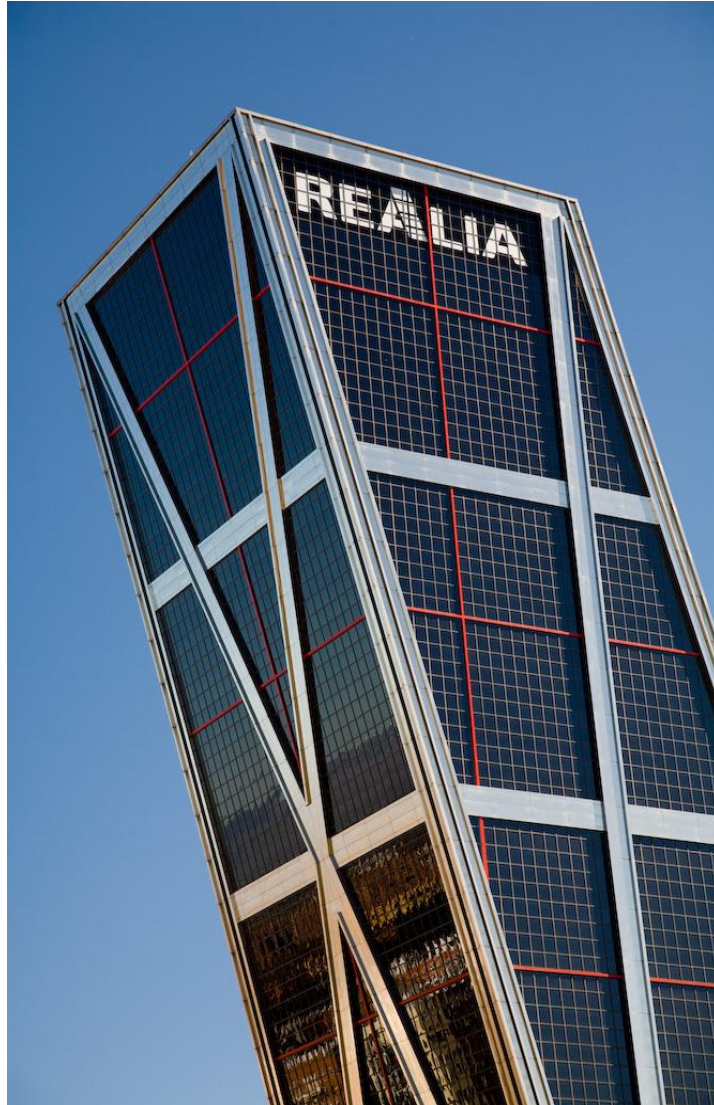


REALIA



FY 2015 Results
26 February 2016

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1.- SUMMARY

RESULTS

- The meeting of the Board of Directors dated 6 October 2015 approved applying IAS 40 and modifying the criteria for the valuation of assets in the financial year closed at 31 December 2015. Assets have been recorded at their fair value, instead of at their cost of acquisition. Following this criteria, financials for the year 2014 have been reformulated, in order to make both years comparable.
- Net result for the group was €17,2m and earnings before taxes reached €39m.
- Results have been favored by the new valuation of assets (fair value), impact of €26,8m.
- Total revenue was €94,93m, 17,7% lower than in 2014, due to lower sales in the Land & Homebuilding business. Commercial Property business remained stable.

ASSETS VALUATION

- As of 31 December 2015, assets valuation (GAV) amounted €1.859m, 0,5% higher than in December 2014.

FINANCIAL SITUATION

- Realia has reduced its gross financial debt by €457m, reaching €1.254m, 26,7% lower than in 2014.
- Following the debt reduction, the cut in interest rates and all hedges of debt ending in June 2014, the financial result in 2015 has improved by 51% compared to the previous year, going from €19,4m in 2014 to €39,7m in 2015.
- As of 31 December 2015, Realia has a net financial debt of €1.070m, with a *loan to value* (LTV) of 57,6%.

