organization, ensures the implementation of its corporate values and establishes the relationships with stakeholders. There are two rules that define this ethical framework: the Ethical Code and the Internal Code of Conduct.

Respect for the current legislation and fundamental rights are the guidelines for all the activities of REALIA. The company is equipped with internal rules that regulate its daily activities and mechanisms designed to ensure ethical conduct throughout the whole organization.

This is the purpose served by the Ethical Code, mandatory for all employees of the group, irrespective of their position and their geographic territory. REALIA has an internal Code of Conduct for stock market transactions.

Furthermore, the company has different tools and mechanisms that allow the monitoring of ethical behaviour, such as the PRINEX system, a software tool that prevents transactions with customers who have performed fraudulent operations in the past.

Finally, REALIA is a member of the Association of Developers of Madrid (Asprima), which promotes ethical and responsible conduct in real estate activities to the benefit of the sector, its stakeholders and society in general.

Principles of the ethical code

Compliance with the rules

Respect for people

Personal data protection

Taking care of customers

Fraud prevention

Commitment to the market, the company and the community

Commitment to society and the environment

Source: Realia

5. Corporate Governance | 5.2 Ethical framework

5.2.1 Ethical Code

REALIA approved its Ethical Code in 2010, based upon its corporate values, that serves as a guide for the conduct of all employees, irrespective of their position, their employment relationship with the company or the geographic territory where they perform their work. It also includes safeguard mechanisms that contribute to preserve the reputation of the company.

The Ethical Code describes what is expected from employees in the following areas: compliance with regulations, personal data protection, customer care,

fraud prevention and commitment with the environment, the market, the company and the community.

Every employee of the REALIA Group must sign this document formally, and keeps a copy of it; it is also accessible through the Intranet.

The company also expects from its suppliers a conduct that is compatible with the principles contained in this document, and reserves the right to limit the contracting of goods and services to the companies that comply with those principles.

Internal whistle blowing channel

In order to ensure the compliance with the Ethical Code, prevent workplace harassment and report employment, financial or accounting incidences, REALIA has an internal incidence reporting channel through the Intranet, to report on breaches of the corporate culture, make queries or suggest improvements. It also offers the possibility to file these reports by mail, which must be sent to the following address:

GRUPO REALIA

Att. Delegado de procedimiento de comunicación del Comité de Seguimiento del Reglamento Interno y Ético. Paseo de la Castellana, 216
28046 Madrid

REALIA guarantees the confidentiality of all communications made through this channel, which is under the mandate and supervision of the Audit and Control Committee.

No incidents regarding compliance with the Ethical Code have been reported in 2013.



Altos de Santa Bárbara (Valencia)

5. Corporate Governance | 5.2 Ethical framework

5.2.2 Internal Code of Conduct

Patraix (Valencia)

Transparency and the protection of the interests of investors are a permanent concern to REALIA. For this reason, the company published in 2007 an Internal Code of Conduct that establishes the criteria and procedures to be followed in stock market related transactions, and on the use and dissemination of relevant information.

The Code establishes, among other provisions, the treatment of privileged information and confidential documents, the procedure to follow in transactions of shares, or the duties of the Audit and Control Committee.

This Code is addressed to directors, managers, external advisors and the staff of the Stock Market and Investor Relations Departments.

The Chairman of the Audit and Control Committee has the responsibility of informing them of their obligations. Its Chairman is responsible for the Code and has the obligation of reporting periodically to the Board of Directors or the Executive Committee.

REALIA develops training programs periodically for the staff responsible for the preparation and review of financial information, and the evaluation of the financial information internal control (SCIIF), which covers accounting standards, audits, internal control and risk management.

During the year, a number of training sessions have been held on accounting, fiscal, labour and business



Several training sessions have been held on accounting, fiscal and business regulations

regulations, for a total of 114 hours of training (excluding the Group SIIC de Paris, which left the consolidation perimeter in July 2014).

Specifically, the Internal Audit Department has attended seminars and courses on the evaluation of internal control within organizations.

5. Corporate Governance

5.3 Risk management

REALIA is exposed to a number of risks which if materialized, could prevent it from fulfilling its corporate goals. In order to identify, evaluate, limit and supervise them, it has its own risk management and control system that involves the whole organization.

REALIA's risk management system is designed to prevent and respond to those contingencies which may have a negative impact on the economic profitability of its activities, its financial solvency, corporate reputation or the integrity of its employees.

This model is based upon three axes: a clear organizational structure, where the roles and functional duties are defined; a framework for the identification, quantification and assessment of risks; and a response to those risks, supervised by the Audit and Control Committee.

Any risk considered critical is discussed at the periodic meetings of the Management Committee, which proposes to the Board of Directors the specific plans to respond to them, and the Board takes the proposal into consideration, accepting it or modifying it if necessary.

The Internal Audit Area, under the supervision of the Audit and Control Committee, provides an independent assessment of the appropriateness, completeness and efficacy of the internal control and risk management system.

Types of risks

The main risks of REALIA are:

- Financial risks, including credit risks, interest rate risks, exchange rate risk, and liquidity or solvency risk.

At year end 2014, the degree of compliance regarding the balance of cash and cash equivalents is nearly twenty times higher than that contemplated in the three-year business plan, prepared after the refinancing of its homebuilding related debt for 792 million Euros.

In land sales, it is a standard practice to grant clients payment deferrals. Currently, the amount of commercial loans for land sales without the corresponding collateral is 14.3 million Euros, which the company has impaired for its corresponding risk, and estimated at 8.9 million Euros.



Goya 29 (Madrid)

5. Corporate Governance | 5.3 Risk management

Market risks, in its homebuilding and property business lines.

Price adjustments of the different real estate products continued in 2014, with its corresponding impact on product margins. It is expected that prices and margins will begin to recover in 2015.

► Economic risks.

Acquisition risks are controlled through a thorough analysis of operations, examining and anticipating the problems that may arise in the future. In disposals, the risk is the possibility of default payments as a result of contract breaches. To minimize it, guarantees of all types are established which would allow, if necessary, to receive the total payment or the recovery of the properties sold.

► Legal and fiscal risks.

REALIA's activities are subject to legal and fiscal regulations, and urban development requirements. Local, regional, national and European administrations may impose sanctions in case of non compliance with these rules and requirements. A change in the legal and fiscal environment may affect the overall planning of the activities of the group.

► Personal data protection risks.

These risks are controlled through special standard clauses

that are included in the contracts in different situations which, in compliance with the rule regulating this subject, allow for the restriction or even the extinction of any kind of liability from REALIA Business, S.A.

► Consumer and user protection risks.

The Group meets the demands of the different national and regional rules on consumers and users. Furthermore, it has equipped itself with an internal regulatory framework to ensure a responsible conduct, such as the Ethical Code and the Internal Code of Conduct.

Procedure for money laundering prevention

REALIA has an internal procedure, mandatory to all personnel, designed to manage money laundering prevention risks.

These Procedure and Control Rules for Money Laundering Prevention specify the identification of customers, the review of transactions and the mandatory nature of document storage.

The company has an Internal Control, Information and Communication Body, which coordinates its activity with the employees and the Prevention Services.

Additionally, REALIA undergoes an annual audit on money laundering and monetary crimes. No significant risks of this nature have been identified in 2014.

Hato Verde (Sevilla)



6. Corporate Responsibility

6.1 | REALIA, a responsible company

6.2 | Achievement of goals

6.3 | Challenges for 2015

6.4 | Stakeholders

- 6.4.1 | Shareholders and investors
- 6.4.2 | Employees
- 6.4.3 | Customers
- 6.4.4 | Suppliers
- 6.4.5 | Community

6.5 | Environmental management

- 6.5.1 | Energy efficiency
- 6.5.2 | Adequate waste management
- 6.5.3 | Sustainable construction
- 6.5.4 | Promoting responsible conduct

6. Corporate Responsibility

6.1 REALIA, a responsible company

REALIA identifies Corporate Responsibility with the capacity to generate value beyond its economic profitability. This vision is expressed into three commitments: with the environment, through an adequate use of natural resources and a correct waste management; with its stakeholders, contributing to their wealth and welfare; and with good governance, establishing guidelines for the conduct of its directors.

Principles of Corporate Responsibility



COMMITMENT TO THE ENVIRONMENT AND ENVIRONMENTAL PROTECTION

Responsible use of natural resources



COMMITMENT TO STAKEHOLDERS

Preserving the value of the company
 Job creation
 Customer satisfaction
 Contracting local suppliers
 Collaboration in social actions



COMMITMENT TO ETHICS, INTEGRITY AND GOOD GOVERNANCE

Transparent and efficient organizational structure

Source: Realia

6. Corporate Responsibility | 6.1 REALIA, a responsible company

REALIA's real estate business generates progress and wealth for the environment in which it operates. It contributes to the welfare of society through job creation, paying taxes, procurement from suppliers or the protection of the value of its assets.

REALIA's Corporate Responsibility Master Plan, approved in 2009, establishes that the general CR policy of the company is the responsibility of the Board of Directors. Its implementation is the responsibility of the Communication, Marketing and Corporate Responsibility Department.

The company considers CR as another dimension of its corporate activity, closely linked to its own future feasibility and inherent to its economic performance.

Thus, the company incorporates its corporate responsibility policy in its daily operations through the strict compliance with its Ethical Code by all members of the organization and the respect for the values inspiring it: leadership, transparency, innovation, and dialogue and customer service.

According to this global vision, REALIA is the only company in the sector that submits its economic, financial and corporate responsibility results in an integrated manner in its annual report. In 2014, the Reporta Report placed the company among the top 20 companies with better public information among those included in the Madrid Stock Exchange Market Index.

Economic value generated and distributed

Million Euros

	2104	2013*
Revenues from own activities	115.4	111.3
Financial and other revenues	6.9	29.5
1. ECONOMIC VALUE GENERATED	122.2	140.8
1.a. Value generated for suppliers	68.1	52.4
Wages and salaries	7.5	9.3
Pensions and other social contributions	0.6	0.6
1.b. Value generated for employees	8.1	10.0
1.c. Value generated to equity and other capital	44.7	25.0
1.d. Value recovered from society	-32.1	-9.0
2. DISTRIBUTED VALUE	152.0	96.3
3. RETAINED VALUE	-30.7	44.4
Minority shareholders	3.2	29.8
Provisions, amortizations and others	-5.7	-65.6
Result attributable to the shareholder	-39.6	-51.0




(* Data recalculated after the sale of SIIC de Paris and the adaptation to the new International Accounting Rules (NIIF).

Source: Realia

6. Corporate Responsibility

6.2 Achievement of goals

REALIA has kept its commitment to review its Corporate Governance Policy regarding the current legislation and to keep the mechanisms associated to the Ethical Code up to date in 2014. However, the special circumstances of the group and the latest changes to its perimeter have prevented it from starting the process of waste homogenisation.

Goals met in 2014		
MEETING CHALLENGES ON 2014	DEGREE OF ACHIEVEMENT	ACTIONS THAT JUSTIFY IT
Standardization of the managed waste measuring system	<p>Low</p> 	The current conditions in the group have not made it possible to start this process.
Keeping up to date the control mechanisms associated with the Ethical Code and the whistle blowing channel	<p>High</p> 	<p>Any incidence associated with the compliance of the Ethical Code is reported to the Audit and Control Committee.</p> <p>The Internal Audit department present an annual report to the Audit and Control Committee, detailing the reports received related to the Ethical Code.</p>
Review of the Corporate Governance Policy regarding the current legislation	<p>High</p> 	The REALIA Group has incorporated the new regulations enforced during the year, related to regulatory changes, in the Corporate Governance Annual Report.

Source: Realia

6. Corporate Responsibility

6.3 Challenges for 2015

REALIA plans to implement the homogenisation of waste in 2015 provided that the arrival of new investors stabilizes the perimeter of the group. Additionally, it maintains its commitment to review the Corporate Governance policy regarding the current legislation and to maintain the mechanisms associated to the compliance of the Ethical Code.

