



## **Realogy CFO Tony Hull's Response on S&P Outlook:** **March 28, 2008**

On March 27, Standard and Poor's rating agency service affirmed Realogy's "B" corporate rating, but revised its outlook from "Stable" to "Negative."

The S&P report does not explicitly mention three key factors that are important to reiterate:

- Realogy's interest cost in 2008 will be significantly less than previously expected and 2007 pro forma levels.
- Realogy's proactive cost savings and cash maximization initiatives that have been successfully implemented (including exit from the government at-risk business that will free up \$50 million of cash this year) will continue to enhance our ability to tap into our bank debt revolver.
- Due to the seasonality of the real estate market, first quarter of any year is historically our slowest quarter (not just 2008). As we are only one-quarter into the year, the Company has 85% to 90% of its EBITDA opportunity ahead of it.

While the revised outlook was based primarily upon the continuing downturn in the residential real estate market, the S&P report concluded with the following astute statement:

*"Even though a return to growth in sides and price metrics in the industry could be at least one year away (in early 2009), our expectation remains that Realogy will benefit meaningfully in terms of growth in EBITDA and cash flow generation when the cycle turns upward, and that credit measures would improve."* [Italics added by Realogy.]

### **About Realogy Corporation**

Realogy Corporation, a global provider of real estate and relocation services, has a diversified business model that includes real estate franchising, brokerage, relocation and title services. Realogy's world-renowned brands and business units include Better Homes and Gardens Real Estate<sup>®</sup>, CENTURY 21<sup>®</sup>, Coldwell Banker<sup>®</sup>, Coldwell Banker Commercial<sup>®</sup>, The Corcoran Group<sup>®</sup>, ERA<sup>®</sup>, Sotheby's International Realty<sup>®</sup>, NRT LLC, Cartus and Title Resource Group. Collectively, Realogy's franchise systems have approximately 15,700 offices and 308,000 sales associates doing business in 88 countries around the world. Headquartered in Parsippany, N.J., Realogy ([www.realogy.com](http://www.realogy.com)) has approximately 13,400 employees worldwide. Realogy is owned by an affiliate of Apollo Management, L.P., a leading private equity and capital markets investor. To receive future Realogy news releases, you can sign up for an e-mail subscription or secure a link for your RSS reader at [www.realogy.com/media](http://www.realogy.com/media).

Certain statements in this document constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Realogy Corporation ("Realogy") to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Statements preceded by, followed by or that otherwise include the words "believes", "expects", "anticipates", "intends", "projects", "estimates", "plans", "may increase", "may fluctuate" and similar expressions or future or conditional verbs such as "will", "should", "would", "may" and "could" are generally forward-looking in nature and not historical facts. Any statements that refer

to expectations or other characterizations of future events, circumstances or results are forward-looking statements.

Various factors that could cause actual future results and other future events to differ materially from those estimated by management include, but are not limited to: our substantial debt leverage; continuing adverse developments in the residential real estate markets; limitations on flexibility in operating our business due to restrictions contained in our debt agreements; adverse developments in general business, economic and political conditions, including changes in short-term or long-term interest rates or mortgage-lending practices, or any outbreak or escalation of hostilities on a national, regional or international basis; our failure to complete future acquisitions or to realize anticipated benefits from completed acquisitions; our failure to maintain or acquire franchisees and brands or the inability of franchisees to survive the current real estate downturn; and our inability to access capital and/or securitization markets.

Consideration should be given to the areas of risk described above, as well as those risks set forth under the headings "Forward-Looking Statements" and "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2007, and in our other periodic reports filed from time to time, in connection with considering any forward-looking statements that may be made by us and our businesses generally. Except for our ongoing obligations to disclose material information under the federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events unless we are required to do so by law.

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