COMMERCIAL PROPERTY

- Gross rental income (included expenses charged to tenants), were €77,8m (82% of the total income) dropping 1%, due to adjustments of rents in the renegotiation of lease contracts and negative CPI over some months in the year.
- Overall occupancy levels reached 91,5% vs. 90,5% in 2014 (in homogeneous surfaces, the occupancy in 2014 was of 90%, office building Los Cubos not included). The office occupancy is of 90,7% (Los Cubos not included). Retail & Leisure portfolio has reached 90,4%.
- In 2015, there hasn't been any investment or divestment in assets.
- In 3Q 2015, Los Cubos, office building located in Madrid, went vacant.

LAND AND HOMEBUILDING

- Realia has delivered 71 units for a total amount of €13,1m vs. €27,4m in 2014. There has been a decrease of 52%.
- As of 31 December 2015, there is a total stock of 584 units (homes, small retail and offices) finished non-delivered (17 pre-sold). There are also 57 plots for single-family housing for sale in a development.

- Realia land bank has a buildable area of 1.868.677 sqm. Most land plots are in Madrid and in the Centre region of Spain.

FINANCIAL AND SHAREHOLDING RESTRUCTURING

- Once VTOs were finished in July 2015, the new main shareholders of the Company are FCC and Inversora Carso.
- In December, the Board of Directors approved a capital increase of €89m with preferential subscription rights, guaranteed by Inversora Carso, who put into circulation more than 153 million of new shares at a price of 0,58 Euro.
- Additionally, in December 2015, a refinancing agreement was reached with the holders of the loan (€802,76m) for the residential business. This agreement anticipated the maturity date of the loan and provided with four payment milestones and a haircut of 9%.
- In December 2015 the payment of the first milestone took place (€365,2m). In January 2016 the payments of the second and third milestones (€89m and €94m respectively) took place. Furthermore, a bank guarantee covering the remaining debt (€184m) was issued. Therefore, guarantees and financial covenants of the current loan were released.
- Inversora Carso has acquired from Sareb the equity loan granted to Realia in 30 September 2009 for an amount of €50m. On its acquisition date this loan showed a balance of €61,3m. This loan can be paid or capitalized through the issue of 29.994.610 shares.
- As the capital increase is completed, the shareholding structure is the following: FCC 36,911% and Inversora Carso 30,458%. Last January, Inversora Carso announced its intention to launch a VTO on Realia at a price of 0,80 Euro per share.

2.- FINANCIAL HIGHLIGHTS

(€mm)	2015	2014	Var. (%)
Total Revenue	94,9	115,4	-17,7
Income	77,8	78,6	-1,0
EBITDA	40,5	30,9	30,9
Net Result (Group share)	17,2	-77,5	122,2
Net Financial Debt	1.070	1.093	-2,1
Nº Shares (mm) ⁽¹⁾	460,1	307,4	49,7
Earnings per Share (€)	0,037	-0,252	114,8

⁽¹⁾ After capital increase

3.- OPERATIONAL HIGHLIGHTS

	2015	2014	Var. (%)
Commercial Property			
GLA (sqm)	418.898	418.856	0,0
Operational	400.574	418.856	-4,4
In refurbishment	18.324	0	
Occupancy rate (%)	91,5	90,5	1,1
Land & Homebuilding			
Units (homes + small retail + offices + land plots)			
Total value of contracts (€mm)	13,1	27,4	-52,2
Units	71	152	-53,3
Land Bank Consolidated (sqm)	1.868.677	1.875.586	-0,4
Nº Employees	98	99	-1,0

Number of Employees	31 Dec. 2015	31 Dec. 2014	Var. (%)
Total ⁽²⁾	98	99	-1,0
Realia Business	45	49	-8,2
Realia Patrimonio	4	4	0,0
Hermanos Revilla ⁽²⁾	48	45	6,7
Realia Polska	1	1	0,0

⁽²⁾ It includes 36 people working at reception and concierge services in buildings

