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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of Earliest Event Reported): November 1, 2011 (November 1, 2011)**

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**Realogy Corporation**  
(Exact Name of Registrant as Specified in its Charter)

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**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**333-173250, 333-173254 and 333-148153**  
(Commission  
File Number)

**20-4381990**  
(IRS Employer  
Identification No.)

**One Campus Drive**  
**Parsippany, NJ**  
(Address of Principal Executive Offices)

**07054**  
(Zip Code)

**(973) 407-2000**  
(Registrant's telephone number, including area code)

**None**  
(Former name or former address if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02 Results of Operations and Financial Condition.**

On November 1, 2011, Realogy Corporation issued a press release announcing its financial results for the quarter ended September 30, 2011. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

**Item 9.01 Financial Statements and Exhibits.**

*(d) Exhibits*

| <u>Exhibit<br/>No.</u> | <u>Description</u>   |
|------------------------|--|
| 99.1                   | Press Release issued by Realogy Corporation, dated November 1, 2011. |

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

REALOGY CORPORATION

By: /s/ Anthony E. Hull  
Anthony E. Hull, Executive Vice President,  
Chief Financial Officer and Treasurer

Date: November 1, 2011

## EXHIBIT INDEX

| <u>Number</u> | <u>Exhibit</u>   |
|---------------|--|
| 99.1          | Press Release issued by Realogy Corporation, dated November 1, 2011. |



## REALOGY REPORTS RESULTS FOR THIRD QUARTER 2011

### *Real Estate Leader Posts Net Revenue of \$1.2 Billion*

**PARSIPPANY, N.J., November 1, 2011** – Realogy Corporation, a global leader in real estate and relocation services, today reported results for the third quarter ended September 30, 2011. Realogy’s net revenue for the third quarter was \$1.2 billion, an increase of 10% compared to the third quarter of 2010. This was largely attributable to an increase in transaction volume in the franchised and company-owned real estate services segments, which was in line with reported national industry trends. Realogy’s EBITDA before restructuring and other items for the quarter was \$187 million, an increase of 8%, year-over-year. Realogy’s reported EBITDA for the quarter was \$187 million. For the quarter, Realogy recorded a net loss attributable to the Company of \$28 million.

“Despite difficult macro-economic issues, our third quarter produced 10% revenue growth and 8% growth in our EBITDA before restructuring and other items,” said Richard A. Smith, Realogy’s president and chief executive officer. “Given the macroeconomic headwinds facing the housing market, our operating performance has shown resilience. We believe we are substantially advantaged with our leaner, highly variable cost model, a capital structure that includes \$2.1 billion of convertible debt and the continued support of our largest investors. We are fortunate to have market-leading brands, a talented workforce and a stable and results-oriented management team committed to the long-term success and growth of our business.”

Looking at Realogy’s core business drivers, Realogy Franchise Group (RFG) and NRT, the company-owned brokerage unit, had year-over-year increases in the number of homesale sides of 10% and 16%, respectively. The increase in transaction sides at Realogy was partially offset by average sales price decreases at both RFG and NRT. The average homesale price decreased 1% at RFG and 5% at NRT in the third quarter of 2011, largely from a shift in our business to more lower-priced homes. Cartus experienced a 2% increase in relocation initiations and a 13% increase in broker referrals, while Title Resource Group experienced a 14% increase in purchase title and closing units and a 5% increase in the average price per closing unit, which offset a 19% decrease in refinance title and closing units.

“We anticipate fourth quarter home sale sides to increase, but at a slower pace than we saw in the third quarter as indicated by our preliminary October home sale sides being up approximately 8%, and average sales price to be down for the fourth quarter consistent with the NAR November forecast,” said Anthony E. Hull, Realogy’s chief financial officer. “The trend we are seeing currently is that in many of our markets, affordability of owning a home, particularly for first-time buyers, is driving activity at the lower end of the housing market. This has the impact of increasing unit volume while putting pressure on price. We expect that this trend will continue into 2012.”

### **Balance Sheet Information and Covenant Compliance as of September 30, 2011**

The Company ended the quarter with \$62 million of readily available cash and \$50 million outstanding on its revolving credit facility under its senior secured credit agreement. As of October 31<sup>st</sup>, the Company had \$300 million outstanding under its revolving credit facility. The Company expects approximately half of these borrowings to be repaid by the end of the December.

A complete balance sheet is included as Table 2 of this press release.

As of September 30, 2011, the Company's senior secured leverage ratio (SSLR) was 4.15 to 1, which is well below the 4.75 to 1 maximum ratio required to be in compliance with its senior secured credit agreement. This was a quarter turn improvement from the SSLR at June 30, 2011. The SSLR is determined by dividing Realogy's senior secured net debt of \$2.5 billion at September 30, 2011 by the Company's Adjusted EBITDA of \$591 million for the 12 months ended September 30, 2011. (Please see Table 8 for the definition of non-GAAP financial measures, Adjusted EBITDA and EBITDA before restructuring and other items and Tables 6 and 7 for a reconciliation of these non-GAAP measures to their most comparable GAAP financial measure, net loss attributable to Realogy.)