Challenges for 2015	
	Standardization of the managed waste measuring system
	Keeping up to date the control mechanisms associated to the Ethical Code and the whistle blowing channel
	Reviewing the Corporate Governance Policy regarding the current legislation

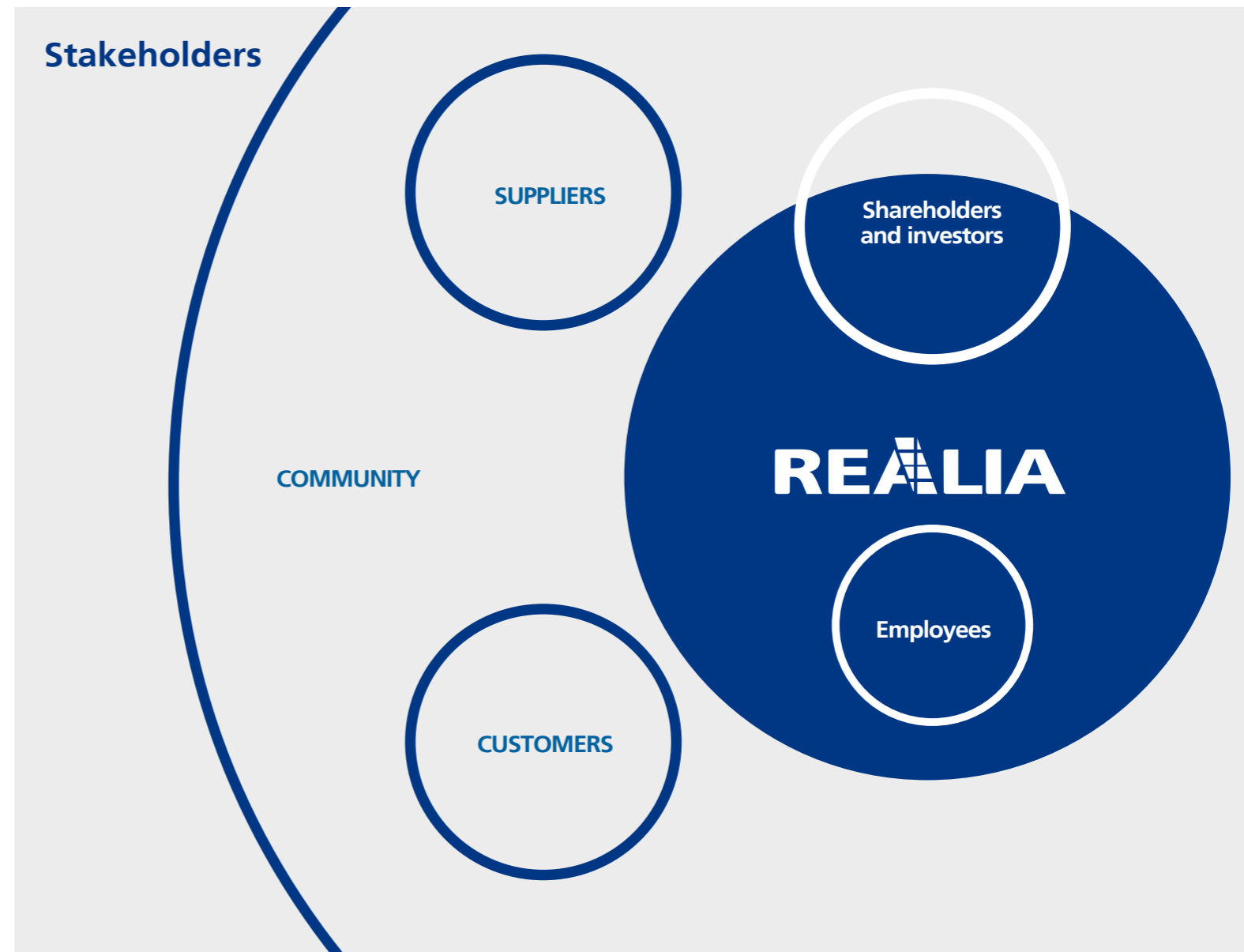
Source: Realia

6. Corporate Responsibility

6.4 Stakeholders*

REALIA has identified five groups that contribute to its business activity and at the same time, are affected by them: shareholders, employees, customers, suppliers and the community. The company promotes dialogue with all of them, convinced of the fact that its long-term sustainability depends on meeting their legitimate expectations, and maintains a policy of transparent information, providing relevant information to the media.

(*) G4-24, G4-25, G4-26 y G4-27



Source: Realia

6. Corporate Responsibility | 6.4 Stakeholders*

6.4.1 Shareholders and investors

(*) G4-24, G4-25, G4-26 y G4-27

REALIA focuses its management activity on the generation of long-term value for shareholders and investors. In order to guarantee their rights, it has equipped itself with internal rules and offers them periodically relevant information through several channels.

In order to preserve the value of its assets and attract new capital, the company has sold its property stakes in France and Portugal, both of them mature markets, and has focused its investment on the Spanish property market, which has better prospects for rents. In parallel, it has continued to reduce its housing stock and to manage land, awaiting a possible market recovery.

Internal Code of Conduct

In order to ensure appropriate and honest conduct in the stock market, it has equipped itself an Internal Code of Conduct that involves the Board of Directors, managers and everyone involved in financial management, as well as external and internal advisors.

The company is subject to market scrutiny, and offers information periodically through the channels required by the Corporate Law, and developed in its By-Laws and the General Shareholder Meeting Regulation.

Information actions

The Investor Relations Area is responsible for the communication with the financial community. During

Contact for investor relations

ADDRESS

**Paseo de la Castellana, 216, planta 1,
28046 MADRID**

PHONE

+34 913534409

FAX

+34 913534417

EMAIL

**inversores@realia.es
accionistas@realia.es**

Source: Realia

2014, it held 33 face to face meetings, 16 conference calls and one video conference with investors or professionals of the sector.

Additionally, it presented two papers during the seminars The Spanish Real Estate Sector and Kempen Property Seminar. It also participated in several events in which it held one to one contacts with more than 60 companies, representing a wide range of activities, such as investment banks, consultancies, funds, etc.

The company makes available to the public all the information required by the Stock Market Law, its internal regulations and the evolution of its share prices in its corporate website (www.realia.es).

Electronic shareholders forum

The company has established an Electronic Shareholders Forum to facilitate communication with shareholders before the General Meeting.

This forum publishes the proposals the shareholders intend to present as an addendum to the agenda, requests for support for such proposals, initiatives to achieve the necessary percentage to exercise the rights of a minority, offers, requests or voluntary proxies.

6. Corporate Responsibility | 6.4 Stakeholders*

6.4.2 Employees

REALIA has a highly qualified and specialized human workforce of 99 professionals who contribute daily to the sustainability of the company. The company is aware that its future relies to a great extent on their commitment and know-how, and strives to offer them the best possible working conditions and to create a working environment that allows for their professional development.

At year end, the workforce is composed by 99 employees, against the 103 of the previous year. In order to establish a comparison under equal conditions, the 2013 figures have been reformulated deducting the employees of the then subsidiary SIIC de Paris, which was sold in 2014.

The average workforce has decreased by 22 employees, down to 100, as a consequence of the collective dismissal that took place in 2013, as a result of the need to reduce costs to face the fall in housing demand.

Despite this, the company maintains a historical commitment with stable employment. Out of the total 99 employees, only one of them is under a temporary contract, while 33 are attached to contractors (within the subsidiary Hermanos Revilla).

Most of the workforce is concentrated in Madrid (91 of the 99 employees), while the rest conduct their professional work in different offices in Spain and Poland.

The experience in the real estate sector and the high qualification of its employees are distinctive traits of REALIA. The workforce is composed by 39 managers and graduates, 9 are bachelors and technicians; 18 are clerical offices and attached personnel, while the remaining 33 are attached to building operations (concierges, maintenance personnel, etc.).

(*) G4-24, G4-25, G4-26 y G4-27

Number of employees (as of Dec 31, 2014)

	2014	2013
REALIA Business, SA	49	50
REALIA Patrimonio S.L.U	4	6
Hermanos Revilla	45	46
REALIA Polska	1	1
TOTAL	99	103

Geographic breakdown of the workforce

	2014	2013
Madrid	91	93
Catalonia	2	4
Valencia	1	1
Andalusia	2	2
Canaries	1	1
Castilla-León	1	1
Poland	1	1
TOTAL	99	103

Source: Realia



CC As Cancelas (Santiago de Compostela)

6. Corporate Responsibility | 6.4 Stakeholders* | 6.4.2 Employees

Workforce breakdown by employment category

	2014	2013
Directors and graduates	37	40
Men	25	26
Women	12	14
Bachelors	9	10
Men	9	10
Women	0	0
Clerical and attached	18	19
Men	4	4
Women	14	15
Rest of personnel salary	33	34
Men	32	33
Women	1	1
TOTAL MEN	70	73
TOTAL WOMEN	29	30
TOTAL	99	103

Source: Realia

By gender, 70 employees are male and 29 female.

Seniority is important to REALIA, especially in senior management positions: 34.4% of the workforce is over 50 years of age, 61.6% is between 30 and 50, and only 4% is under 30.

Equal opportunities

REALIA is very strict about the compliance with the current legislation in the area of labour rights and embraces the principles of the United Nations Global Compact, such as the right to collective bargaining or non discrimination in employment, among others.

Beyond these fundamental principles, it also promotes the professional development of its employees through the creation of a good working climate based upon three axes: equal opportunities, the development of their capacities and health and safety.

The processes of recruitment and promotion are based on the principle of equal opportunities and are associated to merits and the requirements inherent to each position.

Thus, REALIA works proactively to avoid any type of discrimination, including gender discrimination. Accordingly, even though women accounted for 29.3% of the workforce in 2014, they held 41.5% of the permanent contracts.

Equal opportunities between genders are also reflected

(*) G4-24, G4-25, G4-26 y G4-27

REALIA embraces the principles of the United Nations Global Compact

Breakdown of the workforce by type of contract (December 31, 2014)

	Men	Women	Total
Permanent contracts	38	27	65
Temporary contracts	0	1	1
Attached to subcontractors	32	1	33
TOTALS	70	29	99

Source: Realia

within the Board of Directors, where the percentage of women is maintained at 40%, close to parity, and way above the average of Spanish companies.

The Management Committee, in turn, is composed by five men and one woman.

6. Corporate Responsibility | 6.4 Stakeholders* | 6.4.2 Employees

(*) G4-24, G4-25, G4-26 y G4-27

Job training

Despite the difficulties the company has gone through since the beginning of the real estate crisis, the company continues to provide its employees the necessary information and training to perform their duties and develop professionally.

In 2014, 17 employees received training in different skills: language, marketing, risk prevention and work safety. A total of 314 hours of training have been provided, at a cost of 8,475 Euros, against 547 hours and 11,440 Euros in 2013.

Health and safety at work

In order to maintain health and safety of its employees, the company has recruited a Prevention Service that evaluates the risks according to each job and takes care of the medical examinations.

No accidents involving medical leave were registered during 2014.

The absenteeism rate due to common diseases was 4.2% for men and 0.32% for women. A total of 2,367 hours were lost for this reason.

In order to favour the wellbeing of the workers and to allow them to reconcile their private lives and their jobs, the company has changed the working hours at the end of 2013 to advance the end of the working day. This resulted in a lower power bill in 2014.

The company has recruited a Prevention Service to maintain the health and safety of its employees

All the employees who have taken maternal or paternal leaves returned to their jobs.

Internal communication

REALIA bases its relationships with its employees upon respect and transparency.

The company promotes open two-way communication with its employees through the company's Intranet – where violations of the Ethical Code or incidences regarding economic and financial information can be reported - and the internal memos sent via email.

Retaining talent

Even though there were no wage rises in 2014, due to the debt restructuring process that the company is undergoing, the employees have enjoyed for a number of years some social benefits that contribute to retain talent.

The main benefit is the medical insurance, to which 34,009 Euros were allocated; life insurance, for 49,154 Euros; meal tickets, for 70,371 Euros; and the payment of an excess policy for 91,413 Euros. In turn, contributions to the pension scheme amounted to 286,641.68 Euros in 2014.

AS a result of the work done in the area of Human Resources to maintain appropriate working conditions to retain talent, the average seniority of the workforce is above fourteen years.

6. Corporate Responsibility | 6.4 Stakeholders*

6.4.3 Customers

(*) G4-24, G4-25, G4-26 y G4-27

REALIA's properties focus on meeting the needs of tenants and buyers. In order to identify them and adapt the offering to their expectations, the company is in permanent contact with them to gain their trust and maintain its reputation.

REALIA has three types of customers:

- ▶ Office and shopping centre tenants, generally companies, professionals, public agencies and large retailers
- ▶ Homebuyers and investors in land and other assets.
- ▶ Users of shopping centres.

In the property business, it tries to ensure the loyalty of tenants, through flexibility both in the adaptation of spaces and in the adaptation of rents to their needs and market trends.

Thus, the company prefers long-term contracts with customers of proven solvency, over more profitable short-time contracts. This ensures high occupancy, even in negative economic cycles.

As to its buildings, it does not only strive to perform proactive maintenance and to offer excellent services that generate value, but it also helps its tenants reduce costs through the use of energy efficiency measures.

REALIA has established several communication channels

The company prefers long-term contracts with customers of proven solvency

with customers. Besides the telephone, customers can contact the company through the form found on the corporate website, www.realia.es

Homebuyers

Keeping homebuyers satisfied is a priority for REALIA. Both in the point of sale and in signing the contract, the company strives to provide the best possible information and service to its customers. After delivery of the home, the company provides an after-sales service during a minimum of one year after handing over the keys.

In order to facilitate access to housing in the current scenario of credit restriction, the company has established a number of solutions to provide flexibility to delivery for customers who need to sell their current home before buying the new one.

In 2014, and in collaboration with Kutxa Bank, REALIA

provided financing and mortgage subrogation in the developments of Jardín de Vivero de Fuenlabrada (Madrid), Ronda Luz de Pinto (Madrid) and 2@Patraix (Valencia).

