

## Summary

- **RC trebles its sales and profit in H1 2006 until €319M and €25M, respectively.**
- **Significant increase in investment (€420.6 M), three times the figure for H1 2005.**
- PPS up by 149% in comparable terms, from €0.40 to €1.01 per share.
- The volume of inventories and investment rights (pipeline) stands out for the 2006 - 2008 period and consolidates the profit growth reported for 2006, in excess of 35%.
- In H1 2006, the company went public and its shares started trading on 5 April 2006.
- Main Figures:

Operating profit (EBIT)	Attributable Profit	Gross margin	Investment	Inventory + Investment rights
€43.8 M	€25.2 M	€66.4 M	€420.6 M	€842 M
+214%	+184%	+175%	+219%	+16%

- On comparing results to the same period last year, the following should be noted:
  - ▶ This significant growth has been achieved organically, with no changes in the consolidation perimeter.
  - ▶ Net profit for H1 2006 is three times H1 2005, in spite of inclusion of one-off listing and other costs.

Consolidated Profit and Loss Account (€ million)	H1 2006	% Sales	H1 2005	% Sales	% Incr
Sales	319.1	100%	107.7	100%	196%
Total revenues	322.6	101%	108.7	101%	197%
EBITDA	44.0	14%	14.1	13%	212%
EBIT	43.8	14%	14.0	13%	214%
<b>Profit attributable to shareholders</b>	<b>25.2</b>	<b>8%</b>	<b>8.9</b>	<b>8%</b>	<b>184%</b>
Nº of shares (million)	25.03		21.95 <sup>(1)</sup>		14%
<b>PPS - Profit per share attributable to shareholders(€)</b>	<b>1.01</b>		<b>0.40</b>		<b>149%</b>

Consolidated Balance Sheet Summary (€ million)	H1 2006	H1 2005	Var.
Total assets	671.2	319.4	351.8
Current assets	668.4	315.5	352.8
Equity <sup>(2)</sup>	183.1	61.2	121.9
Financial debt	388.3	212.6	175.6

Ratios	H1 2006	H1 2005
Gross margin % / Cost of sales	26.3%	28.9%
Gross margin % / Sales	20.8%	22.4%
EBITDA / Total revenues	13.6%	13.0%
EBIT / Total revenues	13.6%	12.9%
Profit attributable to shareholders / Total revenues	7.8%	8.2%
Leverage (Net Debt / Net Debt + Equity)	67%	77%

Consolidated Operating Data (€ million)	H1 2006	H1 2005	% Incr
Gross sales margin <sup>(3)</sup>	66.4	24.2	175%
Total Investment	420.6	131.9	219%
Inventories	487.8	288.0	69%
Investment Rights	354.2	439.7	-19%
Pre-sales	118.1	99.3	19%

<sup>(1)</sup> Adjusted for share split, approved by the General Meeting of 22 April 2005

<sup>(2)</sup> Equity is equal to shareholders' funds plus minority holdings

<sup>(3)</sup> Gross margin is equal to Sales less cost of sales



Barcelona



Berlin



Paris

## Evolution of the business

- Acquisition and Investment. Acquisitions in the first half of the year stand at €367.2 M. Of these, 81% were acquisitions in the domestic market and 19% internationally.
  - ▶ Total investment volume was €420.6 M. These investment levels are three times the levels reported for the same period in 2005.
  - ▶ Capital increase at the time of going public has enabled the Company to double its investment capacity.
- Inventories and Investment rights. By the end of the first half the company held stocks valued at €487.8 and investment rights equivalent to €354.2 M. In all, they form the cornerstone for profit growth in future years.
  - ▶ Investment rights lapsing in H2 2006 stand at €206.3 M.
  - ▶ Added together, stocks and investment rights are a key factor in terms of the visibility of evolution of the Company in the period 2006 - 2008.
- Revenues from sales were in excess of €319 M, an increase of 196%.
  - ▶ The increase is mainly from sale of residential properties in the Residential Refurbishment business unit in Paris and Barcelona, and secondly from sales in the Office Transformation unit.
- Gross sales margin was €66.4 M (+175%), with profitability over cost of sales of 26,3%.
  - ▶ Profitability on cost of sales of 26.3%, (28.9% in H1 2005) with significant increase in rotation.
  - ▶ The fall in margin over cost of sales is due to two exceptionally profitable operations in Q1 2005.
  - ▶ In current Q2 2006, profitability has improved against Q1 2006 (25.5%), closing at 26.3% YTD in H1 2006.
- Operating profit (EBIT) was up by 214%, reaching €43.8 M and distributable net profit was at €25.2 M, 184% up on the figure of €8,9 M in H1 2005.
- Quarterly Seasonality. Seasonality in 2005 was high, whereby 27% of annual profit was generated in H1. Profit in H1 2006 is over 50% higher than the originally forecast figure for all of 2006.
- The tax rate in H1 2005 was circumstantially lower than that recorded in H1 2006, which is considered to be standardized throughout the year (c. 35%).

