RENTA CORPORACIÓN

Annual Report 2011

Contents

Luis Hernández de Cabanyes
Executive Chairman

Dear shareholders,

I am delighted to announce that Renta Corporación has successfully closed its accounts for financial year 2011 with a profit of 3.3 million euros, after three years of losses. The news is doubly good because it indicates that the measures and actions taken by the company in these years of crisis were correct and of course, returning to the path of creating shareholder value is what, in fact, generates profits in a company.

However, this clear signal of optimism should not blind us to the harsh reality of the year we have just lived through and the difficult circumstances experienced by the economy in general -and in particular the real estate sector- for the financial year 2012 which has just begun.

To the internal uncertainties, which are particularly serious in terms of unemployment and lack of credit, must be added the external circumstances of sovereign debt renegotiation and the control of yield spread.

It has taken us almost four years, but there finally seems to be a general consensus that the current crisis has structural connotations which will only be solved by radical measures, not just by good practice. Let us hope that these substantial measures which have been and are being taken are correct, although their effects may not see the light in the short term and we may still need a few months of adjustment.

It is with this sense of realism that we face the immediate future in Renta Corporación, with the spirit, experience and maturity gained by the many problems we have lived through in these years of crisis.

This resilience and ability to overcome adversity with a positive outlook for the future is only possible thanks to the great team within our company. These men and women are the best placed to bear witness to the sacrifices which have had to be made and to the successes which are gradually achieving. On behalf of the Board of Directors which I have the honour to chair and in my own name, my most sincere gratitude.

In FY2011 we successfully registered deeds for 276 apartments and 3 buildings, once again validating the model of purchase, refurbishment and sale of real estate assets that characterises our Group. In addition, several successful transactions have been carried out with financial institutions to provide value and liquidity to the assets entrusted to us.

A section that demonstrates our ability to adapt to circumstances is certainly one more year of lowering variable costs, general and staff, which, excluding extraordinary items, have decreased by 38% over the previous year.

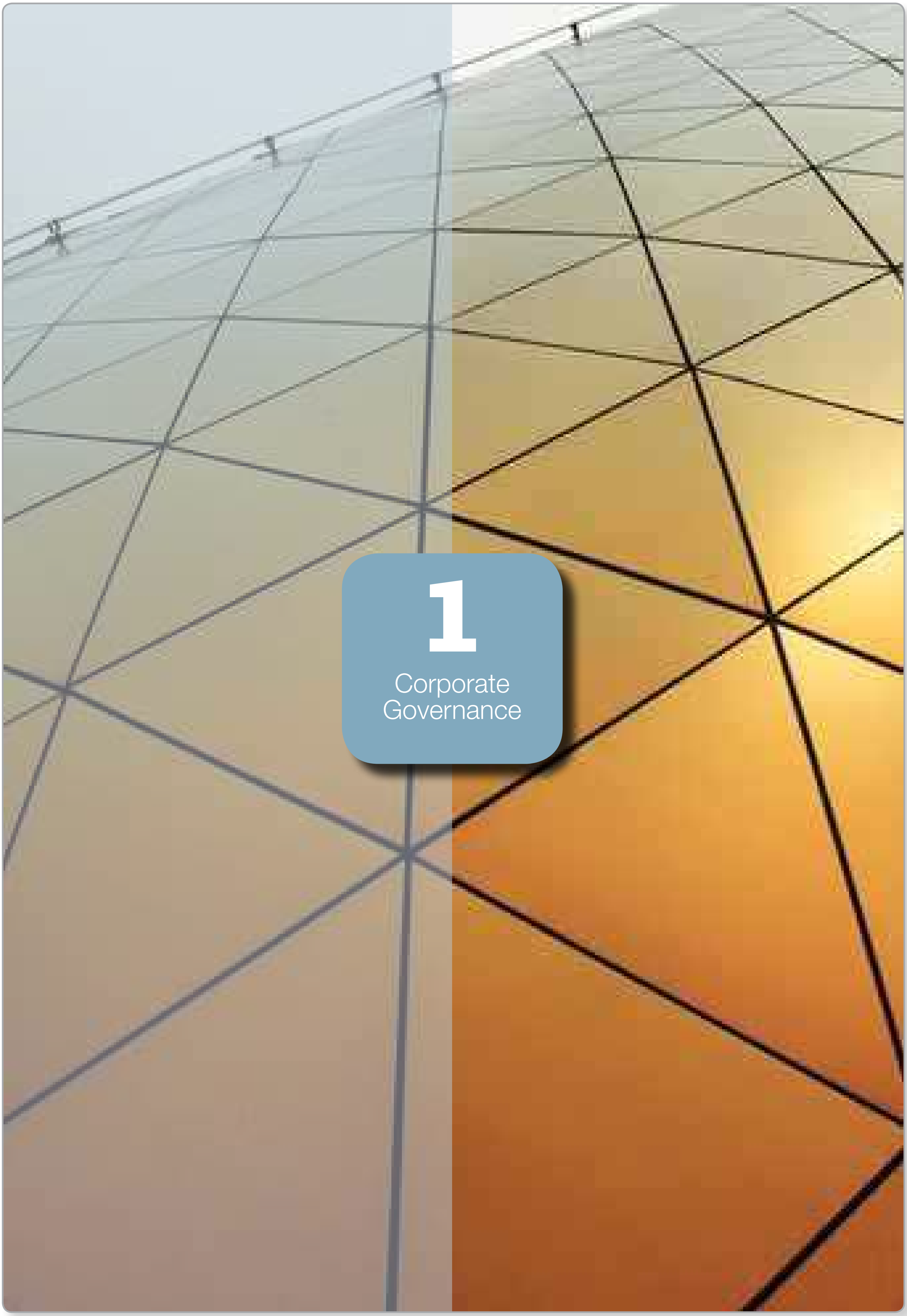
Due to its enormous importance, the process of debt restructuring and inventory decline that has taken place in our Group in 2011 deserves special mention. As detailed extensively in this Annual Report, the company has been able to reduce its debt by 118 million euros by selling assets to financial institutions, achieving net worth stability through the mechanism of a 10-year equity loan considered as shareholders' equity, and the establishment of an 8-year senior loan for 127 million euros with prepayment only if they assets are sold as collateral. We also note the great advantage of having a fixed interest rate of 1% for this debt, giving a boost to our profit and loss account.

Even in this difficult environment, let me project my future forecast for Renta Corporación with moderate optimism. This optimism is founded on the pillars of our strategy and can be summarised in the following points:

- Generation of recurring margin with the maintenance of our model of real estate asset acquisition, rehabilitation and sale of primarily residential properties in the cities of Barcelona and Madrid.
- Ordinary revenue from service provision, creating value with the transformation and sale of real estate assets, prioritising relationships with financial institutions to which Renta Corporación is already providing some relevant sales services.
- Close collaboration with real estate investment funds fo management or co-investment of assets.
- Tight control of costs and investment policy.

The set of these measures and strategies should result in greater profits for Renta Corporación with careful management of its liquidity. In fact, liquidity is identified as an element that deserves our full attention in terms of management.

I would not like to close this letter without thanking our shareholders and persons and groups that directly or indirectly interact with Renta Corporación for their support and understanding one more year.



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Corporate Governance

1
Corporate Governance

Throughout 2011, Renta Corporación has continued focusing on and reviewing the set of standards governing its action policies and corporate governance transparency, with the aim of upholding high standards in this area and proper recognition from our shareholders, investors and customers.

The Company's internal regulations and compliance with the Unified Good Governance Code are set out in the Articles of Association, the Regulations of the General Meeting of Shareholders, the Regulations of the Board of Directors, the Internal Code of Conduct for Stock Market Operations and the Code of Conduct, some of which have been modified as a result of the coming into force of the new Spanish Share Capital Companies Act. All of these standards are part of the organisation's corporate culture which must press onward in the development of values, in professional standards and business transparency to continue building a company capable of generating confidence in the market, especially in its shareholders.

Governing Bodies (as of 31 December, 2011)

Board of Directors

Name	Position	Nature of the position
Luis Hernández de Cabanyes	Chairman	Executive
David Vila Balta	Vice-Chairman and CEO	Executive
Carlos Tusquets Trías de Bes	Director	External independent
Juan Gallostra Isern	Director	External independent
Ignacio López del Hierro Bravo	Director	External independent
Blas Herrero Fernández	Director	Representing substantial shareholders
Elena Hernández de Cabanyes	Director	Other external director
Javier Carrasco Brugada	Director Secretary	Executive

During 2011, the company's Board of Directors has one director less as a result of the departure of CEO Juan Velayos Lluis for personal reasons with effect 16 December 2011, leaving his position as Director vacant. Mr David Vila Balta, current Vice-Chairman, has been appointed CEO.

Also with effect 16 December 2011, Mr César A. Gibernau Ausió has resigned as director for personal reasons. His position has been taken by Mr Javier Carrasco Brugada, who has been appointed to fill a vacancy as executive director, keeping his current position as Secretary of the Board of Directors.

Appointments and Remuneration Committee

Carlos Tusquets Trías de Bes	Chairman
Javier Carrasco Brugada	Member
Juan Gallostra Isern	Secretary

Audit Committee

Carlos Tusquets Trías de Bes	Chairman
Javier Carrasco Brugada	Member
Juan Gallostra Isern	Secretary

During 2011, there have been a number of changes to both the Audit Committee and the Appointments and Remuneration Committee as a result of the resignations of directors Juan Velayos Lluis and César A. Gibernau Ausió. Both have ceased to occupy their positions of Member and Secretary respectively and have been replaced by directors Mr Javier Carrasco Brugada and Mr Juan Gallostra Isern.

Senior management

It is the company's highest executive body, and is the backbone for the whole organisation. It is made up of three professionals with a proven track record and a strong ability to channel, organise and coordinate the various circumstances which converge in the company's business activity, with the objective of maintaining the business targets in the various environments where it operates as aligned and streamlined as possible.

Luis Hernández de Cabanyes
Executive Chairman

David Vila Balta
Vice-Executive Chairman and CEO

Javier Carrasco Brugada
Corporate Managing Director

Noelia Ortiz García also served as Internal Auditor during 2011 and therefore a member of senior management for the purposes of the Unified Good Governance Code.