Additionally, it offered special conditions to customers of other developments, through agreements with several banks: Valdebebas with Bankinter, Equmar with Caja Sol, Campo Real with Bankia, Corona Ibiza with Bankia, Infante Santo with Banco Santander Totta. REALIA maintains a multi-channel relationship with its customers: on one hand, through its office network and the headquarters staff in Madrid, and on the other, through Internet.

The sales force maintains a direct and personal relationship with the public through the sales offices, branch offices and central offices. This highly qualified team provides information on the qualities of every development, shows customers the units, explains the financial conditions and provides support during the sale process.

Additionally, there is a website specialized in home sales, www.realiainmobiliaria.com, which provides highly intuitive tools to create alerts, calculate mortgage conditions, and a personal advice service to respond to legal queries. Users of the website will find also information on efficient home management and sustainability.

Customers also have an personal online adviser, who responds to queries in 24 hours, even though the commitment of the company is to respond within 72 hours.

6. Corporate Responsibility | 6.4 Stakeholders* | 6.4.3 Customers

(*) G4-24, G4-25, G4-26 y G4-27

During 2014, REALIA received and responded to 5,300 requests for information, through phone calls and e-mails. A total of 2,017 were attended in the sales offices.

Every month, a newsletter is sent via email to maintain permanent contact with potential buyers.

Shopping centres users

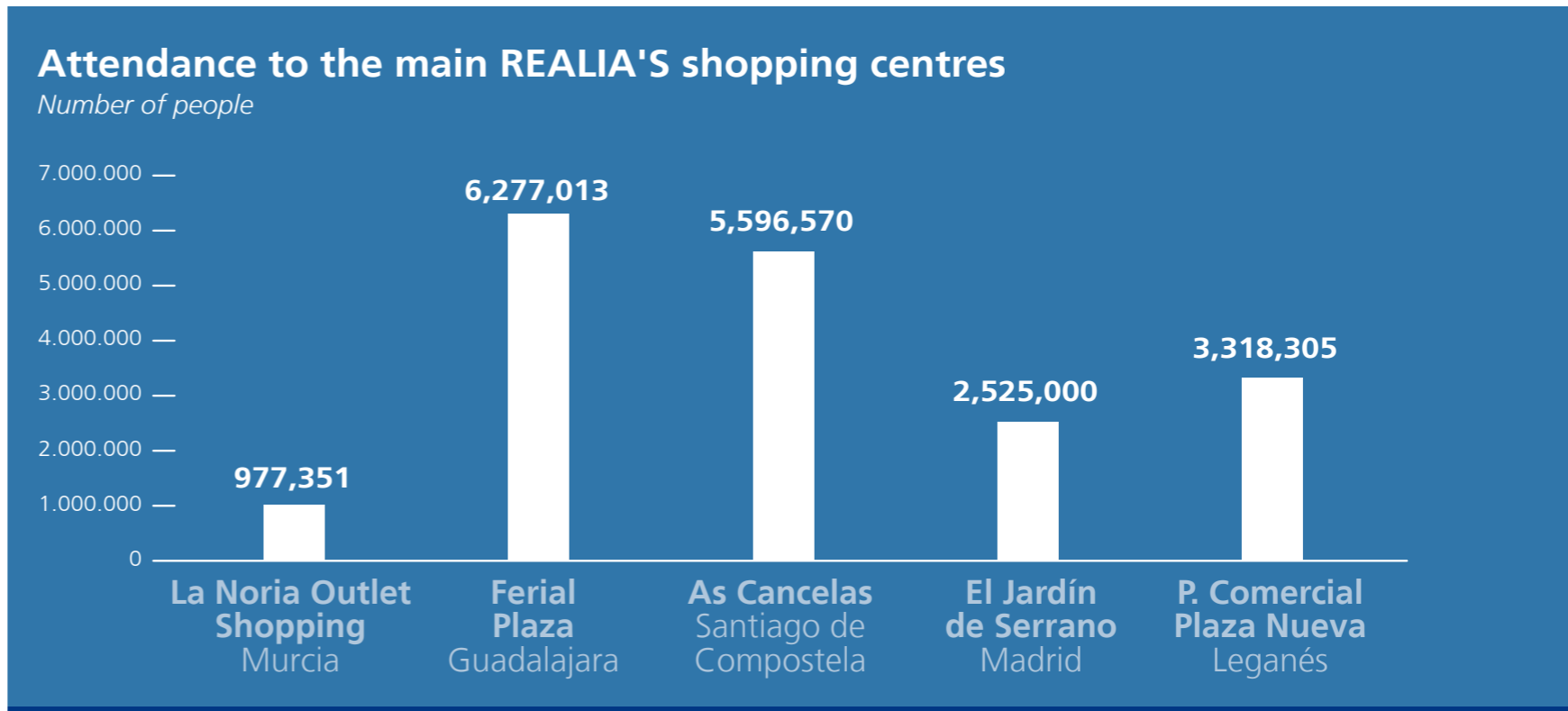
During 2013, 18.6 million people visited the main shopping centres owned by REALIA. The company is aware that the success or failure of a centre depends on their satisfaction and for this reason it designs its retail spaces taking into account their preferences and needs, and those of its tenants.

All of the shopping centres of REALIA are equipped with broad common areas and spaces designed for transit and circulation. In order to facilitate accessibility to buildings of people with reduce mobility and communication, several communication hubs are created, and the requirements of regulations are strictly met.

Several improvements were made in the common areas of the shopping centres during 2014.

At the La Noria Murcia Outlet Shopping, progress was made in the signage for accesses and the car park, both for vehicles and pedestrians.

As Cancelas de Santiago de Compostela has implemented several actions to guarantee the health and safety of



Source: Realia

customers and workers. Among others, the height of the handrails of the terrace was raised, protection of the electrical outlets was enhanced in children's areas, and ne safety measures were introduced on the elevators. Also,

in order to increase the comfort and attractiveness of the centres, tablets and recharge stations were installed in some spaces, the children's workshops spaces were extended, and the road in front of the main entrance was paved.

6. Corporate Responsibility | 6.4 Stakeholders*

6.4.4 Suppliers

(*) G4-24, G4-25, G4-26 y G4-27



Alcobendas (Madrid)

In 2014, the number of suppliers decreased to 760 due to the suspension of the homebuilding activity

REALIA generates economic development and wealth in the communities where it is present through the use of local contractors. During 2014, the number of suppliers amounted to 760, 57 fewer than the previous year, due to the suspension of the housing construction after the last two promotions were finished in Madrid and Valencia in 2013.

After the divestment of SIIC de Paris, most of the suppliers of products and services, 625, were Spanish; 22 were Polish, 13 Portuguese, 5 Rumanians and one from the U.S.

By autonomous communities, 531 were based in Madrid, where the headquarters of REALIA is located, and the rest were based in Catalonia (51), Community of Valencia (23),

6. Corporate Responsibility | 6.4 Stakeholders* | 6.4.4 Suppliers

(*) G4-24, G4-25, G4-26 y G4-27

Castellana 41 (Madrid)

Castilla y León (15), Castilla-La Mancha (12), Murcia (11), Baleares (8), Canarias (7), Basque Country (4), Cantabria (3), Galicia (3), La Rioja (1) and Navarre (1).

During 2014, procurements amounted to 60.18 million Euros, all of them from local suppliers. Madrid accounted for 81% of the procurements, whereas Andalusia, Catalonia and Castilla-La Mancha accounted for more than 4% each, and the Community of Valencia and Murcia, 1% each.

Selection criteria

Historically, the company has followed economic and technical criteria in its works and rehabilitation activities. The following criteria have been taken into account for the awarding of contracts:

- ▶ Strict selection of work bids, according to technical criteria.
- ▶ Assumption of responsibility for the health and safety conditions of the works.
- ▶ Preparation of the Construction Plan, guaranteeing the fulfilment of the contract milestones.
- ▶ Ensuring REALIA's quality standards.
- ▶ Compliance with the environmental provisions of the legislation.



6. Corporate Responsibility | 6.4 Stakeholders*

6.4.5 Community

(*) G4-24, G4-25, G4-26 y G4-27

REALIA is aware of the inevitable impact its developing and property operation activities generate on the communities where it operates. For this reason, it strives to minimize the impact, involving the community in the planning and management of projects, and when it is not possible to eliminate it, it tries to compensate for it with benefits for the community.

Historically, the company has maintained contacts with all the parties affected by the construction or rehabilitation of housing or office buildings, from the purchase of land to the end of construction, with the goal of listening to their concerns and take into consideration their proposals for improvement.

In land management, especially in the approval of the different stages of buildability, REALIA is in contact with local and regional administrations within a framework of

strict respect for the law and maximum transparency, according to the legislation and the Ethical Code.

Citizen participation is paramount for REALIA when it comes to plan for a project, since it gives it 360° vision on the effects of its activity on the environment. The creation of recreational spaces and the improvement of the roads are some examples of initiatives from the associations of neighbours, merchants and administrations that the company takes into account at the design stage.

It also participates in other social actions for the benefit of the community in its shopping centres, and disseminates the solidarity initiatives of its employees, such as the Operation Kilo. Also, the Hato Verde housing development hosted the II Golf Fair of Seville.

Social actions in Shopping Centres

REALIA's shopping centres participate in several social initiatives with marginalized groups, health or childhood.

Under supervision from REALIA, the managers of shopping centres lend spaces to different foundations and NGOs, and several cultural and scientific projects to raise funds, encourage membership, or raise the awareness of the people on some issues. In 2014, some thirty such initiatives were organized.

Acción contra el hambre, Aldeas Infantiles, ACNUR, Banco de Alimentos, Cáritas Diocesana, Cruz Roja Española, TRANSRILSAN, COGAMI, Federación Gallega de Enfermedades Raras e Crónicas (FEGEREC) and Down Compostela are some of the non-profit organizations with which REALIA's shopping centres have collaborated in 2013.

Cruz Roja Española, Asociación Española contra el Cáncer, Médicos sin fronteras, Federación Española de Enfermedades Neuromusculares (ASEM), Intermon Oxfam, Asociación para la Lucha contra las Enfermedades del Riñón (ALCER), Asociación Belenistas de Guadalajara, Servicio de Bomberos de Guadalajara y Federación Gallega de Enfermedades Raras e Crónicas (FEGEREC), Fundación Internacional Divino Niño and Ciudad Escuela Muchachos (CEMU) of Leganés, are some of the non-profit organizations with which REALIA's shopping centres have collaborated in 2014.

In the area of cultural and scientific events, the shopping centres have loaned their facilities for cultural workshops and initiatives such as the II Xornada Folclore Galego or the photographic exhibition InvestigaArte that aims to bring research closer to society.

Jorge Juan 35 (Madrid)



6. Corporate Responsibility

6.5 Environmental management

REALIA is committed with environmental respect and protection. In order to reduce the footprint of its activities on nature, it has developed a number of initiatives linked to energy efficiency, waste management and sustainable construction in recent years. The whole workforce supports and is involved in the implementation of these initiatives.

Basic principles of environmental protection

- Natural resources** → The REALIA Group is aware of the impact of its activity on the natural resources and the environment. The goal of this Plan is to minimize this impact.
- Prevention** → This approach addresses both the achievement of the business goals and environmental sustainability.
- Planning** → Planning and execution of actions in an orderly and rational fashion. This reduces the impact on the environment.
- Management** → Management of developments with a focus on:
 - Preventing waster and soil pollution.
 - Control of emissions to the atmosphere.
 - Control on real estate and urban developments.
- Innovation** → Identification and Analysis of improvements and opportunities in the use of materials, power sources, and environmental management systems.
- 3R's implementation** → Implementation of the 3 R's principle (Reduce, Reuse and Recycle) in the architectural design, management and production.
- Consumption** → Use of recycle and/or recyclable products to reduce consumption of resources.
- Employees** → Involvement of the staff in the use of environmentally responsible techniques and products, with no impairment of the budgetary system and control.
- Suppliers** → Active management with contractors and subcontractors with the goal of involving the whole supply chain in environmental management.
- Feed Back** → Open to continuous improvement and collaboration on the environmental.

Source: Realia

6. Corporate Responsibility | 6.5 Environmental management

The commitment with the environment was established on the Corporate Responsibility Master Plan approved in 2009

Environmental management is one of the commitments acquired by REALIA in its Corporate Responsibility Master Plan, approved in 2009. The company embraces the 3R rules of ecology (Reduce, Reduce and Recycle), and applies a preventive rather than a corrective approach in its environmental projects.

The environmental management policy of REALIA is structured around four lines of work:

- ▶ Energy efficiency.
- ▶ Adequate waste management.
- ▶ Sustainable construction.
- ▶ Promotion of responsible conduct.

Thanks to this commitment, no incidences occurred and no sanctions were received during 2014 in connection with environmental protection.