### **Investor Webcast**

Realogy will hold a Webcast to review its third quarter 2011 results on November 1 at 4:30 p.m. (EDT). The call will be hosted by Richard A. Smith, president and CEO, and Anthony E. Hull, executive vice president, CFO and treasurer. The conference call, together with corresponding slides, will be made available live via Webcast on the [Investor Information](#) section of the Realogy website. A replay of the Webcast also will be available on the website from November 2 through November 9.

### **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, CENTURY 21®, Coldwell Banker®, Coldwell Banker Commercial®, The Corcoran Group®, ERA®, Sotheby's International Realty®, NRT LLC, Cartus and Title Resource Group. Collectively, Realogy's franchise system members operate approximately 14,300 offices with 253,000 sales associates doing business in 100 countries and territories around the world. Headquartered in Parsippany, N.J., Realogy is owned by affiliates of Apollo Management, L.P., a subsidiary of Apollo Global Management, LLC, a leading global alternative asset manager.

### **Forward-Looking Statements**

*Certain statements in this press release 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 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" and "plans" 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: the Company's substantial amount of outstanding debt; constraints on the Company's liquidity; variable rate indebtedness which subjects the Company to interest rate risk; the Company's ability to comply*

*with the affirmative and negative covenants contained in its debt agreements; adverse developments or the absence of improvement in the residential real estate markets, including, but not limited to, the lack of sustained improvement in the number of homesales and/or further declines in home prices, low levels of consumer confidence, the impact of future recessions, slow economic growth and related high levels of unemployment in the U.S. and abroad, continuing high levels of foreclosures, and reduced availability of mortgage financing or financing availability at rates not sufficiently attractive to homebuyers; seasonal fluctuations in the residential real estate brokerage business; the final resolution or outcomes with respect to Cendant's contingent liabilities; adverse developments or the absence of sustained improvement in general business, economic and political conditions, including, but not limited to, changes in short-term or long-term interest rates, or any outbreak or escalation of hostilities on a national, regional or international basis; government regulation as well as legislative, tax or regulatory changes that would adversely impact the residential real estate market, including but not limited to potential reform of the financing of the U.S. housing and mortgage markets and the Internal Revenue Code; the Company's failure to enter into or renew franchise agreements, maintain its brands or the inability of franchisees to survive the current real estate cycle; the Company's inability to realize benefits from future acquisitions; the Company's inability to sustain improvements in its operating efficiency; and its inability to access the 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 Prospectus dated June 16, 2011 and Quarterly Report on Form 10-Q for the quarter ended September 30, 2011 and in the Company's 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, the Company undertakes 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.*

*This release includes certain non-GAAP financial measures as defined under SEC rules. As required by SEC rules, important information regarding such measures is contained in the Tables attached to this release.*

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Table 1

**REALOGY CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In millions)

|   | Three Months Ended<br>September 30, |                | Nine Months Ended<br>September 30, |               |
|---|-------------------------------------|----------------|------------------------------------|---------------|
|   | 2011                                | 2010           | 2011                               | 2010          |
| <b>Revenues</b>   |                                     |                |                                    |               |
| Gross commission income   | \$ 831                              | \$ 751         | \$2,279                            | \$2,280       |
| Service revenue   | 211                                 | 197            | 567                                | 518           |
| Franchise fees  | 73                                  | 67             | 194                                | 203           |
| Other   | 40                                  | 37             | 125                                | 123           |
| Net revenues  | <u>1,155</u>                        | <u>1,052</u>   | <u>3,165</u>                       | <u>3,124</u>  |
| <b>Expenses</b>   |                                     |                |                                    |               |
| Commission and other agent-related costs  | 547                                 | 490            | 1,498                              | 1,479         |
| Operating   | 324                                 | 315            | 959                                | 925           |
| Marketing   | 45                                  | 42             | 142                                | 138           |
| General and administrative  | 62                                  | 45             | 189                                | 180           |
| Former parent legacy costs (benefit), net   | (3)                                 | (6)            | (17)                               | (315)         |
| Restructuring costs   | 3                                   | 2              | 8                                  | 12            |
| Depreciation and amortization   | 46                                  | 49             | 139                                | 148           |
| Interest expense/(income), net  | 159                                 | 151            | 499                                | 458           |
| Loss on the early extinguishment of debt  | —                                   | —              | 36                                 | —             |
| Other (income)/expense, net   | —                                   | —              | —                                  | (6)           |
| Total expenses  | <u>1,183</u>                        | <u>1,088</u>   | <u>3,453</u>                       | <u>3,019</u>  |
| <b>Income (loss) before income taxes, equity in earnings and noncontrolling interests</b> |                                     |                |                                    |               |
|   | (28)                                | (36)           | (288)                              | 105           |
| Income tax expense  | 10                                  | 10             | 12                                 | 134           |
| Equity in earnings of unconsolidated entities   | (11)                                | (13)           | (15)                               | (22)          |
| Net loss  | (27)                                | (33)           | (285)                              | (7)           |
| Less: Net income attributable to noncontrolling interests                                 | (1)                                 | —              | (2)                                | (1)           |
| <b>Net loss attributable to Realty</b>  | <u>\$ (28)</u>                      | <u>\$ (33)</u> | <u>\$ (287)</u>                    | <u>\$ (8)</u> |