## Other information

### GOING PUBLIC

- In Q1 2006 the company followed all the required procedures to qualify for listing in the Barcelona and Madrid Stock Exchanges, through an Initial Public Offering for a total 5.2 million shares and a Public Rights Offering for 2 million shares, as detailed in the relevant Prospectus lodged with the official registries of the Spanish Securities and Investment Board on 16 March.
- The shares were listed on 5 April 2006, started trading on the same date and were included in the Spanish Continuous Market.
- In exercising the green-shoe option granted to the underwriters, as specified in the Prospectus, the Company issued 1.08 million shares which started trading on 12 April 2006.
- Following these operations share capital has risen to €25.0 M represented by 25,029,301 shares with an individual face value of €1, with equal voting and financial rights. Shareholders funds have risen to around €80 M.
- Profit for H1 2006 includes one-off costs linked to listing of the Company of c. €1.6 M.

## Other information (continued)

### MATERIAL EVENTS AND OTHER NOTICES

- From the date the Offering's Prospectus was registered, 16 March 2006, to publication of these results, the Company has reported the following Material Events and other matters to the Spanish Securities and Investment Board:
  - ▶ 28/03/2006 Setting of Maximum Price of the Offering's Retail Tranche and signature of Underwriting and Placement Agreement for Retail Tranche.
  - ▶ 03/04/2006 Setting of Price for the Offering's Qualified Investor Tranche, signature of Underwriting and Placement Agreement for Qualified Investor Tranches and allocation of shares under the Retail Tranche.
  - ▶ 04/04/2006 Information on demand for the Offering's various Tranches.
  - ▶ 05/04/2006 Listing of Company shares on the Stock Markets of Barcelona and Madrid.
  - ▶ 07/04/2006 Exercising of green-shoe option granted to the Offering's underwriters.
  - ▶ 25/04/2006 Information on lodging with the Companies Registry of an Agreement reached by the Company Shareholders as regulating certain restrictions on unrestricted transfer of Company shares.
  - ▶ 26/04/2006 Company advises convening of teleconference for the purpose of presenting and commenting on results for Q1 2006.
  - ▶ 27/04/2006 Company sends information on its results in Q1 2006.
  - ▶ 27/04/2006 Company sends information on its results in Q1 2006 (Press release).
  - ▶ 04/05/2006 Early reporting of Company results for Q1 of 2006.
  - ▶ 10/05/2006 Para-corporate agreements. Lodging of supplementary information on material event reported on 25/04/2006 regarding the agreement signed by several Company shareholders.
  - ▶ 19/05/2006 Morgan Stanley & Co as Global Coordinator and stabilizing agent for the Initial Public Offering and Public Rights Offering of Renta Corporación Real Estate, S.A., lodges relevant information.
  - ▶ 01/06/2006 Company sends general company presentation.
  - ▶ 15/06/2006 Information on approval of a buyback programme of own shares and approval for derivative acquisition of own shares.
  - ▶ 06/07/2006 Company sends information on its temporary own share buyback programme.
  - ▶ 19/07/2006 Company sends information on its temporary own share buyback programme.
  - ▶ 20/07/2006 Company advises convening of teleconference for the purpose of presenting and commenting on results for H1 2006.

### SIGNIFICANT CHANGES IN SHAREHOLDING

- In June, the Chairman of Renta Corporación increased his holding through Aurodoc 75, S.L. (a company he controls), and now holds 35.48% of Renta Corporación's capital. This increased holding is the outcome of share buying in the market and Aurodoc 75, S.L. restructuring, involving allotment of 280,000 Renta Corporación shares to Aurodoc 75, S.L. by Renta Corporación Board Director member, Elena Hernández de Cabanyes.