Background of Renta Corporación Directors

Luis Hernández de Cabanyes
Chairman

Founder and Chairman of the Renta Corporación Board of Directors, as well as Founder and Vice-President of Fundación Renta Corporación. He has devoted his professional life to business, beginning his career at PricewaterhouseCoopers and going on to found and manage various companies, including Second House and Mixta África. He was President of Mixta África until late 2007. Holds a degree in Economics and Business Studies from the Universitat Autónoma de Barcelona and has completed the IESE Business School Business Management Programme.

David Vila Balta
Vice-Chairman and CEO

Joined Renta Corporación in 2000. From 1994 to 1997 he worked as Factory Manager at Rochelis. From 1997 to 1998 he was Deputy Purchasing Manager with Outokumpu Rawmet and National Sales Director with LOCSA from 1998 to 2000. Trustee of Fundación Sagrado Corazón. He holds a degree in Industrial Engineering from the Barcelona School of Engineering and has a PDG from IESE Business School.

Juan Gallostra Isern
Independent Director

Director of Renta Corporación since February 2006. CEO and General Manager of Grupo JG Ingenieros, S.A. since 2001, where he was previously General Manager from 1995 to 2000. Director of Hospitecnia, S.L. and of the British company First Q Plc. Member of the R&D Department with British company Ove Arup & Partners from 1988 to 1989. Founded TEST, S.A. in 1990, where he was General Manager until 1995. Associate Professor in the Construction Engineering Department of the Polytechnic University of Catalonia from 1997 to 2005. Currently he is also a member of the Executive Committee of the UPC-JG company Business Chair for sustainability in construction engineering (sponsored by JG Ingenieros). He is an associate professor at BIArch (Barcelona Institute of Architecture). Lecturer and teacher at seminars and courses on construction engineering, with various articles published in specialised journals. He belongs to the Board of Agents of the Association of Industrial Engineers of Catalonia. Holds a Degree in Industrial Engineering from the Polytechnic University of Catalonia and has completed the IESE Business School General Management Programme.

Ignacio López del Hierro Bravo
Independent Director

Director of Renta Corporación since October 2010. Began his career in the public sector, occupying the position, among others, of Civil Governor of Toledo and Seville. He was also chairman of several public companies, including the Chairmanship of the public sector in Andalusia. Since 1987 he has been working in the private sector as CEO of the investment company H Capital. In the real estate industry, he has held the positions of Vice-President of INTERRA, Executive Vice-President of BAMI, Executive Director and Member of the Executive Committee of METROVACESA during their period in the list of IBEX 35 companies, Deputy Chairman of GECINA, the leading French real estate company, and Board Director at BAMI-NEWCO. He holds a degree in economics

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Carlos Tusquets Trías de Bes
Independent Director

Director of Renta Corporación since 2004. Holds a PhD in Economics from the University of Barcelona. He is Chairman of BANCO MEDIOLANUM in Spain and Director of the same in Italy. He is Vice-Chairman of Inverco Nacional (Spanish Association of Investment Funds). Chairman of EFPA España (European Financial Planning Association). Since 1971 his entire career has been in banking. In 1983 he was the founder and Chairman of the Fibanc Group. He is a Director and Advisor to several national and international listed companies.

Blas Herrero Fernández
Director representing substantial shareholders

Director of Renta Corporación since June 2008. Businessman with experience in various industries, including food, audiovisual, real estate and automotive. Chairman and owner of Sual-Lácteas Reunidas and Grupo Radio Blanca, which manages Kiss FM, the third largest music network in Spain, and Kiss Televisión, with DTT licences in Madrid, Aranjuez and Extremadura. Through his company HVB CASAS, he carries out real estate projects throughout Spain. In 2006 he founded Kiss Capital Group SCR de Régimen Simplificado, S.A., a venture capital company of which he is Chairman and through which he has a stake in media companies, virtual mobile operators and film and television producers. He has also served on the Board of the Economic and Social Council of the Polytechnic University of Madrid since 1997.

Elena Hernández de Cabanyes
External Director

A Member of the Renta Corporación Board since 2000. Founder of Second House, of which she is currently Sole Administrator. Founder and trustee of Fundación Renta Corporación and Fundación Soñar Despierto. Holds a degree in Economics and Business Studies from the Universitat Autónoma de Barcelona and has completed IESE Business School's General Management Program (PDG).

Javier Carrasco Brugada
Secretary to the Board of Directors and Corporate CEO

Joined Renta Corporación in May 2007. Worked for Banco Sabadell from 1990 to 1996 as Technical Director in the Corporate Banking division. From 1996 to 1998 he was Coporate Banking Director for Catalonia at HSBC Midland Bank PLC. From 1998 to 2001 he was Deputy Finance Director with Gas Natural SDG, S.A. In 2001 he joined Uniland Group as Group Finance Director, until being appointed Corporate Finance Director of Vueling Airlines in 2006. He was a Professor of "Investment Banking" at ESADE from 1999 to 2003. He holds a degree in Business Studies and an MBA from ESADE and a Law degree from UNED.

Prevention of money laundering

Renta Corporación has a money laundering prevention system consisting of client identification, establishment of risk profile and analysis of operations to ascertain whether they are suspicious. If they are, the information is presented to the Company Secretary's Office for review and, if confirmed, the issue is reported to the relevant government agency.

There were no incidents in the past year and an annual report has been prepared by an external expert for the period 1 January 2010 to 31 December 2010 concerning the internal control and communication procedures and bodies referred to in Article 11, Section 7 of Royal Decree 925/1995 of 9 June, which approves the Regulation of Law 19/1993 of 28 December on certain measures to prevent money laundering, demonstrating that Renta Corporación has control and detection systems in place to ensure compliance with regulations to prevent money laundering.

Internal safeguard policy and risk management system

The risk management policy and strategy is the responsibility of the Board of Directors which relies on senior management for its definition and implementation. However, all members of the organisation contribute and are responsible for ensuring the success of the risk management system.

The Audit Committee, as a specialized body of the Board of Directors, has the powers to monitor the efficiency and effectiveness of the risk management and control policy in order to provide reasonable security for reaching corporate objectives. So it is the body responsible for the proper and effective existence and maintenance of Risk Management and Internal Control Systems, including those associated with financial reporting.

The Committee is supported in performing these functions by Internal Audit which, reporting to the Committee, is responsible for continuously reviewing and evaluating the proper operation of the risk management and internal control system, which also contributes to its improvement. Specifically, Internal Audit is responsible for developing and updating the Corporate Risk Map in collaboration with Finance Management and the various corporate and business areas. This is in fact a key element in planning audit efforts.

The methodology applied to risk management and internal control is based on the Integrated Framework of Corporate Risk Management as proposed by COSO (Committee of Sponsoring Organizations of the Treadway Commission), comprising:

1. Setting targets in the Renta Corporación group in the strategic, operational, accountability, reporting and compliance fields.

2. Identify potential risks that may affect objectives set—in terms of strategic, business, financial and operational categories—and identify existing controls.

3. Risk assessment, in accordance with their magnitude, the degree of preparedness or control and the probability of their occurrence.

4. Development of a Corporate Risk Map on the basis of risks and controls identified and assessment carried out. By crossing it with the Process Map for the whole Group, we obtain the matrix of risks and processes, which identifies activities with greater exposure to risk and which are priority action areas.

5. Action plans prioritised according to assessment results so that risk exposure is at the level accepted by Renta Corporación.

6. The monitoring and review of the Internal Safeguard Policy and Risk Management System and reassessment of risks and controls to adjust to Renta Corporación's market conditions.

7. Update the Risk Map to determine the level of risk exposure and set the plan of action to manage it.

8. Reporting and communication to Senior Management and the Audit Committee, the latter being the body that approves wording.

Príncipe de Vergara. Madrid

The main risk factors to which the Renta Corporación group is exposed to are:

- Uncertainty in the housing market development resulting from the financial and property crisis and the consequent financial market credit cruch, excess housing supply and falling market prices.

- Strategic risk resulting from the difficulty of successfully developing the defined strategy due to the uncertainties associated with the real estate market and the financial industry, and the difficulty of predicting its evolution.

- Liquidity capacity as a result of not achieving an optimal business level, the slowdown in generating positive cash flows or the difficulty of selling the relatively older properties in the portfolio.

- The risk associated with the business not generating sufficient invome levels or cash flows that enable optimal business performance and tackle the future return of financial debt.

- The financial capacity associated with the existing debt volume and the difficulty of obtaining funding for new operations.

- Capital risk, reflecting the level of existing debt and drop in equity due to the losses accumulated in recent years and whose rebalancing is contingent on the existence of an equity loan.

- The high concentration of land products in the portfolio (71.9% at 31 December, 2011), which in the present market circumstances is difficult to turn into cash.

- The drop in value of the portfolio of stocks derived from business-related risks, such as oversupply and falling market prices. In this regard, it is worth highlighting the importance of decisions that financial institutions may adopt with regard to provision for capital requirements mandated by the recently approved Royal Decree for Financial Sector Restructuring.

- The risks associated with ongoing litigation on the purchase and sale of properties in previous years and in which customers—real estate companies—have not paid the associated debt or have breached contractual commitments.

- Credit risk stemming from the difficulty of recovering third-party loans.

