

## **Renta Corporación refinances its debt and achieves equity and financial stability.**

- Following the agreement, the company rebalances its equity through the conversion into equity-loan of EUR 54.5 million syndicated loan.
- The debt was reduced by 117.7 million euros by selling assets.
- The new framework provides the time and financial conditions necessary to overcome the economic crisis stage that involves all sectors of the market.
- The company presents its accounts for the first quarter of the year, with a negative net result of 4.9 million euros.
- Results do not include tax credit activation, as was the case in previous periods, causing a greater impact on results.
- Sales of core business portfolio (new assets) grow to 8.4 million euros.
- Renta Corporación has called an Ordinary General Meeting of Shareholders to be held on 22 June.

*Barcelona, 13 May 2011.-* Today Renta Corporación reached an **agreement with all financial institutions to refinance its long-term syndicated debt**. The agreement, which has been reached unanimously by the 17 institutions, provides on one hand, the **sale of assets worth 117.7 million euros**, after finalization will reduce the amount of debt; on the other hand, obtaining an **equity loan with a maturity of 10 years, amounting to 54.5 million euros**, which has equity consideration that will allow the company to rebalance its equity. And finally, refinance the remaining debt on a **credit amounting to 103.5 million euros** with a maturity of 8 years, which will be prepaid as you proceed with the sale of assets acquired prior to 2009. This new framework allows Renta Corporación to accommodate the repayment of debt to the generation of cash flows of the Group. Also, the financial expense associated with the new syndicated loan is significantly minimized with the payment of a low fixed interest rate and subject to the situation of the Group's cash. The agreement will become effective after materialize all the purchase and sale commitments entered into by the parties, which shall be completed by June 15. The formalization of this new agreement, which has received support from all financial institutions involved, avoids the risk of capitalization. The transaction has received financial advice from N +1 and Uria Menéndez legal advice.

The company has been focused in the first months of the year to negotiate with the creditor financial institutions a solution to restore the networth and to grant financial viability, which undoubtedly has led to a transition period and a high consumption of resources that in some way have affected the pace of our business. Once the agreement has been reached, Renta Corporación has focused again to devote all its efforts on ordinary activities in order to accelerate business activity.

In the period from January to March 2011, the **net result of Renta Corporación has been -4.9 million euros**, compared to -1.7 million euros in the same period last year. Nevertheless it should be noted that these figures are not comparable, because, we have modified the criterion of tax activation. This concept had a positive impact of 1.4 million euros in the first quarter of 2010. To this we must add the special positive effect for 1.6 million euros that it had in the first quarter of last year the reversal of certain provisions.

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In the chapter on **sales, the figure achieved is 10 million euros**, although it should be noted that 8.4 million euros relate to core business portfolio and that 1.5 million euros relate to the portfolio prior to 2009. Over the same period last year, it should be noted that the sales achieved by ordinary business amounted to 3 million euros, reflecting the company's ability to generate business when we are facing right assets to current market conditions. **Gross margin on sales is positive at 1.2 million euros**, of which 1.1 million are from core business sales and 0.1 million from portfolio prior to 2009.

**The rigor and discipline in the cost-cutting policy** has again allowed a reduction of 15%, reaching 0.8 million euros (compared to 1 M € in the same period last year).

As for the **net debt stands at 312.7 million euros at the end of March 2011**. Following the refinancing agreement, the debt will be reduced by 117.7 million euros for the allocation of assets.

As for **inventory, amounting to 270.5 million euros**, divided evenly between buildings and land and geographically concentrated in the domestic market. Also the investment rights, entirety buildings located in the cities of Madrid and Barcelona and negotiated under current market conditions, are at 120.2 million euros, of which 60.2 million euros are linked to standard acquisitions, rehabilitation and sale and 60 million euros relate to investment rights on assets owned by financial institutions that are managed with a strategy of exclusive management.

The board of directors held in April decided to **redrawn Renta Corporación accounts**, canceling the tax credit that were activated (56.8 M €). As a result of this cancellation, **the equity of the company became negative in 41 million euros** at the end of the year 2010. The agreement reached with the banks where part of the debt becomes equity-loan amounting to 54.5 million euros, which is considered equity, will allow Renta Corporación to reach the necessary equity balance, essential to the future viability of the Group and its business continuity.

**Future prospects** .- Renta Corporación starts in May a new period, highlighted by stability and financial balance, allowing to focus all their efforts in developing its business model and generating margin from the ordinary activity of the group.

General Meeting of Shareholders .- Renta Corporación has called its general meeting on 22 June. Among the points listed in the agenda, it is included:

- Those relating to the current situation because of dissolution of the company (capital increase, cause of dissolution and appointment of liquidators), it should be noted that **such agreements would not be subject to a vote and would be withdrawn** after materialize the commitments acquired by financial institutions in the new syndicated credit agreement.
- The reelection of Juan Gallostra as director and the ratification of the appointment of Ignacio López del Hierro as director, both as an independent external.
- The adequacy of the Rules and Regulations of the company to the new company law

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