Environmental balance*

	2014	2013	2012	2011	2010
Consumption					
- Power consumption (MWh)	12,092	11,950	12,100	13,747	14,337
- Water consumption (m ³)	103,344	105,248	107,706	111,924	115,776
- Gas consumption (MWh)	6,121	7,233	5,658	4,222	6,961
- Gasoil consumption (litres)	91,860	122,693	110,343	113,587	138,296
Emission reduction					
- CO ₂ emission reduction	-59,701	62,911	691,973	247,592	-
Waste collection					
- Hazardous waste collected (kg)	369	369	275	791	443

(* In like for like terms)

Source: Realia

REALIA confirmed its commitment to the preservation of the environment in 2014, through the implementation throughout the whole group of the Microsoft SharePoint tool, which does not only improves the access to information of the national offices, but also reduces drastically paper consumption.

This document management project started at the end of 2013, and is based on the model of the shopping centre

AS Cancelas in Santiago de Compostela, and improves knowledge management with more standardized, structured information, providing greater reliability, accessibility and security to information.

In the future, the company will try to integrate new areas in the use of this tool, and to digitize the historical documentation.

6. Corporate Responsibility | 6.5 Environmental management

6.5.1 Energy efficiency

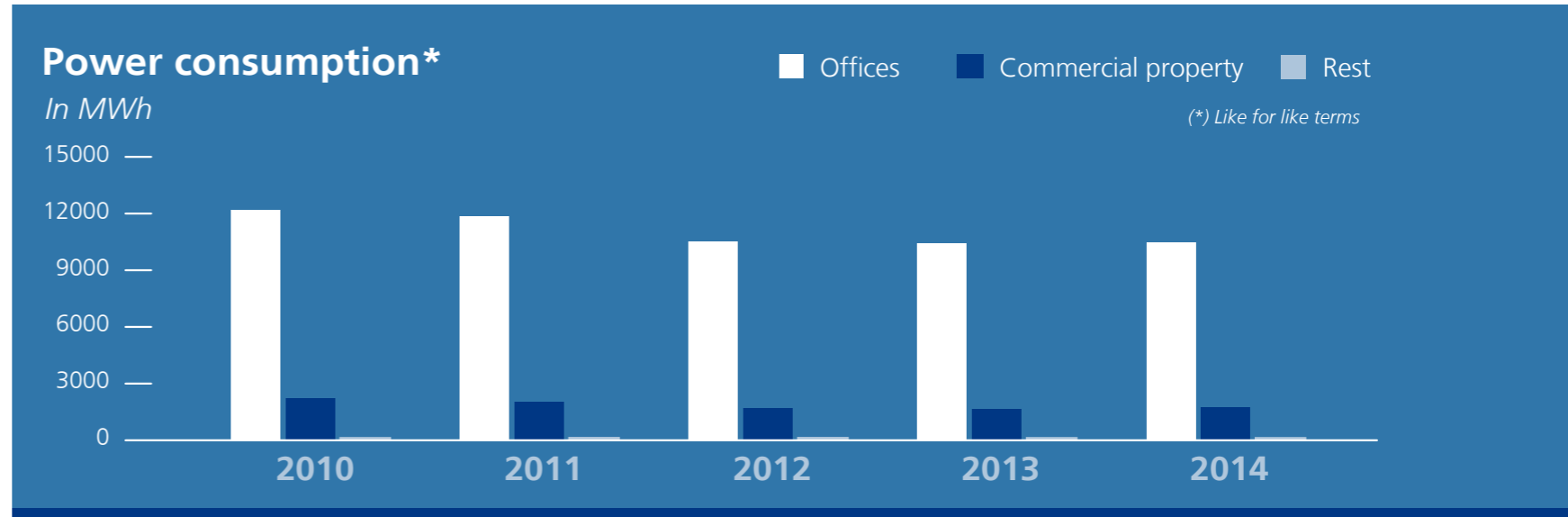
REALIA controls the consumption of the office buildings it operates, performs an annual evaluation of the results, and invests in a number of energy saving systems, in order to reduce the negative environmental impact and to reduce costs.

During 2014, the company has continued to measure its consumptions and CO2 emissions. The following data correspond to 78.8% of the assets in terms of surface area, and 63.4% of the assets by number (26 out of 41). As to the rest of the assets, there is no available information for 21.2% of the assets under operation by surface area, since 19.2% corresponds to the only tenant of a building who manages his supplies directly; 0.8% corresponds to common properties where REALIA does not have the majority to decide on supplies; and 1.2% corresponds to the building acquired in December 2014.

Power consumption

Total power consumption increased 5.2% over last year, and stands at 20,804 MWh. This increase took place in Madrid, as a result of the higher occupancy of two buildings in commercial operation.

However, if we refer to data from the buildings in which we have records, power consumption has decreased 15.7% during the last five years, down to 12,092 MWh, from 14,337 MWh.



Source: Realia

A large part of this reduction is due to the extension of contracts and the implementation of energy efficiency measures in some shopping centres.

For example, the shopping centre As Cancelas in Santiago de Compostela, lighting management has been improved, air conditioning programs have been optimized, and motion detector lights have been installed, among other measures.

In La Noria Outlet Shopping (Murcia), the lights of the common spaces have been replaced by led lights, and the Energy Efficiency System has started to operate, with the goal of reducing the KWh consumed by 8%.

In the case of the Shopping Centre Ferial Plaza in Guadalajara, the lighting hours and the air conditioning system have been optimized, 150W lights have been replaced by 75W lamps, and motion detectors have been installed to control the lights in the evacuation routes.

6. Corporate Responsibility | 6.5 Environmental management | 6.5.1 Energy efficiency

Emissions to the atmosphere

Savings in energy consumption in recent years have reduced CO₂ emissions to the atmosphere by 942,776 kg in the period 2011-2014.

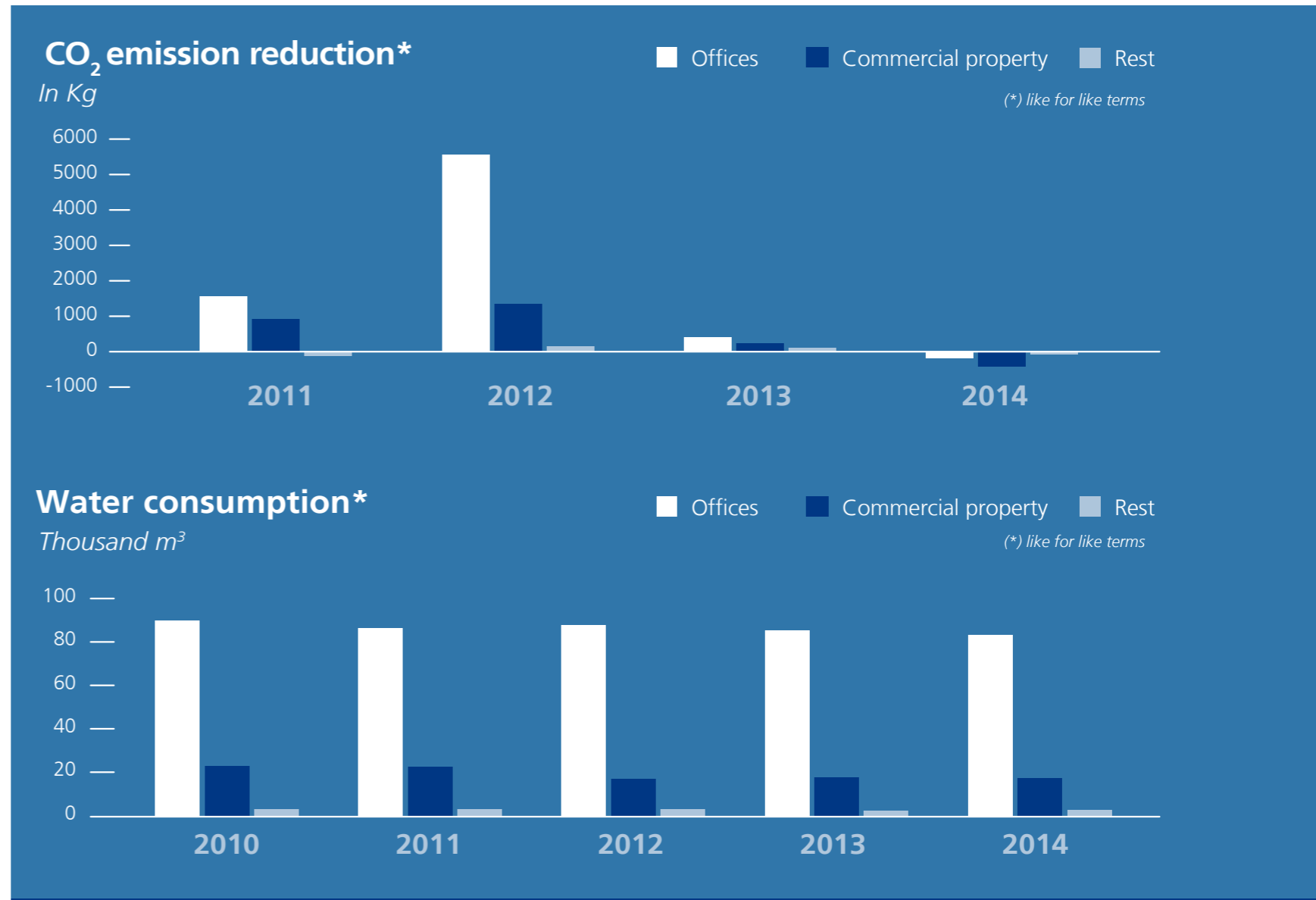
In 2014, CO₂ emissions increased by 59,701 kg due to the higher occupancy mentioned above, after three consecutive years of decreases. Most of the emissions are generated in shopping centres (40,810 kg versus 18,889 kg in offices).

Water consumption

Water consumption in 60% of the buildings managed by the REALIA group, which can be analyzed homogenously over the last five years, amounted to 103,344 cubic meters. This represents savings of 1,904 cubic meters (1.8%) over the previous year, and 12,432 cubic meters (10.7%) over 2010.



During the period 2011-2014, CO₂ emissions were reduced by 942,778 kg



Source: Realia

6. Corporate Responsibility | 6.5 Environmental management | 6.5.1 Energy efficiency

Gas consumption in REALIA's buildings was reduced by 15.4% from 2013

Gas Consumption

Out of the buildings covered by the survey, 15 of them, representing a surface area of 218,751 sq m, use gas. Gas consumption decreased by 15.4% compared to 2013.

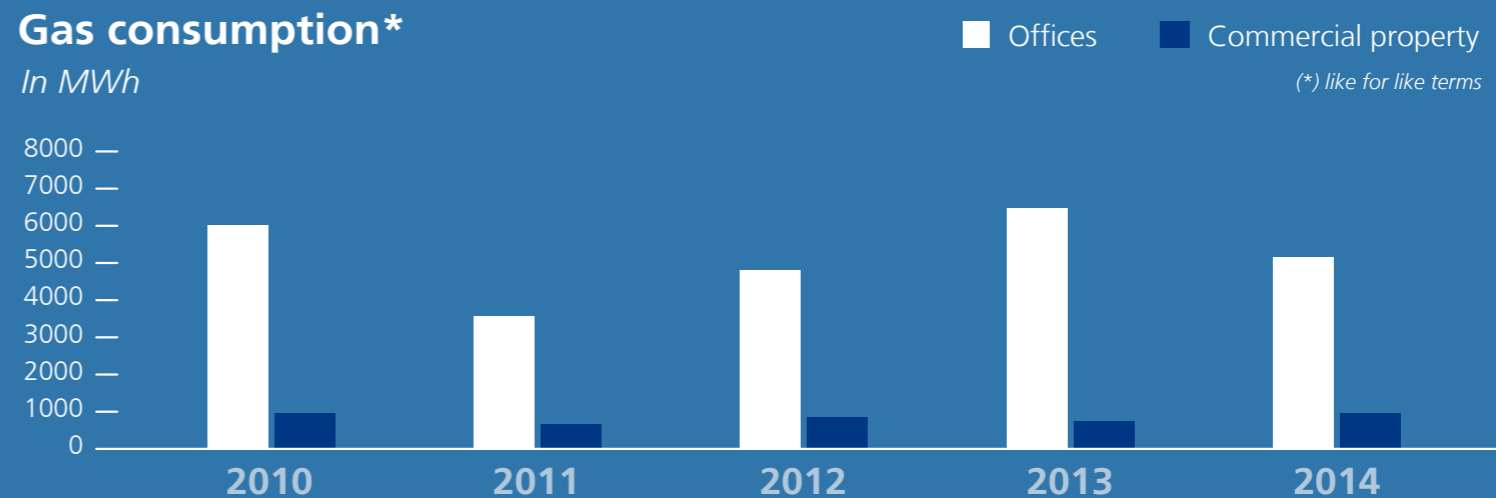
Diesel consumption

Only six buildings, with a surface area of 31,325 sq m above ground, consume diesel. Diesel consumption has been reduced by 25% from 2013.

In 2014, the boiler of the Acanto Street in Madrid was replaced by a condensation boiler, with the corresponding saving in natural gas.

