RESULTS
JANUARY – JUNE 2011

Index:

1.- BUSINESS PERFORMANCE AND THE GROUP'S POSITION

1.1.- Executive Summary

1.1.1.- Material Events

The most notable material events which occurred in the first half of 2011 were as follows:

- March 2011:
    - In compliance with the commitments assumed by Grupo Rayet S.A.U. (Quabit Inmobiliaria S.A.'s main shareholder) in relation to the exemption from the obligation of presenting a take-over bid for the shares of Quabit Inmobiliaria S.A., authorized by the CNMV as of 16 April 2008, Grupo Rayet S.A.U. has fulfilled its obligation to dispose of shares and its holding had fallen from 53.494% to 49.932% on 23 March 2011.
    - CxG Corporación Caixa Galicia, S.A. has presented its resignation as a member of the Board of Directors of Quabit Inmobiliaria S.A., according to a material event published by the CNMV on 29 March 2011. This resignation is the start of the process to reduce the number of members on the Controlling Company's Board of Directors, with a view to adapting its structure and costs to current market conditions.

- June 2011:
    - On 28 June 2011 the Controlling Company's Ordinary General Shareholders' Meeting was held in Madrid. All the proposed resolutions which the Board of Directors submitted for deliberation and decision-making were approved with a sufficient majority.
    - In the context of the negotiations about the restructuring of its financial debt, as was communicated on 28 June last, through a material event submitted to the *Comisión Nacional del Mercado de Valores*, the Controlling Company reached an agreement in principle with its main creditor banks, which form part of the coordination committee in the refinancing process and represent more than 50% of the debt.

The most significant features of the framework agreement are:

- Reduction of indebtedness of the Parent Company by conducting purchase and sale transactions of assets,
- Bilateralization of syndicated financing and
- Refinancing of long-term debt of all the different financial creditors of the Parent Company, along with its interest, in homogeneous conditions.

This framework agreement is undergoing the approval of all the creditor banks of the Parent Company.

1.1.2.- Business

a) Business Divisions:

As an integral real estate group, the Group's businesses are land management, development, management of housing cooperatives and owners' associations, and property development and management.

In the first six months of 2011, net revenues increased by 66.5% to reach 98.0 million euros, as against the 58.9 million euros reported as of 30 June 2010. This increase largely stems from several asset sales to two companies related to banks. The highlights by business division were as follows:

- Land Management: Progress continued to be made in the development, processing and administrative consolidation of land positions, as is explained in the Land Management section of this report. Revenues from this business include both the sale of land assets and the development agent activity. The sharp increase in sales from 3.4 million euros in the first half of 2010 to 28.2 million euros in the first half of 2011 is mainly due to transactions to sell assets to two companies related to banks. These transactions contributed 26 million euros to the Land Management Division's revenues. The other sales in the first half of 2011 completing the figure of 28.2 million euros correspond to the development agent business. As of 30 June 2010, the amount in this chapter just reflected revenues from the development agent business.

- Residential Development: A total of 287 homes were delivered as compared to the 297 formalized at the end of the first half of 2010. This downturn was concentrated in the first quarter of 2011 when only 30 homes were formalized, as compared to 119 in the same period the previous year. However, in the second quarter of 2011, Quabit formalized 257 homes as compared to 178 in the same period the previous year, thanks to the sale of a package of 210 homes to two companies related to banks. The revenues from this business amounted to 68.4 million euros, up 25.8% on the same period last year (54.4 million euros).

- Management of Cooperatives and Associations: In the second quarter of 2011, homes in the Monte Henares cooperative (Alovera - Guadalajara) started to be delivered and 28 homes were formalized. At the end of the first half of 2011, the manager of owners' associations and cooperatives had 494 homes in a situation of prior offer, constitution and management, of which 30% have been pre-adjudicated (147 homes).

- Rented Property: In the first six months of 2011, revenues from rentals amounted to 1.1 million euros, a 16.1% increase on the same period last year (1 million euros). This increase is largely explained by the increase in the occupancy of the Plaza Europa office block in L'Hospitalet de Llobregat (Barcelona), which is now 87% occupied. The occupancy of rented housing rose from 76% at the end of June 2010 to 79% this year.

b) EBITDA

In the first half of 2011, EBITDA improved in relation to the figure for the first half of 2010 in the amount of 14 million euros, thanks to an increase in the margin related to sales transactions and to the measures the Group has been taking to adapt its cost structure to the current market situation.

c) Attributable Net Income/Loss:

The attributable net loss (35.0 million euros) was 22.4% down on the figure reported in the first half of 2010 (45.1 million euros).

1.2.- Main Figures

1.2.1.- Economic and Financial Figures

(In thousands of euros)	30/06/2011	30/06/2010	Variation
Net Revenues	98,012	58,882	66%
EBITDA	(8,150)	(22,150)	63%
Financial Loss	(26,608)	(21,142)	-26%
Income (Loss) before Tax	(35,003)	(45,264)	23%
Net Income (Loss) Attributable to the Controlling Company	(34,979)	(45,050)	22%

(In thousands of euros)	30/06/2011	31/12/2010	Variation
Non-current bank debt	56,622	54,694	3.5%
Current bank debt	1,322,955	1,403,439	-5.7%
TOTAL GROSS DEBT	**1,379,577**	**1,458,133**	**-5.4%**
Cash and cash equivalents	(14,235)	(11,584)	22.9%
TOTAL NET DEBT	**1,365,342**	**1,446,549**	**-5.6%**