Table 2

**REALOGY CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In millions)

|   | September 30,<br>2011 | December 31,<br>2010 |
|---|-----------------------|----------------------|
| <b>ASSETS</b>   |                       |                      |
| Current assets:   |                       |                      |
| Cash and cash equivalents   | \$ 102                | \$ 192               |
| Trade receivables (net of allowance for doubtful accounts of \$66 and \$67)           | 142                   | 114                  |
| Relocation receivables  | 449                   | 386                  |
| Relocation properties held for sale   | 17                    | 21                   |
| Deferred income taxes   | 66                    | 76                   |
| Other current assets  | 91                    | 109                  |
| Total current assets  | 867                   | 898                  |
| Property and equipment, net   | 169                   | 186                  |
| Goodwill  | 2,613                 | 2,611                |
| Trademarks  | 732                   | 732                  |
| Franchise agreements, net   | 2,858                 | 2,909                |
| Other intangibles, net  | 450                   | 478                  |
| Other non-current assets  | 208                   | 215                  |
| <b>Total assets</b>   | <b>\$ 7,897</b>       | <b>\$ 8,029</b>      |
| <b>LIABILITIES AND EQUITY (DEFICIT)</b>   |                       |                      |
| Current liabilities:  |                       |                      |
| Accounts payable  | \$ 155                | \$ 203               |
| Securitization obligations  | 332                   | 331                  |
| Due to former parent  | 78                    | 104                  |
| Revolving credit facilities and current portion of long-term debt                     | 200                   | 194                  |
| Accrued expenses and other current liabilities  | 621                   | 525                  |
| Total current liabilities   | 1,386                 | 1,357                |
| Long-term debt  | 6,827                 | 6,698                |
| Deferred income taxes   | 885                   | 883                  |
| Other non-current liabilities   | 143                   | 163                  |
| <b>Total liabilities</b>  | <b>9,241</b>          | <b>9,101</b>         |
| Commitments and contingencies   |                       |                      |
| Equity (deficit):   |                       |                      |
| Realogy common stock: \$.01 par value, 100 shares authorized, issued and outstanding) | —                     | —                    |
| Additional paid-in capital  | 2,031                 | 2,026                |
| Accumulated deficit   | (3,357)               | (3,070)              |
| Accumulated other comprehensive loss  | (20)                  | (30)                 |
| Total Realogy stockholder's deficit   | (1,346)               | (1,074)              |
| Noncontrolling interests  | 2                     | 2                    |
| <b>Total equity (deficit)</b>   | <b>(1,344)</b>        | <b>(1,072)</b>       |
| <b>Total liabilities and equity (deficit)</b>   | <b>\$ 7,897</b>       | <b>\$ 8,029</b>      |

Table 3

**REALOGY CORPORATION  
2011 KEY DRIVERS**

|  | Three Months Ended September 30, |           |          | Nine Months Ended September 30, |           |          |
|--|----------------------------------|-----------|----------|---------------------------------|-----------|----------|
|  | 2011                             | 2010      | % Change | 2011                            | 2010      | % Change |
| <b>Real Estate Franchise Services <sup>(a)</sup></b> |                                  |           |          |                                 |           |          |
| Closed homesale sides                                | 252,991                          | 229,241   | 10%      | 688,679                         | 711,061   | (3%)     |
| Average homesale price                               | \$200,987                        | \$202,272 | (1%)     | \$199,422                       | \$196,641 | 1%       |
| Average homesale broker commission rate              | 2.56%                            | 2.53%     | 3bps     | 2.55%                           | 2.54%     | 1bps     |
| Net effective royalty rate                           | 4.88%                            | 4.95%     | (7bps)   | 4.86%                           | 5.01%     | (15bps)  |
| Royalty per side                                     | \$ 261                           | \$ 267    | (2%)     | \$ 257                          | \$ 261    | (2%)     |
| <b>Company Owned Real Estate Brokerage Services</b>  |                                  |           |          |                                 |           |          |
| Closed homesale sides                                | 71,167                           | 61,092    | 16%      | 195,428                         | 197,207   | (1%)     |
| Average homesale price                               | \$433,003                        | \$457,782 | (5%)     | \$432,758                       | \$432,996 | %        |
| Average homesale broker commission rate              | 2.49%                            | 2.47%     | 2bps     | 2.49%                           | 2.48%     | 1bps     |
| Gross commission income per side                     | \$ 11,620                        | \$ 12,209 | (5%)     | \$ 11,623                       | \$ 11,522 | 1%       |
| <b>Relocation Services</b>                           |                                  |           |          |                                 |           |          |
| Initiations  | 37,540                           | 36,743    | 2%       | 119,081                         | 115,361   | 3%       |
| Referrals  | 22,254                           | 19,625    | 13%      | 55,349                          | 53,504    | 3%       |
| <b>Title and Settlement Services</b>                 |                                  |           |          |                                 |           |          |
| Purchase title and closing units                     | 26,128                           | 22,963    | 14%      | 71,318                          | 73,042    | (2%)     |
| Refinance title and closing units                    | 14,234                           | 17,546    | (19%)    | 41,900                          | 39,860    | 5%       |
| Average price per closing unit                       | \$ 1,446                         | \$ 1,381  | 5%       | \$ 1,453                        | \$ 1,406  | 3%       |

(a) Includes all franchisees except for our Company Owned Real Estate Brokerage Services segment.

