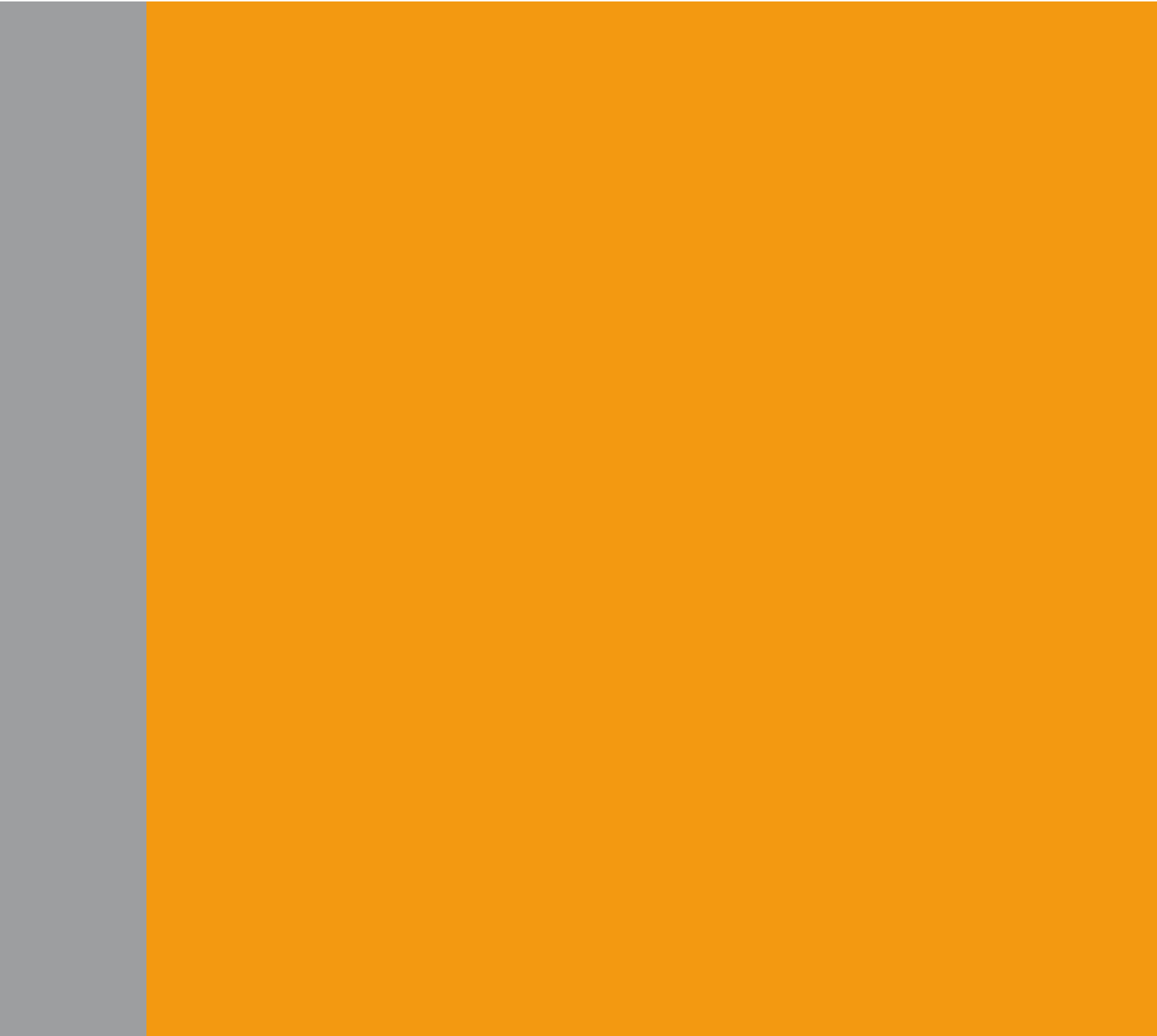




INDIVIDUAL ANNUAL ACCOUNTS 2006





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INDIVIDUAL ANNUAL ACCOUNTS 2006

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1

Audit
Report

A free translation of the report on the annual accounts originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain. In the event of a discrepancy, the Spanish language version prevails.

AUDITOR'S REPORT ON THE ANNUAL ACCOUNTS

To the shareholders of Renta Corporación Real Estate, S.A.

We have audited the annual accounts of Renta Corporación Real Estate, S.A. consisting of the balance sheet as at 31 December 2006, the income statement and the related notes to the annual accounts for the year then ended, the preparation of which is the responsibility of the Directors of the Company. Our responsibility is to express an opinion on the aforementioned annual accounts taken as a whole, based on the work carried out in accordance with auditing standards generally accepted in Spain, which require the examination, on a test basis, of evidence supporting the annual accounts and an evaluation of their overall presentation, the accounting principles applied and the estimates made.

In accordance with Spanish Corporate Law, the Company's Directors have presented, for comparative purposes only, for each item of the balance sheet and the income statement, the corresponding amounts for the previous year as well as the amounts for 2006. Our opinion refers exclusively to the annual accounts for 2006. On 13 February 2006, we issued our audit report on the 2005 annual accounts, in which we expressed an unqualified opinion.

In our opinion, the accompanying annual accounts for the year 2006, present fairly, in all material respects, the financial position of Renta Corporación Real Estate, S.A. at 31 December 2006, the results of its operations, and the sources and application of funds for the year then ended, and contain all the information necessary for their interpretation and comprehension in accordance with generally accepted accounting principles, except for the change, with which we agree, in relation to the re-estimate of the useful life of the Start-up expenses, as described in note 4a to the accompanying accounts, applied on a basis consistent with those used in the previous year.

The accompanying Directors' Report for 2006, contains the information that the Company's Directors consider relevant to the Company's position, the evolution of its business and of other matters and does not form an integral part of the annual accounts. We have verified that the accounting information contained in the aforementioned Directors' Report coincides with that of the annual accounts for 2006. Our work as auditors is limited to checking the Directors' Report within the scope already mentioned in this paragraph and it does not include a review of information other than that obtained from the Company's accounting records.

PricewaterhouseCoopers Auditores, S.L.