**Other information (continued)****OUTLOOK**

- RC anticipate growth in net profit in excess of 35% for FY 2006, in other words, net profit exceeding €44 M. Profit for the first-half is consistent with this 2006 Operating Plan goal.
- These results, as well as investment and inventories levels, profitability and other related parameters, are also consistent with the goals established in the 2005-2008 Strategic Plan, which envisaged at least doubling main figures over three years and, in particular, EBITDA and net attributable profit.
- Renta's current share price means –based on minimum estimated profit for 2006– a PER'06 of 13.6x (as of July 25, 2006).



Madrid

## Consolidated Profit and Loss Account

Amounts in € million	H1 2006	% Sales	H1 2005	% Sales	% Incr
Sales	319.1	100%	107.7	100%	<b>196%</b>
Other revenues	3.5	1%	1.0	1%	259%
<b>TOTAL INCOME</b>	<b>322.6</b>	<b>101%</b>	<b>108.7</b>	<b>101%</b>	<b>197%</b>
Cost of sales	-252.7	79%	-83.6	78%	202%
Selling, general and payroll expenses	-25.9	8%	-11.1	10%	134%
<b>EBITDA</b>	<b>44.0</b>	<b>14%</b>	<b>14.1</b>	<b>13%</b>	<b>212%</b>
Amortisation	-0.1	0%	-0.1	0%	63%
Provisions	0.0	0%	0.0	0%	n/a
<b>EBIT</b>	<b>43.8</b>	<b>14%</b>	<b>14.0</b>	<b>13%</b>	<b>214%</b>
Net financial profit	-4.3	1%	-2.1	2%	99%
Share of P&L of associates	-0.5	0%	0.3	0%	n/a
<b>PROFIT BEFORE TAX</b>	<b>39.1</b>	<b>12%</b>	<b>12.1</b>	<b>11%</b>	<b>222%</b>
Taxes	-13.9	4%	-3.1	3%	342%
Minority interest	0.0	0%	-0.1	0%	-100%
<b>PROFIT ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>25.2</b>	<b>8%</b>	<b>8.9</b>	<b>8%</b>	<b>184%</b>
<b>Gross margin <sup>(1)</sup></b>	<b>66.4</b>	<b>21%</b>	<b>24.2</b>	<b>22%</b>	<b>175%</b>
Nº of shares (million)	25.03		21.95 <sup>(2)</sup>		14%
<b>PPS - Profit per share attributable to shareholders (€)</b>	<b>1.01</b>		<b>0.40</b>		<b>149%</b>

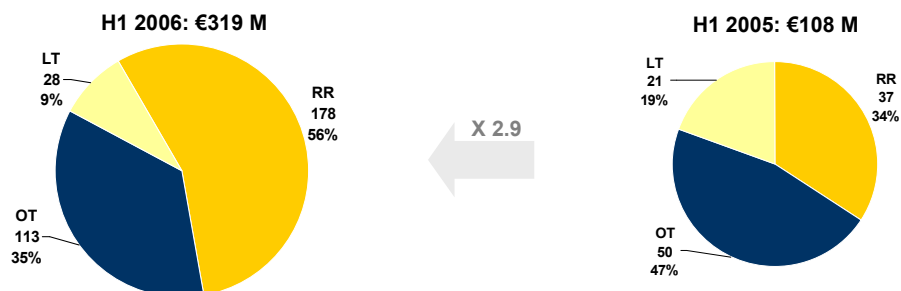
<sup>(1)</sup> Gross margin is equal to Sales less cost of sales

<sup>(2)</sup> Adjusted for the share split approved by the General Meeting of 22 April 2005