1.2.2.- Operating Figures

RESIDENTIAL DEVELOPMENT	30/06/2011	30/06/2010	Variation
Deeds during the period (housing)	287	297	-3%
Pre-sales during the period (housing)	281	219	28%

ASSOCIATIONS AND COOPERATIVES	30/06/2011	30/06/2010	Variation
Prior offer (housing)	377	554	-31.9%
Constitution (housing)	0	42	-100%
Management (housing)	117	112	4.5%
TOTAL	494	708	-30.2%

	SALES			EBITDA		
	30/06/2011	30/06/2010	Variation	30/06/2011	30/06/2010	Variation
Land Management	28.205	3.425	723,6%	8.033	-659	-1319,0%
Residential Development	68.384	54.370	25,8%	-10.564	-15.354	-31,2%
Rented Property	1.128	971	16,2%	650	450	44,4%
Other	295	116	155,3%	-6.269	-6.587	-4,8%
TOTAL	**98.012**	**58.882**	**66,5%**	**-8.150**	**-22.150**	**-63,2%**

	SALES		EBITDA	
	30/06/2011	% of Total	30/06/2011	% of Total
Land Management	28.205	28,8%	8.033	-99%
Residential Development	68.384	69,8%	-10.564	130%
Rented Property	1.128	1,2%	650	-8%
Other	295	0,3%	-6.269	77%
TOTAL	**98.012**	**100,0%**	**-8.150**	100%

1.3.- Financial Statements

1.3.1.- Income Statement as of 30 June 2011

(In thousands of euros)	30/06/2011	30/06/2010	Variation
Net revenues	98.012	58.882	66,5%
Supplies and variation in inventories:	(156.648)	(69.162)	-126,5%
Other operating revenues	17.647	1.701	937,4%
Variation in operating provisions	45.522	2.866	-1488,2%
Personnel expenses	(3.799)	(3.745)	-1,4%
Impairment in non-current assets	0	3	-100,0%
Depreciation and amortization	(274)	(297)	7,5%
Other operating expenses	(8.333)	(12.683)	34,3%
Results from asset disposals	0	(11)	101,7%
Result from the sale of holdings in group companies	(551)	0	n.a.
Operating income (loss)	**(8.424)**	**(22.446)**	**62,5%**
EBITDA	**(8.150)**	**(22.150)**	**63,2%**
Financial loss	**(26.608)**	**(21.142)**	**-25,9%**
Income (Loss) before tax	**(35.003)**	**(45.264)**	**22,7%**
Net income (loss)	**(35.003)**	**(45.282)**	**22,7%**
Attributable to:			
Controlling Company shareholders	**(34.979)**	**(45.050)**	**22,4%**
Minority interests	**(24)**	**(232)**	**89,7%**

a) Net Revenues

Net revenue performance by business division is as follows:

(In thousands of euros)	30/06/2011	30/06/2010	Variation
Net revenues from Land Management	28,205	3,425	723.6%
Net revenues from Residential Development	68,384	54,370	25.8%
Net revenues from Rented Property	1,128	971	16.3%
Other net revenues	295	116	154.3%
Total Net Revenues	**98,012**	**58,882**	**66.5%**

The increase in net revenues with respect to the figure for the first half of 2010 is mainly the result of several transactions to sell assets to two companies related to banks. These transactions contributed a total amount of 81.7 million euros to the Group's revenues (21.6 million euros in the chapter of Land Management and 55.6 million euros in Residential Development).

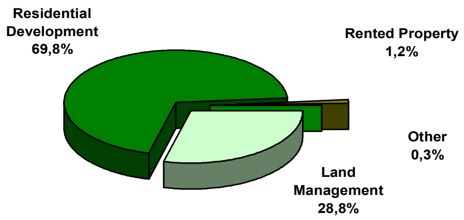
Land Management: Revenues from this business include both the sale of land assets and the activity as a development agent. The increase in sales in the first half of 2011 rising to 28.2 million euros is mainly due to the transfer of land stemming from the transactions mentioned. As of 30 June 2010, the 3.4 million euros in this chapter only reflected revenues from the development agent business which amounted to 2 million euros in the first half of 2011. The decrease in the figure for this activity is due to the completion of developments in which the Group is involved as a land development agent and to the fact that no new projects have been undertaken because of the general slowdown in the sector.

Residential Development: A total of 287 homes were delivered as compared to the 297 formalized as of 30 June 2010; this is a 3.4% downturn and a monthly average of some 48 homes. Pre-sales stand at 281 homes, up 28.3% on the 219 homes of the same period in 2010. In this activity, revenues amounted to 68.4 million euros, a 25.8% increase on the previous year's figure (54.4 million euros). The asset transfer transactions mentioned earlier contributed 55.6 million euros from a total of 210 homes delivered.

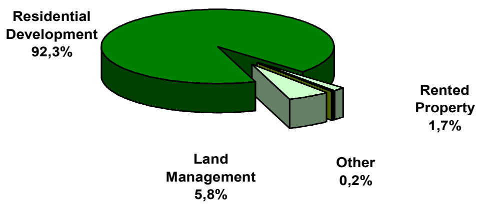
Rented Property: In the first half of 2011, revenues from rentals amounted to 1.1 million euros, an increase of 16.1% on the same period last year (1 million euros). The new lease contracts for the Plaza Europa office bock in L'Hospitalet de Llobregat (Barcelona), which was 87% leased as of 30 June 2011, account for a large part of this increase. In rented housing, occupancy rose from 76% at the end of June 2010 to 79% at the end of June 2011.