Manuel Valls Morató
Audit Partner

22 February 2007





2

Annual
Accounts

a. Individual Annual Accounts

COMPANY IDENTIFICATION

NIF:	A62385729		
Registered Name:	RENTA CORPORACIÓN REAL ESTATE , S.A.		
Registered office:	Av. Diagonal, 449 2º		
Town:	BARCELONA	Province:	BARCELONA
Post Code:	08036		

ACTIVITY

Main activity:	Real Estate and Building Transformation	
CNAE code	810010	70.11

EMPLOYEES

			YEAR 2006	YEAR 2005
Salaried employees (average number for the year)	PERM. (4)	810100	5	3
	TEMP. (5)	810110		

PRESENTATION OF ACCOUNTS

		YEAR	MONTH	DAY
Year-end date to which the accounts refer	810190	2006	12	31
Number of pages deposited:	810200			

If no figures are stated for any of the years, indicate the reason for this:

UNITS

Place a X against the unit in which the annual accounts have been prepared:	Euros	999024	
	Thousand euros	999025	X

NORMAL BALANCE SHEET B1

NIF A62385729		UNIT ⁽¹⁾	
REGISTERED NAME		Euros	999114
RENTA CORPORACION REAL ESTATE, S.A.	Space for the Directors' signatures	Thousands	999115 X

ASSETS		YEAR 2006	YEAR 2005
A) UNCALLED SHARE CAPITAL	110000		
B) FIXED ASSETS	120000	3,904	2,816
I. Start-up expenses	121000		328
II. Intangible assets	122000	202	95
1. Research and development	122010		
2. Patents and trademarks	122020	22	21
3. Goodwill	122030		
4. Transfer rights	122040	40	
5. Computer software	122050	161	74
6. Rights on assets under finance leases	122060		
7. Prepayments	122070		
8. Provisions	122080		
9. Amortisation	122090	-21	
III. Tangible assets	123000	434	171
1. Land and buildings	123010		
2. Plant and machinery	123020		
3. Other plant, furniture and fittings	123030	432	180
4. Payments on account and assets in course of construction	123040		
5. Other fixed assets	123050	36	3
6. Provisions	123060		
7. Depreciation	123070	-34	-12
IV. Investments	124000	3,268	2,222
1. Shareholdings in group undertakings	124010	2,845	2,142
2. Loans to associated undertakings	124020		
3. Shareholdings in associated companies	124030	282	288
4. Loan to associated undertakings	124040		
5. Long-term securities portfolio	124050	25	25
6. Other shareholdings	124060		
7. Long-term deposits	124070	116	29
8. Provisions	124080		-262
9. Long-term accounts with public authorities	124100		
V. Treasury shares	125000		
VI. Long-term trade debtors	126000		

NORMAL BALANCE SHEET B2

NIF A62385729
REGISTERED NAME
RENTA CORPORACION REAL ESTATE, S.A. Space for the Directors' signatures

ASSETS		YEAR 2006	YEAR 2005
C) DEFERRED EXPENSE	130000		
D) CURRENT ASSETS	140000	168,414	62,448
I. Called up share capital not paid	141000		
II. Stocks	142000		
1. Goods purchased for resale	142010		
2. Raw materials and consumables	142020		
3. Work in progress	142030		
4. Finished goods	142040		
5. By-products, scrap and reusable material	142050		
6. Payments on account	142070		
7. Provisions	142070		
III. Debtors	143000	32,316	18,098
1. Trade debtors for sales and services rendered	143010		
2. Amounts owed by group undertakings	143020	31,552	18,057
3. Amounts owed by associated undertakings.	143030		
4. Other debtors	143040	37	
5. Loans to employees	143050		40
6. Taxes refundable	143060	727	1
7. Provisions	143070		
IV. Current asset investments	144000	133,073	44,117
1. Shareholdings in group undertakings	144010		
2. Loans to group companies	144020	122,982	42,320
3. Shareholdings in associated undertakings	144030		
4. Loans to associated companies	144040		1,790
5. Interest receivable	144050	91	7
6. Other loans	144060	10,000	
7. Short-term deposits and guarantees	144070		
8. Provisions	144080		
V. Treasury shares	145000	2,759	94
VI. Cash at bank and in hand	146000	254	139
VII. Prepayments and accrued income	147000	12	
GRAND TOTAL (A+B+C+D)	100000	172,318	65,264

NORMAL BALANCE SHEET B3

NIF A62385729

REGISTERED NAME

RENTA CORPORACION REAL ESTATE, S.A. Space for the Directors' signatures

LIABILITIES		YEAR 2006	YEAR 2005
A) CAPITAL AND RESERVES	210000	144,829	48,541
I. Share capital	211000	25,029	21,949
II. Share premium account	212000	86,723	483
III. Revaluation reserve	213000		
IV. Other reserves	214000	16,023	13,114
1. Legal reserve	214010	2,976	1,677
2. Reserve for treasury shares held	214020	2,759	94
3. Reserve for the controlling company's shares	214030		
4. Statutory reserves	214040		
5. Differences from converting capital to euros	214060		
6. Other reserves	214050	10,288	11,343
V. Profit and loss account brought forward	215000		
1. Unappropriated profit brought forward	215010		
2. Losses from previous years	215020		
3. Shareholders' contributions to offset losses	215030		
VI. Profit (loss) for the year	216000	17,054	12,995
VII. Interim dividend	217000		
VIII. Own shares for capital decrease	218000		
B) DEFERRED INCOME	220000		
1. Capital grants	220010		
2. Unrealized foreign exchange gains	220020		
3. Other deferred income	220030		
4. Deferred tax income	220050		
C) PROVISIONS FOR LIABILITIES AND CHARGES	230000		
1. Provisions for pensions and similar obligations	230010		
2. Provisions for taxes	230020		
3. Other provisions	230030		
4. Sinking fund	230040		
D) CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR	240000	98	
I. Debenture loans and other marketable securities	241000		
1. Non-convertible debentures	241010		
2. Convertible debentures	241020		
3. Other marketable securities	241030		

NORMAL BALANCE SHEET B4

NIF A62385729
REGISTERED NAME
RENTA CORPORACION REAL ESTATE, S.A. Space for the Directors' signatures