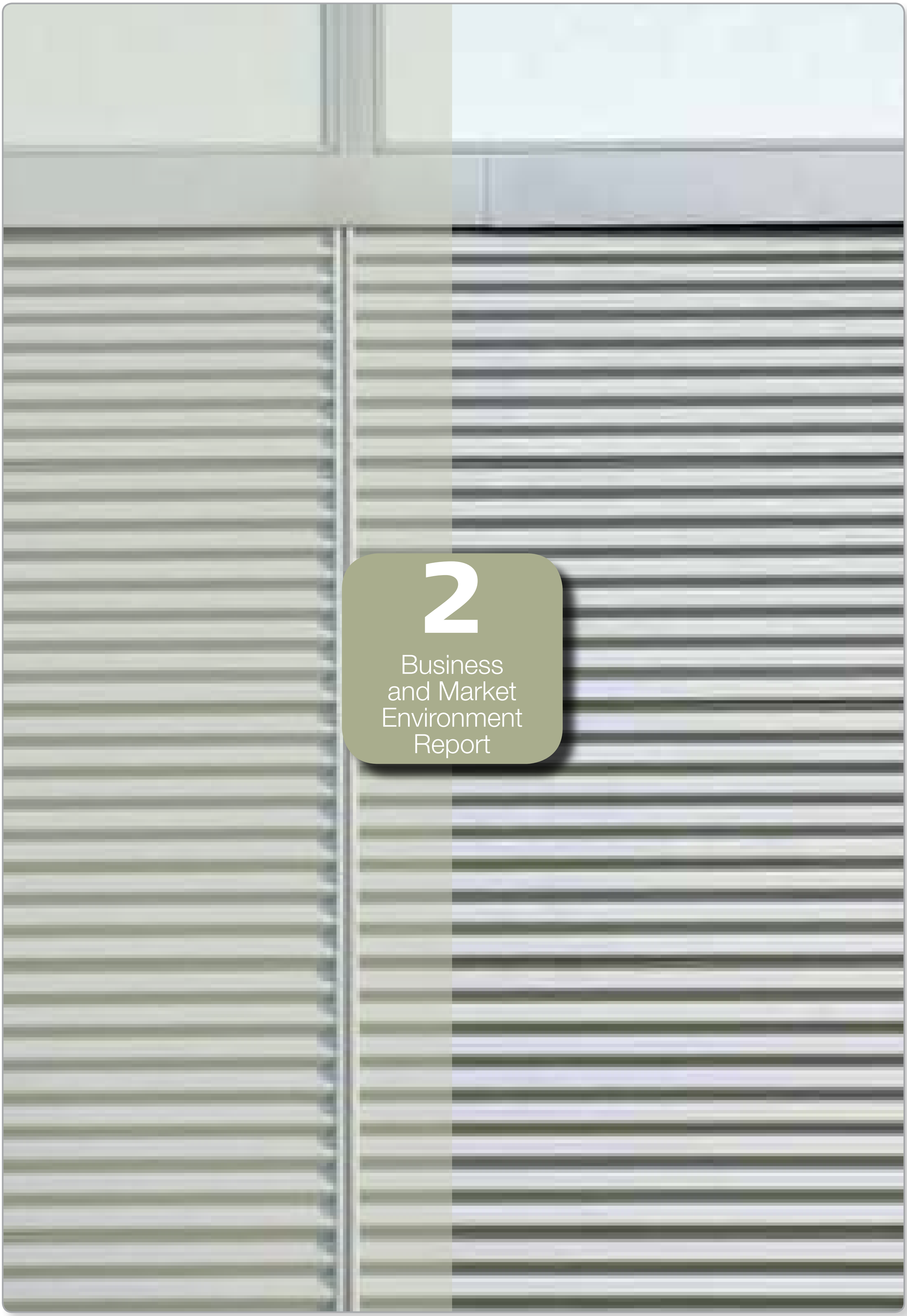
- The ability to generate enough investment to generate business both due to the difficulty of locating attractive properties and the difficulty of financing them.

- The risks associated with the return on investment is lower than expected and that valuations or estimates may prove inaccurate, leading to a loss of options and therefore business opportunities.

The Annual Corporate Governance Report provides extensive information about the risks identified as well as those experienced during 2011.

Renta Corporación diligently manages existing risks, although a significant number of the above are inherent in the business and/or dependent on the economic and financial environment. The impact on Renta Corporación of the housing and financial crisis has been very significant, and the outlook for 2012 is not very optimistic. Renta Corporación cannot predict whether the development of the financial and real estate sector will be favorable for the strategy and control of exposure to risk.

In relation to the internal control of financial reporting and in compliance with the recommendations of the National Securities Market published in June 2010, during 2011 a project was carried out jointly by Internal Audit and the Finance Management to detect the degree of compliance with these recommendations and establish a plan for the implementation of appropriate measures to enable the optimal development of an internal financial reporting control system (SCIIF) between the years 2011 and 2012.



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Business and Market Environment Report

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Business and Market Environment Report

During 2011 the real estate industry has developed in line with the general depressed economic situation, characterised by major uncertainty in the market, significant lack of credit and an environment marked by serious job losses. Unfortunately, the forecast for 2012 is not much more optimistic, although there is some expectation about market reaction and consequences of actions taken by the government to improve the credit flow.

The real estate sector in 2012 will have two measures announced by the new government: the recovery of the tax credit for home purchases and the continued reduced VAT rate of 4% for transactions. Even so, households will have less income with which to buy homes since some of these measures will be offset by the impact of the income tax hike approved by the Government as part of the austerity measures to rein in the deficit.

The housing price situation, however, must be sought in the financial market and not just the real estate market. The financial market is waiting to see how its recovery will be structured. There are several variables in the development of this sector which will affect the real estate environment. On the one hand, the amount of provisions that banks still have pending to bring the book value of their assets closer to market value and the impact this may have on their selling price. On the other hand, once the assets are provisioned, it remains to be seen what financial institutions do with them, whether the entities themselves sell the assets or use other sales channels, in what time frame they will be sold (immediately or will they wait for the property market to recover) and how they will be launched to market (in blocks or will there be a more phased release).

The real estate portfolio of financial institutions will comprise product in different stages of processing: finished product which could be put on the market immediately, property under construction and land assets. The real challenge for banks, and what will definitively determine the quality of the various real estate portfolios, will be the number of land assets in their portfolio.

In any case, and given the important role which the financial sector will play in the development of the real estate sector, knowing how to leverage any collaboration opportunity granted by these financial entities will be very helpful, to which we can provide knowledge, expertise and management towards transforming the situation into a competitive advantage for the Group.

But beyond the business capacity of real estate assets from banks, Renta Corporación will focus its efforts on its core business: detecting in the centres of Madrid and Barcelona real estate assets which, subjected to the right actions, are able to provide value and achieve the necessary degree of liquidity. These are cities where, despite the current situation, there is a level of transactions which Renta Corporación will know how to leverage.

Renta's 2011 results

On 15 June 2011 the company formalised a new long-term syndicated loan in the framework of the overall agreement to refinance debt. The new agreement with syndicated loan financial institutions separates the remaining debt from the syndicated loan—disregarding foreclosures—into equity loan, senior credit and a bilateralised tranche.

The equity loan for an initial amount of €54.5 million is accounted for under Net Equity, thus restoring balance in the Group's equity. Maturity is 10 years and will be repaid through two means: a percentage of the Group's consolidated annual net profit and the cash surplus generated by the sale of portfolio prior to 2009 once the senior loan is redeemed.

The senior loan, meanwhile, is for €104.3 M and its amortisation is at maturity in 8 years, although mandatory prepayments will be made by selling assets in the portfolio prior to 2009.

Finally, a bilateralised tranche for €22.4 M is established, with the same repayment and maturity conditions as the senior loan.

The financial burden associated with the new syndicated loan is significantly minimised with the accrual of a reduced fixed rate of 1% and payment subject to the Group's cash position. Additionally, and depending on the Group's profit, an extraordinary variable interest rate would be paid.

During 2011, the company achieved sales of 150.9 million euros. 117.9 million euros from this total can be are attributed in sales to financial institutions under the refinancing process, focusing mainly on buildings in the domestic market. On the other hand, ordinary business sales stand at 30.9 million euros, up slightly from 2010. The sale of portfolio investments prior to 2009 outside the process of refinancing amounted to 2.1 million.

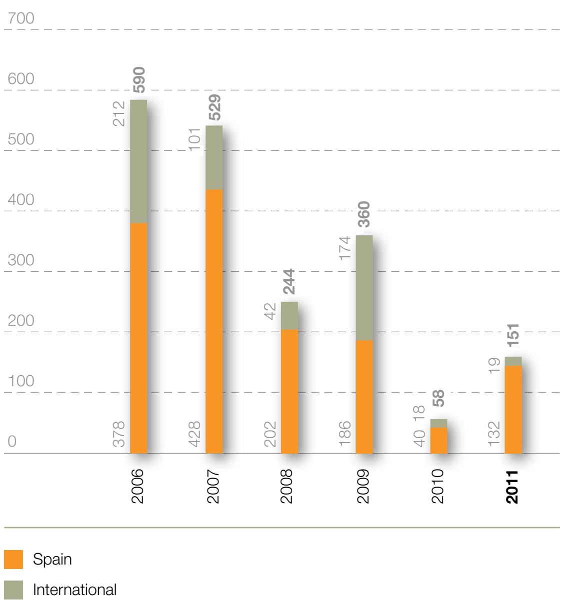
With regard to investment, Renta Corporación has invested 33.6 million euros in 2011, of which 31.2 million have been allocated to the ordinary business portfolio, mostly buildings in the domestic market. These levels of investment are consistent with company strategy to invest in a business portfolio adjusted to the new market conditions.

The major strategic challenges which the Group is fully focused on are liquidity, a key element of the Group's business, and intensive control of the company's overheads. In regard to the business, we can distinguish four areas. The first is core business, based on the traditional Renta business model, which focuses the Group's activities and should be its primary margin-generation element. Second, and given their weight (as already mentioned) in the market environment in which the company operates, transactions with financial institutions, to which we provide management and in which risk is limited. Third, we have one-off transactions such as the exclusive management contracts, which have also proved to be major business generators for the Group. And finally there are portfolio assets prior to 2009 which, due to their low financial and maintenance cost, can remain in our portfolio with minimal investments and can be turned into cash at a more optimal market situation.