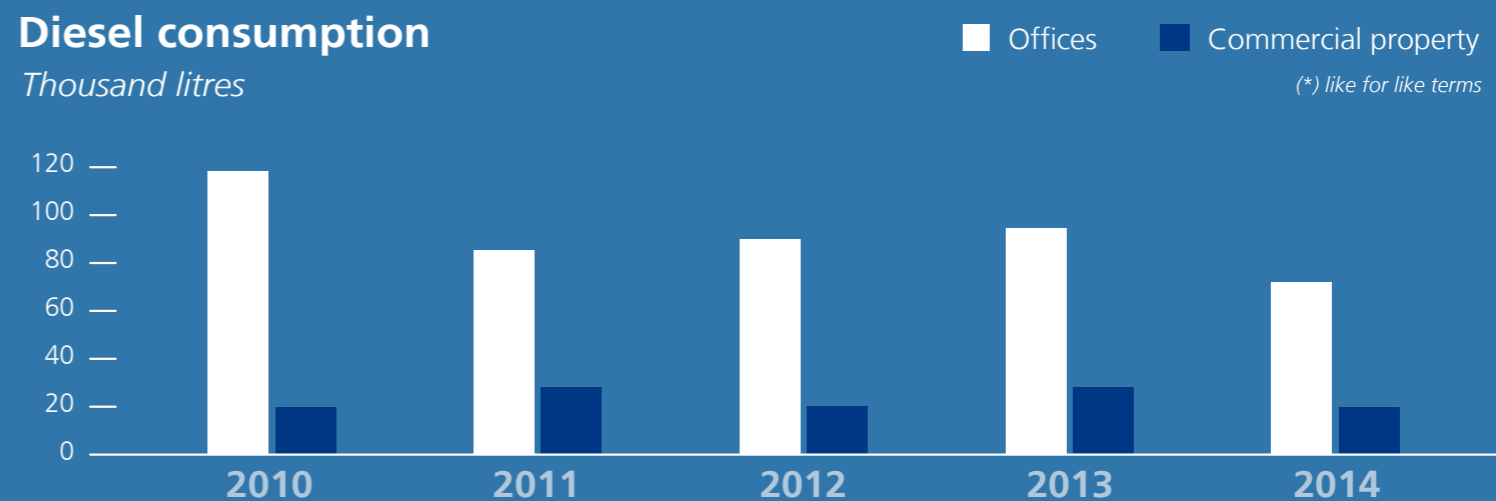
Gas consumption*

In MWh



Diesel consumption

Thousand litres



Source: Realia

6. Corporate Responsibility | 6.5 Environmental management

6.5.2 Adequate waste management

REALIA is respectful with the environment, aware of the environmental deterioration that can result from waste generation. Thus, since the composition of waste is heterogeneous, it promotes selective waste collection, and has installed collection points where waste is separated.

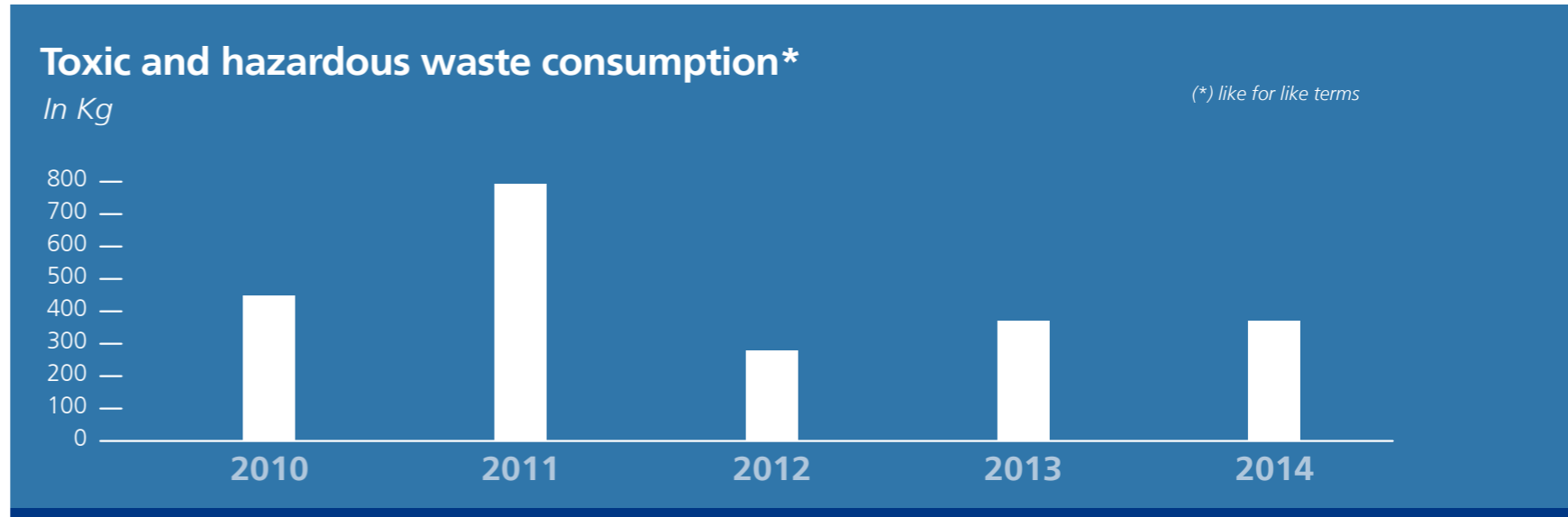
This practice not only favours the recycling of paper, cardboard, plastic and toner, but segregates the waste considered as hazardous for its collection, transport and delivery to authorized waste management facilities.

In Madrid, REALIA has a hazardous and toxic waste collection service for assets amounting to 41,672 sq m, which has collected a total of 369 Kg of hazardous waste, the same figure than in 2013. Additionally, 833 printing toner units have been collected.

The only hazardous components generated by REALIA's rental buildings are batteries and fluorescent tubes. During 2014, 145 Kg of fluorescent tubes and 36 Kg of alkaline batteries were collected.

The collection of electronic waste that is generated sporadically – such as Ni-Cd batteries (it stores data against power drops), lead batteries and electronic equipment – is carried out by specialized companies.

The company collaborates with several organizations in waste collection. For example, in the Ferial Plaza de Guadalajara shopping centre, it collaborates with Ambilamp, a non-profit organization established for



Source: Realia

the collection and processing of lamp and electrical equipment waste, and aims to extend this collaboration to more centres. It is also working on the drafting of agreements with several electrical waste managers in the La Noria Murcia Outlet Shopping centre (Murcia).

Construction and rehabilitation

Historically, REALIA follows the 3R criterion (Reduce, Reuse and Recycle) in its construction and rehabilitation works.

From the planning of a project to the end of construction, it strives to manage its waste efficiently.

To this end, it stores waste in designated areas, gives special treatment to hazardous waste and reuses the material from excavations in rehabilitation works. Finally, it sends construction and demolition waste to deposits, crushing plants or authorized waste managers.

6. Corporate Responsibility | 6.5 Environmental management

6.5.3 Sustainable construction

REALIA's building construction is characterized by the respect for the natural environment and the incorporation of energy efficiency measures.

The company undertakes a diagnosis of the impacts on the landscape and the community before developing land, and once the analysis and planning are completed, proceeds to the procurement of materials under the criteria of sustainability, technical quality and price.

REALIA's homebuilding projects meet the standards of the Technical Building Code and additionally, incorporate innovative energy saving and water management systems. Some examples of this are the developments of Altos de Santa Bárbara (Valencia), which incorporates a Storm Tank for water management, and REALIA Parque Valdebebas in Madrid, with energy efficiency measures, a solar energy hot water system for sanitation and LED lights have been incorporated.

The focus on sustainable construction is also present in its shopping centres: the As Cancelas shopping centre in Santiago de Compostela, the youngest of REALIA, was designed minimizing its impact on the French Way, aiming at the highest energy efficiency. It is equipped with a photovoltaic solar energy installation that produces 50,000 KWh of energy a year for its own consumption. This generates a reduction of 19.5 Tons a year in CO₂ emissions to the atmosphere.

Torre REALIA (Barcelona)



6. Corporate Responsibility | 6.5 Environmental management

6.5.4 Promoting responsible conduct

As a socially responsible company, REALIA wants to extend the principles of its corporate responsibility policy to all of the links of the supply chain.

To this end, it has created a Guide of Good Practices in the area of environment, with the purpose of promoting

responsible conduct among employees, external staff, suppliers and subcontractors, covering the activities of the company and its relations with third parties.

The guide describes the habits that influence the use of materials and products, energy management,

Sustainable behaviours is encouraged in REALIA's shopping centres



CC Ferial Plaza (Guadalajara)

waste processing and transport. It is especially useful in areas related to the procurement of products, energy consumption and pollutant emissions.

The company also tries to raise the awareness of its shopping centre tenants, where maintenance teams inform merchants and store managers of the potential measures that can be adopted to reduce energy consumption, such as time adjustments or improvements in insulation.

Furthermore, sustainable behaviour is encouraged in the shopping spaces, with the installation of information signs about the preferential use of elevators or the right use of waste collection points, among others.

These initiatives are part of the effort to promote responsible conduct that the company started some years ago as part of the campaign "When you recycle, you win", which is still ongoing, on the company's workplaces.



7. Attachments

- 7.1 | Map of relevant issues
- 7.2 | Table of contents GRI G4

7. Attachments

7.1 Map of relevant issues*

This Annual and Corporate Responsibility Report 2014 covers the relevant issues for the stakeholders mentioned in the Materiality Survey conducted in 2013. This report concluded that their concerns are related to the social dimension of the company, followed by good governance, the business environment and environmental concerns.

This Report has been prepared following the recommendations of the Global Reporting Initiative (GRI) formulated in its Guide to the Preparation of Sustainability Reports G4, dated in May 2014.

It discusses material issues to the stakeholders, such as workers' health, safety of buildings, labour relations and the impact of the activity of the company on the communities.

In the area of corporate governance, the main requests for information focus on the governance structure and the ethical framework.

It also contains a detailed explanation on the business environment, with special emphasis on the economic and social situation, and their medium and long term prospects.

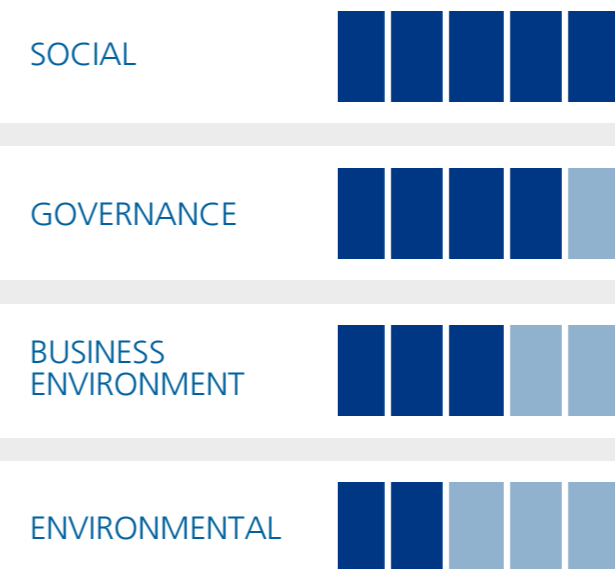
Finally, it describes the environmental dimension of the group and the global impact of its activity.