LIABILITIES	YEAR 2006	YEAR 2005
D) CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR (Continued)		
II. Bank loans	24200	
1. Bank loans	242010	
2. Creditors for finance leases	242020	
III. Amounts owed to group and associated undertakings	243000	
1. Amounts owed to group undertakings	243010	
2. Amounts owed to associated undertakings	243020	
IV. Other creditors	244000	98
1. Bills payable	244010	
2. Other creditors	244020	98
3. Long-term deposits and guarantees received	244030	
4. Taxes and social security contributions	244050	
V. Uncalled amounts on shares held	245000	
1. Group undertakings	245010	
2. Associated undertakings	245020	
3. Other undertakings	245030	
VI. Trade creditors	246000	
E) CREDITORS FALLING DUE WITHIN ONE YEAR	250000	27,391
I. Debenture loans and other marketable securities	251000	
1. Non-convertible debentures	251010	
2. Convertible debentures	251020	
3. Other marketable securities	251030	
4. Interest on debenture loans and other marketable securities	251040	
II. Bank loans and overdrafts	252000	5,094
1. Loans and other facilities	252010	5,076
2. Interest	252020	18
3. Creditors for finance leases	252030	
III. Amounts owed to group and associated undertakings	253000	11,890
1. Amounts owed to group companies	253010	11,832
2. Amounts owed to associated companies	253020	58
IV. Trade creditors	25400	886
1. Advances from customers	254010	
2. Creditors for purchases or services received	254020	886
3. Bills of exchange payable	254030	
V. Other creditors	255000	9,521
1. Taxes and social security contributions	255010	9,259
2. Bills of exchange payable	255020	
3. Other creditors	255030	
4. Accrued wages and salaries	255040	262
5. Short-term deposits and guarantees received	255050	51
VI. Trade provisions	256000	
VII. Accruals and deferred income	257000	
F) PROVISIONS FOR LIABILITIES AND CHARGES	260000	
GRAND TOTAL (A+B+C+D+E+F)	200000	172,318
		65,264

P1 NORMAL PROFIT AND LOSS ACCOUNT

NIF A62385729	UNIT(1)
REGISTERED NAME	Euros 999214
RENTA CORPORACION REAL ESTATE, S.A.	Thousands 999215 X
Space for the Directors' signatures	

DEBIT		YEAR 2006	YEAR 2005
A) EXPENSE (A.1 to A.16)	300000	20,035	3,331
A.1. Reduction in stocks of finished goods and work in progress	301000		
A.2. Raw materials and consumables	302000		
a) Consumption of goods purchased for resale	302010		
b) Consumption of raw and consumable material	302020		
c) Other external services	302030		
A.3. Staff costs	303000	2,719	1,565
a) Wages, salaries and similar remuneration	303010	2,389	1,511
b) Social security contributions	303020	330	54
A.4. Fixed asset depreciation	304000	8,670	95
A.5. Changes in trade provisions	305000		
a) Change in stock provisions	305010		
b) Change in bad debt provision and bad debts written off	305020		
c) Change in other trade provisions	305030		
A.6. Other operating charges	306000	13,446	2,184
a) External services	306010	13,440	2,181
b) Taxes	306020	6	3
c) Other administrative expenses	306030		
d) Transfer to sinking fund	306040		
A.I. OPERATING PROFIT (B.1 + B.2 + B.3 - A.1 - A.2 - A.3 - A.4 - A.5 - A.6)	301900		
A.7. Financial expenses and similar costs	307000	180	389
a) Amounts owed to group undertakings	307010	45	49
b) Amounts owed to associated undertakings	307020		
c) Amounts payable to third parties and similar expenses	307030	135	340
d) Loss on sale of investments	307040		
A.8. Change in provisions for investments	308000		
A.9. Loss on exchange	1309000		
A.II. NET FINANCIAL INCOME (B.5 + B.6 + B.7 - A.7 - A.8 - A.9)	302900	23,253	12,348
A.III. PROFIT FROM ORDINARY ACTIVITIES (A.1. + A.II. - B.I - B.II)	303900	11,411	11,985
A.10. Change in provisions for depreciation of tangible and intangible fixed assets and controlling shareholdings	310000	-262	262
A.11. Loss on disposal of tangible and intangible fixed assets and controlling shareholdings	311000	6	
A.12. Loss on dealings with own shares and debentures	312000		
A.13. Extraordinary expenses	313000		
A.14. Expenses relating to prior years	314000		
A.IV. NET EXTRAORDINARY PROFIT (B.9 + B.10 + B.11 + B.12 + B.13 - A.11 - A.12 - A.13 - A.14)	304900	919	
A.V. PROFIT BEFORE TAXES (A.III + A.IV - B.III - B.IV)	3059001	12,330	11,831
A.15. Corporate Income Tax	315000	-4,724	-1,164
A.16. Other taxes	316000		
A.VI. PROFIT FOR THE YEAR (A.V - A.15 - A.16)	306900	17,054	12,995

P2 NORMAL PROFIT AND LOSS ACCOUNT

NIF A62385729
REGISTERED NAME
RENTA CORPORACION REAL ESTATE, S.A. Space for the Directors' signatures

CREDIT		YEAR 2006	YEAR 2005
B) INCOME (B.1 to B.13)	400000	37,089	16,326
B.1.Net turnover	401000	12,980	3,481
a) Sales	401010		
b) Services rendered	401020	12,980	3,481
c) Returned goods and volume discounts	401030		
B.2.Increase in stocks of finished goods and work in progress	402000		
B.3.Own work capitalised	403000		
B.4.Other operating income	404000	13	
a) Sundry income	404010	13	
b) Grants	404020		
c) Excess provision for liabilities and charges	404030		
B.I. OPERATING LOSS	401900	11,842	363
(A.1 + A.2 + A.3 + A.4 + A.5 + A.6 - B.1 - B.2 - B.3 - B.4)			
B.5. Income from shareholdings	405000	20,000	11,500
a) in group undertakings	405010	20,000	11,500
b) in associated undertakings	405020		
c) in non-group undertakings	405030		
B.6.Income from other marketable securities and long-term loans	406000		
a) to group undertakings	406010		
b) to associated undertakings	406020		
c) to non-group undertakings	406030		
B.7. Other interest and similar income	407000	3,433	1,237
a) from group undertakings	407010	3,278	1,107
b) from associated undertakings	407020		
c) from other holdings	407030	155	130
d) Gains on sale of investments	407040		
B.8. Gains on exchange	408000		
B.II. NET FINANCIAL EXPENSE	402900		
(A.7 + A.8 + A.9 - B.6 - B.7 - B.8)			
B.III. LOSS FROM ORDINARY ACTIVITIES	403900		
(B.I + B.II - A.I - A.II)			
B.9. Profit from disposal of tangible and intangible fixed assets and controlling shareholdings	409000		3
B.10. Profit from dealings in own shares and debentures	410000	663	105
B.11. Capital grants released to income during the year	411000		
B.12. Extraordinary income	412000		
B.13. Income relating to prior years	413000		
B.IV. NET EXTRAORDINARY LOSS	404900		154
(A.10 + A.11 + A.12 + A.13 + A.14 - B.9 - B.10 - B.11 - B.12 - B.13)			
B.V. LOSS BEFORE TAXES	405900		
(B.III + B.IV - A.III - A.IV)			
B.VI. LOSS FOR THE YEAR	406900		
(B.V. + A.15 + A.16)			