Table 4

**REALOGY CORPORATION  
2010 KEY DRIVERS**

|   | Quarter Ended     |                  |                       |                      | Year Ended           |
|---|-------------------|------------------|-----------------------|----------------------|----------------------|
|   | March 31,<br>2010 | June 30,<br>2010 | September 30,<br>2010 | December 31,<br>2010 | December 31,<br>2010 |
| <b>Real Estate Franchise Services (a)</b>           |                   |                  |                       |                      |                      |
| Closed homesale sides                               | 193,340           | 288,479          | 229,241               | 211,281              | 922,341              |
| Average homesale price                              | \$188,478         | \$197,637        | \$ 202,272            | \$ 202,906           | \$ 198,076           |
| Average homesale broker commission rate             | 2.55%             | 2.54%            | 2.53%                 | 2.53%                | 2.54%                |
| Net effective royalty rate                          | 5.04%             | 5.04%            | 4.95%                 | 4.97%                | 5.00%                |
| Royalty per side                                    | \$ 252            | \$ 261           | \$ 267                | \$ 267               | \$ 262               |
| <b>Company Owned Real Estate Brokerage Services</b> |                   |                  |                       |                      |                      |
| Closed homesale sides                               | 52,532            | 83,583           | 61,092                | 58,080               | 255,287              |
| Average homesale price                              | \$417,782         | \$424,442        | \$ 457,782            | \$ 444,000           | \$ 435,500           |
| Average homesale broker commission rate             | 2.48%             | 2.49%            | 2.47%                 | 2.48%                | 2.48%                |
| Gross commission income per side                    | \$ 11,161         | \$ 11,247        | \$ 12,209             | \$ 11,736            | \$ 11,571            |
| <b>Relocation Services</b>                          |                   |                  |                       |                      |                      |
| Initiations (b)                                     | 32,429            | 46,189           | 36,743                | 32,943               | 148,304              |
| Referrals (c)                                       | 12,109            | 21,770           | 19,625                | 16,101               | 69,605               |
| <b>Title and Settlement Services</b>                |                   |                  |                       |                      |                      |
| Purchase title and closing units                    | 19,947            | 30,133           | 22,963                | 21,247               | 94,290               |
| Refinance title and closing units                   | 11,935            | 10,378           | 17,546                | 22,366               | 62,225               |
| Average price per closing unit                      | \$ 1,353          | \$ 1,472         | \$ 1,381              | \$ 1,336             | \$ 1,386             |

- (a) Includes all franchisees except for our Company Owned Real Estate Brokerage Services segment.
- (b) Includes initiations of 5,177, 7,612, 6,516 and 6,782 for the periods ended March 31, June 30, September 30, and December 31, 2010, respectively, related to the Primacy acquisition on January 21, 2010.
- (c) Includes referrals of 716, 1,527, 1,513 and 1,241 for the periods ended March 31, June 30, September 30, and December 31, 2010, respectively, related to the Primacy acquisition on January 21, 2010.

Table 5a

**REALOGY CORPORATION**  
**SELECTED 2011 FINANCIAL DATA**  
(In millions)

|  | For the Three<br>Months ended<br>March 31, 2011 | For the Three<br>Months ended<br>June 30, 2011 | For the Three<br>Months ended<br>September 30, 2011 |
|--|---|--|---|
| <b>Revenue (a)</b>                           |   |  |   |
| Real Estate Franchise Services               | \$ 118  | \$ 160   | \$ 151  |
| Company Owned Real Estate Brokerage Services | 587   | 884  | 841   |
| Relocation Services                          | 87  | 110  | 126   |
| Title and Settlement Services                | 83  | 90   | 95  |
| Corporate and Other                          | (44)  | (65)   | (58)  |
| <b>Total Company</b>                         | <u>\$ 831</u>                                   | <u>\$ 1,179</u>                                | <u>1,155</u>  |
| <b>EBITDA (b)</b>                            |   |  |   |
| Real Estate Franchise Services               | \$ 62   | \$ 97  | \$ 92   |
| Company Owned Real Estate Brokerage Services | (37)  | 48   | 47  |
| Relocation Services                          | 10  | 32   | 50  |
| Title and Settlement Services                | 2   | 12   | 8   |
| Corporate and Other                          | (48)  | (2)  | (10)  |
| <b>Total Company</b>                         | <u>\$ (11)</u>                                  | <u>\$ 187</u>                                  | <u>\$ 187</u>                                       |
| Depreciation and amortization                | 46  | 47   | 46  |
| Interest expense, net                        | 179   | 161  | 159   |
| Income tax expense                           | 1   | 1  | 10  |
| <b>Net loss attributable to Realty</b>       | <u>\$ (237)</u>                                 | <u>\$ (22)</u>                                 | <u>\$ (28)</u>                                      |

