

Despite the apathy of the market, Renta Corporación continues to improve its results

- *Little number of transactions still characterizes the real estate market, focused on small size units and marked by a great uncertainty in value references. Despite this complex situation, Renta Corporación has improved its net result by 5.9M€ compared to the same period last year. The company has closed up 2010 first semester with a negative net result up to 7.8M€, that includes a provision of 1.9M€ due to an update of the portfolio valuation, and a negative impact of 0.4M€ coming from an unpaid debt from a client that has led the company to execute the asset that was guaranteeing the debt. The asset has come back to the inventory portfolio.*
- *The accumulated revenues at June 2010 stand at 26.4M€, which are made of 25.1M€ from sales and 1.3M€ coming mainly from rental income. Old portfolio sales are 18.2M€ while 6.9M€ sales come from new portfolio operations.*
- *It must be pointed out that gross margin is positive in both new and old portfolio sales, at 2.2M€ and 2.3M€ respectively. An extraordinary impact of -1.9M€ has also been added up due to new current portfolio valuation. This result has been possible, among others, due to the company's ability to identify efficient low-risk operations together with the optimization of all resources used in every operation.*
- *The company is still focused on searching new operations as well as on the sale of old portfolio always looking for the most appropriate divestment strategy. The strict cost control is still a significant factor to face the current situation. The group's variable, general and personnel expenses have been reduced by more than half, from 16.6M€ in 2009 to 8.2M€ in 2010.*
- *With regard to financial results, average net debt for January to June period has been 281.7M€ compared to 472.5M€ for the same period last year. That factor together with low interest rates has lead to a 60% reduction of the financial costs due to debt interests.*
- *Renta Corporación investment in first semester 2010 stood at 9.3M€, focused on assets which acquisition and transformation processes meet current demand requirements, in order to achieve the liquidity and turnover that the company business model needs.*

Barcelona, July 22nd, 2010.- Over the last few months the market has remained weak. Not only the level of transactions has been low, but the continuing uncertainty is, at worst, making investors wait for a change in the cycle, and at best, driving them to choose small size operations. As a result, the company is now focusing on fractional sale, mainly residential and primarily to end-users. Renta Corporación has managed to use that market niche as a business opportunity to generate margin. The office market seems to have some dynamism after a long period of stagnation, and it is also starting to show some stabilization in prime zone yields. This positive trend should be confirmed in next months. Land market demand is still frozen. Despite this complicated situation, Renta Corporación has managed to acquire the investment rights for 20 new operations during 2010, some of which have already

completed the transformation and sale process. The company will be focused on operations that contribute margin and turnover to its business, always working hardly to that objective.

For more information

www.rentacorporacion.com

Teresa Lloret. Tel. (34) 600 501 732.
comunicacion@rentacorporacion.com