1. Activity

Renta Corporación Real Estate, S.A. (as from its incorporation until 2 June 2001, under the name of Suatel XXI, S.L., and for the subsequent period from 2 June 2001 to 5 December 2003, under the name of Corporación Renta Antigua, S.A.), was incorporated as a limited liability company on 27 October 2001, with its registered office for legal and tax purposes in Avda. Diagonal 449, Barcelona, Spain. The company's is mainly engaged in all manner of operations involving moveable property (except those governed by special legislation) and real estate.

2. Basis of presentation

- The annual accounts have been prepared on the basis of the accounting records of the Company and are presented in accordance with company law in force and the standards set down in the General Accounting Plan, in order to show a true and fair view of the financial position and results of the Company.
- The figures in the documents comprising these annual accounts, the balance sheet, the profit and loss account and the notes to the accounts are expressed in euros thousand.
- As the Company meets the conditions set down in article 181.4 of the Spanish Companies Act, the Directors present these annual accounts due to the fact that the Company is listed on an official stock exchange in a member state of the European Union.
- The consolidated annual accounts of Renta Corporación Real Estate, made up of Renta Corporación Real Estate, S.A. and its subsidiary companies at 31 December 2006, have been formulated separately from these individual annual accounts. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and International Financial Reporting Standards and its interpretations issued respectively by the IASB and IFRIC and adopted by the European Union and approved by the Regulations of the European Commission, which are in force at 31 December 2006. The main figures set down in the audited consolidated annual accounts are as follows:

Total assets	889,300
Equity	203,899
Profit for the year attributed to the Company Shareholders	47,501
Revenue	590,035

3. Proposed distribution of results

The following distribution of 2006 results will be proposed to the General Meeting of Shareholders:

Basis of distribution	
Profit and loss (profits)	17,054
Distribution	
To dividends	14,250
To legal reserve	1,706
To voluntary reserve	1,098
	17,054

4. Accounting policies

The most significant accounting policies applied in the preparation of these annual accounts are set out below:

a) Start-up expenses

These basically include capital increase expenses and are stated at their acquisition price.

In 2006 the useful life of the Start-up expenses has been re-estimated. These were written off over a period of 5 years and are now amortised over one. The effect of this re-estimation has led to an increase in amortisation expense by approximately euros 7,454 thousand in 2006 against the expenses that would have been stated using the previous useful life.

b) Intangible fixed assets

Intangible fixed assets are stated at their purchase price or production cost.

The amortisation rates used have been as follows:

	Rate (%)
Computer software applications	25%

c) Tangible fixed assets

Tangible fixed assets are stated at their purchase price or production cost.

The costs of renovations, extensions or improvements of fixed assets are capitalised only when they extend the useful lives of existing assets, or increase their capacity or productivity, and provided that it is possible to know or estimate the net book value of the assets that are written off inventories when replaced. Repair and maintenance costs are expensed in the year in which they are incurred.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives using the following rates, taking into account normal wear and tear, using the following depreciation rates:

	Rate (%)
Other plant, furniture and fixtures	10%
Computer equipment	25%
Other fixed assets	10%

d) Investments

Investments are stated at their purchase price.

When necessary the Company provides for the decline in value of investments. This provision cannot be lower than the loss in value of the shareholding percentage it holds. When the company's shareholdings include tacit goodwill, it estimates the time needed for recovery of this goodwill through the generation of future profits by the investee company. In the event that this tacit goodwill cannot be offset, the corresponding provision for depreciation of the investment is recorded.

e) Accounts payable and receivable for trading operations

Debits and credits arising from the company's short- and long-term debit and credit trading operations are recorded at their face value.

f) Treasury shares

The value of the company's treasury shares is stated at the purchase price and a non-distributable reserve of the same amount is set up for treasury shares. This amount is carried under the Equity in accordance with applicable legislation. The eventual outcome planned for such shares is, on the one hand, sale in the short-term, and, on the other, meeting the commitments set down in the Group employee and executive incentive plan and the handing over of shares to the Directors.

g) Bank loans

Bank loans relate to short-term credit facilities used to finance the Company's cash needs.

h) Corporate Income Tax

For corporate tax purposes, the parent Company comes under the tax regime for group companies and pays taxes jointly with its subsidiaries Renta Corporación Real Estate R.A., S.A.U., Renta Corporación Real Estate G.O., S.L.U. and Renta Corporación Real Estate O.N., S.A.U.

Corporate income tax expense is recognised based on the reported profit as adjusted for permanent differences between reported and taxable profits, and the effects of any tax credits and deductions. Deferred tax assets and liabilities arising from timing differences in the recognition of income and expense for accounting and tax purposes are recorded in the balance sheet until the underlying timing differences reverse.

Tax credits and deductions and the tax effect of applying tax-loss carryforwards are treated as a reduction in the corporate income tax expense for the year in which they are applied.

The Company provides in full for all its deferred tax liabilities even though they may not be expected to reverse in the foreseeable future. The provision is adjusted to reflect changes in the corporate income tax rate. Deferred tax assets are only recorded if there is reasonable assurance that they will be realised.

i) **Income and expenses**

Income and expenses are recorded on an accruals basis, i.e. in the period in which the income or expense deriving from the goods or services in question is earned or incurred rather than the period in which the cash is actually received or disbursed.

For reasons of prudence, however, the Company only records profits realised at the year end, while foreseeable risks and potential losses arising in the year or in prior years are recorded as soon as they are known.

j) **Environment cost**

The Company takes into account in its overall operations legislation relating to the protection of the environment. The Company considers that it complies substantially with such legislation and that it carries out procedures designed to encourage and guarantee compliance with the same.

5. **Start-up expenses**

	Balance at 31.12.05	Increases	Disposal due to Amortisation	Balance at 31.12.06
Capital increase expenses	328	8,298	(8,626)	-

The increase is due to the stock market listing expenses which total euros 8,298 thousand, which were capitalised and written off in 2006.

