

## **RENTA CORPORACIÓN RETURNS TO POSITIVE MARGIN IN NEW OPERATIONS**

- *Adapting its business model to today's market situation has been a determining factor in closing new operations with a positive margin. The company has focussed its efforts on a search for new operations that contribute activity and margin. In this respect, 27 residential operations were made in 2009, 10 of which were seen through the whole transformation and sale process*
- *Outside the traditional business model, in the sector's current crisis, Renta Corporación is taking advantage of opportunities as they arise. For example, the sales capacity of the company and its ability to identify transformation opportunities in assets owned by financial institutions or other real estate companies, are beginning to play an important complementary role in company activity.*
- *The real estate market is immersed in a redefinition process in which Renta Corporación needs to become a key player, thanks both to the capacity and flexibility of its business model and an in-depth knowledge of the factors that give investors added value.*
- *The General Annual Meeting has approved the 2009 fiscal year, which reflects a negative result of 54.5M€, after provisions amounting to 46M€. At the event it was underlined how the strategic goals announced at last year's Annual Shareholders Meeting have been achieved. The most significant of these is the financial stability gained in the first semester of 2009 following the new syndicated agreement within the refinancing of the debt framework that allowed the company to reduce its debt to 278M€.*
- *In order to strengthen and optimize equity structure and meet commitments that were part of the refinancing process, Renta Corporación has carried out a capital increase amounting to 4.9M€.*

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*Barcelona, June 8<sup>th</sup>, 2010.-* Although the real estate market has still failed to shake off the downward trend, Renta Corporación has confirmed once more the strength and success of its business model. Renta Corporación's President, Mr. Luis Hernández de Cabanyes has affirmed this at today's General Annual Meeting in Barcelona. After a strong process of reorganization, Renta Corporación is now ready to face the current situation, by generating margin and activity, though with smaller operations, that can be more difficult to close and with more modest margins. This is confirmed by the 27 new operations acquired in 2009 and 14 new operations in the current fiscal year. The strategic key in those new operations has been to act with smaller assets, basically residential, restricting the financial and market risk to a minimum.

In his shareholders address, Mr. Hernández de Cabanyes summarised the measures adopted. Above all the reduction of debt and generation of cash for the sale of assets, the refinancing of the debt, streamlining the balance sheet and the reduction of costs are the most significant. Together this has provided the company with stability to weather the current situation. He also highlighted that although ambition is part of the spirit of the company "we have to agree that the caution adopted has avoided entanglement in corporate operations", that would have seriously affected the future of the group. But he has also made it clear that "the company will not miss the chance to participate in future processes that will enforce the

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group's potential for growth within the market and that will help Renta Corporación to accelerate this process".

As the market is still showing signs of distrust and uncertainty, Renta Corporación will continue –in the short term and while the market shows no signs of change- with the strategic plan adopted in 2009. This involves managing the old portfolio so as to generate cash, reducing debt, continuing with the cost reduction policy and generating new margin with new operations, while taking advantage of any opportunity that arises in the real state market that will allow margin generation outside the traditional business model. In this respect, Renta Corporación Chief Executive Officer, Juan Velayos, expressed that the company will be “alert to possible changes in the economic cycle to speed up the rhythm of activity and the volume of operations as soon as the recovery settles and the market becomes more liquid”. In his presentation to the shareholders, Mr Velayos emphasized that “the objective of the company is to have access to bigger operations in the residential and offices area as soon as the market is ready for them”.

Finally, during the General Annual Meeting, the shareholders re-elected Mr. Luis Hernández de Cabanyes, Esther Giménes Arribas and Elena Hernández de Cabanyes as members of the Board of Directors, as well as delegating to that board the faculty to issue capital or debt.

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**For more information:**

[www.rentacorporacion.com](http://www.rentacorporacion.com)

Teresa Lloret. Tel. (34) 600 501 732.

[comunicacion@rentacorporacion.com](mailto:comunicacion@rentacorporacion.com)

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