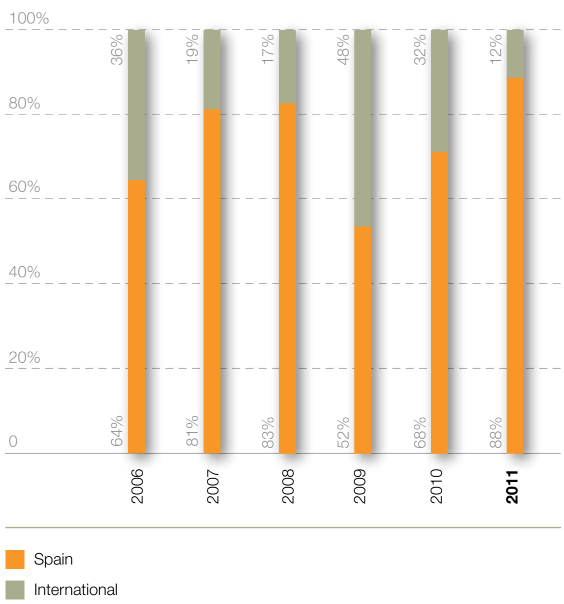
Bailén. Barcelona

Spanish and international sales

(millions of euros)

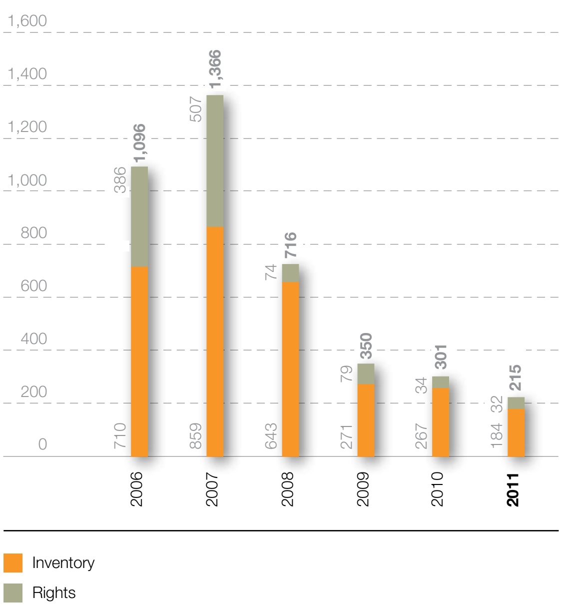


Distribution of Spanish and international sales



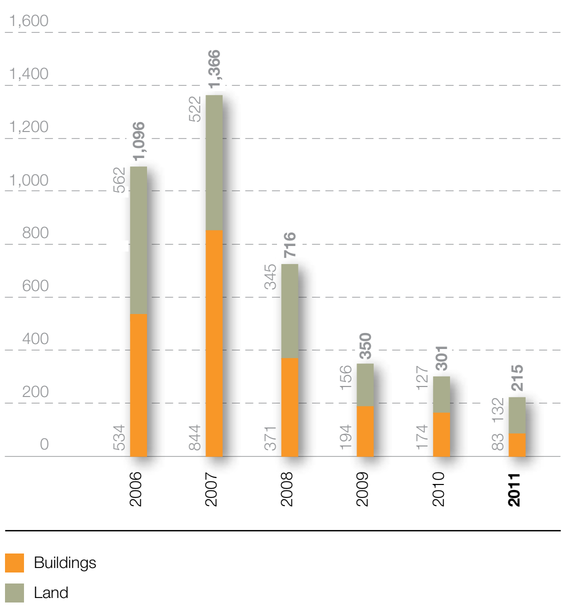
Portfolio

(millions of euros)

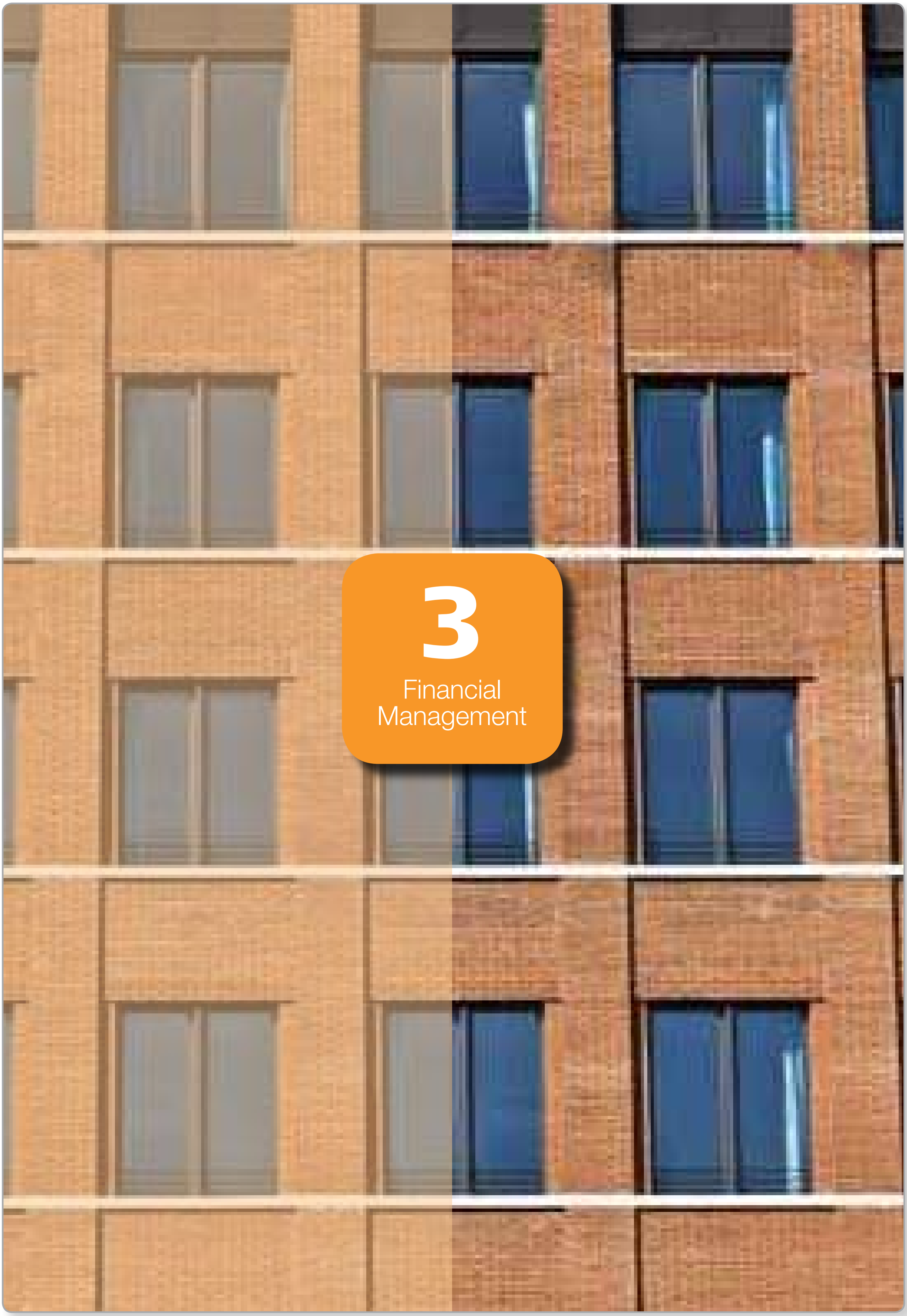


By business

(millions of euros)



3
Financial Management



3a Financing

The Group has brought its net financial debt down by €101.9 M compared to the end of the previous year, reaching 195.6 million euros at 31 December, 2011, which amounts to a reduction of more than 30%. This difference is explained by the agreement reached with the syndicate loan banks, which was formalised on 15 June, involving the sale of assets to financial institutions.

The following table analyses the data by headings in financial year 2011:

Net debt (in € millions)

	December 11	December 10	Difference
Syndicated loan	181.2	279.3	-98.2
Operations with mortgage guarantee	14.3	34.2	-19.9
Credit facilities and other financial debt	3.4	5.8	-2.4
Cash and short term deposits	-3.3	-21.9	18.6
Total Net Debt	**195.6**	**297.5**	**-101.9**

Following the refinancing agreement, the syndicated credit agreement involves seven banks. The debt has a maturity of 8 years for the senior and bilateralised tranches and 10 years for the equity loan.

The new syndicated loan has been structured as follows:

- Equity loan amounting to €54.5 million. This loan is accounted for as Equity, whose balance would thereby be restored. It has a maturity of 10 years and will be repaid through two means: i) a percentage of the Group's consolidated annual net profit and ii) the cash surplus generated by the sale of portfolio prior to 2009 once the senior loan is redeemed.

- Senior credit amounting to €104.3 M. It has a maturity of 8 years, with amortisation at maturity, although mandatory prepayments will be made by selling assets in the portfolio prior to 2009.

- Bilateralised tranche for €22.4 M and with the same repayment and maturity conditions as the senior loan.

At year-end there are €14.3 M of bilateral loans. This amount has decreased since the end of 2010 by €19.9 M, mainly due to sales to financial institutions in the process of refinancing. Part of this decline has been replaced by new mortgages for ordinary business assets.

The new debt restructuring agreement reached gives the Group long-term stability and balance. The realisation of the agreement allows, on the one hand, avoiding the risk of undercapitalisation for the Company and, on the other, reallocating cash flows necessary to service the debt to generate Group cash flow instead.

Average interest rate for debt in 2011 was 1.98%, with an average 1.76% differential over Euribor. This amounts to a reduction of 17 basis points over the previous year. The financial burden associated with the new syndicated loan is significantly minimised by payment of a low fixed rate (1%) subject to the Group's cash position. There is also an extraordinary variable interest linked to the Group's profit. We thus consider this fixed rate as if considering an interest rate hedging, with an average interest rate of -1.11%.

3b Financial Risk Management

The company constantly monitors its financial risk, particularly liquidity, foreign exchanged and interest rate risk.

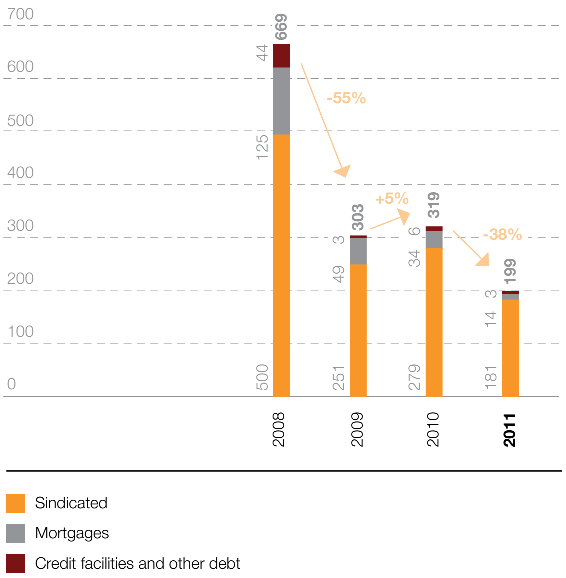
The Group obtained the necessary liquidity through the restructuring process completed in June 2011 when longer-term funding was obtained and net equity was adjusted. Virtually all debt therefore has a maturity of more than four years.

The Group's interest rate risk management policy is managed in accordance with policies approved by the Board of Directors in establishing the need for tools to minimise the impact of volatile interest rates in order to cover at a fixed rate around 30% of the total debt taken up.