6. **Intangible fixed assets**

Movements in the accounts included under Intangible assets are as follows:

	Balance at 31.12.05	Increases	Balance at 31.12.06
Cost			
Patents and trademarks	21	1	22
Transfer rights	-	40	40
Computer software	74	87	161
	95	128	223
Accumulated amortisation			
Computer software	-	(21)	(21)
Net book value	95		202

7. **Tangible fixed assets**

Movements in the accounts included under Tangible fixed assets are as follows:

	Balance at 31.12.05	Increases	Balance at 31.12.06
Cost			
Other plant, furniture and fittings	180	252	432
Other fixed assets	3	33	36
	183	285	468
Accumulated amortisation			
Other plant, furniture and fittings	12	19	31
Other fixed assets	-	3	3
	12	22	34
Net book value	171		434

8. Investments

8.1 Movements in the accounts included under Investments are as follows:

	Balance at 31.12.05	Increases	Decreases	Balance at 31.12.06
Shareholdings in Group undertakings	2,142	703	-	2,845
Shareholdings in associated companies	288	-	(6)	282
Other shareholdings	25	-	-	25
Long-term deposits	29	87	-	116
Provision for loss in value of shareholdings in associated companies	(262)	-	262	-
Total	2,222	790	256	3,268

8.2 At 31 December 2006 the direct or indirect investee companies are as follows:

Company	Activity	Date of incorporation	Company through which the shareholding is held	Net amount of the shareholding	% share-holding	Year end	Capital	Reserves	Interim dividend	Results	
Renta Corporación Real Estate R.A., S.A.U.	Real estate operations	31-07-97	Renta Corporación Real Estate, S.A.	1,346	100	31.12.06	500	7,699	(2,500)	4,842 (1)	
Renta Corporación Real Estate G.O., S.L.U.	Real estate operations	21-06-01	Renta Corporación Real Estate, S.A.	183	100	31.12.06	183	1,766	(17,500)	19,677 (1)	
Renta Corporación Real Estate Finance, S.L.U.	Real estate operations	30-11-01	Renta Corporación Real Estate, S.A.	607	100	31.12.06	3	19,922	-	462 (1)	
Renta Corporación Real Estate O.N., S.A.U.	Real estate operations	18-02-00	Renta Corporación Real Estate, S.A.	546	100	31.12.06	120	8,622	-	3,694 (1)	
Groupe Immobilier Renta Corporación, S.A.S.U.	Real estate operations	27-03-02	Renta Corporación Real Estate, S.A.	38	100	31.12.06	38	737	-	10,377 (1)	
Renta Properties (UK), LTD	Real estate operations	08-12-04	Renta Corporación Real Estate, S.A.	1	100	31.12.06	-	(1,742)	-	(185) (1)	
RC Real Estate Deutschland GmbH	Real estate operations	04-11-05	Renta Corporación Real Estate, S.A.	25	100	31.12.06	25	(3)	-	105	
RC Luxembourg, S.á.r.l.	Real estate operations	07-11-06	Renta Corporación Real Estate, S.A.	100	100	31.12.06	100	-	-	(13)	
Norfeu Sarl	Real Estate operations	07-11-06	RC Luxembourg, SárI	-	100	31.12.06	13	13	-	5,474	
Masella Oeste, S.L.	Real estate operations	29-09-00	Renta Corporación Real Estate O.N., S.A.U.	-	40	31.12.06	290	906	-	(193)	
Mixta África, S.A.	Holding company	07-04-05	Renta Corporación Real Estate, S.A.	282	31	31.12.06	901	21,213	-	(2,179)	
Mixta Africa Maroc, S.A.R.L	Social housing construction	25-05-05	Mixta África, S.A.	-	100	31.12.06	1,201	(40)	-	(1,216)	
Other companies	Real estate operations, social housing construction	2006	Mixta Africa, S.A. Renta Properties (UK), Ltd.	-	100	31.12.06	40	-	-	(37)	
				3,127							

(1) According to the audited annual accounts at 31 December 2006.

8.3 Renta Properties (UK), Limited is now starting up its activity, having incurred losses in 2006. Once the Company can fully carry out its activity in 2007, it expects to generate sufficient funds in the short term to offset the losses of the initial years.

8.4 On 20 December 2006 RC Fundación Marruecos Tánger, SárI, changed its registered name to Mixta África Maroc, SárI.

8.5 On 7 April 2005 the parent Company incorporated a Spanish company called Renta Corporación Marruecos Tánger, S.A., in which it held 50% interest. On 4 November 2005 this company changed its registered name to Mixta África, S.A. Also on 4 November 2005 the parent company sold 2% of its interest, keeping its remaining 48%. In 2006 the shareholding in this company was reduced to 31.28%.

8.6 On 7 November 2006 the Company incorporated RC Luxembourg, Sàrl, with registered office in Luxembourg. The Company holds all the share capital of this company.

Also on 7 November 2006 RC Luxembourg, Sàrl, incorporated the company Norfeu Sàrl, with registered office in Luxembourg, in which it holds all the share capital.

8.7 During 2006 Renta Properties (UK), Limited has sold its shareholding in One Vincent Square, Limited for BPS 881,987 and obtained a profit of BPS 741,887.

8.8 All the companies in the group have their registered office for corporate and tax purposes in Barcelona, except Groupe Immobilier Renta Corporación S.A.S.U., which is located in Paris, Renta Properties (UK), L.T.D which is located in London, Mixta Maroc S.à.r.l., which is located in Tangiers, RC Real Estate Deutschland GmbH, which is located in Berlin, and Renta Corporación Real Estate Luxembourg, S.à.r.l. and Norfeu, S.à.r.l., which are located in Luxembourg. None of the Group companies are listed on a stock exchange, except for the parent company.

9. Amounts owed by group undertakings

The breakdown at 31 December 2006 of the receivable balances with group companies is as follows:

Renta Corporación Real Estate R.A., S.A.U.	2,542
Renta Corporación Real Estate O.N., S.A.U.	9,612
Renta Corporación Real Estate G.O., S.L.U.	16,854
RC Real Estate Deutschland GmbH	1,065
Renta Corporación Real Estate Finance, S.L.U.	23
Groupe Immobilier Renta Corporación, S.A.S.U.	1,012
Renta Properties (UK), Limited	444
	31,552

Amounts owed by Groups undertakings includes the receivable balance of euros 19,217 thousand relating to the amounts owed by its affiliates as a result of the consolidated tax regime (See Note 15). The amount of euros 12,191 thousand relates to the outstanding receivable for corporate management and advisory service charges that it passed on to its subsidiaries and an outstanding payable balance of euros 144 thousand with RC Real Estate Deutschland GmbH for advisory services.