4.- CONSOLIDATED INCOME STATEMENT

(€mm)	2015	2014	Var. (%)
Total Revenue	94,9	115,4	-17,7
Rents	77,8	78,6	-1,0
Sale of assets	0,2	0,0	325,0
Homebuilding	13,1	27,4	-52,2
Land sales	0,1	7,7	-98,3
Other	3,8	1,7	118,0
Total Gross Margin	52,2	42,1	24,0
Rents	55,7	54,7	1,9
Sale of assets	0,2	0,2	-26,1
Homebuilding	-3,3	-7,6	56,2
Land sales	0,0	-4,8	100,0
Other	-0,4	-0,4	9,1
Overheads	-11,7	-11,2	-4,7
EBITDA	40,5	30,9	30,9
Amortization	-0,4	-0,5	4,3
Depreciation	-11,6	5,2	-321,6
EBIT	28,4	35,7	-20,4
Fair value appraisal result	26,8	-0,5	5.246,2
Financial result	-19,4	-39,7	51,0
Equity method	3,3	2,6	24,2
Earnings before taxes	39,0	-1,9	2.186,6
Taxes	-13,0	-2,4	-436,0
Result discontinued activities	0,0	-107,6	100,0
Results after taxes	26,1	-111,9	123,3
Minority Interests	8,8	-34,4	125,7
Net Results (Group share)	17,2	-77,5	122,2

2015 results follow the New International Reporting Standards concerning some listed companies. 2014 and 2015 figures have been adjusted to the new criteria of fair value in tangible assets.

5.- FINANCIAL STRUCTURE

	REALIA Patrimonio	REALIA Business	2015	2014	Var. (%)
	Commercial Property	Land & Homebuilding			
Syndicated loans	750	438	1.188	1.630	-27,1
Other loans	55	13	68	81	-16,3
Interests	0	0	0	3	-90,0
Debt formalization expenses	-3	0	-3	-3	16,7
Total Gross Financial Debt	803	451	1.254	1.711	-26,7
Cash and equivalents	147	37	184	618	-70,2
Total Net Financial Debt	656	414	1.070	1.093	-2,1

- In December 2015, a restructuring agreement was reached with the holders of the loan (€802,76m) for the residential business (Puffin Real Estate Lda, CF Aneto and Goldman Sachs International). The main aspects of the agreement were the following:

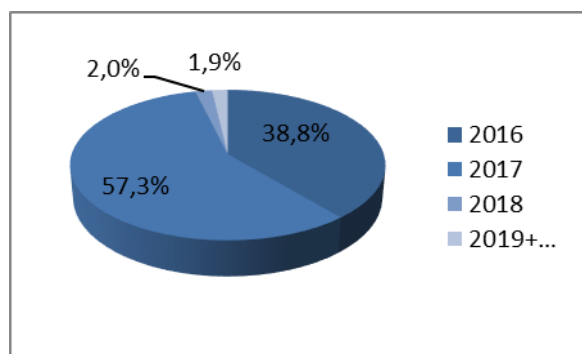
- Anticipating the loan maturity date at 30 May 2016.
- Establishing a new payments calendar dividing the debt in four milestones (MM €):

Payment milestones	Initial amount	Amount with haircut	Haircut	Maturity date
1st payment milestone	401,3	365,2	36,1	11 Dec. 2015
2nd payment milestone	97,8	89,0	8,8	29 Jan. 2016
3rd payment milestone	103,5	94,1	9,3	29 Feb. 2016
4th payment milestone	202,1	183,9	18,2	31 May 2016
TOTAL	804,6	732,2	72,4	

- Establishing a haircut of 9% on the existing debt that will be applied on the payment milestones.