- (a) Transactions between segments are eliminated in consolidation. Revenues for the Real Estate Franchise Services segment include intercompany royalties and marketing fees paid by the Company Owned Real Estate Brokerage Services segment of \$44 million and, \$65 million, and \$58 million for the three months ended March 31, 2011, June 30, 2011 and September 30, 2011, respectively. Such amounts are eliminated through the Corporate and Other line. Revenues for the Relocation Services segment include \$7 million, \$11 million and \$11 million of intercompany referral and relocation fees paid by the Company Owned Real Estate Brokerage Services segment during the three months ended March 31, 2011, June 30, 2011 and September 30, 2011, respectively. Such amounts are recorded as contra-revenues by the Company Owned Real Estate Brokerage Services segment. There are no other material inter-segment transactions.
- (b) Includes \$2 million of restructuring costs and \$36 million related to loss on the early extinguishment of debt, partially offset by \$2 million of former parent legacy benefits for the three months ended March 31, 2011, \$3 million of restructuring costs offset by a net benefit of \$12 million of former parent legacy items for the three months ended June 30, 2011, \$3 million of restructuring costs offset by a net benefit of \$3 million of former parent legacy items for the three months ended September 30, 2011 broken down by business units as follows:

|  | For the Three<br>Months ended<br>March 31, 2011 | For the Three<br>Months ended<br>June 30, 2011 | For the Three<br>Months ended<br>September 30, 2011 |
|--|---|--|---|
| Real Estate Franchise Services               | \$ —  | \$ —   | \$ —  |
| Company Owned Real Estate Brokerage Services | 2   | 2  | 3   |
| Relocation Services                          | —   | —  | —   |
| Title and Settlement Services                | —   | 1  | —   |
| Corporate and Other                          | 34  | (12)   | (3)   |
| <b>Total Company</b>                         | <u>\$ 36</u>                                    | <u>\$ (9)</u>                                  | <u>\$ —</u>   |

EBITDA by segment before restructuring and other items detailed above for the three months ended March 31, 2011 was: RFG \$62 million, NRT (\$35) million, Cartus \$10 million, TRG \$2 million and Corporate (\$14) million. EBITDA by segment before restructuring and other items detailed above for the three months ended June 30, 2011 was: RFG \$97 million, NRT \$50 million, Cartus \$32 million, TRG \$13 million and Corporate (\$14) million. EBITDA by segment before restructuring and other items detailed above for the three months ended September 30, 2011 was: RFG \$92 million, NRT \$50 million, Cartus \$50 million, TRG \$8 million and Corporate (\$13) million.

Table 5b

**REALOGY CORPORATION**  
**SELECTED 2010 FINANCIAL DATA**  
(In millions)

|  | For the Three<br>Months Ended<br>March 31, 2010 | For the Three<br>Months Ended<br>June 30, 2010 | For the Three<br>Months Ended<br>September 30, 2010 | For the Three<br>Months Ended<br>December 31, 2010 | For the Year<br>Ended<br>December 31, 2010 |
|--|---|--|---|--|--|
| <b>Revenue (a)</b>                       |   |  |   |  |  |
| Real Estate Franchise                    |   |  |   |  |  |
| Services                                 | \$ 122  | \$ 173   | \$ 138  | \$ 127   | \$ 560                                     |
| Company Owned Real Estate                |   |  |   |  |  |
| Brokerage Services                       | 601   | 956  | 762   | 697  | 3,016                                      |
| Relocation Services                      | 76  | 106  | 122   | 101  | 405  |
| Title and Settlement Services            | 65  | 86   | 84  | 90   | 325  |
| Corporate and Other                      | (45)  | (68)   | (54)  | (49)   | (216)                                      |
| <b>Total Company</b>                     | <b>\$ 819</b>                                   | <b>\$ 1,253</b>                                | <b>\$ 1,052</b>                                     | <b>\$ 966</b>                                      | <b>\$ 4,090</b>                            |
| <b>EBITDA (b)</b>                        |   |  |   |  |  |
| Real Estate Franchise                    |   |  |   |  |  |
| Services                                 | \$ 65   | \$ 123   | \$ 90   | \$ 74  | \$ 352                                     |
| Company Owned Real Estate                |   |  |   |  |  |
| Brokerage Services                       | (34)  | 84   | 31  | (1)  | 80   |
| Relocation Services                      | 4   | 27   | 51  | 27   | 109  |
| Title and Settlement Services            | (5)   | 11   | 8   | 11   | 25   |
| Corporate and Other                      | (19)  | 299  | (3)   | (8)  | 269  |
| <b>Total Company</b>                     | <b>\$ 11</b>                                    | <b>\$ 544</b>                                  | <b>\$ 177</b>                                       | <b>\$ 103</b>                                      | <b>\$ 835</b>                              |
| Depreciation and amortization            | 50  | 49   | 49  | 49   | 197  |
| Interest expense, net                    | 152   | 155  | 151   | 146  | 604  |
| Income tax expense (benefit)             | 6   | 118  | 10  | (1)  | 133  |
| Net income (loss) attributable to Realty | <u>\$ (197)</u>                                 | <u>\$ 222</u>                                  | <u>\$ (33)</u>                                      | <u>\$ (91)</u>                                     | <u>\$ (99)</u>                             |