However, given the favourable interest rate conditions agreed in the new debt refinancing, this means that virtually 100% of the debt has a fixed interest rate.

Evolution of gross indebtedness

(millions of euros)



Net indebtedness in 2011

195.6

million euros

297.5

in 2010

Exchange Rate

During 2011 the Group has maintained its foreign exchange risk management policy approved by the Board of Directors in order to eliminate uncertainties about the behaviour and future performance of the rates, and minimize the negative impact that these fluctuations may have on the company's profit and loss account or equity. It is worth noting that due to the restructuring of the Group, our international presence has been virtually reduced to a mere token presence without any activity.

The policy has focused on debt capitalisation of some of the international subsidiaries.

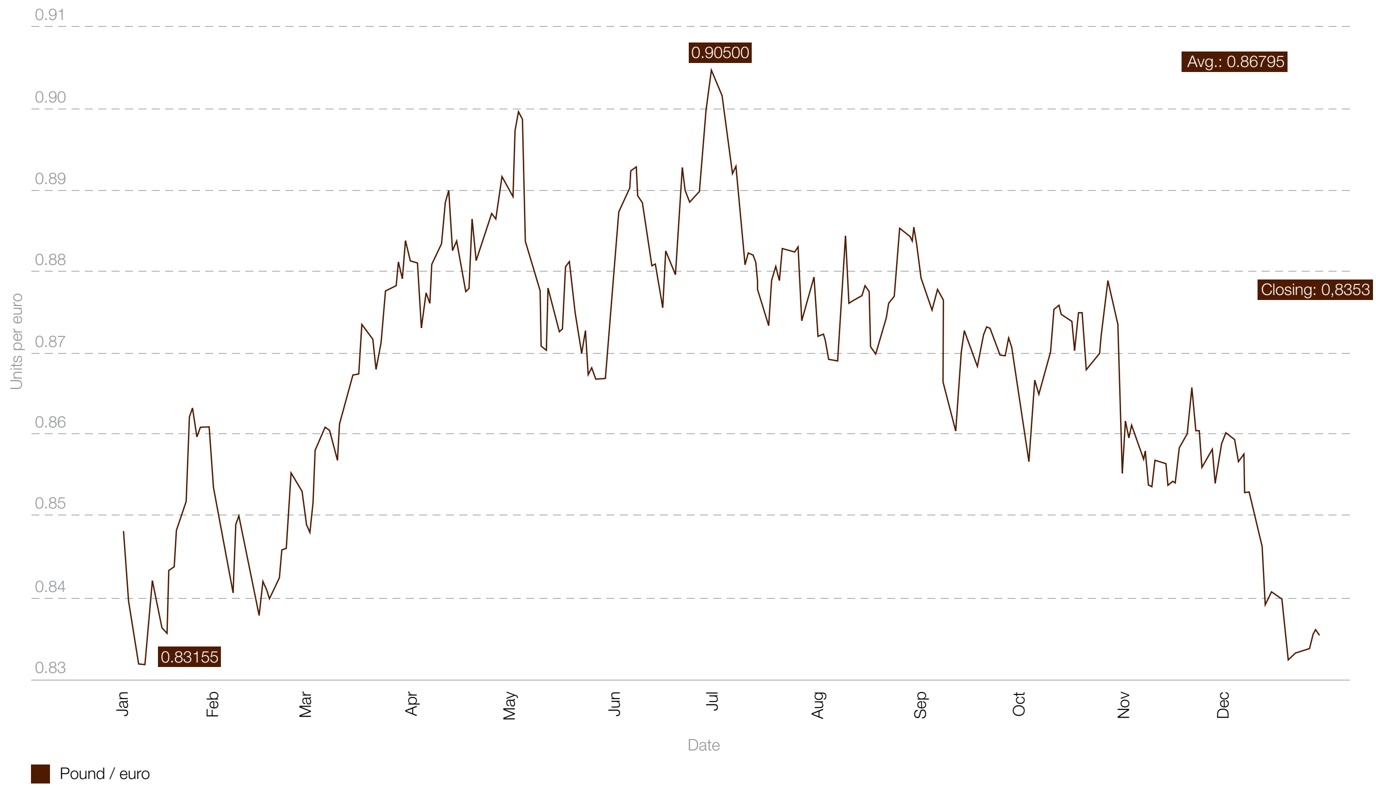
The dollar has dropped significantly against the euro in the first half of the year, down to 1.3348 from 1.4882 earlier in the year. In the second half of the year, the situation has been the opposite. At year-end 2011 the strong appreciation brought us to levels below the levels at the beginning of the year, reaching 1.2939.

The scenario of the pound has been similar to that of the dollar, though with less volatility. From a level of 0.86131, in the first half of the year it depreciated against the euro, reaching levels of 0.905, and an appreciation in the second half, ending the year at 0.8353.

The company did not obtain any profits from currency exchange since it has covered its assets and liabilities naturally in foreign currency. Currently, the Group has not contracted any derivatives due to its minimal exposure to currency risk.

Tinent Flomesta. Barcelona

GBR/EUR exchange rates (2011)



Source: ECB

USD/EUR exchange rates (2011)

Source: ECB

3c Cash Management

The global economy is dominated by two opposing forces. On the one hand, the positive cyclical momentum from emerging economies and on the other, the volatility of risk premiums and the uncertainty in most financial markets, including Spain, especially exacerbated by the Greek and Portuguese sovereign debt crisis. The recovery of the euro zone is expected to be slow given the weaknesses of the financial system and fiscal consolidation.

The real estate industry has developed in line with the general depressed economic situation, characterised by major uncertainty in the market, significant lack of credit and an environment marked by serious job losses. The residential market, the only market offering some liquidity, focuses on split sales primarily to end customers. The land market is very crippled and moves only by opportunistic or compensation transactions with financial institutions.

Unfortunately, in regard to 2012, the forecast is not much more optimistic. Prices are expected to continue falling, accompanied by stagnation in lending. The property sector this year will benefit from two tax measures announced by the new government: the recovery of the tax credit for home purchases and the continued reduced VAT rate of 4% for transactions. Even so, households will have less income to spend on housing given the increase in income tax introduced as an austerity by the Government.

A very significant aspect when it comes to determining the future development of property prices will be the decisions that financial institutions may take with regard to provision for capital requirements mandated by the recently approved Royal Decree for Financial Sector Restructuring. Raising the level of provision on assets makes it possible to anticipate selling these assets off at lower prices.

In any case, and given the important role of the financial sector in the development of the real estate sector, knowing how to leverage collaboration opportunities with these entities will be very helpful, providing knowledge, expertise and management, to transform it into a competitive advantage for the Group.

On 15 June 2011 the Group reached a debt restructuring agreement that allows accommodating medium to longer term its amount of debt and service flows in an environment marked by the drawing out of the housing crisis. This effort has made it possible to reallocate cash flows necessary to service the debt to generate cash flow instead. This new agreement provides Renta Corporación with greater financial and equity stability, helping it avoid undercapitalisation risks.

The main financial risks the Finance department has to deal with are liquidity risk and market risk (interest rates, exchange rates, inflation, loans, etc.).

To do this, it has established control and monitoring measures, such as:

- Cash budget with a time horizon of 10 weeks, with a weekly breakdown and daily update.
- Cash planning with a horizon of 12 months, updated quarterly.

As for its liquidity policy, the Group has worked to centralise domestic and international operations and thus to identify all cash requirements both in amounts and in timing, to minimise financial costs and to suitably invest surplus cash.

At 31 December 2011 the Group had €3.3 M in cash. This variable is a basic management and service element influenced by the policies mentioned above, but in turn greatly affected by business results.

3d Notes on the Consolidated Balance Sheet

The development of the real estate sector in 2011 was marked again by the lack of liquidity, the oversupply of products and a significant overall lack of confidence of investors and consumers. This overall situation has greatly conditioned business development.

Maintaining financial stability in the Group is vital for the natural development of its business plan, so in June 2011 the Group signed an agreement with creditor banks for debt restructuring and modification of the conditions of the syndicated loan signed in May 2009. The agreement has allowed: i) a realignment of the Group's equity, ii) a 31% decrease in inventory and a decrease in the Group's net banking debt of 34% to 195.6 million euros and, iii) amortisation commitments of the remaining debt and payment of the financial burden according to the Group's business plan, of 8 to 10 years, depending on the tranche.

The agreement signed with the banks mentioned above, the rigorous investment policy and the deactivation of tax credits in 2010 partially explain why the Group's balance sheet has dropped since the previous year.


Balmes. Barcelona

Non-current assets amounted to 3.076 million euros over the 17.220 million in 2010, down significantly due to the cancellation of a deferred payment for non-payment with the corresponding recovery of a plot of land.

Inventory is valued at 183.740 million euros, down by 83.258 million from the 2011 closing figure. This decrease is primarily due to asset sales to financial institutions, partially offset by the recovery of a land property that was guaranteeing a debt amounting to 16.609 million euros. Regarding the composition of the portfolio, total inventory is broken down into 28% for buildings and 72% in land assets. In terms of business unit, 7% corresponds to the ordinary business portfolio and the remaining 93% to the inventory portfolio prior to 2009.

Creditors at the end of 2011 consist in large part of the deferred VAT in Accrued Taxes, resulting primarily from sales to financial institutions of the company's two debt refinancing processes.

The net debt balance went from 297.482 million euros in 2010 to 193.444 million euros in 2011. Debt includes 14.319 million euros in bilateral mortgages.

The current syndicated loan is divided into 54.456 million euros of equity loan with a maturity of 10 years, 104.274 million euros of senior debt with a maturity of 8 years, and a bilateralised tranche of 22.429 million euros also with a maturity of 8 years. The financial burden associated with the new syndicated loan is significantly minimised by paying a low fixed rate (1%) subject to the Group's cash position. There is also an extraordinary variable interest linked to the Group's profit.

Net equity stood at 16.007 million euros. The execution of the agreement reached with financial institutions has enabled a rebalancing of the Group's equity via the commercial consideration of the equity loan as net equity, and the generation of capital gains by selling assets and the subsequent profit this year.