- According to this calendar, in December 2015 the payment of the first milestone took place (€365,2m) with the cash balance available in the Company.
- As of 31 December 2015 and following this first payment, Realia had a gross financial debt (with financial entities) of €1.254m vs. €1.711m in 2014 (26,7% lower).
- In order to pay the second milestone, the Company made a capital increase of €89m which was completed in January 2016. In January 2016 the payment of the second and third milestones took place. A bank guarantee covering the remaining debt (€184m) was issued. Therefore, the guarantees initially issued to obtain financing were released.
- As of December 2015, cash and equivalents reached €184m. Therefore, the net financial debt (with financial institutions) reached €1.070m vs. €1.093m in 2014.
- 96,2% of the total debt of the Group matures in 2016 and 2017.

Gross Debt Maturity



6.- ASSETS VALUATION

- The assets valuation as of 31 December 2015 has been performed by two independent appraisers: CBRE (CB Richard Ellis) has valued the portfolio of Realia Patrimonio and subsidiaries; TINSA has valued the portfolio of Realia Business and subsidiaries.

(€mm)	2015	2014	Var. (%)
Rental assets	1.353,3	1.314,2	3,0
Commercial land	56,1	60,0	-6,5
TOTAL RENTAL ASSETS	1.409,4	1.374,2	2,6
Finished residential product	99,3	112,0	-11,3
Residential land and others ^(*)	350,0	364,0	-3,9
TOTAL RESIDENTIAL ASSETS	449,3	476,0	-5,6
TOTAL ASSETS	1.858,7	1.850,2	0,5

^(*) It includes Hato Verde Golf Course

7.- COMMERCIAL PROPERTY
Rents ⁽¹⁾

(Thousands of Euros)	2015	2014	Var. (%)
Rental income	66.410	66.470	-0,1%
Other income	17.401	18.156	-4,2%
Total Revenue	83.811	84.626	-1,0%
As Cancelas (50%) + self-consumption	6.041	6.066	-0,4%
IAS revenue	77.770	78.560	-1,0%
Expenses incurred	-22.605	-22.203	-1,8%
Other Expenses	-2.835	-4.797	40,9%
Gross Margin	58.371	57.626	1,3%
Margin As Cancelas (50%) + self-consumption	2.631	2.946	-10,7%
IAS Margin	55.740	54.680	1,9%
Margin (%)	87,9%	86,7%	1,4%

¹⁾ The data in this chart are operational. The data from As Cancelas are taken down proportionally (50%).

Rental income (Lfl)⁽²⁾
Breakdown of rents by sector (homogeneous surfaces)

(Thousands of Euros)	2015	2014	Var. (%)	GLA (sqm)	Ocup. 2015 (%)	Ocup. 2014 (%)
Offices	42.092	41.961	0,3%	226.191	90,7%	88,4%
CBD	20.687	20.908	-1,1%	84.417	91,6%	88,7%
BD	8.221	7.922	3,8%	42.123	92,9%	95,2%
Periphery	13.184	13.130	0,4%	99.651	89,0%	85,4%
Retails & Leisure	17.052	16.691	2,2%	135.338	90,4%	89,8%
Other	3.195	3.389	-5,7%	39.045	100,0%	100,0%
Total Revenue	62.339	62.040	0,5%	400.574	91,5%	90,0%

Breakdown of rents by geographical area (homogeneous surfaces)

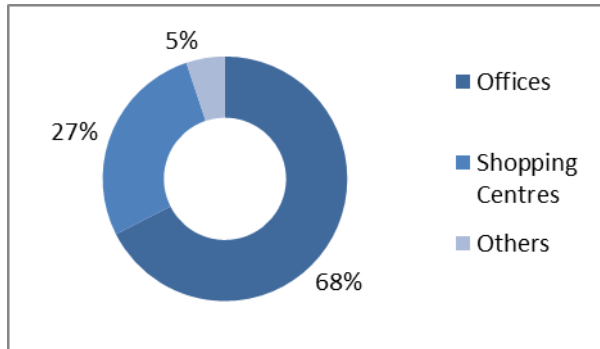
(Thousands of Euros)	2015	2014	Var. (%)	GLA (sqm)	Ocup. 2015 (%)	Ocup. 2014 (%)
Madrid	45.723	45.285	1,0%	249.291	93,1%	90,3%
CBD	21.337	21.609	-1,3%	79.560	92,4%	89,9%
BD	10.005	9.759	2,5%	49.365	94,0%	95,9%
Periphery	14.381	13.917	3,3%	120.366	93,2%	88,2%
Barcelona	4.228	4.278	-1,2%	32.321	84,2%	92,0%
Other	12.388	12.478	-0,7%	118.962	90,2%	89,1%
Total Revenue	62.339	62.040	0,5%	400.574	91,5%	90,0%

