Renta Corporación ended the first half of 2011 with a profit of 3.4 million

- For the first time since the third quarter of 2007, Renta Corporación has been able to generate positive net income of EUR 8.3 million in the second quarter
- The profit achieved in the first half of this year represents a EUR 11.2 million improvement of the results obtained in the same period in 2010
- Sales for the ordinary business are EUR 17.7 million compared to EUR 6.9 million in the same period last year
- Net debt stood at 191.4 million at the end of June, a decrease of 36% compared to 297.5 million year-end 2010.

Barcelona, 20 July 2011.- Renta Corporación has generated a **profit** of EUR 3.4 million compared with EUR -7.8 million recorded in the same period last year. It should be noted that, in line with the policy of cleaning up balance and prudence applied by the company in all its activities in this semester it has been included additional provisions amounting to EUR 3.9 million. The net result recorded in the second quarter has been EUR 8.3 million, but it is true that this achievement has been significantly influenced by the financial debt restructuring agreement.

"After the financial and equity stability reached, we start a new stage based on the reliance of our business model, with focus on the center of the cities of Madrid and Barcelona, prudent risk policy, discipline of costs, managing different ways to access liquidity in order to continue operating in the market and all aimed to achieve the best result for the company and our shareholders", said Juan Velayos, CEO of Renta Corporación. Indeed, it must be remembered that the company faces a new stage in which the objective is **to focus on their business model**, which has been proved to be valid, after having reached stability thanks to the debt restructuring agreement and obtaining a liquidity line through capital increase with Yorkville Advisors. In addition, to its core business, Renta Corporación has signed three transactions with financial entities with a value up to EUR 71 million focused on the marketing of assets in exclusive basis and finishing works in progress for its subsequent commercialization. On the other hand, the company has reached a principle of strategic partnership with two investment funds by establishing a joint-venture for the purchase and sale of real estate assets owned by financial entities.

Thus, the **ordinary business sales** are at EUR 17.7 million in the first half of the year, which is more than double those of the same period of 2010, which were EUR 6.9 million. These sales, which have generated a **positive gross margin of EUR 2.4 million**, have been focused on the residential business in Madrid and Barcelona. First half incomes amounted to EUR 141.9 million, although it is noted that EUR 117.5 million correspond to sales to financial entities in the framework of the refinancing process.

Investment during the first half of 2011 was 16.8 million, a quantity 9.3 million higher than the same period in 2010 and in line with the company's project to increase its visibility in real estate. Thus, from the investment of EUR 16.8 million, EUR 14.5 million correspond to the new portfolio and EUR 1.9 million to the old portfolio (prior to 2009), and the remaining EUR 0.4 to the activation of interest.

With a focus on generating results, the **ordinary business portfolio** adapted to new market conditions amounted to EUR 114 million, including both core business operations and asset management of financial entities that the company has exclusively. Of the total portfolio, EUR 104 million correspond to investment rights.

In respect to the variable **costs**, the selling, general and personnel expenses amounted to EUR 11.6 million compared to EUR 8.2 million in 2010. Putting aside the extraordinary items, all these costs reduced by 7% over the same period last year, going from EUR 8 million in the first half of 2010 to EUR 7.5 million this year.

Finally, the **equity** stood at EUR 16.7 million, compared with EUR -41 million at the end of 2010. The agreement reached in June with financial entities has allowed the group rebalancing its equity due to the consideration of the equity loan (54.5 million) as equity and the generation of capital gains from the sale of assets and subsequent positive result in this period. **Net debt**, once closed the refinancing process, stood at EUR 191.4 million, representing a decrease of 36% compared to EUR 297.5 million by 2010.

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