Consolidated Balance Sheet

(in thousands of euros)

Assets

	2011	2010	Difference	% 10 vs. 09
Total non-current assets	**3,076**	**17,220**	**-14,144**	**-82.1%**
Inventory	183,740	266,997	-83,257	-31.2%
Trade debtors and other accounts receivable	4,300	8,803	-4,503	-51.2%
Loans and receivables with related parties	2,985	2,108	877	41.6%
Financial assets held to maturity	54	181	-127	-70.1%
Cash and cash equivalents	3,273	21,749	-18,476	-85.0%
Total current assets	**194,352**	**299,838**	**-105,486**	**-35.2%**
Total assets	**197,428**	**317,058**	**-119,630**	**-37.7%**

Liabilities

	2011	2010	Difference	% 10 vs. 09
Shareholders' funds and reserves	-38,449	-41,000	2,551	-6.2%
Total net equity	**-38,449**	**-41,000**	**2,551**	**-6.2%**
Financial debt	180,337	0	180,337	
Total non-current liabilities	19,337	20,380	-1,043	-5.1%
Total non-current liabilities	**199,674**	**20,380**	**179,294**	**879.7%**
Trade creditors and other accounts payable	19,769	18,267	1,502	8.2%
Financial debt	16,434	319,411	-302,977	-94.9%
Total current liabilities	**36,204**	**337,678**	**-301,474**	**-89.3%**
Total liabilities	**235,877**	**358,058**	**-122,181**	**-34.1%**
Total net equity and liabilities	**197,428**	**317,058**	**-119,630**	**-37.7%**

3e Notes on the Consolidated Profit and Loss Statement

Accumulated revenues for the year 2011 are 156.748 million euros (61.220 million euros in 2010), comprising sales of 150.918 million euros (58.201 million euros in 2010) and other income of 5.830 million euros (3.019 million euros in 2010). Sales this year includes sales to financial institutions in the framework of the refinancing process discussed above, amounting to 117.943 million euros. The remaining sales outside the refinancing process amounted to 32.975 million euros, focusing on ordinary business in the domestic housing market.

The Group's combined variable selling, general and personnel expenses came to 15.068 million euros compared with 21.474 million in 2010. Not taking into account the extraordinary items, all these costs drop by 38% compared with the previous year. The significant decrease in the weight of these items on sales has to do not only with the big jump in the sales figure but also with the significant decrease in these items in absolute terms. The drop in personnel expenses is mainly due to a decrease in average workforce, from 78 in 2010 to 57 in 2011, with a workforce of 50 by the end of the year. The wage policies implemented also influence significantly.

The year 2011 yielded a financial loss of 1.533 million euros, compared to 18.509 million euros in 2010. The significant effect of debt refinancing is worth noting in this area, influenced in part by lower average interest rates, which dropped significantly from 5.04% in 2010 to 2.02% in 2011, and by the reversal of the financial expense provision not yet implemented of 3.329 million euros as a result of the difference between the actual expense of the syndicated loan signed in May 2009 and the weighted average margin of the same over its seven year life.

The consolidated profit for the year attributable to shareholders stood at 3.292 million euros, an improvement of 88.171 million euros over 2010 losses. The attributable profit per share is 0.12 euros per share (-3.44 euros per share in 2010).

Consolidated Profit and Loss Statement

(in thousands of euros)

	2011	2010	Difference	%
Operating revenue	150,918	58,201	92,717	159.3%
Other operating income	5,830	3,019	2,811	93.1%
Goods used	-134,355	-58.056	-76,299	131.4%
Employee benefit expenses	-5,721	-8,152	2,431	-29.8%
Outsourcing expenses	-8,262	-9,941	1,679	-16.9%
Other taxes	-1,085	-3,381	2,296	-67.9%
Amortisation and losses related to assets	-4,534	-3,662	-872	23.8%
Excess of provisions	1,720	1,746	-26	-1.5%
Profit from disposal of fixed assets	-200	-91	-109	119.8%
Consolidated operating profit	**4,311**	**-20,317**	**24,628**	**-121.2%**
Net financial expenses	-1,533	-18,509	16,976	-91.7%
Share in profit of associated companies	0	26	-26	-100.0%
Consolidated profit before tax	**2,778**	**-38,800**	**41,578**	**-107.2%**
Profit tax	514	-46,079	46,593	-101.1%
Consolidated profit for the year	**3,292**	**-84,879**	**88,171**	**-103.9%**
Profit attributable to shareholders	**3,292**	**-84,879**	**88,171**	**-103.9%**
Profit/(loss) attributable per share (in euros per share)	**0.12**	**-3.44**	**3.56**	**-103.5%**

Ángel González Tejedor. Madrid

3f
Notes on the Consolidated Cash Flow Statement

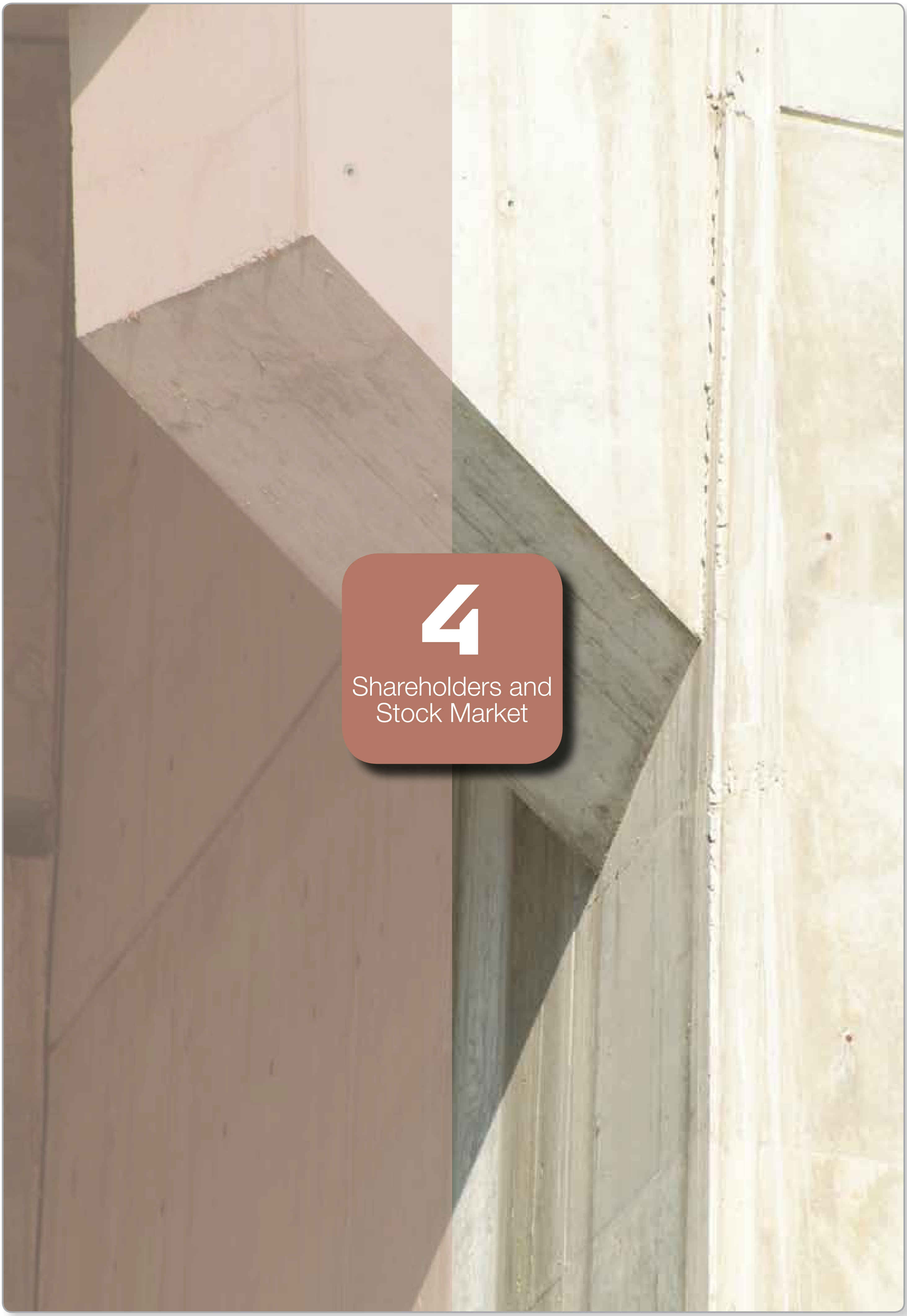
The Group's practice is focused on the acquisition, transformation and sale of real estate assets with high turnover, which allows rapid acquisition of liquidity. Thus, the buoyancy of the housing market is pinpointed as the most determining factor for generating liquidity in the Group. The Group's business model, by its very essence of acquisition and sales flow, quickly identifies market changes and adapts its practices to the context in which they take place.

Two factors may be decisive in 2012 regardless of whether the housing market is up or down, and therefore in the Group's possibilities to provide liquidity. On the one hand the fiscal measures announced by the new government—such as the recovery of the tax credit for home purchases and the continued reduced VAT rate of 4% for transactions—are seen as a catalyst. Even so, households will have less income to spend on housing given the increase in income tax introduced as an austerity by the Government. The second factor which can be very significant when it comes to determining the future development of property prices, and the number of property transactions in general, will be the decisions that financial institutions may take with regard to provision for capital requirements mandated by the recently approved Royal Decree for Financial Sector Restructuring. Raising the level of provision on assets makes it possible to anticipate selling these assets off at lower prices.

In any case, and given the important role of the financial sector in the development of the real estate sector, knowing how to leverage collaboration opportunities with these entities will be very helpful, providing knowledge, expertise and management to transform it into a competitive advantage for the Group.