⁽²⁾ Homogeneous surfaces (building Los Cubos vacant and in the process of refurbishing is not included)

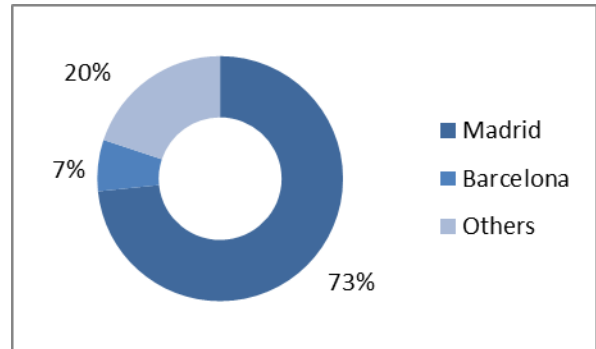
- Rental income (included expenses charged to tenants), reached €77,8m (82% of the total income). It has decreased by 1%, due to rent reductions in the renegotiation of leases and because of negative CPIs in some months of the year. However, the gross margin improved by 1,3% due to a decrease of 41% on non-recoverable common expenses and the recoverable ones have slightly increased.
- In homogeneous surfaces, (Los Cubos not included), rental income has gone up slightly, 0,5%, mainly due to an income increase in Retail & Leisure portfolio.
- Offices rental income remains stable, in homogeneous terms. The rental increase is very low due to the updating of some renewed lease contracts (sometimes have been renewed in advance) in previous periods. In 2016, 39% of the lease contracts will reach their maturity date.
- Office rental income is improving in Madrid, especially in the BD area (occupancy increase) and in periphery (rents increase). On the other hand, in Barcelona, the occupancy of Torre Realia BCN has gone down and, as a consequence, there has been an impact on its rents.

- Retail & Leisure rental income reaches 2,2%, mainly due to an improvement in sales and occupancy. 21% of the contracts will be renegotiated or will reach maturity in 2016.