The charts below show the breakdown of revenues by business division:

Net Revenue Breakdown 1S 2011



Net Revenue Breakdown 1S 2010



b) EBITDA

In the first half of 2011, Quabit's EBITDA was 14 million euros higher than in the same period of 2010, as a result of the improvement in the margin associated with the sales transactions. In addition to this increase in the margin, there was a significant improvement in EBITDA as a result of the measures the Group has taken to adapt its structure to the current market situation. This led to a 4.4 million euro reduction in general expenses, reported in the chapter "Other operating expenses", which are down by 34.3% on the figure a year earlier.

c) Financial Result

The Financial Loss was worse due to the reduction in the financial interest capitalized on inventories during the period, since projects in progress decreased and financial expenses increased. Financial expenses were hit by the higher interest rates in this period than in the same period last year, as the Euribor increased by nearly one point in comparison with last year. The reduction in financial debt stemming from the sales in the first half was concentrated in the last months of the half-year and, consequently, has not reached all its potential to reduce the financial expense.

d) Income/Loss before Tax

The above effects (EBITDA and Financial Loss), together with the impact of the addition of the result from investments in associates, mean that the loss before tax for the first half of 2011 fell by 22.7% in comparison with the result obtained in the first half of 2010, and thus continued to diminish as it has since 2008.

e) Attributable Net Income/Loss

The tax effect was minimum and the Net Loss Attributable to Controlling Company Shareholders improved by 22.4% with respect to the same period last year. The Group continues to apply a conservative policy in the activation of tax credits by establishing a limit for them in the amount of deferred tax liabilities.

1.3.2- Consolidated Balance Sheet as of 30 June 2011

(In thousands of euros)

ASSETS	30/06/2011	31/12/2010	Variation
NON-CURRRENT ASSETS:			
Total non-current assets	**211,106**	**222,967**	**-5.3%**
CURRENT ASSETS:			
Inventories	1,329,100	1,437,682	-7.6%
Other	133,654	137,196	-2.6%
Total current assets	**1,462,754**	**1,574,878**	**-7.1%**
TOTAL ASSETS	**1,673,860**	**1,797,845**	**-6.9%**

EQUITY AND LIABILITIES	30/06/2011	31/12/2010	Variation
EQUITY:			
Total equity attributable to Controlling Company shareholders	**95,518**	**130,497**	**-26.8%**
Minority interests	846	870	-2.8%
Total equity	**96,364**	**131,367**	**-26.6%**
NON-CURRENT LIABILITIES:			
Bank debt	56,622	54,694	+3.5%
Other	49,865	55,226	-9.7%
Total non-current liabilities	**106,487**	**109,920**	**-3.1%**
CURRENT LIABILITIES:			
Bank debt	1,322,955	1,403,439	-5.7%
Other	148,054	153,119	-3.3%
Total current liabilities	**1,471,009**	**1,556,558**	**-5.5%**
TOTAL EQUITY AND LIABILITIES	**1,673,860**	**1,797,845**	**-6.9%**

a) Non-current Assets

The reduction in this chapter is the result of:

- A reduction in non-current financial assets in the amount of 9 million euros for loans which now mature in less than a year and, consequently, have been moved to current assets.
- A 3-million euro reduction in deferred tax assets, thanks to the reduction in deferred liabilities as a result of the asset disposals in the first half.

b) Current Assets

The chapters which explain the greater part of the reduction in current assets are:

- Inventories, which decreased by 108 million euros, as a result of the sales in the first half.
- The offset of accounts receivable for work done by related companies, presented in the "Current financial assets" chapter, with accounts payable for services received by related companies, in the amount of 4 million euros.

c) Equity

The variation in "Equity" with respect to 31 December 2010 is largely due to the losses amounting to 35 million euros registered in the first half of 2011.

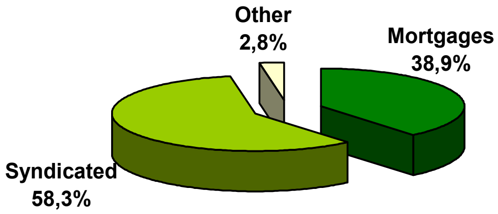
1.3.3- Position of Bank Debt as of 30 June 2011

The breakdown of bank debt as of 30 June 2011 compared with 31 December 2010 is as shown below.

(In thousands of euros)	30/06/2011	31/12/2010	Variation
Non-current bank debt	56,622	54,694	3.5%
Current bank debt	1,322,955	1,403,439	-5.7%
TOTAL GROSS DEBT	**1,379,577**	**1,458,133**	**-5.4%**
Cash and cash equivalents	(14,235)	(11,584)	22.9%
TOTAL NET DEBT	**1,365,342**	**1,446,549**	**-5.6%**

On the consolidated balance sheet, debt is classified into current and non-current according to the asset associated with the financing. In the Group's case, as a large part of the financing is associated with inventories, included under current assets, its associated debt, whether it is from bilateral transactions or syndicated operations with assets as collateral, should appear under current debt. Thus, this classification is not related to the maturity of the operations.

The chart below shows the structure of bank debt:



Syndicated debt includes the main syndicated loan, the financing facility for its interest and a cash facility.