10. Current asset investments

Movements in Current asset investments have been as follows:es:

	Balance at 31.12.05	Increases	Decreases	Balance at 31.12.06
Loans to group companies	42,320	176,641	(95,979)	122,982
Loans to associated companies	1,790	-	(1,790)	-
Group dividend receivable	-	10,000	-	10,000
Interest receivable	7	91	(7)	91
	44,117	186,732	(97,776)	133,073

Loans to group and associated companies mature in one year and can be tacitly extended for one year periods after maturity.

The amount extended at 31 December 2006 under these credit facilities and their corresponding credit limits are as follows:

	Amount drawn down	Limit
Renta Corporación Real Estate R.A., S.A.U.	19,879	40,000
Renta Corporación Real Estate O.N., S.A.U.	50,505	150,000
Renta Corporación Real Estate Finance, S.L.U.	35,964	150,000
Renta Corporación Real Estate G.O., S.L.U.	9,770	30,000
Renta Corporación Luxembourg, S.A.R.L	12	3,000
Renta Properties (UK), Limited	3,833	6,000
	119,963	379,000

These facilities have accrued an interest rate of Euribor at three months + 0.75% in 2006.

The interest accrued not collected with Group Companies at 31 December 2006 totals euros 3,019 thousand.

11. Treasury shares

The movement in the treasury shares accounts during the year has been as follows:

	Number	Average purchase / sale price	Cost
Balance at 31.12.05	28.970		(94)
Purchases	141.008	26,89	(3.791)
Sales	(67.504)	16,69	1.126
Balance at 31.12.06	102.474		(2.759)

On 14 June 2006 the Board of Directors of the Company adopted a specific treasury share repurchase plan in order to satisfy the needs arising from an employee and executive incentive plan of the Renta Corporación Group as well as hand over shares to the Directors. The purpose of this plan is to motivate and encourage Company loyalty and grant employees the status of Company shareholders.

In addition to the share repurchase program it was agreed to acquire treasury shares up to an overall maximum of 5% of share capital in order to contribute to the liquidity of the shares on the market.

12. Capital and reserves

The breakdown of this account at 31 December 2006, and its movement during the year is as follows:

	Sharecapital	Share Premium	Legal reserve	Other reserves	Treasury shares reserve	Profit and loss	Total Capital and Reserves
Balance at 31.12.05	21,949	483	1,677	11,343	94	12,995	48,541
Distribution of 2005 results	-	-	1,299	11,696	-	(12,995)	-
Acquisition of treasury shares	-	-	-	(2,665)	2,665	-	-
Capital increase	3,080	86,240	-	-	-	-	89,320
Payment of dividends	-	-	-	(10,086)	-	-	(10,086)
2006 results	-	-	-	-	-	17,054	17,054
Balance at 31.12.06	25,029	86,723	2,976	10,288	2,759	17,054	144,829

The share capital is made up of 25,029,301 fully paid and subscribed bearer shares with a par value of Euro 1 each, numbered from 1 to 25,029,301.

On 9 February 2006, the Extraordinary General Meeting of Shareholders adopted a resolution to trade all the Company's shares on the Barcelona and Madrid Stock Exchanges. It was also agreed to make an Initial Public Offering of shares at the same time as the Public Offering of Sale.

On 9 March 2006 the Board of Directors adopted the following resolution:

- To increase capital by euros 2,000 thousand through the issuing of 2,000,000 new ordinary shares with a par value of euros 1 each and waive the right to preferential subscription on the part of the former shareholders. This increase was carried out with a share premium of euros 28 per share, and, accordingly, a share premium of euros 56,000 thousand was generated. All the shares were fully subscribed and paid.
- And to increase share capital by euros 1,080 thousand through the issuing of 1,080,000 new ordinary shares with a par value of Euro 1 each, allocated to use, as the case may be, in exercising the subscription option (Green-shoe) that is given to global initial public offer coordinating entities. This increase took place on 7 April 2006, with a share premium of euros 28 per share, generating a share premium of euros 30,240 thousand. All the shares were fully subscribed and paid.

Trading of Company shares on the stock markets began on 5 April 2006.

Due to the fact that the legal reserve as per article 214 of the Spanish Companies Act was not fully constituted, the parent Company must allocate 10% of its profit to it until it reached 20% of share capital. This reserve is not available for distribution if it is used to offset losses, in the event that there are no other reserves sufficiently available, it must be replenished out of future profits.

The Company has set up a treasury shares reserve of euros 2,665 thousand charged against Voluntary reserves. This reserve is not distributable while treasury shares carried on the asset side of the balance sheet are not being sold.

Article 13 of the Articles of Association now in force does not lay down any restrictions on the free transfer of shares, although there are two para-social agreements set out below. On the one hand, UNICEF-Spanish Committee (JCE) and Fundación INTERMON-OXFAM acquired the commitment not to transfer their shares in the company for certain periods of time as from the listing of the company. On the other hand, within the context of the listing on the stock exchange, certain shareholders entered into a shareholders agreement regulating certain restrictions on the transfer of shares. These restrictions materialised in the right of preferential acquisition amongst the signees of the agreement in relation to the transfer of company shares.

The main shareholders of the Company at 31 December 2006 holding a control of 5% or more of its share capital either directly or indirectly are as follows:

Name	Number of shares		
	Direct	Indirect	Total
Mr. Luis Rodolfo Hernández de Cabanyes	1.077%	34.411%	35.488%
Fundación Privada Renta Corporación	5.010%	0%	5.010%

13. Bank loans

The amount of euros 5,076 thousand relates to the balance drawn down by the Company on its credit facilities with banking entities. The average cost of the borrowings has been 3.7% p.a.

The total limited granted for these policies totals euros 5,200 thousand.

14. Amounts owing to group companies

The breakdown of this account at 31 December 2006 is as follows:

	Balances payable
Renta Corporación Real Estate R.A., S.A.U.	6,332
Groupe Immobilier Renta Corporación, S.A.S.U.	5,000
Renta Corporación Luxembourg, S.A.R.L.	500
	11,832

The Company has undrawn credit facilities from its subsidiaries with a limit of euros 175,000 thousand, which have a yearly term, tacitly renewable for annual periods until they mature. These facilities have accrued interest at Euribor at 3 months + 0.75% since 2006.