- (a) Transactions between segments are eliminated in consolidation. Revenues for the Real Estate Franchise Services segment include intercompany royalties and marketing fees paid by the Company Owned Real Estate Brokerage Services segment of \$45 million, \$68 million, \$54 million and \$49 million for the three months ended March 31, June 30, September 30, and December 31 2010, respectively. Such amounts are eliminated through the Corporate and Other line. Revenues for the Relocation Services segment include \$7 million, \$10 million, \$12 million and \$8 million of intercompany referral and relocation fees paid by the Company Owned Real Estate Brokerage Services segment during the three months ended March 31, June 30, September 30, and December 31 2010, respectively. Such amounts are recorded as contra-revenues by the Company Owned Real Estate Brokerage Services segment. Revenues for the Real Estate Franchise Services segment include intercompany royalties and marketing fees paid by the Company Owned Real Estate Brokerage Services segment of \$216 million for the year ended December 31, 2010. Revenues for the Relocation Services segment include intercompany referral and relocation fees paid by the Company Owned Real Estate Brokerage Services segment of \$37 million for the year ended December 31, 2010. There are no other material inter-segment transactions.
- (b) Includes \$6 million and \$5 million of restructuring costs and former parent legacy items, respectively, for the three months ended March 31, 2010, \$4 million of restructuring costs offset by a net benefit of \$314 million of former parent legacy items primarily as a result of tax and other liability adjustments for the three months ended June 30, 2010, \$2 million of restructuring costs offset by a net benefit of \$6 million of former parent legacy items for the three months ended September 30, 2010 and \$9 million of restructuring and \$1 million of merger costs, offset by a net benefit of \$8 million of former parent legacy items for the three months ended December 31, 2010. EBITDA for the year ended December 31, 2010 includes \$21 million of restructuring costs and \$1 million of merger costs, offset by a net benefit of \$323 million of former parent legacy items primarily as a result of tax and other liability adjustments broken down by business units as follows:

|                       | For the Three<br>Months Ended<br>March 31, 2010 | For the Three<br>Months Ended<br>June 30, 2010 | For the Three<br>Months Ended<br>September 30, 2010 | For the Three<br>Months Ended<br>December 31, 2010 | For the Year<br>Ended<br>December 31, 2010 |
|-----------------------|---|--|---|--|--|
| Real Estate Franchise |   |  |   |  |  |
| Services              | \$ —  | \$ —   | \$ —  | \$ —   | \$ —                                       |

Company Owned Real  
Estate

|                                  |              |                 |               |             |                 |
|----------------------------------|--------------|-----------------|---------------|-------------|-----------------|
| Brokerage Services               | 3            | 2               | 2             | 5           | 12              |
| Relocation Services              | 2            | 1               | —             | —           | 3               |
| Title and Settlement<br>Services | 1            | —               | —             | 2           | 3               |
| Corporate and Other              | 5            | (313)           | (6)           | (5)         | (319)           |
| <b>Total Company</b>             | <b>\$ 11</b> | <b>\$ (310)</b> | <b>\$ (4)</b> | <b>\$ 2</b> | <b>\$ (301)</b> |

EBITDA by segment before restructuring and other items detailed above for the three months ended March 31, 2010 was: RFG \$65 million, NRT (\$31) million, Cartus \$6 million, TRG (\$4) million and Corporate (\$14) million. EBITDA by segment before restructuring and other items detailed above for the three months ended June 30, 2010 was: RFG \$123 million, NRT \$86 million, Cartus \$28 million, TRG \$11 million and Corporate (\$14) million. EBITDA by segment before restructuring and other items detailed above for the three months ended September 30, 2010 was: RFG \$90 million, NRT \$33 million, Cartus \$51 million, TRG \$8 million and Corporate (\$9) million. EBITDA by segment before restructuring and other items detailed above for the three months ended December 31, 2010 was: RFG \$74 million, NRT \$4 million, Cartus \$27 million, TRG \$13 million and Corporate (\$13) million. EBITDA by segment before restructuring and other items detailed above for the corresponding year ended December 31, 2010 was as follows: RFG \$352 million, NRT \$92 million, Cartus \$112 million, TRG \$28 million, and Corporate (\$50) million.