The main syndicated loan and the bilateral debt are refinanced over similar periods. The first payments of the principal of the syndicated loan mature in December 2012, while the interest payments mature in June 2012.

At the end of first half of 2011, net bank debt was as shown in the table below:

(In thousands of euros)	
Gross Bank Debt as of 31 December 2010	**1,458,133**
Drawdowns and Other Additions	23,631
Cancellation from Housing Deeds	(53,490)
Other Cancellations, Amortization and Interest Accruals	(48,697)
Gross Bank Debt as of 30 June 2011	**1,379,577**

As of 30 June 2011, gross bank debt had fallen by 78.6 million euros from the figure as of 31 December 2010. This reduction was concentrated in the last two months of the first half and was largely associated with the asset sales transactions mentioned earlier.

1.4.- Business Divisions

1.4.1.- Land Management

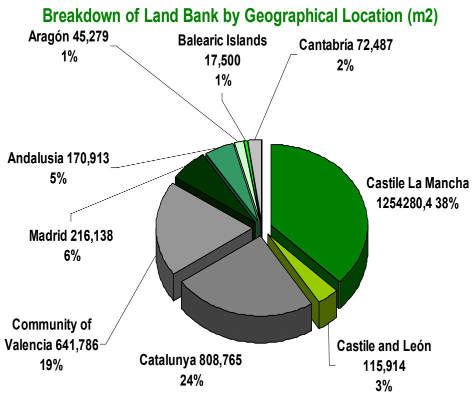
Quabit Inmobiliaria's objective in this business line continues to be to make progress in the development, processing and administrative consolidation of land positions. Revenues from this business include the sale of land assets and the development agent business. The increase in sales in the first half of 2011 in the amount of 28.2 million euros is mainly due to land transfers. As of 30 June 2010, the 3.4 million euros in this chapter only reflected revenues from the development agent business which amounted to 2 million euros in the first half of 2011. The downturn in the figure from this activity is due to the completion of developments in which the Group is involved as a development agent and to the fact that no new projects have been started because of the general slowdown in the sector.

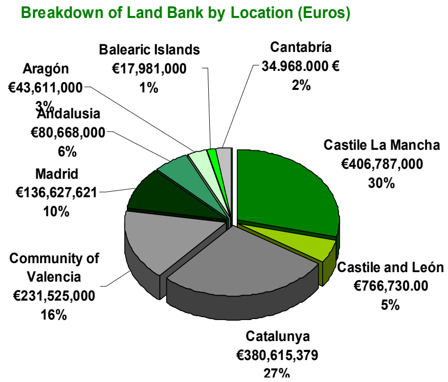
(In thousands of euros)	30/06/2011	30/06/2010	Variation
Net Revenues	28,205	3,425	+723.6%
EBITDA	8,033	(659)	n.a.
EBITDA Margin	28%	-19%	n.a.

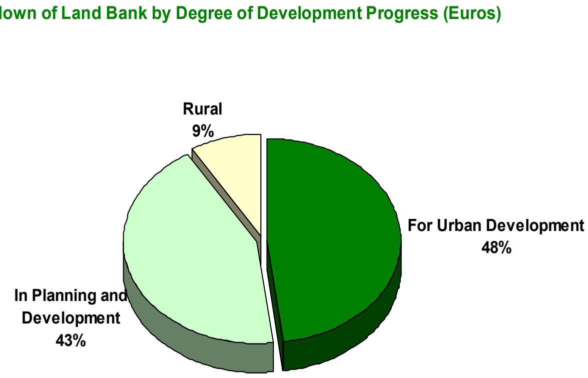
The table above shows a significant improvement in sales and margins in comparison with the figures for the same period last year.

a) Land Bank

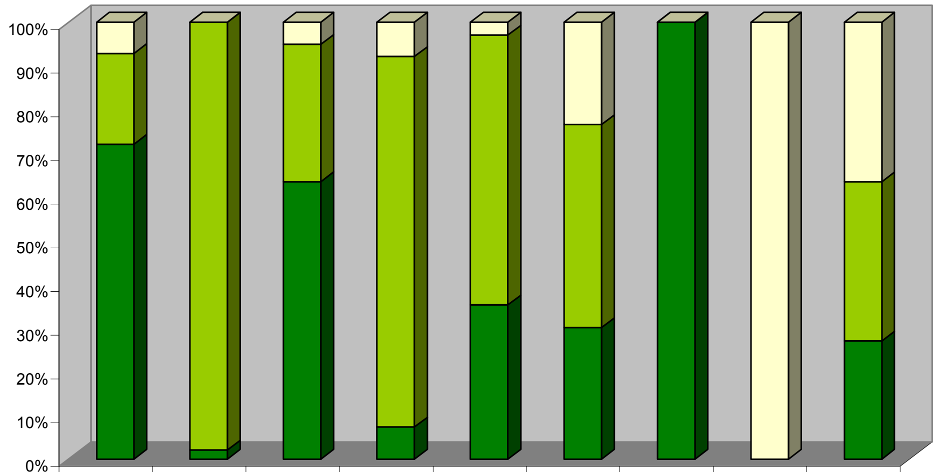
At the end of the first half of 2011, Quabit Inmobiliaria's land bank amounted to 3.3 million square metres. An independent appraiser performs valuations for the Group at least once a year to check the market value of the assets. Knight Frank España S.A. valued the real estate assets of Quabit Inmobiliaria S.A. and its dependent companies as of 31 December 2010. The charts below show the diversification of the company's land bank, both in terms of the degree of progress in development and its geographical location, with the figures from the valuation conducted as of 31 December 2010.







