Table 1

REALOGY CORPORATION AND THE PREDECESSOR
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions)

	Successor	Predecessor
	For The Three Months Ended March 31, 2008	For The Three Months Ended March 31, 2007
Revenues		
Gross commission income	$ 749	$ 1,021
Service revenue	184	196
Franchise fees	73	97
Other	48	59
Net revenues	**1,054**	**1,373**
Expenses		
Commission and other agent-related costs	486	673
Operating	428	444
Marketing	55	74
General and administrative	65	69
Former parent legacy costs (benefit), net	6	(20)
Separation costs	-	2
Restructuring costs	9	-
Merger costs	1	9
Depreciation and amortization	56	34
Interest expense	164	35
Interest income	-	(6)
Total expenses	**1,270**	**1,314**
Income (loss) before income taxes and minority interest	**(216)**	**59**
Provision for income taxes	(84)	27
Minority interest, net of tax	-	-
Net income (loss)	**$ (132)**	**$ 32**

Table 2

Q1 2008 Recap of Key Business/Revenue Drivers and Operating Statistics

	Q1 2008	Q1 2007	Variance
Real Estate Franchise Services [(a)]			
Closed homesale sides	209,313	279,236	-25%
Average homesale price	$ 214,305	$ 230,225	-7%
Average homesale broker commission rate	2.50%	2.49%	1 bps
Net effective royalty rate	5.05%	5.03%	2 bps
Royalty per side	$ 283	$ 298	-5%
Company Owned Real Estate Brokerage Services			
Closed homesale sides	54,047	73,871	-27%
Average homesale price	$ 526,570	$ 533,634	-1%
Average homesale broker commission rate	2.47%	2.47%	0 bps
Gross commission income per side	$ 13,826	$ 13,768	0%
Relocation Services			
Initiations	32,833	30,837	6%
Referrals	13,932	17,800	-22%
Title and Settlement Services			
Purchase title and closing units	24,008	32,007	-25%
Refinance title and closing units	11,272	9,681	16%
Average price per closing unit	$ 1,424	$ 1,457	-2%

(a) These amounts include only those relating to third-party franchisees and do not include amounts relating to NRT.

Table 3

Selected Quarterly Financial Data
(In millions)

	Successor	Predecessor
	For The Three Months Ended March 31, 2008	For The Three Months Ended March 31, 2007
Revenue:		
Real Estate Franchise Services	$ 152	$ 197
Company Owned Real Estate Brokerage Services	770	1,033
Relocation Services	108	124
Title and Settlement Services	81	88
Corporate and Other (c)	(57)	(69)
EBITDA (a) (b)		
Real Estate Franchise Services	$ 80	$ 122
Company Owned Real Estate Brokerage Services	(60)	(21)
Relocation Services	-	20
Title and Settlement Services	(2)	3
Corporate and Other (c)	(14)	(2)

(a) EBITDA is defined as net income before depreciation and amortization, interest (income) expense, net (other than Relocation Services interest for securitization assets and securitization obligations), income taxes and minority interest, each of which is presented on our Condensed Consolidated Statements of Operations.

(b) EBITDA includes Former Parent Legacy Costs (Benefits), Separation Costs (Benefits), Restructuring Costs, and Merger Costs as follows ($ In Millions):

	For The Three Months Ended March 31, 2008	For The Three Months Ended March 31, 2007
Real Estate Franchise Services	$ -	$ -
Company Owned Real Estate Brokerage Services	9	-
Relocation Services	-	(1)
Title and Settlement Services	-	-
Corporate and Other	7	(8)

(c) Includes unallocated corporate overhead and the elimination of transactions between segments, which consists of intercompany royalties and marketing fees paid by our Company Owned Real Estate Brokerage Services segment of $57 million and $69 million during the three months ended March 31, 2008, and 2007 respectively.