Table 6

**REALOGY CORPORATION**  
**EBITDA AND ADJUSTED EBITDA**  
(In millions)

A reconciliation of net loss attributable to Realty to EBITDA and Adjusted EBITDA for the twelve months ended September 30, 2011 is set forth in the following table:

|  | Year<br>Ended<br>December 31,<br>2010 | Less<br>Nine Months<br>Ended<br>September 30,<br>2010 | Equals<br>Three Months<br>Ended<br>December 31,<br>2010 | Plus<br>Nine Months<br>Ended<br>September 30,<br>2011 | Equals<br>Twelve Months<br>Ended<br>September 30,<br>2011 |
|--|---------------------------------------|---|---|---|---|
| Net loss attributable to Realty  | \$ (99)                               | \$ (8)  | \$ (91)   | \$ (287)  | \$ (378)(a)   |
| Income tax expense (benefit)   | 133                                   | 134   | (1)   | 12  | 11  |
| Income (loss) before income taxes  | 34                                    | 126   | (92)  | (275)   | (367)   |
| Interest expense, net  | 604                                   | 458   | 146   | 499   | 645   |
| Depreciation and amortization  | 197                                   | 148   | 49  | 139   | 188   |
| <b>EBITDA</b>  | <b>835</b>                            | <b>732</b>  | <b>103</b>  | <b>363</b>  | <b>466(b)</b>   |
| Covenant calculation adjustments:  |                                       |   |   |   |   |
| Restructuring costs, merger costs and former parent legacy cost (benefit) items, net (c) |                                       |   |   |   | (7)   |
| Pro forma cost-savings for 2011 restructuring initiatives (d)                            |                                       |   |   |   | 12  |
| Pro forma cost-savings for 2010 restructuring initiatives (e)                            |                                       |   |   |   | 3   |
| Pro forma effect of business optimization initiatives (f)                                |                                       |   |   |   | 50  |
| Non-cash charges (g)   |                                       |   |   |   | 3   |
| Non-recurring fair value adjustments for purchase accounting (h)                         |                                       |   |   |   | 4   |
| Pro forma effect of acquisitions and new franchisees (i)                                 |                                       |   |   |   | 7   |
| Apollo management fees (j)   |                                       |   |   |   | 15  |
| Incremental securitization interest costs (k)  |                                       |   |   |   | 2   |
| Loss on the early extinguishment of debt   |                                       |   |   |   | 36  |
| <b>Adjusted EBITDA</b>   |                                       |   |   |   | <b>\$ 591</b>   |
| Total senior secured net debt (l)  |                                       |   |   |   | \$ 2,453  |
| <b>Senior secured leverage ratio</b>   |                                       |   |   |   | <b>4.15x</b>  |

- (a) Net loss attributable to Realty consists of: (i) a loss of \$91 million for the fourth quarter of 2010; (ii) a loss of \$237 million for the first quarter of 2011; (iii) a loss of \$22 million for the second quarter of 2011 and (iv) a loss of \$28 million for the third quarter of 2011.
- (b) EBITDA consists of: (i) \$103 million for the fourth quarter of 2010; (ii) a negative \$11 million for the first quarter of 2011; (iii) \$187 million for the second quarter of 2011 and (iv) \$187 million for the third quarter of 2011.
- (c) Consists of \$17 million of restructuring costs and \$1 million of merger costs offset by a net benefit of \$25 million for former parent legacy items.
- (d) Represents actual costs incurred that are not expected to recur in subsequent periods due to restructuring activities initiated during the first nine months of 2011. From this restructuring, we expect to reduce our operating costs by approximately \$17 million on a twelve-month run-rate basis and estimate that \$5 million of such savings were realized from the time they were put in place. The adjustment shown represents the impact the savings would have had on the period from October 1, 2010 through the time they were put in place had those actions been effected on October 1, 2010.
- (e) Represents actual costs incurred that are not expected to recur in subsequent periods due to restructuring activities initiated during the year ended December 31, 2010. From this restructuring, we expect to reduce our operating costs by approximately \$34 million on a twelve-month run-rate basis and estimate that \$31 million of such savings were realized from the time they were put in place. The adjustment shown represents the impact the savings would have had on the period from October 1, 2010 through the time they were put in place had those actions been effected on October 1, 2010.
- (f) Represents the twelve-month pro forma effect of business optimization initiatives that have been completed to reduce costs, including \$2 million related to our Relocation Services integration costs, new business start-ups and acquisition related non-cash adjustments, \$5 million related to vendor renegotiations, \$37 million for employee retention accruals and \$6 million of other initiatives. The employee retention accruals reflect the employee retention plans that have been implemented in lieu of our customary

bonus plan, due to the ongoing and prolonged downturn in the housing market in order to ensure the retention of executive officers and other key personnel, principally within our corporate services unit and the corporate offices of our four business units.

- (g) Represents the elimination of non-cash expenses, including \$7 million of stock-based compensation expense and \$2 million of other items less \$6 million for the change in the allowance for doubtful accounts and notes reserves from October 1, 2010 through September 30, 2011.
- (h) Reflects the adjustment for the negative impact of fair value adjustments for purchase accounting at the operating business segments primarily related to deferred rent.
- (i) Represents the estimated impact of acquisitions and new franchisees as if they had been acquired or signed on October 1, 2010. Franchisee sales activity is comprised of new franchise agreements as well as growth acquired by existing franchisees with our assistance. 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 EBITDA had we owned the acquired entities or entered into the franchise contracts as of October 1, 2010.
- (j) Represents the elimination of annual management fees payable to Apollo for the twelve months ended September 30, 2011.
- (k) Incremental borrowing costs incurred as a result of the securitization facilities refinancing for the twelve months ended September 30, 2011.
- (l) Represents total borrowings under the Senior Secured Credit Facility which are secured by a first priority lien on our assets of \$2,503 million plus \$12 million of capital lease obligations less \$62 million of readily available cash as of September 30, 2011. Pursuant to the terms of the Senior Secured Credit Facility, senior secured net debt does not include First and a Half Lien Notes, Second Lien Loans, other bank indebtedness not secured by a first lien on our assets, securitization obligations or Unsecured Notes.