Consolidated cash flow statement (in thousands of euros)

Operations	2011	2010	Difference
Cash flows from operations	108,547	5,481	103,066
Interest paid	-979	-1,186	207
Cash generated / (used) - Operations	**107,568**	**4,295**	**103,273**
Investment operations	**2011**	**2010**	**Difference**
Acquisition of tangible fixed assets	-107	-14	-93
Purchases of intangible assets	-111	-400	289
Purchases of financial investments	0	-2,250	2,250
Proceeds from sale of property, plant and equipment	0	4	-4
Income from the sale of financial investments/assets	-1,910	2,814	-4,724
Deposits and guarantees	0	-61	61
Repayment of deposits and guarantees	0	62	-62
Other financial assets	1,089	0	1,089
Cash generated / (used) - Investment	**-1,039**	**155**	**-1,194**
Financing operations	**2011**	**2010**	**Difference**
Disposal of treasury shares	0	767	-767
Financing obtained	191,596	20,640	170,956
Repayment of loans	-312,660	-21,461	-291,199
VAT Deferment	-3,941	-4,685	744
Cash generated / (used) - Financing	**-125,005**	**-4,739**	**-120,266**
Cash at beginning of the year	21,749	22,038	-289
Cash at year-end	3,273	21,749	-18,476
(Net reduction) / increase in cash flows and cash equivalents	**-18,476**	**-289**	**-18,187**



4

Shareholders and Stock Market

4 Shareholders and Stock Market

Renta Corporación shares have been listed on the Barcelona and Madrid Stock Exchanges since April 2006, and are traded on the Spanish Stock Exchange Interconnection System (ISBE or Continuous Market).

Renta Corporación's share capital consists of 27,276,575 shares in circulation with a par value of €1/share.

All shares have the same voting and financial rights.

Corredera Baja de San Pablo. Madrid

4a
Share history

After Renta Corproación's share closing 2010 at 1.24 euros, in 2011 share value has seen a small downward trend for most of the year, ending the year at 1.01 euros/share . This represents a drop in share price which has been driven largely by the real estate and financial crisis that has characterised the stock market during 2011 and is very much in line with what has happened to all other listed real estate companies.

The year-end price equates to a market capitalisation of 28 million euros.

Salient Figures

Share price as of 31/12/2011	€1.01/share
Difference with respect to 31/12/2010	-18.55%
Yearly maximum 2011	€1.72/share
Annual minimum 2011	€0.88/share

Source: Infobolsa

Evolution of Renta Corporación compared with IBEX-35, Property Index and others

Trading

In 2011, 7,932,903 shares were traded, a turnover of less than 1. The greatest average daily volume was in the month of August.

Volumes (shares)

Cumulative	7,932,903	(31/12/2011)
Monthly maximum	1,088,286	(August)
Monthly minimum	197,940	(November)

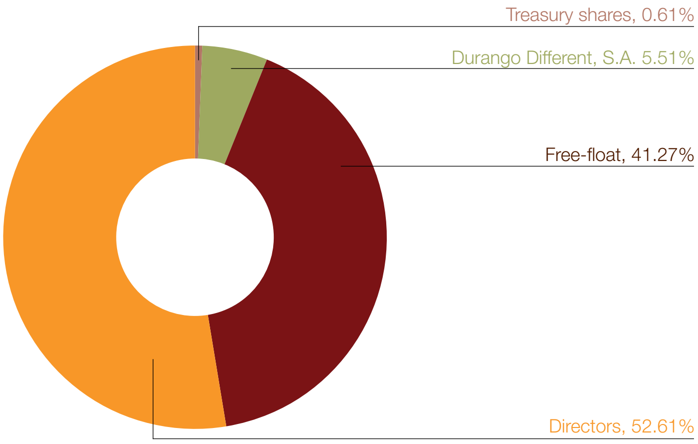
Shares traded (daily average)

January	38,419	July	43,800
February	49,061	August	49,468
March	23,234	September	23,903
April	19,693	October	28,710
May	42,847	November	8,997
June	15,253	December	31,051

4b Shareholders

Distribution of holdings in Renta Corporación Real Estate S.A.

(at 31 December 2011)



Information provided in this section was produced from reports filed by shareholders who have reported their shareholder positions either because their holding exceeds regulated levels or because they are obliged to do so as company directors.
Up-to-date information is also available in the Annual Corporate Governance Report, as required by regulations, and on the Spanish Securities and Investment Board and Renta Corporación websites.

Marina. Barcelona

4c Dividends

No dividend pay-out took place in 2011 and in the current business context none is expected in 2012.

4d Investor Relations

It is our wish to keep investors constantly informed of developments within the Group, so that both shareholders and investors can access company public information and material events through the following communication channels:

Face-to-face: Mainly via the General Meeting of Shareholders.

Publications: The Annual Report is the main means of communication, supplemented by communications with the Spanish Securities and Investment Board (CNMV):

1. Annual Report, including the Annual Corporate Governance Report, which provides relevant and accurate information on the company business.

2. Reporting of all material events to the Spanish Securities and Investment Board (CNMV).

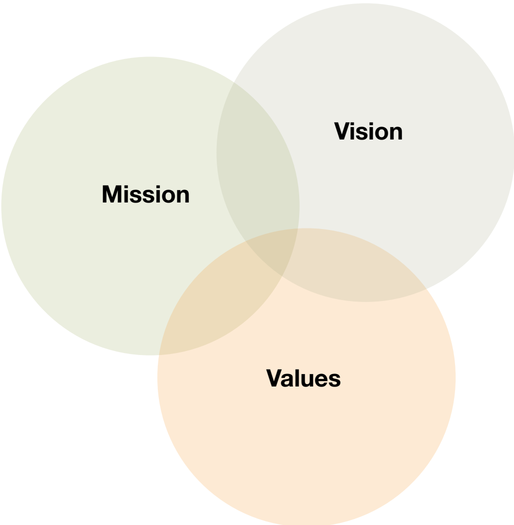
Internet: Via its website at www.rentacorporacion.com, the company provides clear, objective and real-time information about corporate events, its organisation and financial statements, as well as the latest news, material events, reports, presentations and any other information which may help give a clear picture of the current status of the Group. To handle shareholder queries about the progress of the Company, a channel exists which was specifically set up for this purpose via the e-mail address r.inversores@rentacorporacion.com.

5

Corporate Social Responsibility Report

5
Corporate Social Responsibility Report

Renta Corporación is a company that believes in Corporate Social Responsibility (CSR), supporting it by implicitly embedding it into the business conception behind its mission, vision and values, applied and shared with individuals and stakeholders with which the company is linked permanently in its business activities.



- A **mission**, creating value through business activity.
- An **outlook** of continuously seeking performance efficiency.
- **Values** applying ethics in relationships and real estate activity.

This CSR activity report features all aspects that distinguish Renta Corporación as a responsible company. And we understand responsibility as not merely complying with environmental parameters and applying sustainability criteria when planning our business activity, but in reference to our ethics and responsibility to employees, our commitment to them and our need for transparency in all areas of our relationship.

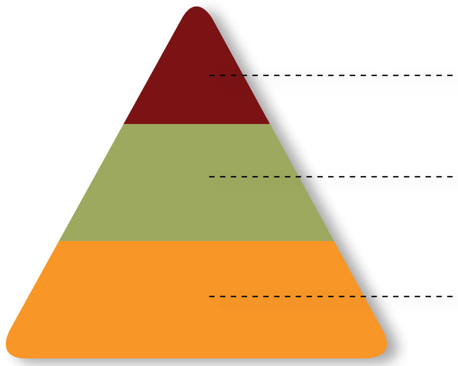
This position becomes more complex in the current environment. In a crisis situation like the one we have been living for the last four years, transparency becomes a key strategic pillar, especially in the Company's policy of responsibility towards its stakeholders and in its commitment to its employees.

Balmes. Barcelona

5a
Corporate Culture and Stakeholders

Companies that have integrated CSR into their business model are in a better competitive position for facing future challenges. This is the case of Renta Corporación, which during 2011 has continued to be committed to its stakeholders, providing strong communication channels and always looking for strong commitments to strengthen the relationship in the medium and long term.

In addition, transparency, ethics and talent are the three parameters that define the corporate culture of Renta Corporación. These principles guide the company's activity and its relationship with the environment, reflecting its commitment, its strong belief in people as guarantors of delivering value to all its activities and preserving the reputation of the brand in business dealings.



Talent as the tip of the spear, the greatest asset for a company that strives to be a benchmark in its sector.

Ethics is an overarching element in all company relationships and a safeguard of integrity and respect in the organisation.

Transparency as the basis on which a company must work by providing the necessary credibility to carry out its work in the long run.

Commitment to the team

Renta Corporación's people have always been one of the company's most obvious strengths, pivotal for business development and its quest for excellence. The company's responsibility in this area is among the main objectives of its Corporate Social Responsibility because we can only overcome the crisis through collective effort, pride of ownership and commitment to excellence. But winning this battle requires drastic measures and making decisions regardless of how difficult and painful they may be.

The serious economic situation which has affected us in recent years has forced us to implement new cuts in finance and personnel, essential to ensure the viability of the organisation. Under these circumstances, preserving the best talent and maintaining a motivating work environment have been pivotal for continuing to work full of excitement toward the future. The organisation's strong sense of responsibility has made it possible for this process to take place with minimal damage, knowing that if at first adjustments bring disappointment, they are crucial for coming out stronger from the crisis.

The most important measures taken in 2011 have triggered new job cuts. As of 31 December, the company had 50 employees.

Two important measures have been implemented in the salary section:

1. Salary cut for part of the workforce.

2. During 2011, senior management and the workforce reached the agreement that the variable salary remuneration for 2011 would not be paid.

3. 75% reduction of the bases for calculating the Sales Award Plan. Also in October 2011 the Award Plan was concluded, published by the company in October 2009 with an expected duration of two years.

It would not have been possible to implement these adjustments with the efficiency and speed necessary in such a complex context without a highly cohesive team such as that at Renta Corporación, which has, at all times, demonstrated its commitment to the Company's strategic objectives.

In 2011 most of the company's team have been located in Spain, 16% in the Madrid office and the remaining 84% in the Barcelona office by the end of the year.

The company workforce highlights include:

69% Women account for 69% of the workforce.

61% Sixty-one percent of employees are between 35 and 44 years old.