Table 4

Combined EBITDA and Combined Adjusted EBITDA for the 12 months ended March 31, 2008

A reconciliation of combined net loss to Combined Adjusted EBITDA (as defined in Table 5) for the twelve months ended March 31, 2008 is set forth in the following table:

	Combined For the Twelve Months Ended March 31, 2008
Combined net loss (a)	$ (1,005)
Minority interest, net of tax	1
Provision for income taxes	(571)
Loss before income taxes and minority interest	(1,575)
Interest expense (income), net	657
Depreciation and amortization	561
Combined EBITDA	(357)
Covenant calculation adjustments:	
Merger costs, restructuring costs, separation costs, and former parent legacy costs (benefit), net (b)	230
2007 impairment of intangible assets and goodwill (c)	667
Pro forma cost savings for 2007 restructuring initiatives (d)	36
Pro forma cost savings for 2008 restructuring initiatives (e)	15
Pro forma effect of business optimization initiatives (f)	70
Non-cash charges (g)	42
Non-recurring fair value adjustments for purchase accounting (h)	19
Pro forma effect of NRT acquisitions and RFG Acquisitions and new franchisees (i)	14
Apollo management fees (j)	15
Proceeds from WEX contingent asset (k)	11
Incremental securitization interest costs (l)	5
Better Homes and Gardens start up costs	1
Combined Adjusted EBITDA	$ 768
Total senior secured net debt (m)	3,233
Senior secured leverage ratio	4.2

(a) Combined net loss consists of a loss of: (i) $76 million for the period from April 1, 2007 to April 9, 2007; (ii) $149 million for the period from April 10, 2007 to June 30, 2007; (iii) $55 million for the third quarter of 2007; (iv) $593 million for the fourth quarter of 2007; and (v) $132 million for the first quarter of 2008.

(b) Consists of $96 million of merger costs, $45 million of restructuring costs, $50 million of separation benefits paid to our former CEO upon retirement, $4 million of separation costs and $35 million of former parent legacy costs.

(c) Represents the non-cash adjustment for the 2007 impairment of goodwill and unamortized intangible assets.

(d) Represents actual costs incurred that are not expected to recur in subsequent periods due to restructuring activities initiated during the year ended December 31, 2007. From this restructuring, we expect to reduce our operating costs by approximately $58 million on a twelve month run-rate basis and estimate that $22 million of such savings were realized from the time they were put in place (primarily in the fourth quarter of 2007) through March 31, 2008. The adjustment shown represents the impact the savings would have had on the period from April 1, 2007 through the time they were put in place, had those actions been effected on April 1, 2007.

(e) Represents actual costs incurred that are not expected to recur in subsequent periods due to restructuring activities initiated during the first quarter of 2008. From this restructuring, we expect to reduce our operating costs by approximately $15 million on a twelve month run-rate basis and estimate that none of such savings were realized in the first quarter of 2008. The adjustment shown represents the impact the savings would have had on the period from April 1, 2007 through the time they were put in place, had those actions been effected on April 1, 2007.

(f) Represents the twelve month pro forma effect of business optimization initiatives that have been completed to reduce costs including: (i) the elimination of the 401(k) employer match; (ii) the renegotiation of an NRT marketing contract; and (iii) the exit of the government at-risk homesale business.

(g) Represents the elimination of non-cash expenses including $35 million for the change in the allowance for doubtful accounts and reserve for development advance notes and promissory notes from April 1, 2007 through March 31, 2008, $6 million of stock based compensation expense, $1 million for foreign exchange hedges.

(h) Reflects the adjustment for the negative impact of $19 million of fair value adjustments for purchase accounting at the operating business segments primarily related to deferred revenue, referral fees, insurance accruals and at-risk homes for the twelve months ended March 31, 2008.

(i) Represents the estimated impact of acquisitions made by NRT and RFG acquisitions and new franchisees as if they had been acquired or signed on April 1, 2007. We have made a number of assumptions in calculating such estimate and there can be no assurance that we would have generated the projected levels of combined EBITDA had we owned the acquired entities or entered into the franchise contracts as of April 1, 2007.