Distribution of the Land Portfolio according to Geographical Location and Progress in Development (euros)



	CASTILE-LA MANCHA	CASTILE AND LEÓN	CATALONIA	VALENCIAN COMMUNITY	MADRID	ANDALUSIA	ARAGÓN	BALEARICS	CANTABRIA
RURAL	29.085.000 €	0 €	19.468.000 €	18.165.000 €	4.000.001 €	18.881.000 €	0 €	17.981.000 €	12.784.000 €
UNDER PLANNING & DEVELOPMENT	84.604.000 €	75.108.000 €	119.499.999 €	196.453.000 €	84.435.000 €	37.506.000 €	0 €	0 €	12.728.000 €
FINALIST	293.098.000 €	1.565.000 €	241.647.380 €	16.907.000 €	48.192.620 €	24.281.000 €	43.611.000 €	0 €	9.456.000 €

b) Planning and Development Management

The most important progress made in planning and development on different plots in the first half of 2011 are described below.

Centre Territorial Division

Planning

- **A. E. nº 16 Artillería and Conde Ansúrez (Valladolid):** The reports prior to the provisional approval of the Amended Text of the Detailed Modification of the General Plan (Roads, Works and Infrastructure) have been obtained.

- **Prolongation of Paseo de la Castellana (Madrid):** The Government Council has ratified the definitive document on the planning agreement for the management and execution of the project. After Madrid City Council approved the Partial Plan for the Interior Reform of this operation and the ratification of the planning agreement, Madrid Planning Council issued a favourable opinion of the definitive text in April.

- **Maoño. Sector 102 Santa Cruz de Bezana (Cantabria):** On 27 April 2011, the initial approval of the Expropriation Proceedings for the owners who do not form part of the Replotting Project was published in Cantabria's Official Gazette.

Development

- **SUP R6 – Estepona (Malaga):** The Replotting Project was approved on 26 May at the Compensation Board.
- **Berrocales (Madrid):** On 29 June, the proposal for joint developments for the south-east of Madrid was approved at the Compensation Board.

Castile-La Mancha Territorial Division

Planning

- **Sector SP-61, SP-71, SP-74, SP-75 and SP-76 (Guadalajara):** On 9 June, the Environment Delegation issued a resolution whereby there is no need to study the environmental impact for sectors SP-71 and SP-75. Publication in the province's Official Gazette on 20 June of the approval of development projects for sectors SP-74 and SP-76, and recognition of the replotting projects for SP-75 and SP-76.

- **SNP Iriepal and SNP Taracena (Guadalajara):** The Partial Plans for Improvement were presented for both sectors, along with a draft of the Special Infrastructure Plan, for the City Council to submit to the Board of Communities for its prior report.
- **Remate de las Cañas (Guadalajara):** The definitive receipt of the development was granted and seven guarantees were returned in the amount of 1,594,151 euros by the City Council. These guaranteed that the construction work would be simultaneous with development, and the development itself.

North-east Territorial Division

Planning

- **Reus H12 (Tarragona):** On 20 May 2011, the proposal for the partial receipt of the development was approved.
- **Reus H7 (Tarragona):** The Amended Text of the Partial Plan was presented to the City Council, including the conditions of the Territorial Plan. Definitive approval should be obtained when it is submitted to the Planning Council.
- **Cambrils - Les Comes (Tarragona):** Initial approval of the Statutes and Bases of the Compensation Board from the City Council.
- **Cambrils – La Cava (Tarragona):** The Partial Plan was presented with amendments requested by the City Council for its initial approval.

Development

- **Terrassa – Vapor Cortés (Barcelona):** Initial approval of the Complementary Legal Operation from the Compensation Board's Assembly. Definitive approval of the Replotting Project which gives Quabit open-market residential buildability of 22,500 m2.

Levante Territorial Division

Development

- **PNN-2-Sagunto (Valencia):** Development work was completed on 23 February 2011. The development work was received by Sagunto City Council through an agreement with the Government Commission on 6 April 2011 and is in the period of guarantee.

1.4.2.- Residential Development

Performance in this business division is summarized in the table below:

(In thousands of euros)	30/06/2011	30/06/2010	Variation
Net Revenues	68,384	54,370	+25.8%
EBITDA	(10,564)	(15,354)	+31.2%
EBITDA Margin	-15%	-28%	+13 p.p.

Revenues from this business amounted to 68.4 million euros, which is a 25.8% increase on the previous year's figure (54.4 million euros). The increase in net revenues in relation to the first half of 2010 stems from several corporate asset sales to two companies related to banks. These transactions contributed a total of 55.6 million euros to the Group's net revenues from Residential Development, for a total of 210 homes delivered.

In the first half of 2011 net revenues from this activity were affected by the fact that investment decisions were brought forward in 2010 as a result of the change in tax treatment for deductions for housing in 2011, and a negative macroeconomic environment in the sector. Moreover, rising interest rates were accompanied by a high unemployment rate. In this context, the Group is developing its sales actions by taking part in fairs, through advertising campaigns, high-street sales offices, agreements with local real estate agents, street marketing, and relationship and online marketing, amongst others.