## Notes on Company results

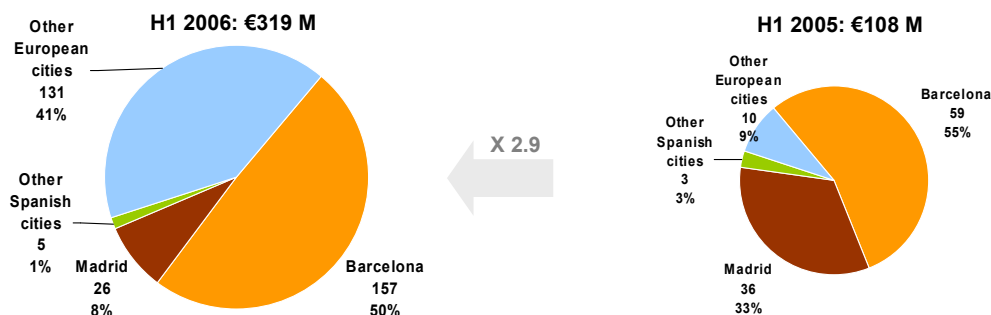
### Sales and Gross sales margin

- Major growth in sales and gross margin alike (+196% and +175%, respectively). In the comparison there are three significant factors:
  - Two exceptionally profitable deals were closed in Q1 2005.
  - Also in Q1 2006 the company performed a Residential Refurbishment (RR) operation, with a high volume and level of turnover at a lower-than-usual margin (acquisition and sale in Q1 with prior transformation process concentrated in the option period).
  - In H1 2006, the Land Transformation (LT) unit's sales contribution has been lower than in 2005.
- Residential Refurbishment and Office Transformation (OT) units have contributed significantly to growth in H1 2006. Compared to H1 2005, the Residential Refurbishment unit has experienced the highest growth.
- In terms of business units, Residential Refurbishment and Office Transformation account for approximately 90% of company sales in this half year.



## Notes on Company results (continued)

- Geographically, Barcelona and Paris have accounted for approximately 90% of sales in this first half year.



NOTE Information on presales can be found in the "Liabilities" section under "Notes on Company balance sheet".

## Pre-tax profit

- EBITDA was €44.0 M (+€29.9 M) and operating profit (EBIT) was €43.8 M (+€29.8 M), with improved sales margin in both cases (from 13% to 14%).
- Pre-tax profit rose by €27.0 M to €39.1 M (H1 2005: €12.1 M).
- Cost of sales, general and payroll costs were €25.9 M in H1, an increase of €14.8 M. (134% versus sales growth of 196%).
  - Variable operating expenses (selling and taxation) increased by €7.3 M (from €2.8 M to €10.1 M), due to significant growth in sales. Increase under this heading as a percentage of sales (from 2.6% to 3.2%) is explained by two sales in France, where margin is subject to high tax. Excluding this factor, variable costs for operations remain at the same level as 2005.
  - General expenses rose by €3.9 M to €8.1 M.
    - There was a significant increase in advertising (€1.7 M in H1 2006, €1.1 M in H1 2005), as a result of a more active advertising policy. Increase is lower than for salient figures of the business.
    - Increase in other recurring overheads, excluding those already mentioned, stands at 11%, significantly less than growth in turnover.
    - Finally, there is a one-off charge of €2.8 M regarding initial costs of rejected projects "dead-deal costs", (which included purchase options premiums), of which €2.5M are due to two Land Transformation operations and €0.3M are due to another two of Residential Refurbishment. The company decided to drop them in order to focus the business on transactions with higher turnover and profitability outlook.
  - Payroll costs rose by €3.7 M (€7.7 M in H1 2006 versus €4.0 M in H1 2005). This increase is mainly due to:
    - 21 additional staff members, +€1.0 M (senior management, technical, land transformation, administration and finance areas); target-based variable supplementary remuneration (+€0.6 M); annual wage and salary increase (+€0.4 M).
    - One-off cost linked to listing of the Company, as explained in the operation's registration document (bonus to non-shareholder employees of €1.2 M).
- Net financial profit was -€4.3 M as a result of the company's investment drive in its expansion process.
  - Financial costs were €7.9 M, of which €2.9 M have been incorporated into assets as higher investment value.
  - Financial income were €0.7 M.

**Notes on Company results (continued)*****Net Attributable profit***

- Profit attributable to shareholders for the period was €25.2 M, 184% up on €8.9 M in H1 2005.
- Profit per share attributable to shareholders (PPS) in H1 2006 was €1.01, 149% up on H1 2005 in comparable terms.
- Effective tax rate in H1 2006 was 35.5%, whereby a rate of 35% is estimated as standard for 2006 versus one-off 26% in H1 2005.