This report discusses material issues to the stakeholders, and corporate governance and environmental issues

(*) G4-18, G4-19, G4-24, G4-25, G4-26 y G4-27

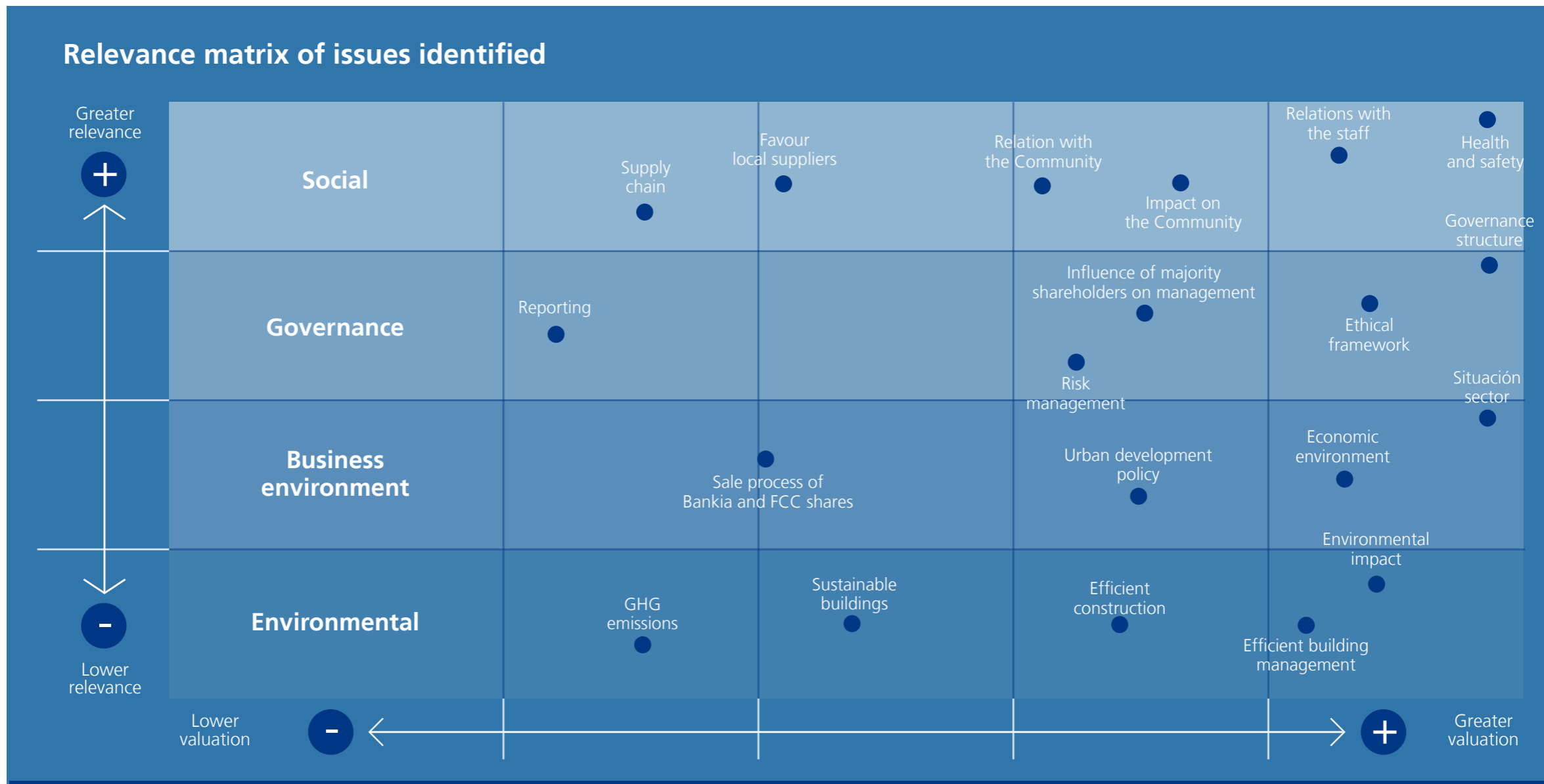
Global valuation of relevance for the different stakeholders of REALIA



Source: Realia

7. Attachments | 7.1 Map of relevant issues*

(* G4-18, G4-19, G4-24, G4-25, G4-26 y G4-27)



Source: Realia

7. Attachments

7.2 Table of contents GRI G4

This Annual and Corporate Responsibility Report follows the standards of the G4 Guide of the Global Reporting Initiative (GRI). The following table indicates the location of the most relevant content, according to the criteria of this international organization.

Realia Parque Valdebebas (Madrid)



7. Attachments | 7.2 Table of contents GRI G4



PART I: General standard disclosures 2014

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Strategy and analysis		
G4-1	Statement from the senior decision maker of the organization on the relevance of sustainability for the organization and its strategy.	Completed Annual and CR Report, letter from the Chairman pages 5 - 6.
G4-2	Description of the main impacts, risks and opportunities.	Completed Annual & CR Report, Innovation linked to sustainability page 20, risk management pages 67 - 69, materiality analysis pages 90 and 91. Annual Corporate annual governance report pages 26 - 34.
Profile of the organization		
G4-3	Name of the organization.	Completed Annual & CR Report page 13.
G4-4	Main brands, products and services.	Completed Annual & CR Report page 13.
G4-5	Location of the company headquarters.	Completed Annual & CR Report page 14.
G4-6	Number of countries where the Company operates and names of the countries where it conducts significant activities or specifically relevant for the sustainability aspects described in the annual report.	Completed Annual & CR Report page 9.
G4-7	Nature of the property and legal structure.	Completed Annual & CR Report page 13. Annual corporate governance report pages 2 and 3.
G4-8	Markets served (including geographic breakdown, sectors it serves and types of customers/ beneficiaries).	Completed Annual & CR Report page 13 and pages 16 to 20.
G4-9	Size of the reporting company.	Completed Annual & CR Report pages 38 to 52.

7. Attachments | 7.2 Table of contents GRI G4 | PART I: General standard disclosures 2014

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Profile of the organization (Cont.)		
G4-10	Characteristics of the workforce.	Completed Annual & CR Report pages 73-75.
G4-11	Number of employees covered by collective agreements.	Completed All employees in Spain are covered by collective bargaining agreements. Agreements with employees in other countries apply local regulations.
G4-12	Description of the supply chain of the organization.	Completed Annual & CR Report pages 78 and 79.
G4-13	Significant changes during the period covered by the annual report on the size, structure and ownership of the organization and supply chain.	Completed Annual & CR Report pages 11, 35 - 37, 78 and 79.
G4-14	Description of how the organization has adopted a precautionary environmental approach or principle.	Completed REALIA adheres strictly to environmental regulations as well as to international good practices.
G4-15	Social, environmental and economic principles or programs developed externally, and initiatives that the organization supports or subscribes.	Completed None.
G4-16	Main organizations of which it is a member	Completed REALIA is a member of ASPRIMA, the leading real estate organization in Spain in which the majority of Spanish real estate companies and property developers are integrated.
Relevant issues identified and information perimeter		External verification
G4-17	List of the entities included in the consolidated financial statements, specifying whether they are included in the information scope of the report.	<p>Completed</p> <p>G4-17a The entities covered by the Annual and CSR reports are the main operating companies of the group (Realia Business S.A. and the subsidiaries Realia Patrimonio, Planigesa and Hermanos Revilla) as shown in company profile page 14 and section about this report in page 2. G4 -17b The full list of companies that form part of the REALIA group can be seen in the Consolidated Annual Accounts in pages Annexes I, II and III pages 90, 91 and 92.</p> <p>No</p>

7. Attachments | 7.2 Table of contents GRI G4 | PART I: General standard disclosures 2014

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION	External verification
Relevant issues identified and information perimeter (Cont.)			
G4-18	Process of definition of the content of the annual report.	Completed REALIA has identified the relevant matters to be covered by the Annual Report through existing internal and external communications channels. During the first quarter of 2014, REALIA conducted an independent mapping of relevant matters the results of which are contained in the Annual & CR Report, Annex 1 pages 90 and 91.	No
G4-19	List of relevant issues identified.	Completed Annual & CR Report, Annex 1 Mapping of Relevant Matters, page 90 and 91. Material Aspects identified for REALIA have been grouped in 4 categories: Social (Health & Safety; Labour Relations; Community Impacts; Relations with the Community; Local Suppliers and Suppliers Chain). Corporate Governance (Governance Structure; Ethics & Compliance; Influence in management by controlling shareholders; Risk Management and Reporting). Business Environment (Sector environment; economic environment; Urban Planning Policy; Disposal of Bankia/FCC stakes in REALIA). Environmental (Environmental impact of activities; Efficient Building Management; Sustainable Buildings and GHG emissions).	No
G4-20	Relevance for the organization of the relevant issues identified and scope of implementation within the organization.	Completed The Annual & CR Report covers all the entities in which REALIA has operational control.	No
G4-21	Relevance of relevant issues identified and scope of implementation outside the organization.	Completed The material Aspects are not material outside of the organization.	No
G4-22	Description of the effect that the reformulation of information from earlier annual reports may have, and the reasons that led to that reformulation.	Completed 2013 financial statements have been reformulated to reflect disposal of the French subsidiary (SIIC Paris) and changes in international accounting rules (IFRS).	No

7. Attachments | 7.2 Table of contents GRI G4 | PART I: General standard disclosures 2014

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION	External verification
Dialogue with stakeholders			
G4-23	Significant changes from previous years on the scope, the coverage or the valuation methods used in the annual report.	Completed There has been no changes in the aspect and scope boundaries. About this report section, annual & CR Report, page 2.	No
G4-24	List of stakeholders of the organization.	Completed An overview on REALIA's approach to stakeholder engagement, including a list of core stakeholder groups, is provided in section 6.4 Stakeholders, page 71 in the Annual & CR Report. The relationship with each individual group of stakeholders is described in the following pages of the Annual & CR Report: page 72 investors, pages 73-75 employees, pages 76 and 77 clients, pages 78 and 79 suppliers and page 80 community. Annex 1 pages 90 and 91 is the Mapping of Relevant Matters, obtained through a materiality analysis.	No
G4-25	Basis for the identification and selection of stakeholders with which the organization is in dialogue.	Completed An overview on REALIA's approach to stakeholder engagement, including a list of core stakeholder groups, is provided in section 6.4 Stakeholders, page 71 in the Annual & CR Report. The relationship with each individual group of stakeholders is described in the following pages of the Annual & CR Report: page 72 investors, pages 73-75 employees, pages 76 and 77 clients, pages 78 and 79 suppliers and page 80 community. Annex 1 pages 90 and 91 is the Mapping of Relevant Matters, obtained through a materiality analysis.	No
G4-26	Approaches taken to the dialogue with stakeholders, frequency of participation by types and categories of stakeholders, specifying whether the dialogue has been part of the process of drafting of the report.	Completed An overview on REALIA's approach to stakeholder engagement, including a list of core stakeholder groups, is provided in section 6.4 Stakeholders, page 71 in the Annual & CR Report. The relationship with each individual group of stakeholders is described in the following pages of the Annual & CR Report: page 72 investors, pages 73-75 employees, pages 76 and 77 clients, pages 78 and 79 suppliers and page 80 community. Annex 1 pages 90 and 91 is the Mapping of Relevant Matters, obtained through a materiality analysis.	No

7. Attachments | 7.2 Table of contents GRI G4 | PART I: General standard disclosures 2014

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION	External verification
Dialogue with stakeholders (Cont.)			
G4-27	Key issues identified in the process of dialogue with the stakeholders and response from the organization.	Completed An overview on REALIA's approach to stakeholder engagement, including a list of core stakeholder groups, is provided in section 6.4 Stakeholders, page 71 in the Annual & CR Report. The relationship with each individual group of stakeholders is described in the following pages of the Annual & CR Report: page 72 investors, pages 73-75 employees, pages 76 and 77 clients, pages 78 and 79 suppliers and page 80 community. Annex 1 pages 90 and 91 is the Mapping of Relevant Matters, obtained through a materiality analysis.	No
Parameters of the annual report			
G4-28	Period covered by the information contained in the annual report (such as fiscal year, calendar year).	Completed Calendar year ended 31st December 2014.	
G4-29	Date of the previous most recent annual report.	Completed The last Annual & CR Report covering the financial year ending 31st December 2013 was published on 24th June 2014.	
G4-30	Frequency of submission of annual reports.	Completed Annual, on a calendar year basis.	
G4-31	Contact for issues related to the annual report or its content.	Completed María Prieto, Communications, Marketing and CSR Director (maria.prieto@realia.es).	
G4-32	Option "in accordance" selected.	"in accordance Comprehensive".	
G4-33	Annual policy and practice on the external verification of the annual report.	Completed REALIA does not seek independent external assurance of the non financial information contained in the Annual & CR Report.	

7. Attachments | 7.2 Table of contents GRI G4 | PART I: General standard disclosures 2014

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Corporate governance		
G4-34	Governance structure of the organization, including the committees of the main government body. Existence of committees responsible for decision making on economic, social and environmental impacts.	Completed Annual Corporate Governance Report, pages 6 to 12 and 12 to 47. The Board of Directors is responsible for formulating the CSR policy of the group. There are no special committees for decisions on economic, social and environmental aspects. All these matters are reserved to the exclusive competence of the Board.
G4-35	Report on the process of delegation of powers on economic, social and environmental issues in the management team and other employees.	Completed Annual & CR Report, page 59. Annual Corporate Governance Report, pages 10-12. The Board of Directors has delegated certain matters on the Management Committee, chaired by the Chairman of the Board and formed by the General Manager, who is member of the Board, and the top executives of the group.
G4-36	Appointment of the persons responsible for the economic, social and environmental issues who report directly to the Board of Directors.	Completed The Head of Communications, Marketing and CSR is responsible for the coordination of CSR issues (economic, social and environmental) within the group, reporting, on these matters, to the Director & Group General Manager.
G4-37	Consultation procedures of the highest body of governance of the organization with the stakeholders on economic, social and environmental issues. If the consultation process is delegated, explain on whom it is delegated, and the processes of reporting to the highest governance body.	Completed The consultation process with stakeholders on economic, social and environmental matters is delegated on the Head of Communications, Marketing and CSR who reports to the Director and General Manager who in turn reports to the highest Governance body (the Board).
G4-38	Composition of the highest body of governance.	Completed Annual & CR Report pages 57 to 59. Annual Corporate Governance Report pages 6 to 9.
G4-39	Indicate whether the chairman of the highest body of government also holds a executive position (if so, explain his role within the management of the organization and the reasons that justify it).	Completed Annual Corporate Governance Report page 13. The Chairman of the Board is also the top executive of the company. The Rules of the Board include mechanisms to limit the risks of accumulating power in the same person.