The table above also shows a significant increase in the EBITDA margin, thanks to the improvement of the margin associated with the sales transactions and the measures the Group has been taking to adapt its cost structure to the current market situation.

a) Deeds / Sales

The table below summarizes the main figures in this business division:

Stock of Homes pending delivery as of 31 December 2010 (units)	**1,041**
Homes delivered (units)	(287)
Stock of Homes pending delivery as of 30 June 2011 (units)	**754**

The number of homes delivered in the first half of 2011 produced a 27.6% reduction in the stock of homes at the end of 2010.

In 2011, a total of 287 purchase and sales deeds were signed, as compared to 297 in the same period in 2010. This is a 3.4% downturn. The total from these purchase and sale transactions amounted to 70.9 million euros and, through the consolidation process, they contributed 68.4 million euros, up 25.8% on the figure obtained last year.

At the end of the first half of 2011, consolidated stock fell to 754 homes completed and pending formalization. As of 30 June 2011, Quabit Inmobiliaria's consolidated stock classified by areas and type (first home, second home and subsidized housing) was broken down as follows:

Stock by type of home 30 June 2011	Units	%
1st home	600	79,6%
2nd home	45	6,0%
Subsidized	109	14,5%
TOTAL	754	100,0%

Stock by Self-governing Region 30 June 2011	Units	%
Andalusia	62	8,2%
Aragón	37	4,9%
Catalunya	43	5,7%
Castile-La Mancha	487	64,6%
Community of Valencia	45	6,0%
Galicia	2	0,3%
Madrid	78	10,3%
TOTAL	754	100,0%

Of the total stock, 80% is for first homes, with a total of 709 homes, as against 45 for second homes.

As regards the stock by Self-governing Region, Castile-La Mancha (mainly the city of Guadalajara) accounts for 64% of the homes completed and pending delivery.

The debt associated with the accumulated deliveries made in the first half of 2011 represents 78% of the sales price, which evidences the efforts made to generate sales in the strategic line of obtaining maximum cancellations of debt and a reduction in stock.

b) Marketing and Pre-sales

At the end of the first half of 2011, the Group had signed a total of 281 new pre-sales transactions for an amount of 65 million euros. Compared with the 219 pre-sales made at the end of 1H 2010, this is an increase of 28.3%.

1.4.3.- Management of Cooperatives and Associations

Quabit Comunidades is a manager of self-development homes (cooperatives and owners' associations). The work includes the stages of Prior Offer, Constitution and Management.

As of 30 June 2011, 147 homes had been pre-adjudicated. These represent 30% of a total of 494 homes in a position of Prior Offer, Constitution and Management. In the second quarter of 2011, delivery of the homes in the Monte Henares cooperative (Alovera – Guadalajara) had started and 28 homes were formalized.

- **Prior offer:** There are 377 homes in 7 projects. Notable amongst these are the projects of: Sector I.15 M.48 – Alovera (Guadalajara), where 30 homes have been sold and Sant Feliú - SUE 5.1 (Barcelona), with 14 homes requested (33.33% of the total).
- **Constitution:** There are currently no developments in this situation.
- **Management:** As of 31 March 2011, there were 117 homes in a management situation, concentrated in two projects: El Encinar de las Cañas S. Coop. Sector Remate Las Cañas - B13 (Guadalajara) and Monte Henares S. Coop. Alovera (Guadalajara). In the latter project, 28 homes had been formalized at the end of June 2011.

1.4.4.- Rented Property

The performance in this business division is summarized in the table below:

(In thousands of euros)	30/06/2011	30/06/2010	Variation
Net Revenues	1,128	971	16.2%
EBITDA	650	450	44.4%
EBITDA Margin	58%	46%	+12 p.p.

At the end of the first half of 2011, revenues from rentals amounted to 1.1 million euros, which is a 16.2% increase on the same period last year and this also led to a significant improvement in the EBITDA margin due to the operating leverage of the rented assets. This increase is mainly due to:

1. An increase in occupancy, with 193 homes rented as compared to 185 homes at the end of June 2010. This gives an occupancy rate of 79% in the number of homes at the end of 1H 2011, as against 76% on the same date in 2010.

2. An increase in the occupancy rate in the Plaza Europa office block in L'Hospitalet de Llobregat (Barcelona), after a new lease contract was signed for 1,862 m2 on the ground floor and commercial mezzanine. With this, the building is now 87% occupied.

Rented Housing

The table below shows the situation of the portfolio of rented homes. Revenues were down 2% on the same period last year.

				Revenues (In thousands of euros)		
Rented Homes	**Homes**	**Area (m2)**	**% occupancy 1H 2011**	**1H 2011**	**1H 2010**	**Variation**
D-15B (Guadalajara)	**86**	**7,540**	**87%**	**224**	**258**	**-13%**
SUE-21 (Guadalajara)	**60**	**4,102**	**67%**	**131**	**149**	**-12%**
I-2 (Guadalajara)	**64**	**4,692**	**66%**	**137**	**106**	**29%**
La Florida building (Puerto de Sagunto)	**34**	**1,853**	**88%**	**83**	**71**	**16%**
TOTAL	**244**	**18,187**	**79%**	**574**	**584**	**-2%**

N.B.: The revenues from D-15B and La Florida building include two adjoining commercial premises.

Tertiary and Industry

Plaza Europa office block in L'Hospitalet de Llobregat (Barcelona): This building reached 87% occupancy in the first six months. At the end of June 2011, a rotation car park (240 spaces) also started to be run.

