1- Summary

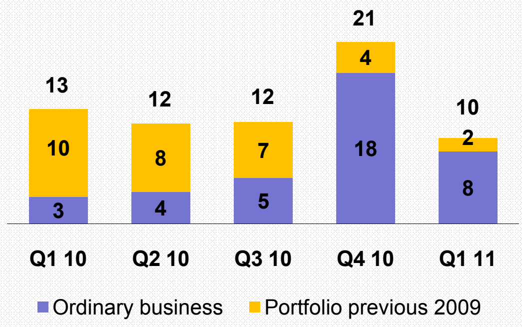
- The company has closed up 2011 first quarter with a net result of **-4.9 M€**, compared to -1.7 M€ same period last year. Due to the difference in the tax credit capitalization criteria, net result of the first quarter of the year is comparative to profit before tax of same period last year amounting to -3.1 M€. Furthermore, results of the first quarter 2010 included an extraordinary impact of some portfolio provision reversions amounting to +1.6 M€.
- Ordinary business portfolio sales totalled 8.4 M€, significantly higher than the 3.2 M€ for the same period last year, and generated a gross margin of 1.1 M€.
- On April 29, 2011, the Group redraws its year 2010 Annual Accounts due to the lack of agreement for the debt restructuring with all the financial entities, although having the support from the majority of them, representing a 93.73% of the total amount of the negotiated debt.
- The results of this situation are reflected in the redrawn Annual Accounts:
    - Decapitalization of the tax credit amounting to 56.8 M€ by December 2010, with a direct impact in equity, which becomes negative
    - Transfer of all the debt to short term
    - Decapitalization of May 2009 refinancing process expenses
- On May 13, 2011 it is finally achieved an agreement with all the financial entities of the syndicate, which makes possible:
    - The Company equity rebalancing
    - A decrease in the Company debt and inventories
    - The reclassification into long-term of an important percentage of the outstanding debt
    - Debt repayment commitments and a minimum interest expense, with payment conditioned to the cash situation, which makes possible the Company long term stability
- The new agreement will not be fully implemented until all asset sale commitments to financial entities are formalized, for which has been set the deadline next June15, 2011. For that reason, by the end of this first quarter 2011 it has not been registered yet any of the committed asset sale or debt reduction.
- The real estate sector is still affected by a market environment characterized by the lenghtening of the crisis, important job losses and lack of confidence of investors and consumers.

2- Business evolution

(M €)	Q1 11	*% Sales*	Q1 10	*% Sales*	% var
Sales	10.0	*74%*	13.4	*100%*	**-26%**
Other revenues	0.5	*4%*	0.8	*6%*	-36%
TOTAL INCOME	**10.5**	***78%***	**14.2**	***106%***	**-26%**
Cost of sales	-8.8	*-66%*	-10.2	*-76%*	-13%
GROSS MARGIN (1)	**1.2**	***9%***	**3.2**	***24%***	**-64%**
Sales, admin and payroll expenses	-4.0	*-30%*	-4.1	*-31%*	-3%
EBITDA	**-2.4**	***-18%***	**-0.1**	***-1%***	**n.a.**
Depreciation, Provisions & Other	-0.3	*-2%*	-0.3	*-2%*	7%
EBIT	**-2.6**	***-20%***	**-0.4**	***-3%***	**n.a.**
Net financial income	-2.2	*-16%*	-2.7	*-20%*	-18%
PROFIT BEFORE TAX	**-4.8**	***-36%***	**-3.1**	***-23%***	**-57%**
Taxes	-0.1	*-1%*	1.4	*10%*	n.a.
NET PROFIT	**-4.9**	***-37%***	**-1.7**	***-13%***	**-186%**

(1) Gross margin is equal to Sales less Cost of sales, excluding Other Income

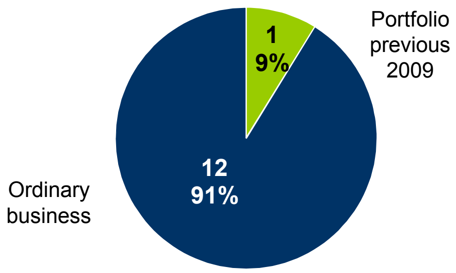
- The accumulated **sales** at March 2011 reached 10.0 M€, 3.4 M€ below the sales registered in same period last year, which were of 13.4 M€. All sales are made up of buildings coming from the domestic market.



- ***Portfolio previous to 2009*** *sales stand at 1.5 M€*
- ***Ordinary business portfolio*** *sales stand at 8.4 M€, significantly higher than the 3.2 M€ from the same period last year*

- Same level is mantained in both number of pre-sales and volume of sales, mainly made up of ordinary business portfolio assets

M €	nº	Pre-sales	Sales
dec 10	**62**	**0.2**	**14.0**
mar 11	**69**	**0.3**	**13.3**



- **Gross margin** is positive of +1.2 M €, below the same period last year which stood at 3.2 M€. It must be pointed out the generation of positive margin in both ordinary business sales and portfolio previous to 2009 sales. The total gross margin amount is divided as follows:
  - Gross margin of +1.1 M€ coming from ordinary business sales, in line with previous year amount despite having higher sales resulting from the business model operating, which tries to minimize the use of financial resources in the asset acquisition.
  - Gross margin of +0.1 M€ coming from portfolio previous to 2009 sales vs 2.0 M€ from the first quarter 2010. Year 2010 amount is including the extraordinary impact resulting from some portfolio asset provision reversion amounting to +1.6 M€.