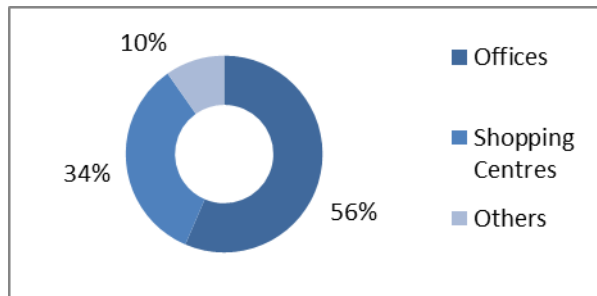
Rents by sector



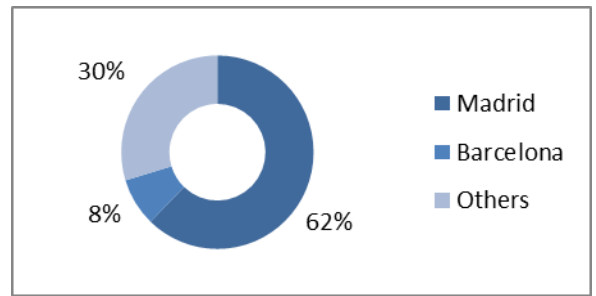
Rents by geographical area



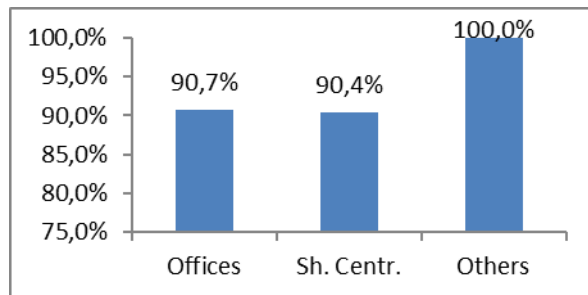
GLA per sector



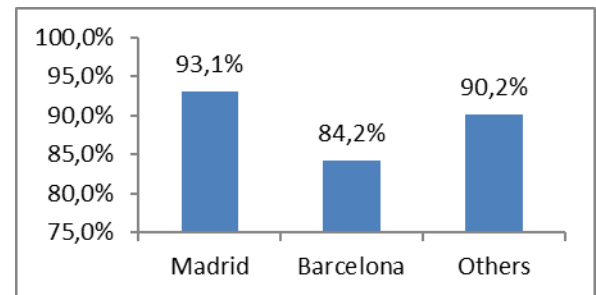
GLA per geographical area



Occupancy by sector



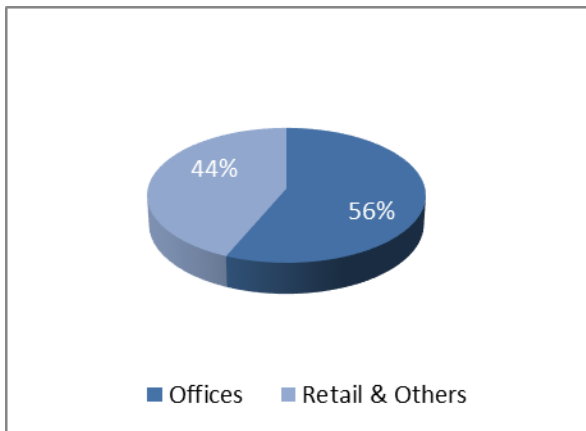
Occupancy by geographical area



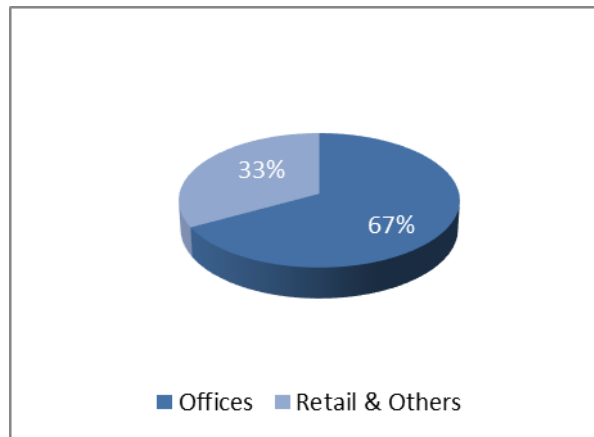
Expiry of lease contracts on annual rents
 (Considering the option of anticipated cancellations)



GLA by sector



Passing rents



8.- LAND AND HOMEBUILDING (RESIDENTIAL)

(€mm)	2015	2014	Var. (%)
<u>Revenues</u>			
Homebuilding	13,1	27,4	-52,2
Land sales	0,1	7,7	
Total Revenues	13,2	35,1	-62,3
<u>Gross Margin</u>			
Homebuilding	-3,3	-7,6	56,2
Land sales	0,0	-4,8	
Total Gross Margin	-3,3	-12,4	73,0
Homebuilding Margin (%)	-25,5	-27,8	8,4
Land Sales Margin (%)		-62,2	

Residential Portfolio

- Revenue from the Land & Homebuilding business amounted €13,2m, 62% lower than the previous year. It is due to lower sales in Residential and no sales of land.
- Gross margins remain negative (€-3,3m), although its percentage has improved by 8,4%. The residential business has reached €3,3m once deducted the reversal of provisions for an amount of €6,6m in finished product.
- Realia has delivered 71 units (homes, small retail, offices and land plots) for an amount of €13,1m vs. 152 units delivered the previous year for an amount of €27,4m (52% lower):