Industrial premises in Cervelló (Barcelona): With 5,026 m2, they have been 100% leased since March 2009, with a 20-year contract.

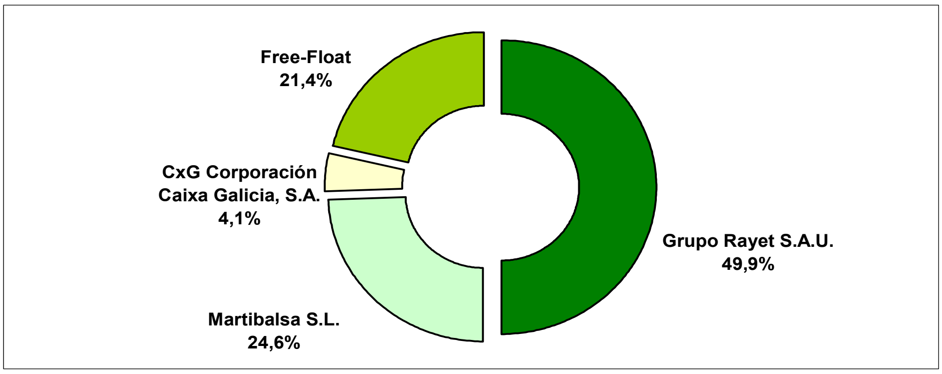
1.5.1.- Ownership Structure, Share Performance and Markets where it is listed

a) Ownership Structure

After being exempted from the obligation to present a take-over bid for Quabit Inmobiliaria shares, authorized by the CNMV as of 16 April 2008, Grupo Rayet S.A.U., Quabit Inmobiliaria S.A.'s main shareholder acquired the commitments to increase the company's free float to 25% and to sell the number of shares necessary to reduce Grupo Rayet S.A.U.'s holding to less than 50%. Through a material event published by the CNMV on 23 March 2011, Grupo Rayet communicated that it has fulfilled this obligation to sell shares and its holding has fallen from the 53.494% communicated on 19 January 2010 to 49.932% on 23 March 2011.

Position as of 30 June 2011

Grupo Rayet S.A.U	49,9%
Martibalsa SL	24,6%
CxG Corporación Caixa Galicia, S.A.	4,1%
Free Float	21,4%



Source: Comisión Nacional del Mercado de Valores (CNMV)

b) Share performance and Markets where it is listed

The price of the Quabit share rose from 0.0880 euros as of 30 December 2010 to 0.1830 euros at the end of June 2011, an increase of +107.95%. In the same period, the Ibex-35 gained 5.1% and the Financial and Real Estate Index appreciated by 3.1%.

Stock Market Performance between 30/12/2010 and 30/06/2011	
Closing price 30/12/2010 (€/share)	0.0880
Closing price 30/06/2011 (€/share)	0.1830
% Variation	+107.95%
Market cap. as of 30/06/2011 (€)	234,266,600
High (22/02/2011) (€/share)	0.2430
Low (11/01/2011) (€/share)	0.0710
Average price (€/share)	0.1623
Average daily trading volume (shares)	7,151,219
Shares traded in the period	915,356,071
Average daily trading volume (€)	1,310,868
Cash traded in the period (€)	167,791,132
Total number of shares	1,280,145,353

1.5.2.- Governing Bodies

Board of Directors

Name	Post	Audit Committee	Appointments, Remuneration and Good Governance Committee
Mr Félix Abánades López	Chairman		
Mr Alberto Quemada Salsamendi	Chief Executive Officer		
Mr Miguel Bernal Pérez-Herrera	Proprietary Director		Member
Mr Jorge Calvet Spinatsch	Independent Director	Member	Chairman
Mr Pau Guardans i Cambó	Other External Director		
Mr Alberto Pérez Lejonagoitia	Proprietary Director	Member	
Ms Claudia Pickholz	Independent Director		Member
Mr Manuel Terme Martínez	Independent Director	Chairman	
Mr Javier Somoza Ramis	Non-director Secretary	Secretary	Secretary
Ms Nuria Díaz Sanz	Non-director Vice-secretary	Vice-secretary	Vice-secretary

CxG Corporación Caixa Galicia, S.A. has presented its resignation as a member of the Board of Directors of Quabit Inmobiliaria S.A., according to a material event published by the CNMV on 29 March 2011. This resignation is the start of the process of reducing the number of members on the Controlling Company's Board of Directors, with a view to adapting its structure and costs to current market conditions.

In respect of this, the Company's Ordinary General Shareholders' Meeting held on 28 June agreed to establish eight (8) as the number of members of the Board.

In addition, after the General Meeting, on 28 June the Board of Directors agreed to suppress the post of Deputy Chairman. Consequently, Mr Pau Guardans i Cambó, who had held the post until then, remains on the Board as a director in the category of "Other External Directors".

2.- RISKS AND UNCERTAINTIES FOR THE SECOND HALF OF 2011

In the first six months of financial year 2011, there were no significant changes in the risks and policies described in the consolidated Management Report for 2010. These risks and policies are characterized by the continuation of the difficult situation in the real estate sector and the difficulties in obtaining financing.

The areas of risk and uncertainty identified as being the most important for the second half of 2011 and Quabit Inmobiliaria's positioning in the face of these risk factors are described below.