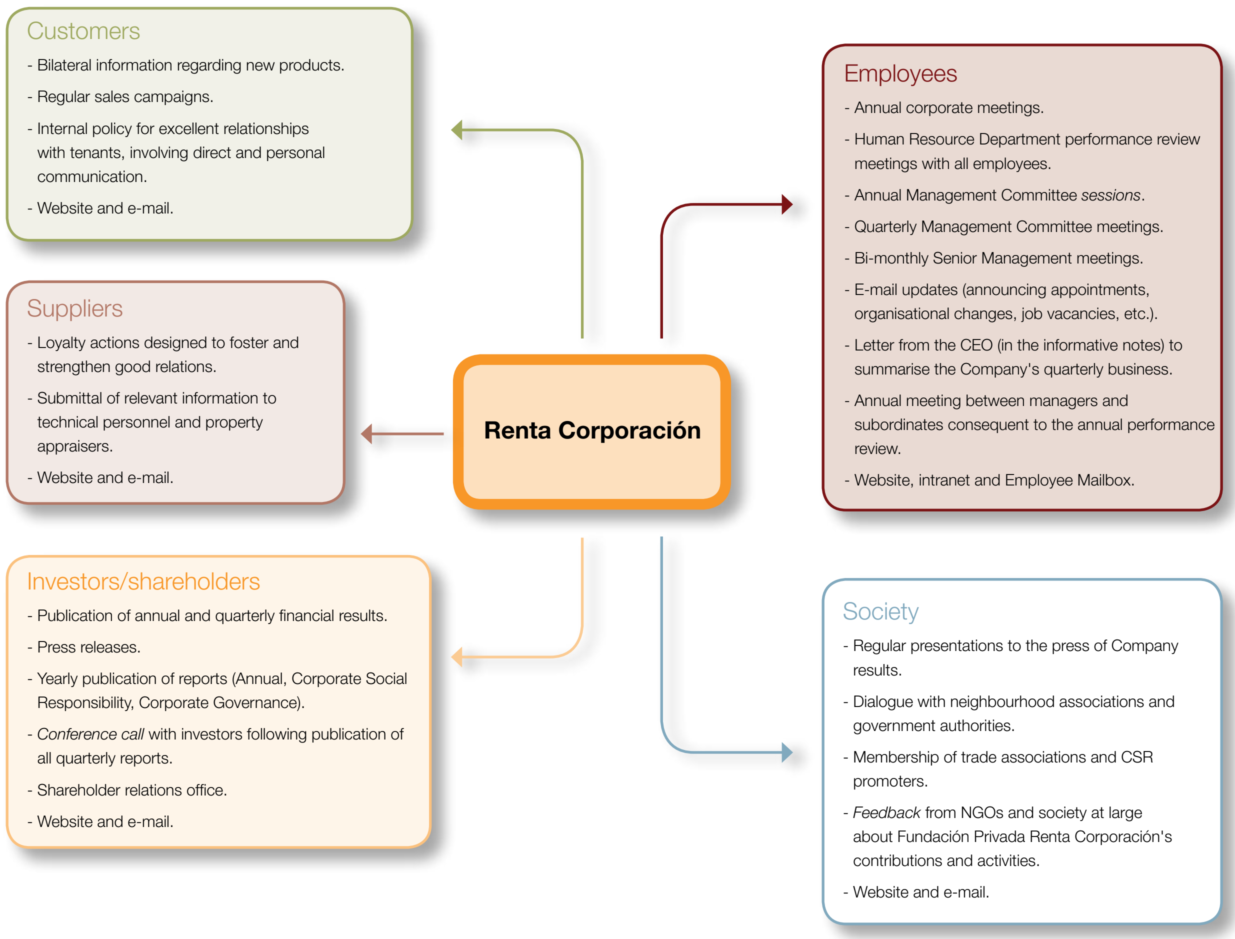
78% Seventy-eight percent are university graduates.

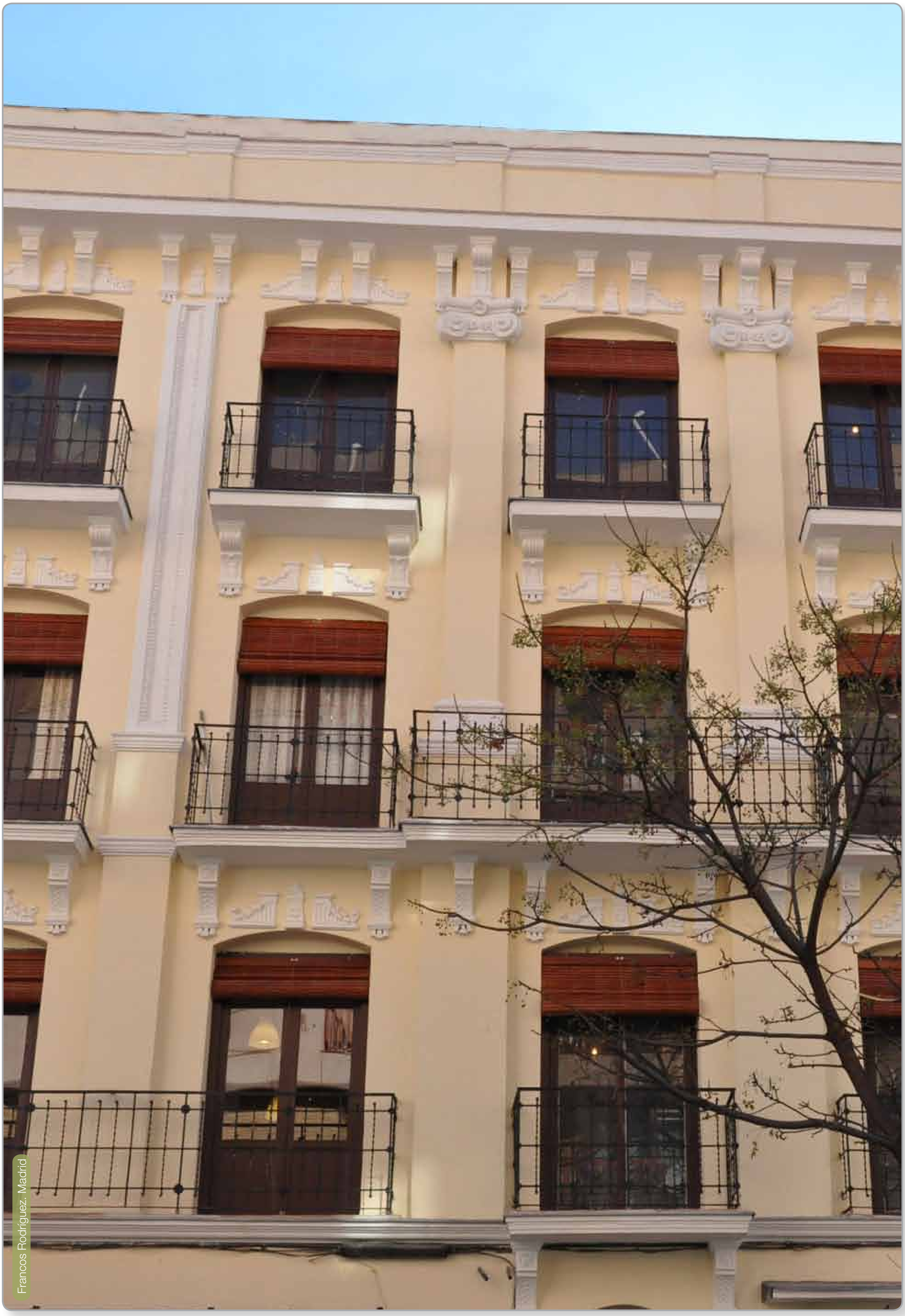
12% The percentage of female representation on the Board of Directors is 12%.

Renta Corporación is aware that its team is its most important asset. This statement becomes more valuable in difficult times, since talent management in the pursuit of excellence is essential for overcoming any crisis situation. We have emerged from a very complicated year, hoping that it will turn out to be only a step back that will help us gather the momentum to emerge with greater strength, impulse and enthusiasm backed by the best professionals.

Main communication channels

Communication with stakeholders is part of Renta Corporación's strategy and business management, the objective of which is to harness the information and opportunities that a smooth and direct relationship can provide. In order to ensure the very best quality, the company is in constant contact with its customers, shareholders, investors and suppliers through various channels. These channels serve to detect strengths and weaknesses and to observe the needs and expectations of the customers themselves.





Francos Rodríguez. Madrid

The value chain

Ethics and efficiency are the principles which underlie all activities carried out by Renta Corporación and its relationships with all of its stakeholders, as well as its professionalism as a manifestation of its strong commitment to the business model and the belief that it is the way forward in the coming years. These principles, coupled with the conviction that people are the strength of our organisation, make Renta Corporación a company that is guided not only by the bottom line but also by the desire to promote more sustainable and efficient development with its business.

Renta Corporación helps to create quality and each day more sustainable environments for its customers, with efficient resource management as its driver, a philosophy extended to its suppliers. It therefore fosters a set of guidelines with suppliers and internally:

- Rational consumption of energy resources.
- Recycling of materials and waste management.
- Selecting materials for construction projects that contribute to their energy efficiency.
- Focus on energy rehabilitation in all properties in which it is involved.

Good governance

In its commitment to establishing a culture of integrity, the Company has strengthened its commitment to good governance by encouraging awareness of it and safeguarding compliance. Thus, the Unified Good Governance Code, beyond its obligations and recommendations, guarantees the transparency of our operations and proper corporate governance in order to unify and strengthen the identity, culture and behaviour patterns of the Group.

A basic principle of our Corporate Governance is that of transparency with shareholders, investors and the market in general, and to carry out monitoring of best practices in this regard, identify risks and instruments for control and management, information management and security policies and promotion of socially responsible corporate policies.

Through the company's website, www.rentacorporacion.com, all stakeholders have access to detailed information for any question or request.

Aware of the importance of risk management, especially in times of crisis, Renta Corporación has established procedures for identifying reputational risks, as well as other risks deriving from compliance with the law, general and industry standards, and internal policies. The company has two supervisory bodies in the Board of Directors that act as safeguards: the Audit Committee and the Appointments and Remuneration Committee.

The Audit Committee assists the Board in its oversight duties by periodically reviewing the process of preparing the financial information, internal controls and ensuring the external auditor's independence. The Appointments and Remuneration Committee has the function to inform the Board on appointments, re-elections, separations and remunerations of the Board of Directors and their positions, as well as the general remuneration and incentives general policy for the same and senior management.

5b
Fundación Renta Corporación

The company's social commitment is channeled through the Renta Corporación Foundation, which aims to collaborate on projects dedicated to helping women and children, health issues, infrastructure and housing, nutrition and water programmes, and education.

Since late 2010, the Board of Trustees has stopped its activities and suspended contributions to social projects during the year 2011, because its main sources of income such as dividends from the company Renta Corporación Real Estate S.A. (which did not pay out in 2011), had dried up the Foundation's sources of revenue.

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