7. Attachments | 7.2 Table of contents GRI G4 | PART I: General standard disclosures 2014

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Corporate governance (Cont.)		
G4-40	Procedure for the determination of the qualification and expertise demanded from the members of the highest government body to guide the strategy of the organization on social, environmental and economic issues.	Completed Annual Corporate Governance Report pages 12 and 13. The procedures to appoint and reelect members of the Board take into account the experience and knowledge of candidates to the Board in social, environmental and economic aspects that are relevant to REALIA, diversity and the interests of stakeholders.
G4-41	Procedures to avoid conflicts of interest in the highest body of governance. Information to stakeholders about the existence of conflicts of interest.	Completed Annual Corporate Governance Report pages 22 to 24. The procedures to prevent conflicts of interest within the Board are regulated by the Rules of the Board, the Code of Ethic and the internal Rule of Conduct. In addition, there is a Board Committee for related party transactions.
G4-42	Participation of the highest body of governance and the senior management in the definition, approval and update of the goals of the organization, values and mission, strategies, and policies related to economic, social and environmental impact.	Completed Annual Corporate Governance Report pages 26 to 28. The definition, approval and update of the objectives of REALIA, mission and values, strategies and policies related to economic, social and environmental impacts are matters reserved to the exclusive competence of the Board. The management of risks is delegated in the Chairman's office and is supervised by the Committee of Audit and Control of the Board.
G4-43	Measures adopted to develop and strengthen the knowledge of the highest body of governance about economic, social and environmental issues.	Completed Annual Corporate Governance Report pages 12 - 13 and 17 -18. The procedures to appoint and reelect members of the Board ensure that Board members have the experience and knowledge in social, environmental and economic aspects that are relevant to REALIA. The Rules of the Board allow members to use external advisors to perform their duty.
G4-44	Procedures for the evaluation the performance of the highest body of governance, regarding the economic, environmental and social performance.	Completed Annual & CR Report page 57. Annual Corporate Governance Report pages 13 and 54 - 56. The procedures to evaluate the performance of the members of the Board are contained in the Rules of the Board. The evaluation is carried out annually by the Committee of Appointments and Remuneration within the Board. The evaluations carried out to date have not resulted in the need to change the structure and membership of the Board.

7. Attachments | 7.2 Table of contents GRI G4 | PART I: General standard disclosures 2014

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Corporate governance (Cont.)		
G4-45	Duties of the highest body of governance regarding the identification and management of the economic, social and environmental impacts and risks.	<p>Completed</p> <p>Annual Corporate Governance Report pages 56 to 60. Annual & CR Report, page 57. The identification and management of social, economic and environmental impacts, risks and opportunities is a matter of the exclusive competence of the Board. The Board maintains contact with stakeholders through internal and external communication channels to identify and manage social, economic and environmental impacts, risks and opportunities. In 2014 REALIA elaborated a map of relevant matters as a first step to improve the identification and management of social, economic and environmental impacts, risks and opportunities.</p>
G4-46	Duties of the highest body of governance in the review of the effectiveness of the organizational procedures in the management of social, economic and environmental risks.	<p>Completed</p> <p>Annual Corporate Governance Report pages 58 to 60. The supervision of the effectiveness of management of social, economic and environmental risks and opportunities is a matter reserved to the exclusive competence of the Board.</p>
G4-47	Frequency of review by the highest body of governance of the economic, social and environmental impacts and risks.	<p>Completed</p> <p>Annual Corporate Governance Report pages 58 to 60. The Board reviews social, economic and environmental impacts, risks and opportunities in all its meetings.</p>
G4-48	Committee or senior manager responsible for the review and approval of the sustainability report and the coverage of all material issues.	<p>Completed</p> <p>The Annual & CR Report is reviewed by the Management Committee before it is submitted to the Board for approval.</p>
G4-49	Reporting procedure on critical points of concern to the highest body of governance.	<p>Completed</p> <p>Annual Corporate Governance Report pages 58 to 60. Critical concerns are constantly reviewed by the Management Committee who is in charge of keeping the Board informed and request its involvement when required under the Rules of the Board and the company by-laws.</p>

7. Attachments | 7.2 Table of contents GRI G4 | PART I: General standard disclosures 2014

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Corporate governance (Cont.)		
G4-50	Number and nature of critical points of concern upon which the highest body of governance was informed, and procedures used to tackle them and resolve them.	Completed Annual & CR Report pages 38 -42. The most important critical concern is the financial situation of the company on the crisis of the real estate and property development sector. The financial debt related to the property development business was successfully renegotiated on 2013.
G4-51	Remuneration policy for the highest governance body and senior management.	Completed Annual & CR Report page 60. Annual Corporate Governance Report page 11. The remuneration of the Board and senior executives must be approved by the Remuneration and Appointments Committee of the Board. There are no sign on bonuses. Termination of employment is regulated by individual contractual terms and existing legislation.
G4-52	Process of determination of remuneration. Report whether external advisors are used, and if they are independent from the managers. Report on any other relation that the consultants may have with the Organization.	Completed Annual & CR Report page 60. Annual Remuneration Report pages 2 - 11. The Board approves the remuneration of Board members and senior executives proposed by the Remuneration and Appointments Committee of the Board. Remuneration is reported to the General Shareholders' Meeting through the Annual Remuneration Report. External consultants are not involved. They have only been used once for the exceptional remuneration of the General Managing Director on 2014 due to the sale of SICC Paris, in which the services of Egon Zehnder were used.
G4-53	Procedures to obtain and take into consideration the opinions of stakeholders on remunerations and results of the votes on remuneration policies and proposals, if applicable.	Completed Remuneration policies are available in the Annual Corporate Governance Report and in the Annual & CR Report. The remuneration report is submitted to the approval of the general shareholders' meeting every year. The remuneration report for 2013 was approved by the shareholders' meeting in June 2014 and is available at the company's web site.

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PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Corporate governance (Cont.)		
G4-54	Report on the ratio between the total annual remuneration of the best paid person in the organization in each country where the company has a significant presence, and the annual remuneration median of the employees in each country, excluding the best paid person in the organization in each country where the organization has a significant presence and the annual remuneration median of the employees in each country, excluding the best paid person.	Completed At this point REALIA has significant operations only in Spain. The remuneration ratio between the best paid person and the employee median pay is 9,76.
G4-55	Report on the percentage ratio of increase in the total annual remuneration of the best paid person in the organization in each country where it has a significant presence, and the percentage median of increase in annual remuneration of the employees in each country, excluding the best paid person of the organization in each country.	Completed Annual remuneration report pages 2 to 11. In Spain there has not been any remuneration increases. There was a remuneration increase of 222.6 thousand Euros for the Executive Managing Director in the framework of finding new investors and of financial restructuring of the company, including in this case, the disinvestment on the French brand. The increase ratio is of 44% with respect to the previous year and the calculation of this extraordinary remuneration was done by an external consulting firm Egon Zehnder.
Ethics and integrity		
G4-56	Description of the values, principles, standards and rules of conduct such as codes of conduct and ethical codes.	Completed Annual & CR Report, page 13.
G4-57	Internal and external procedures to receive advice on ethical conduct and integrity and on issues related to integrity in the organization such as hotlines and advisory channels.	Completed Annual & CR Report, pages 61 to 63. Annual Corporate Governance Report Annex, pages 59 and 60. Code of ethics, rules to prevent money laundering, Internal conduct rules.
G4-58	Internal and external procedures to report concerns about unethical or illegal behavior and issues related to integrity in the organization, such as reporting channels, special hotlines, whistleblowing.	Completed Annual & CR Report, page 55 and 61 to 63. Annual Corporate Governance Report page 22.

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PART II: Management focus

G4-DMA	DESCRIPTION	REPORT / LOCATION / EXPLANATION	
DMA-EC	Economic Dimension.	Relevant issues for REALIA are those related to economic performance and are covered in the Annual & CR Report, page 16 et seq. (Business Model), page 35 et seq. (Strategy) y page 38 et seq. (Results of the year).	
DMA-EN	Environmental Dimension.	The environmental aspects which are relevant for REALIA's activity are discussed in the Annual Environmental Management Report, pages 81 to 87.	
DMA-SO	Social Dimension	1. Employment	Annual & CR Report. Employees, page73 et seq.
		2. Human rights	REALIA carries out its activities in European Union member countries, in which the current legislation adequately protects working condition and human rights of the workers.
		3. Society	Annual & CR Report. Employees, page.73 et seq.
		4. Clients	Annual & CR Report. Clients, page 76 et seq.

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PART III: Performance indicators

ECONOMIC DIMENSION

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Economic performance		
G4-EC1	Direct economic value generated and distributed.	Completed Annual & CR Report, page 68.
G4-EC2	Financial consequences and other risks and opportunities for the company's activities due to climate change.	Not reported REALIA's activities are not affected by climate change.
G4-EC3	Coverage of the obligations of the organization due to social benefit programs.	Completed All REALIA obligations under social benefits programs are adequately covered.
G4-EC4	Significant financial aid received from governments.	Not reported REALIA does not receive any financial assistance from public administration.
Market presence		
G4-EC5	Range of ratios between the initial standard wage per gender and local minimum wage in the places where the company has significant operations.	Not reported REALIA has no employees subject to minimum wage rules. Initial wages depend on the nature of the job and are not affected by gender considerations.
G4-EC6	Proportion of senior managers coming from the local community in places where the organization performs significant operations.	Completed All members of the Board and senior executives are Spanish nationals.
Indirect economic impacts		
G4-EC7	Development and impact of investments on infrastructures and services provided.	Not reported REALIA does not have any significant investment in infrastructures.
G4-EC8	Significant indirect economic impacts, including the size of the impacts.	Not reported REALIA does not have any significant economic indirect impact.

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ECONOMIC DIMENSION (cont.)

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Suppliers		
G4-EC9	Proportion of expenditure on local suppliers in places with significant operations.	Partially reported Annual & CR Report, page 78. The procurement budget of REALIA is relatively small, given the nature of its main line of business and the lack of activity in the property development line of business.

ENVIRONMENTAL DIMENSION

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Materials		
G4-EN1	Materials used by weight or volume.	Not reported This aspect is not relevant for REALIA given the nature of its main line of business and the lack of activity in the property development line of business.
G4-EN2	Percentage of materials used which are recovered.	Not reported This aspect is not relevant for REALIA given the nature of its main line of business and the lack of activity in the property development line of business.
Energy		
G4-EN3	Power consumption in the organization by power sources (renewable and non renewable) and type of fuel used.	Completed Annual & CR Report, pages 83 to 85.
G4-EN4	Energy consumption outside of the organization.	Partially reported The information is currently unavailable.
G4-EN5	Energy intensity in buildings.	Not reported Not applicable given the nature of REALIA's business.

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ENVIRONMENTAL DIMENSION (cont.)

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Energy (Cont.)		
G4-EN6	Energy consumption reduction.	Completed Annual & CR Report, pages 83 - 85.
G4-EN7	Reduction in power consumption requirements in products and services.	Completed Annual & CR Report, pages 83 - 85.
Water		
G4-EN8	Total water abstraction by sources.	Not reported Water consumption is irrelevant in REALIA's business.
G4-EN9	Water sources affected significantly by water abstraction.	Not reported Water consumption is irrelevant in REALIA's business.
G4-EN10	Percentage and total volume of recycled and reused water.	Parcial The information is currently unavailable.
Biodiversity		
G4-EN11	Land owned, leased or managed, adjacent to or located within natural protected spaces or non protected areas of great biodiversity.	Not reported The impact of REALIA's activities in biodiversity is minimal or non existent.
G4-EN12	Description of most significant impacts of the activities, products and services on biodiversity in natural protected areas or non protected areas of great biodiversity.	Not reported The impact of REALIA's activities in biodiversity is minimal or non existent.
G4-EN13	Natural or protected hábitats.	Not reported REALIA controls rigorously its impacts in all its development activities. The impact of the activities of REALIA on biodiversity is minimal or nonexistent. Annual & CR Report Environmental management, page 81 et seq.
G4-EN14	Number of species included in IUCN's Red List and national lists whose hábitats are located in areas affected by the operations, according to the degree of the threat for the species.	Not reported The impact of REALIA's activities in biodiversity is minimal or non existent.

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ENVIRONMENTAL DIMENSION (cont.)

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Emissions		
G4-EN15	Direct greenhouse gas emissions (GHG) Scope 1.	Parcial Annual & CR Report, page 84.
G4-EN16	Indirect emissions of greenhouse gases (GHG) Scope 2.	Parcial Annual & CR Report, page 83 to 85.
G4-EN17	Other greenhouse gas emissions (GHG) Scope 3.	Not reported REALIA is working on methodology to calculate this information that will be available for 2015.
G4-EN18	Intensity of greenhouse gas emissions (GHG).	Not reported REALIA is working on methodology to calculate this information that will be available for 2015.
G4-EN19	Reduction of greenhouse gas emissions (GHG).	Not reported REALIA is working on methodology to calculate this information that will be available for 2015.
G4-EN20	Emission of substances that destroy the ozone layer (ODS).	Not reported ODS emissions derived from REALIA's activities are irrelevant.
G4-EN21	NOx, SOx and other significant emissions.	Not reported NOx, SOx emissions derived from REALIA's activities are irrelevant.
Effluentes and waste		
G4-EN22	Total waste water, according to their nature and destination.	Not reported Not applicable given the nature of REALIA's business.
G4-EN23	Total weight of waste managed, according to type and treatment method.	Not reported Not applicable given the nature of REALIA's business.
G4-EN24	Total number and volume of most significant accidental spills.	Not reported Not applicable given the nature of REALIA's business.