2.1.- Cyclical nature of the real estate sector

The real estate sector is very closely linked to the general economic situation. Consequently, the uncertain economic situation will have a significant impact on the real estate business, as it has in the past few years. The high unemployment rate in Spain and surplus housing supply have led to a sharp reduction in demand which makes it difficult to absorb the stock of housing, and have produced a downturn in property prices and longer periods for selling developments. For its part, the land market is still slow, with a low volume of transactions.

Quabit Inmobiliaria has not escaped these circumstances and has had to implement more aggressive sales strategies and adjust its structure to adapt the business to the new reality. However, some events such as the start of a period of slight growth of the Spanish economy and the stagnation of residential stock, which had been increasing significantly in the past few years, could be indications of a moderate change in trend in housing demand, at some time which is yet to be determined.

In view of the adverse conditions in the real estate market, the company's business plans only consider starting new developments after an exhaustive study of demand by product in order to develop competitive, innovative and profitable products which bring clear added value in such a competitive market as today's.

2.2.- Financing Risk

The general situation of credit restrictions because of short liquidity in the international financial markets, together with the special impact of these restrictions on the Spanish real estate business, is hitting the whole sector very hard and the Group with it. Many of the divestment projects are slowing down, not because of the quality of the assets, which is high, but because of the difficulties potential customers are having in obtaining financing. The risk stemming from financing affects Quabit Inmobiliaria's activity at two levels: on the part of the potential customer and on the part of the Company, which turns to the banking market to finance its projects and its ordinary business activities. In addition, interest rates are rising gradually and moderately and this increases the financial costs it has to pay. In regard to the risks in the financial liability structure, Quabit Inmobiliaria:

- Undertakes new projects on the basis of a viability analysis which combines economic profitability with their financial structure, so that no project is undertaken if its financing is not guaranteed.
- It reviews its cash forecasts periodically and adds updated business variables (forecast housing deliveries, pre-sales, land sale transactions,,,) and financial variables (interest rates) to analyze deviations from the budget.
- The Finance Division, which is responsible for the management of financial risks, reviews the capital structure on a half-yearly basis, along with the Net Debt to GAV ratio and other ratios which have to be strictly met in the framework of the agreed refinancing.

Lastly, the target in interest rate management is to reach a balance in the debt structure which makes it possible to minimize the cost of debt over several years with scant volatility on the income statement. The comparative analysis of the financial cost studied by the Group and the tendencies of interest rate curves have led Quabit Inmobiliaria to choose not to hedge the interest rate risk in order to minimize the cost of debt for the said period.

In addition to the actions mentioned above, an agreement is being closed with the creditor banks in order to mitigate the risks associated with the Company's financial debt. This is described in the section on "Liquidity Risk"

2.3.- Risk of Reduction in the Market Value of Assets

In the current market situation, with very volatile prices, the company's assets could undergo corrections in valuation which might affect its financial statements.

In order to know the position of its assets with respect to the market, every year Quabit Inmobiliaria commissions an independent expert to value its assets, so that it can make any necessary corrections in valuation and ensure that its asset portfolio is consistent with the market situation.

Thus, in its annual budget Quabit Inmobiliaria establishes objectives for improving the value of its assets which are mainly linked to the progress in the degree of planning. In this way, the Company manages to minimize investment and, through the progress in development, to obtain the maximum increase in valuation possible. This increase in valuation has successfully reduced the impacts of depreciation which have occurred in certain assets.

2.4.- Liquidity Risk

The short liquidity in the financial system, which is passed on to companies and household economies and, for a sector like real estate, where leverage of all the groups is important, is producing rigidity in the market. This will only disappear if liquidity appears in the markets from transactions conducted and if it becomes easier to obtain credit. This rigidity also affects land purchase and sale transactions and presumably the value of these.

Quabit Inmobiliaria manages its financial resources with a view to maintaining an appropriate balance between the inflows and outflows of funds that brings an answer to its current tight cash position. In this context, the Company is completing the review of its business plan..

The most significant features of the framework agreement are:

- Reduction of indebtedness of the Parent Company by conducting purchase and sale transactions of assets,
- Bilateralization of syndicated financing and
- Refinancing of long-term debt of all the different financial creditors of the Parent Company, along with its interest, in homogeneous conditions..

This framework agreement is undergoing the approval of all the creditor banks of the Parent Company.

2.5.- Litigation RIsk

The litigation which affects Quabit could have an impact on its financial statements, if the outcome were unfavourable.

Apart from monitoring each lawsuit in which the Company might be involved, an evaluation of the level of risk is performed periodically, with the support of external legal practices which help to defend Quabit Inmobiliaria's interests, with a view to provisioning for any lawsuit which could be considered to have a greater risk.

3.- TRANSACTIONS WITH RELATED COMPANIES

There is no important additional information other than that contained in Note 17 to the accompanying Notes to the Consolidated Condensed Intermediate Financial Statements in relation to this matter.

Important Notice

This is a non-official translation. The Spanish version prevails. This document could contain market estimates and projections and financial information obtained from different sources which refer to the financial position, operating results, strategy and future plans of Quabit Inmobiliaria S.A. and its subsidiaries. These estimates do not guarantee the future performance of these companies, since the forecasts could be affected by different factors and contingencies, so that the end result could be quite different from the result mentioned in this document. Analysts and investors are warned that these estimates and projections are only representative of the current situation, on the date this document was prepared. Quabit Inmobiliaria will not be obliged to publish any revision of its estimates which might derive from new circumstances subsequent to the date of this presentation (especially changes in strategy or in the business) or from unforeseen events.

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