Deliveries	Nr. Units	Revenue €MM
Madrid/Centre	32	6,1
Levante	11	2,2
Catalonia	10	1,4
Poland	1	0,2
Andalusia	17	3,0
Total	71	13,0

Home stock evolution	2015	2014	Var. (%)
Pre-sales			
Number of units	74	144	-48,6%
Total value of contracts (€MM)	13,6	23,8	-42,8%
Deliveries			
Number of homes	71	152	-53,3%
Total value of contracts (€MM)	13,1	27,4	-52,2%
Stock at eoP			
Number of units (land plots included)	624	694	-10,1%

- Realia has a total stock of 584 units (homes, small retail and offices) finished and non-delivered, of which 17 are pre-sold and 567 are for sale (184 in Madrid and Centre region of Spain, 197 in Andalusia, 105 in Levante, 63 in Catalonia, 14 in Portugal and 4 in Poland).
- There are also 57 plots for single-family housing for sale in a development (30 in Catalonia and 27 in Andalusia).
- The breakdown of these homes is the following: 77,6% first homes and 22,4% second homes.

Land Bank

- As of 31 December 2015, Realia has a gross land bank of 5.724.863 sqm and a buildable area of 1.868.677 sqm. 25% of this land bank is in the pipeline and 49% of this land bank is in Madrid and in the Centre area of Spain:

Land Bank Breakdown (Buildability by sqm) (*)

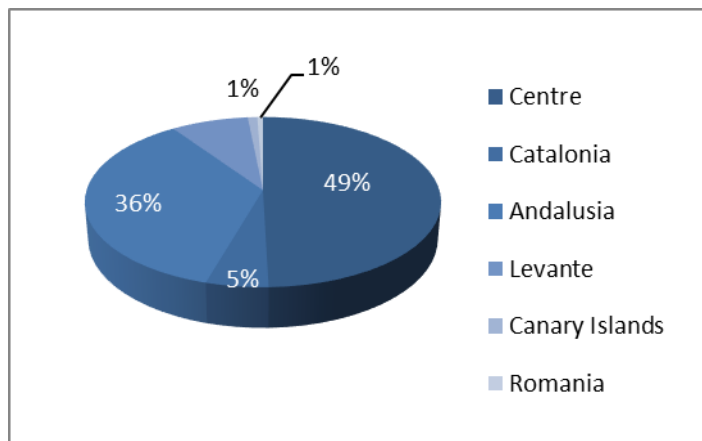
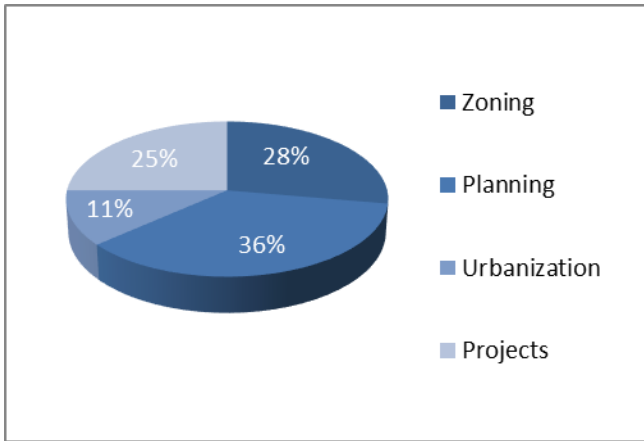
By urbanistic stage

	Buildability area (sqm)
Zoning	517.994
Planning	669.961
Urbanization	213.596
Projects	467.126
Total	1.868.677

By geographical area

	Buildability area (sqm)
Centre	925.982
Catalonia	93.034
Andalusia	669.977
Levante	150.231
Canary Islands	18.541
Romania	10.912
Total	1.868.677

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



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