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ENVIRONMENTAL DIMENSION (cont.)

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Effluents and waste (Cont.)		
G4-EN25	Weight of the waste transported, imported, exported or processed that are considered hazardous according to the Basel Convention classification, annexes I, II, III and VIII and percentage of waste transported internationally.	Not reported Not applicable given the nature of REALIA's business.
G4-EN26	Identification, size, protection status and biodiversity value of water resources and related habitats significantly affected by water discharges and runoffs by the reporting organization.	Not reported Not applicable given the nature of REALIA's business.
Products and services		
G4-EN27	Impact of the initiatives to mitigate the environmental impact of products and services.	Not reported REALIA is extremely respectful of the environment in all its development activities, REALIA's activities in the commercialization of offices and commercial premises do not have a severe impact on the environment.
G4-EN28	Percentage of products sold, and their packaging materials, which are recovered at the end of their lifetime.	Not reported Not applicable given the nature of REALIA's business.
Regulatory compliance		
G4-EN29	Cost of significant fines and number of non monetary sanctions due to non compliance with the environmental regulation.	Completed REALIA has not been sanctioned/fined for non compliance with environmental regulations.
Transport		
G4-EN30	Significant environmental impacts of the transport of products and other goods and materials used for the activities of the organization, as well as personnel transport.	Not reported Not applicable given the nature of REALIA's business.
Overall		
G4-EN31	Breakdown by type of Environmental expenses and investments.	Not reported REALIA measures and manages consumption of energy, water and fuel and other potential environmental impacts but cannot report on investment or expenditure to reduce consumption or potential impacts.

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ENVIRONMENTAL DIMENSION (cont.)

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Supplier environmental assessment		
G4-EN32	Percentage of new suppliers certified using environmental criteria.	Completed Annual & CR Report, page 78. All suppliers have been qualified with environmental criteria.
GN-EN33	Potential negative environmental impacts in the supply chain and measures adopted.	Completed There have been no actual or potential negative environmental impacts in the suppliers chain.
Environmental grievance mechanisms		
G4-EN34	Number of environmental complaints received, managed and resolved through established formal procedures.	Completed There have been no grievances about environmental impacts in 2014.

SOCIAL DIMENSION HUMAN RESOURCES

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Employment		
G4-LA1	Total number of employees, ratio of new recruits and turnover rate by type of job, by contract, by region and by gender.	Completed Annual & CR Report, pages 73 to 75 The total number of employees of REALIA has been declining since the beginning of the crisis of the property sector and there has been no new hires. In 2014 there has been four net redundancies. (5 redundant and one new hire). Turnover rate is 5.05%.
G4-LA2	Social benefits for full-time employees, which are not offered to temporary or part-time employees, broken down by workplaces.	Completed Annual & CR Report, pages 73 to 75. Social benefits offered by REALIA are the same for all employees.

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SOCIAL DIMENSION HUMAN RESOURCES (cont.)

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Employment (Cont.)		
G4-LA3	Levels of return to work and retention after maternity or paternity leave, broken down by gender.	Completed Annual & CR Report, pages 73 to 75. The return to work rate is 100%.
Company/ employees relations		
G4-LA4	Minimum period(s) of advance notice(s) related to organizational changes, including whether these notices are specified in collective agreements.	Completed There is no specified minimum notice for organizational changes.
Health and safety at work		
G4-LA5	Total percentage of workers represented in joint company-employees health and safety committees, established to help control and advice on health and safety at work programs.	Completed There are no joint management/workforce health and safety committees. There is a coordinator acting as a link between the company and the external workplace risk prevention service.
G4-LA6	Types of accidents and accident rates, occupational diseases, days of work lost and absenteeism rate, number of fatal accidents, by region and gender.	Completed Annual & CR Report, page 75.
G4-LA7	Number of employees with high incidence or high risk of disease related to their work.	Not reported This aspect has not been identified as relevant, given the size of REALIA's workforce and the nature of its activities.
G4-LA8	Health and safety aspects covered in formal agreements with trade unions.	Not reported This aspect has not been identified as relevant, given the size of REALIA's workforce and the nature of its activities.
Training and education		
G4-LA9	Average of annual hours of training per employee, broken down by gender and professional category.	Completed Annual & CR Report, pages 73 and 74.

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SOCIAL DIMENSION HUMAN RESOURCES (cont.)

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Training and education (Cont.)		
G4-LA10	Skills training and continuous training programs that promote the employability of workers and that support them in the management of the end of their professional careers.	Not reported Not necessary, given the size of REALIA's workforce.
G4-LA11	Percentage of employees who receive regular evaluations of their performance and professional development, broken down by gender.	Not reported Not necessary, given the size of REALIA's workforce.
Diversity and equal opportunities		
G4-LA12	Composition of the corporate governance bodies, broken down by professional categories, gender, age group and minorities.	Completed Annual & CR Report, page 60 and 74. Annual Corporate Governance Report page 9.
Equal pay for men and women		
G4-LA13	Ratio between the base salary of men compared to the base salary of women, broken down by professional category and region.	Completed Salaries are based on collective agreements in force and apply the principles of equality established by the Law.
Supplier assessment for labor practices		
G4-LA14	Percentage of new suppliers certified using labour practices criteria.	Completed Annual & CR Report page 78 and 79. All suppliers have been qualified using labor practices criteria.
G4-LA15	Potential negative impact of labour practices in the supply chain and measures adopted.	Completed There have been no negative impacts for labour practices in the suppliers chain.
Labor practices grievance mechanisms		
G4-LA16	Number of formal complaints received, managed and resolved through the formal procedures established.	Completed Annual & CR Report, page 80. There have been no labour grievances in 2014.

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SOCIAL DIMENSION HUMAN RIGHTS

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Investment		
G4-HR1	Percentage and total number of significant investment agreements that include clauses on human rights or have been subject to analysis in the area of human rights.	Not reported REALIA's operations are located in European Union countries in which human rights and working conditions are adequately protected.
G4-HR2	Total number of hours of training to employees on policies and procedures related to human rights issues relevant for their activities, including percentage of trained employees.	Not reported REALIA's operations are located in European Union countries in which human rights and working conditions are adequately protected.
Non discrimination		
G4-HR3	Total number of incidents of discrimination and measures adopted.	Completed Annual & CR Report, pages 74 and 75. No incidents of discriminations have taken place in 2014.
Freedom of association and collective bargaining		
G4-HR4	Operations and suppliers identified in which the freedom of association and collective bargaining may be violated or may suffer serious danger, and measures adopted to uphold these rights.	Not reported REALIA's operations are located in European Union countries in which freedom of association and collective bargaining are guaranteed by the Law.
Child labour		
G4-HR5	Operations and suppliers identified in which there might be a risk of child labour and measures adopted to uphold these rights.	Not reported The Standard Disclosure or part of the Standard Disclosure is not applicable.
Forced and compulsory labour		
G4-HR6	Significant operations and suppliers identified as having a high risk of being the origin of episodes of forced and compulsory labour, and measures adopted to contribute to eliminate all forms of forced and compulsory labour.	Not reported REALIA's operations are located in European Union countries in which forced or compulsory labour is strictly forbidden.

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SOCIAL DIMENSION HUMAN RIGHTS (cont.)

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Security practices		
G4-HR7	Percentage of the security personnel that has been trained in the policies and practices of the organization in the area of human rights relevant for the activities.	Not reported Security services are subcontracted and are regulated by law.
Indigenous peoples rights		
G4-HR8	Total number of incidents related with violations of the rights of indigenous peoples and measures adopted.	Not reported There are no indigenous populations in the countries in which REALIA operates.
Evaluation		
G4-HR9	Percentage and total number of operations that have been subject to impact reviews or assessments in the area of human rights.	Not reported There are no significant risks of violations of human rights in the countries where REALIA operates, so it is not considered to carry on evaluations in this matter.
Human Rights in the supply chain		
G4-HR10	Percentage of new suppliers certified using Human Rights respect criteria.	Not reported There are no significant risks of violations of human rights in the countries where REALIA operates.
G4-HR11	Negative impacts, current and potential, in the area of Human Rights in the supply chain and measures adopted.	Completed There has been no actual or potential negative human rights impacts in the suppliers chain.
Procedures for the processing of complaints related to human rights		
G4-HR12	Number of complaints received related to Human Rights, managed and resolved through the established formal procedures.	Completed There have been no grievances about human rights in 2014.

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SOCIAL DIMENSION SOCIETY

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Community		
G4-SO1	Percentage of operations where development programs, impact assessments and local community involvement have been implemented.	Not reported The impact of REALIA's activities in the community is minimal or non existent.
G4-SO2	Operations with significant negative impact, potential or real, on the local communities.	Not reported The impact of REALIA's activities in the community is minimal or non existent.
Corruption		
G4-SO3	Percentage and total number of business units analysed with respect to risks related to corruption.	Completed REALIA business units are constantly assessed for risks related to bribery and corruption and no significant risks have been identified.
G4-SO4	Communication and training in anti-corruption policies and procedures.	Completed Annual & CR Report, pages 61 et seq. REALIA business units are constantly assessed for risks related to bribery and corruption and no significant risks have been identified.
G3-SO5	Incidents of corruption confirmed and measures adopted.	Completed No se han constatado incidentes de corrupción en 2014.
Participation in public affairs		
G4-SO6	Total value of financial contributions and in kind to political parties or related institutions, by countries.	Completed REALIA does not make and has never made political contributions.
Behaviour against free competition		
G4-SO7	Total number of legal actions related to monopolistic practices and against free competition, and their results.	Completed There have been no legal actions for anticompetitive behavior, antitrust or monopoly practices in 2014.

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SOCIAL DIMENSION SOCIETY (cont.)

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Regulatory compliance		
G4-SO8	Monetary value of sanctions and significant fines, and total number of non monetary sanctions derived from non compliances with the laws and regulations.	Completed There have been no fines or non monetary sanctions for non compliance with laws and regulations.
Impacts of society of the supply chain		
G4-SO9	Percentage of new suppliers certified using criteria by impacts on the society.	Completed Annual & CR Report, page 78 and 79. All suppliers have been qualified with impact on society criteria.
G4-SO10	Negative impacts, current and potential, in the area of impact on the supply chain and measures adopted.	Completed There have been no actual or potential negative impacts on society in the suppliers chain.
Procedures for the processing of complaints in the area of human rights		
G4-SO11	Number of complaints received for impact on society, managed and resolved through the established formal procedures.	Completed There have been no grievances about impacts on society in 2014.

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SOCIAL DIMENSION

PRODUCT LIABILITY

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Health and safety of the customer		
G4-PR1	Percentage of product categories and significant services where health and safety are evaluated for their improvement.	Not reported REALIA does not have a direct impact on the health and safety of clients. Buildings and commercial centres adhere strictly to safety regulations.
G4-PR2	Total number of incidents derived from non compliance with the legal regulation or voluntary codes related to the impact of products and services on health and safety during their lifetime, distributed according to the type of result of such incidents.	Not reported REALIA does not have a direct impact on the health and safety of clients. Buildings and commercial centres adhere strictly to safety regulations.
Labelling of products and services		
G4-PR3	Types of information on products and services required by the procedures of the organization in the area of labelling and information on products and services and percentage of products and services subject to such information requirements.	Not reported Not applicable given the nature of REALIA's business.
G4-PR4	Total number of non compliances of the regulation and voluntary codes related to the information and labelling of products and services, distributed according to the type of result of such incidents.	Completed No incidents related to non compliance and voluntary codes concerning product and service information were recorded in 2014.
G4-PR5	Results of customer satisfaction surveys.	Completed REALIA does not conduct customer satisfaction surveys.

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SOCIAL DIMENSION PRODUCT LIABILITY (cont.)

PROFILE	DESCRIPTION	REPORT / LOCATION / EXPLANATION
Marketing communication		
G4-PR6	Sale of forbidden or controversial products.	Not reported Not applicable given the nature of REALIA's business.
G4-PR7	Total number of incidents resulting from non compliance of regulations on marketing communications, including advertising, promotion and sponsorship, distributed according to the type of results of such incidents.	Completed No incidents recorded in 2014.
Customer privacy		
G4-PR8	Total number of complaints duly justified regarding respect of privacy and breached of confidentiality of personal data of customers.	Completed No incidents recorded in 2014.
Regulatory compliance		
G4-PR9	Cost of significant fines resulting from non compliance of the regulation regarding the supply and use of products and services of the organization.	Completed No incidents recorded in 2014.