15. Tax situation

As the Company met the requirements set down for group companies under Chapter VII, Section VII of Royal Legislative Decree 4/2004 of 5 March, which adopted the Corporate Tax Act, it filed as the parent company a consolidated tax return for the first time in 2002, together with Renta Corporación Real Estate R.A., S.A.U., Renta Corporación Real Estate G.O., S.L.U. and Renta Corporación Real Estate O.N., S.A.U.

Because certain items are treated differently for tax and financial reporting purposes, the tax profit differs from the profit reported in these annual accounts.

The reconciliation between reported profits and taxable profits is set out below:

Reported net profit / (loss)	17,054
Corporate income tax	(4,724)
Profit before tax	12,330
Elimination of the dividend received from the subsidiary Renta Corporación Real Estate G.O., S.L.U.	(17,500)
Elimination of the dividend received from the subsidiary Renta Corporación Real Estate R.A., S.A.U.	(2,500)
Elimination of group interest	(2,568)
Elimination of group turnover	(2,983)
Permanent differences	(262)
Taxable income	(13,483)

Corporate income tax relates to 35% of the negative tax base.

At 31 December 2006 the Company does not have tax loss carryforwards or outstanding allowances.

Public Treasury, debtor for corporate income tax	(10,206)
Receivables from subsidiary companies for corporate income tax (See Note 9)	19,217
Tax payable	9,011

During the year ended 31 December 2006 the Company has withheld and made payments on account for Corporate income tax in the amount of euros 24 thousand and euros 5,458 thousand, respectively.

The Company is open to inspection by the Tax Authorities for the last four years for the main applicable taxes.

The breakdown of the creditors balances with Public Administrations at 31 December 2006 is as follows:

Creditor balances	
Public Treasury, creditor for withholding tax on personal income, Tax on income from capital and others	242
Public Treasury, creditor for corporate income tax	9,011
Social Security, creditor	6
	9,259

16. Long-term creditors

The Company has decided to set up a share plan in 2006 to provide incentives for its beneficiaries to remain in the Company and grant its employees the status of shareholders in the Company. It consists in giving them shares over 3 years that accrue annually on the basis of a fixed percentage at 12 and 24 months, and the rest up until the end of the third year. The accrual is generated over these periods. The number of shares was set on 30 June 2006, date of the commencement of the plan, based on the salary conditions of each executive and/or employee, and considering the average weighted quotation in the month of June 2006 of the Company's shares.

The Company will re-estimate the liability at each year end based on the quotation of the share at that date. The expense recorded in 2006 for this item totals euros 163 thousand. It is carried on the liabilities side of the balance sheet and is broken down into short and long term of euros 65 thousand and euros 98 thousand, respectively.

17. Income and expenses

Transactions with group, associated and related companies:

The transactions in 2006 with the associated and related companies in the Renta Corporación Group have been as follows:

	Renta Corporación Group	Associated companies	Related companies
Services received	5,458	242	715
Services rendered	11,064	-	-
Dividend income	20,000	-	-
Financial income	3,278	100	-
Financial expense	45	-	-

18. Other information

We set out below the remuneration accrued to the members of the Board of Directors of the Company in 2006:

Concept	
Attendance at meetings of the Board of Directors / Delegated Committees	489
Salaries and other remuneration	2,354
Total remuneration	2,843

Salaries and other remuneration to the executive Board Members includes the expense accrued in relation to the share plan (note 16), which totals euros 112 thousand.

The total amount of life, accident and civil liability insurance and civil liability insurance premiums paid by the Company for members of the Board of Directors totals euros 1 thousand and euros 93 thousand, respectively.

The fees accrued to PricewaterhouseCoopers Auditores, S.L. for current auditing services total euros 11,7 thousand.

At 31 December 2006, the Company is the guarantor for group companies of credit facilities and mortgage-backed loans totalling a maximum of euros 65,502 thousand and has been given a guarantee by Renta Corporación Real Estate R.A., S.A.U. for two credit facilities of a maximum of euros 2,000 thousand.

At 31 December 2006 the parent Company has given personal guarantees to third parties totalling euros 8,951 thousand, mostly to guarantee purchases made through deferred payment.

In accordance with the provisions of article 127 ter. 4 of the Spanish Companies Act, which introduced Law 26/2003 of 17 July, which modified the Securities Exchange Act, Law 24/1988, of 28 July, and the Spanish Companies Act, in order to reinforce the transparency of public limited companies, we set out below the companies with the same, analogous or complementary activity as that of the Company and the Group in which members of the Board of Directors hold an interest or occupy offices or functions therein:

Name	Name of company	Shareholding	Office or functions
Mr. Luis Rodolfo Hernández de Cabanyes	SECOND HOUSE, S.L.	6.73% direct 40.77% indirect	-
	FINANTING 2001, S.L.	43.15% direct 20% indirect	Sole Administrator
	AURODOC 75, S.L.	36.13% direct 14.76% indirect	Sole Administrator
	TOGA 20, S.L.	43.15% direct 20% indirect	Sole Administrator
	SDEEGTUTERS, S.L.	43.15% direct 20% indirect	Sole Administrator
	DINOMEN, S.L.	44.44% direct 17.6% indirect	Sole Administrator
	ALDERAMIN STAR, S.L.	100% owned by DINOMEN, S.L. %	Sole Administrator
Ms. Anna M. Birulés Bertran	MIXTA AFRICA, S.A.	2.24% direct 16.78% indirect	Physical Representative of the Chairman which is Fundación Privada Renta Corporación
	SECOND HOUSE, S.L.	1.50%	-
Mr. Josep Maria Farré Viader	MIXTA AFRICA, S.A.	0.46% Indirect	-
	SECOND HOUSE, S.L.	3.73% direct 1.95% indirect	-
Ms. Esther Elisa Giménez Arribas	SHONAN INVESTMENTS, S.L.	74.71%	General Power
	SECOND HOUSE, S.L.	4.13%	-
	ANPOL CAPITAL, S.L.	48.387%	Several Administrator
Ms. Elena Hernández de Cabanyes	MIXTA AFRICA, S.A.	0.30% direct	Board Member
	SECOND HOUSE, S.L.	3.66%	Sole Administrator
	SECOND HOUSE REHABILITACION, S.L.U.	-	Sole Administrator
	PROMOTORA DE INDUSTRIAS GRÁFICAS, S.A.	5.00%	-
Mr. César A. Gibernau Ausió	MIXTA AFRICA, S.A.	1.82% direct	-
	SECOND HOUSE, S.L.	1.05%	-
	CHARCEBOY, S.L.	10.91%	-
	GP CONSULTING, SL.	18.70% indirect	-
Mr. Carlos Tusquets Trias de Bes	MIXTA AFRICA, S.A.	0.46% indirect	Secretary
	LIFE MARINA IBIZA, S.L.	6.54%	-
Mr. Juan Gallostra Isern	GRUPO JG INGENIEROS CONSULTORES DE PROYECTOS, S.A.	5%	Chief Executive Officer

