

## **RENTA CORPORACIÓN SIGNIFICANTLY REDUCES ITS LOSSES**

- Negative result of 13.7M€, with a significant improvement over last year's result which was -25.7M€
- The result also includes a provision on inventory and non-executed investment rights of 9.3M€
- The group formalized a new long-term syndicated loan. As a result, the net debt has been reduced by more than half (from 641.6M€ in December 2008 to 292.5M€ at the end of H109).
- The company's revenues stand at 329.7M€

June 23, 2009.- In May RENTA CORPORACIÓN formalized a new long-term syndicated loan to refinance its total debt. After the signing of the deal, the company is entering a new phase where the net debt has been reduced by more than half, and the company can now focus on the management of its current portfolio to maximize its liquidity, and also carry out new operations to generate margin and activity.

At H109 closing, the net debt stood at 292.5M€ compared to 641.6M€ in December 2008, down 349.1M€ after the signing of the new long-term syndicated loan amounting to 254 M€ (over 7 years, with the first two as grace period). Revenues for the H109 stand at 329.7M€ and net profit amounts to -13.7M€. Although this result is still negative, it has significantly improved from H108 results, which were -25.7M€. It should be highlighted that this result includes a new provision for inventory depreciation amounting to 5.3M€ (before taxes) as a consequence of the recent portfolio valuation carried out by independent experts, as well as a provision on non-executed investment rights amounting to 4M€. Inventory now stands at 319.8M€, which is half of what it was at year end 2008. This reduction is due to the sale of assets to the financial institutions as part of the refinancing deal, as well as ordinary sales. Today's figures confirm the company's commitment to adapt itself to the current market situation.

Of the company's registered revenues of 329.7M€:

- 281.1M€ in sales come from the new refinancing deal. The sale of buildings amounted to 182.8M€ and land sales totalled 98.3M. The sale of the headquarters building amounted to 63M€ but this has not been registered as revenues as it is considered a fixed asset.
- Ordinary sales came to 36.7M€
- New portfolio has registered sales of 3.3M€. In spite of the current difficult market situation, the company has managed to find good opportunities, and is confident that business activity in the future can be maintained and improved.
- Rents revenues stood at 8.6M€

Regarding the inventory, after the asset sale carried out within the framework of the refinancing process, RENTA CORPORACIÓN is concentrating its efforts on the transformation process of the remaining portfolio, so as to maximize its value and liquidity.

RENTA CORPORACIÓN strategy to face the general economic crisis is to focus on the strengths of its business model, especially on acquiring the best assets under the best conditions for a quick transformation and subsequent sale. This means reducing the risk as well as using resources efficiently. Following this strategy, the company has acquired investment rights amounting to 25.4M€, of which 8.8M€ have already been sold, with a gross margin of around 2M€. These operations are smaller, adapted to the new market scenario and give margin and high turnover. The company is working hard to maximise business potential bearing in mind the limited demand that now exists in the current market.

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For more information  
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