- **Variable selling expenses** stood at 0.9 M €, 19% down in absolute value compared to 2010 amount, which was of 1.1 M€.
- **G&A expenses** have decreased by 15%, from 1.0 M€ for the period January-March 2010 to 0.8 M€ for the same period of the current year. The policy of cost reduction implemented from the beginning of the crisis is still strictly followed.
- **Personnel expenses** are 2.3 M€ compared to 2.1 M€ of January-March 2010, including extraordinary impacts as a result of staff adjustments amounting to 0.8 M€. If these non-recurring impacts were not considered, personnel expenses would decrease by 26%. The decrease in personnel expenses is both due to the staff reduction applied and also to the salary policies carried out by the company.
- **Net financial result** stood at -2.2 M€ versus -2.7 M€ at the same period 2010. This improvement is the result of offsetting an increase in the average interest rate on the same period last year (2.60% vs 2.06% in 2010), with the fact of not including some extraordinary financial expenses.
- Due to the non capitalization of **taxes**, this line of the profit and loss account is almost zero versus +1.4 M€ of the same period last year.
- **Net result** for the January-March 2011 period is negative of -4.9 M€, 3.2 M€ below the result for the same period 2010 amounting to -1.7 M€. Due to the difference in the tax credit capitalization criteria, net result of the first quarter of the year is comparative to profit before tax of same period last year amounting to -3.1 M€.
- **Net debt** of the company stood at 312.7 M€ by the end of March, increasing by 15.3 M€ compared to year end 2010 mainly due to the cash decrease. This cash decrease includes the payment of 3.7 M€ related to the fiscal deed issued by the French authorities, already included in year 2010 results.

(M €)	**mar-11**	**dec-10**	**Dif**
Syndicated loan	280.9	279.3	1.6
Operations with mortgage guarantee	34.1	34.2	-0.1
Other financial debt	6.4	5.8	0.6
Cash and short term deposits	-8.8	-21.9	13.1
Total Net Debt	**312.7**	**297.5**	**15.3**

- **Inventory** stood at 270.5 M€, and it is homogeneously divided between buildings and land. It is geographically concentrated in the domestic market.

(M€)	**mar-11**	**dec-10**	**Dif**
Land and Buildings	**269.7**	**266.0**	**3.7**
By geography			
National	256.4	252.0	4.4
International	13.3	14.0	-0.7
By business unit			
Residential and offices	142.9	139.5	3.3
Land	126.8	126.5	0.3
Purchase option premiums	0.8	1.0	-0.1
Portfolio previous to 2009		0.0	0.0
Ordinary business portfolio	0.8	1.0	-0.1
Work in progress and other	0.0	0.0	0.0
TOTAL Inventory	**270.5**	**267.0**	**3.6**

- **Investment rights** stand at 120.2 M€, with a significant increase in comparison to December 2010. They are totally adapted tho the new market conditions as they are fully made up of buildings of ordinary business assets focused in the domestic market. It must be pointed out 60.0 M€ investment rights on financial entities assets that are managed under an exclusive commercialization strategy more than an acquisition- refurbishment and sale strategy.

(M€)	mar-11	dec-10	Dif
Investment rights	**120.2**	**33.5**	**86.7**
Portfolio previous to 2009	0.0	0.0	0.0
Ordinary business portfolio	60.2	33.5	26.7
Exclusive commercialization	60.0	0.0	60.0

- **Equity** of the company is negative of -46.5 M€ by the end of first quarter 2011, due to the decapitalization of tax credit, which amounted to 56.8 M€ by the end of 2010. Once the new agreement with the financial entities is fully implemented, it will allow a Group equity rebalance due to the consideration of the equity-loan as equity, and also because of the capital gains generated through the asset sales to financial entities. In case of failure to reach an agreement, as previously disclosed to the market, the Company would be in case of dissolution.
- The Company closed on May 13, 2011 an agreement with 17 financial entities to refinancing its entire debt for the long term. Under this agreement, 6 of the syndicated banks decided to acquire assets and cancelling its creditor position, which has reduced total debt amount by 117.7 M€.
- The proposed agreement divides the remaining debt after the sale of assets into:
  - Equity loan amounting to 54.5 M€. This loan would be considered as equity and would rebalance this line of the consolidated balance sheet. It has a maturity period of 10 years and would be repayed through two means: i) a percentage of the Company consolidated annual net profit; and ii) the cash surplus generated in the sale of inventories previous to 2009 once the senior credit is completely repaid.
  - Senior credit amounting to 103.5 M€. It has a maturity period of 8 years with a bullet repayment, although mandatory repayments will occur in each sale of inventory previous to 2009.
- The financial expenses associated to the new syndicated loan have been significantly minimized with the payment of a reduced fixed interest rate according to the cash generation of the Company. There is also a variable and extraordinary interest linked to the positive results of the Company.

Outlook for the future

- The new agreement on debt restructuring and the asset sale to the financial entities give the Company stability and balance for the long term. The materialization of the agreement allows it to avoid decapitalization risks and to accomodate debt repayment to the cash flow generation of the Company.
- This new situation will allow the Company to fully concentrate on its ordinary activity and on generating margin, mainly by focusing its efforts and resources in developing its business model.

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