The other Directors do not hold any shareholdings in companies with the same, analogous or complementary activity as that which constitutes the corporate purpose of the Company.

19. Subsequent events

From 31 December 2006 until the date of the formulation of these annual accounts no event or circumstances has occurred that could significantly affected them or that would require disclosure herein.

20. Environment

The Company has adopted the measures necessary for the protection and improvement of the environment and the minimisation, as the case may be, of any environmental impact, by complying with current legislation. The Company has not made any environment-related investments or incurred significant expenses for the protection and improvement of the environment. Furthermore, the Company has not considered it necessary to record any provisions for environment-related liabilities and charges as it does not have any contingencies related to the protection and improvement of the environment or liabilities of an environmental nature.

21. Statement of source and application of funds

Set out below is the statement of source and application of funds for the year:

APPLICATIONS	2006	2005	SOURCES	2006	2005
Interim dividend	10,086	2,987	Funds generated from operations	24,804	13,244
Acquisitions of fixed assets:			Share capital increase	89,320	-
- Start-up expenses	8,298	163	Long-term creditors	98	-
- Intangible fixed assets	128	82	Sale of treasury shares	1,789	162
- Tangible fixed assets	285	92	Disposal of investments	-	15
- Investments	790	365			
Acquisitions of treasury shares	3,791	94			
Total applications	23,378	3,783	Total sources	116,011	13,421
Surplus of sources over application of funds (Increase in working capital)	92,633	9,638	Surplus of applications over sources of funds (Decrease in working capital)		

Changes in working capital

	Increases		Decreases	
	2006	2005	2006	2005
Debtors	14,218	11,408	-	-
Current asset investments	88,956	-	-	9,452
Cash at banks and in hand	115	124	-	-
Accruals, prepayments and deferred income	12	-	-	67
Creditors	-	7,625	10,668	-
	103,301	19,157	10,668	9,519
Change in working capital	92,633	9,638		

Supplementary information

Calculation of funds generated from (absorbed by) operations:

	2006	2005
Accounting profit	17,054	12,995
INCREASES		
Amortisation of start-up expenses	8,626	83
Amortisation of intangible fixed assets	21	-
Depreciation of tangible fixed assets	22	12
Loss on controlling shareholdings	6	(3)
DECREASES		
Profit on operations with treasury shares	(663)	(105)
Variation in provision for controlling shareholdings	(262)	262
Total funds generated from (absorbed by) operations	24,804	13,244

b. Directors' Report

1. Evolution of the business

Throughout 2006 Renta Corporación Real Estate, S.A. has strengthened its strategic planning, and its organisational, structural, and management support to the different companies in the Renta Corporación consolidated Group, of which it is the parent Company.

This activity has led to its remarkable listing on the Stock Market.

On 5 April 2006 the shares of the Company began to be traded on the Madrid and Barcelona Stock Exchanges.

In order for this to happen, the Company had previously increased capital by euros 89,320 thousand, giving it equity of euros 144,829 thousand, which is an increase of 198% on last year.

The listing operation has contributed to recruiting the funds necessary for the group's expansion plan, which will allow its subsidiaries to continue growing and expanding their business, i.e., Residential Refurbishment, Office Transformation and Land Transformation.

The shares of Renta Corporación have had a successful run in the market, and the year end quotation brings with it a revaluation of 17.7% against the initial price of the shares.

In order to motivate employees and encourage their loyalty to the company the Board of Directors has adopted a 3-year action plan that will allow all employees to become shareholders and share in the future profits of Renta Corporación.

Income has totalled euros 37,089 thousand, euros 20,000 thousand of which relate to dividends from the subsidiaries, euros 10,920 thousand from income received in consideration for management support services provided by the parent company to its subsidiaries.

Personnel expenses have totalled euros 2,719 thousand, 42% higher than in 2005, while external services have increased significantly given the increase in group activity.

The Company's Directors believe that the company's business is not facing any significant risks and uncertainties.

2. Business outlook

The Company plans in the next few years to continue carrying out initiatives in line with those taken in 2006, in order to strengthen and reinforce even further the organisational structure of the group and its business model.

3. Research and development

Due to the nature of the Group's activity, it does not make any investments in research and development, although it does allocate an important amount of its budget to employee training in order to maximise the quality of its work and facilitate professional development of the individual.

4. Treasury shares

During 2006 the company has acquired and sold 141,008 and 67,504 treasury shares, respectively.

At 31 December 2006 the parent company held a total of 102,474 treasury shares, representing 0.41% of share capital. The par value of these shares totals euros 102 thousand.

The parent company has set up the respective treasury share reserve at 31 December 2006.

5. Subsequent events

From 31 December 2006 until the date of the formulation of these annual accounts no event or circumstances has occurred that could significantly affect them or that would require disclosure herein.

6. Environment

The Company has adopted the measures necessary for the protection and improvement of the environment and the minimisation, as the case may be, of any environmental impact, by complying with current legislation.

The impact of the construction of a building on the environment begins with the manufacture of materials and ends with the management of the waste generated by its demolition, with various phases of construction and use in between. The activity of Renta Corporación is based on the transformation of real estate assets. While it is true that construction generates a large volume of rubble, refurbishing actually minimises it.

In spite of the slight environmental impact involved in these transformations, in comparison with the alternative model of demolition and new construction, all the contracts entered into by Renta Corporación include a specific environmental protection clause that must be signed by the building contractor.

Avda. Diagonal, 449
08036 Barcelona
Tel. 93 494 96 70
Fax. 93 321 11 08
www.rentacorporacion.com