(j) Represents the add-back of annual management fees payable to Apollo for the twelve months ended March 31, 2008.

(k) Wright Express Corporation (“WEX”) was divested by Cendant in February 2005 through an initial public offering (“IPO”). As a result of such IPO, the tax basis of WEX’s tangible and intangible assets increased to their fair market value which may reduce federal income tax that WEX might otherwise be obligated to pay in future periods. WEX is required to pay Cendant 85% of any tax savings related to the increase in fair value utilized for a period of time that we expect will be beyond the maturity of the notes. Cendant is required to pay 62.5% of these tax savings payments received from WEX to us.

(l) Incremental borrowing costs incurred as a result of the securitization facilities refinancing for the twelve months ended March 31, 2008.

(m) Represents total borrowings under the senior secured credit facility, including the revolving credit facility, of $3,192 million plus $43 million of capital lease obligations less $2 million of readily available cash as of March 31, 2008.

Table 5

Definitions

EBITDA is defined as net income before depreciation and amortization, interest (income) expense, net (other than relocation services interest for securitization assets and securitization obligations), income taxes and minority interest. Combined EBITDA is calculated in the same manner as EBITDA but is based on the combined results for the last twelve months. Combined Adjusted EBITDA is calculated by adjusting Combined EBITDA by the items described above. We believe Combined EBITDA and Combined Adjusted EBITDA are useful as supplemental measures in evaluating the performance of our operating businesses and provides greater transparency into our consolidated and combined results of operations. Combined EBITDA and Combined Adjusted EBITDA are measures used by our management, including our chief operating decision maker, to perform such evaluation, and are factors in measuring compliance with debt covenants relating to certain of our borrowing arrangements. Combined EBITDA and Combined Adjusted EBITDA should not be considered in isolation or as a substitute for net income or other statement of operations data prepared in accordance with U.S. generally accepted accounting principles. Our presentation of Combined EBITDA and Combined Adjusted EBITDA may not be comparable to similarly titled measures used by other companies. A reconciliation of Combined EBITDA and Combined Adjusted EBITDA to net loss is included in the table above.

We believe Combined EBITDA and Combined Adjusted EBITDA facilitate company-to-company operating performance comparisons by backing out potential differences caused by variations in capital structures (affecting net interest expense), taxation and the age and book depreciation of facilities (affecting relative depreciation expense), which may vary for different companies for reasons unrelated to operating performance. We further believe that EBITDA is frequently used by securities analysts, investors and other interested parties in their evaluation of companies, many of which present an EBITDA measure when reporting their results. Combined EBITDA and Combined Adjusted EBITDA are not necessarily comparable to other similarly titled financial measures of other companies due to the potential inconsistencies in the method of calculation. In addition, Combined Adjusted EBITDA as presented in this table corresponds to the definition of “Adjusted EBITDA” used in the senior secured credit facility to calculate the senior secured leverage ratio and substantially corresponds to the definition of “EBITDA” used in the indentures governing the notes to test the permissibility of certain types of transactions, including debt incurrence.

Combined EBITDA and Combined Adjusted EBITDA have limitations as analytical tools, and you should not consider them either in isolation or as substitutes for analyzing our results as reported under GAAP. Some of these limitations are:

- these EBITDA measures do not reflect changes in, or cash requirement for, our working capital needs;
- these EBITDA measures do not reflect our interest expense (except for interest related to our securitization obligations), or the cash requirements necessary to service interest or principal payments, on our debt;
- these EBITDA measures do not reflect our income tax expense or the cash requirements to pay our taxes;
- Combined Adjusted EBITDA includes pro forma cost savings and the pro forma twelve month effect of NRT acquisitions and RFG acquisitions/new franchisees as well as the pro forma twelve month effect of certain cost cutting and business optimization activities. These adjustments may not reflect the actual cost savings or pro forma effect recognized in future periods;
- these EBITDA measures do not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and these EBITDA measures do not reflect any cash requirements for such replacements; and
- other companies in our industry may calculate these EBITDA measures differently so they may not be comparable.