**Table 7**

**Reconciliation of net loss attributable to Realogy to EBITDA and EBITDA before restructuring and other items (in millions)**

A reconciliation of net loss attributable to Realogy to EBITDA and EBITDA before restructuring and other items for the three and nine months ended September 30, 2011 and 2010 is set forth in the following table:

|  | Three Months Ended<br>September 30, |               |
|--|-------------------------------------|---------------|
|  | 2011                                | 2010          |
| Net income (loss) attributable to Realogy          | \$ (28)                             | \$ (33)       |
| Income tax expense                                 | 10                                  | 10            |
| Income (loss) before income taxes                  | (18)                                | (23)          |
| Interest expense, net                              | 159                                 | 151           |
| Depreciation and amortization                      | 46                                  | 49            |
| <b>EBITDA</b>                                      | <b>\$ 187</b>                       | <b>\$ 177</b> |
| Legacy costs (benefits), net                       | (3)                                 | (6)           |
| Restructuring costs                                | 3                                   | 2             |
| Total restructuring and other items                | —                                   | (4)           |
| <b>EBITDA before restructuring and other items</b> | <b>\$ 187</b>                       | <b>\$ 173</b> |

  

|  | Nine Months Ended<br>September 30, |               |
|--|------------------------------------|---------------|
|  | 2011                               | 2010          |
| Net income (loss) attributable to Realogy          | \$ (287)                           | \$ (8)        |
| Income tax expense                                 | 12                                 | 134           |
| Income (loss) before income taxes                  | (275)                              | 126           |
| Interest expense, net                              | 499                                | 458           |
| Depreciation and amortization                      | 139                                | 148           |
| <b>EBITDA</b>                                      | <b>\$ 363</b>                      | <b>\$ 732</b> |
| Legacy costs (benefits), net                       | (17)                               | (315)         |
| Restructuring costs                                | 8                                  | 12            |
| Loss on the early extinguishment of debt           | 36                                 | —             |
| Total restructuring and other items                | 27                                 | (303)         |
| <b>EBITDA before restructuring and other items</b> | <b>\$ 390</b>                      | <b>\$ 429</b> |

**Table 8****Definitions**

EBITDA is defined by us as net income (loss) before depreciation and amortization, interest (income) expense, net (other than relocation services interest for securitization assets and securitization obligations) and income taxes. EBITDA before restructuring and other items is defined by us as EBITDA adjusted for restructuring costs, former parent legacy cost (benefit) items, net and loss on the early extinguishment of debt. Adjusted EBITDA corresponds to the definition of "EBITDA" used in the senior secured credit facility, calculated on a "pro forma basis," to demonstrate our compliance with the senior secured leverage ratio covenant in the senior secured credit facility. We present EBITDA, EBITDA before restructuring and other items and Adjusted EBITDA because we believe EBITDA, EBITDA before restructuring and other items and Adjusted EBITDA are useful as supplemental measures in evaluating the performance of our operating businesses and provides greater transparency into our results of operations. Our management, including our chief operating decision maker, uses EBITDA and EBITDA before restructuring and other items as a factor in evaluating the performance of our business. EBITDA, EBITDA before restructuring and other items and 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 GAAP. See Tables 6 & 7 for a presentation of net income (loss) as calculated under GAAP and a reconciliation to our EBITDA, EBITDA before restructuring and other items and Adjusted EBITDA.

We believe EBITDA facilitates company-to-company operating performance comparisons by backing out potential differences caused by variations in capital structures (affecting net interest expense), taxation, the age and book depreciation of facilities (affecting relative depreciation expense) and the amortization of intangibles, which may vary for different companies for reasons unrelated to operating performance. We believe EBITDA before restructuring and other items also facilitates company-to-company operating performance comparisons by backing out those items in EBITDA as well as certain historical cost (benefit) items 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.

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

- these measures do not reflect changes in, or cash requirement for, our working capital needs;
- these 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 measures do not reflect our income tax expense or the cash requirements to pay our taxes;
- these 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 require replacement in the future, and these measures do not reflect any cash requirements for such replacements; and
- other companies may calculate these measures differently so they may not be comparable.

Like EBITDA and EBITDA before restructuring and other items, Adjusted EBITDA has limitations as an analytical tool, and you should not consider Adjusted EBITDA either in isolation or as a substitute for analyzing our results as reported under GAAP. In addition to the limitations described above with respect to EBITDA and EBITDA before restructuring and other items, Adjusted EBITDA includes pro forma cost savings, the pro forma effect of business optimization initiatives and the pro forma full year effect of acquisitions and new franchisees. These adjustments may not reflect the actual cost savings or pro forma effect recognized in future periods.