## Consolidated Balance Sheet

Assets (€ million)	Jun-06	Dec-05
<b>Long term assets</b>	<b>2.8</b>	<b>2.2</b>
Inventories	487.8	323.5
Debtors	153.0	62.3
Cash	24.7	3.2
Other working capital	2.9	3.1
<b>Current assets</b>	<b>668.4</b>	<b>392.1</b>
<b>Total Assets</b>	<b>671.2</b>	<b>394.3</b>

Liabilities (€ million)	Jun-06	Dec-05
Capital	104.5	21.4
Reserves	53.4	30.5
Profit to date	25.2	32.5
Minority holdings	0.0	0.6
<b>Total Net Worth</b>	<b>183.1</b>	<b>85.0</b>
<b>Short term creditors</b>	<b>99.6</b>	<b>93.2</b>
<b>Financial debt (short term)</b>	<b>388.5</b>	<b>216.1</b>
<b>Total Pasivo</b>	<b>671.2</b>	<b>394.3</b>



Barcelona

## Notes on balance sheet

### Assets

#### Investment, Inventories and Investment rights

- In the first half of the year, Renta Corporación has invested substantially, standing at €420.6 M versus €131.9 M invested in the same period the previous year. Buildings for a total price of €367.2 M were acquired in the period (€184.4 M in Q1 2006 and €182.8 in Q2 2006).
- Renta Corporación holds inventories valued at €487.8 M (50% up on year-end 2005).
- In addition, it holds Investment rights (i.e. purchase options entitling the company to acquire properties) for €354.2 M, of which €206.3 in principle lapse in H2 2006.
- Volume of stocks and investment rights give high visibility for period 2006-2008.

#### INVENTORIES

<b>Land and Buildings</b>			
Barcelona	307.9	188.3	119.7
Madrid	108.2	25.8	82.4
Other Spanish cities	4.3	7.0	-2.7
Other European cities	53.3	84.5	-31.2
<b>Purchase option premiums</b>	<b>14.6</b>	<b>16.7</b>	<b>-2.1</b>
<b>Work in progress &amp; others</b>	<b>-0.5</b>	<b>1.3</b>	<b>-1.8</b>
<b>TOTAL Inventories</b>	<b>487.8</b>	<b>323.5</b>	<b>164.2</b>

#### By geographic distribution

Jun-06	Dec-05	Dif
473.7	305.5	168.1
307.9	188.3	119.7
108.2	25.8	82.4
4.3	7.0	-2.7
53.3	84.5	-31.2
14.6	16.7	-2.1
-0.5	1.3	-1.8
487.8	323.5	164.2

#### INVENTORIES

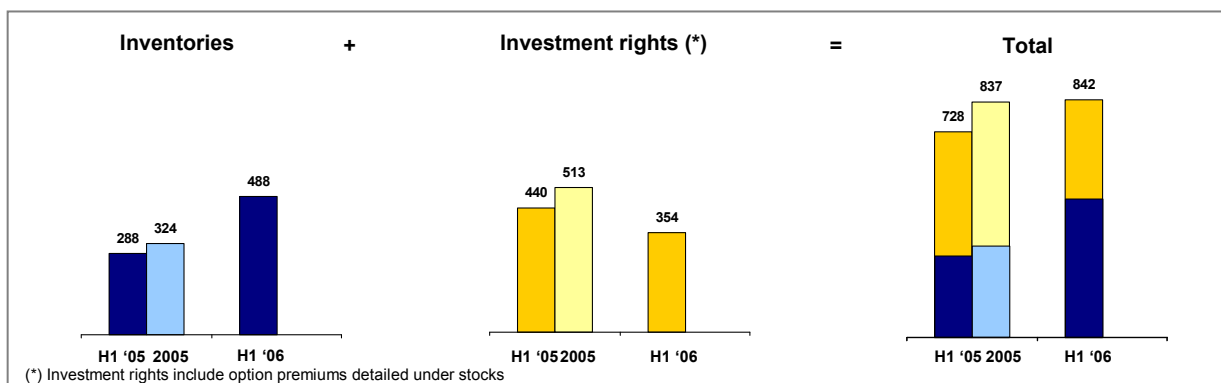
<b>Land and Buildings</b>			
RR	120.3	128.1	-7.8
OT	159.1	70.7	88.4
LT	194.2	106.8	87.4

#### By business unit

Jun-06	Dec-05	Dif
473.7	305.5	168.1
120.3	128.1	-7.8
159.1	70.7	88.4
194.2	106.8	87.4

#### PURCHASE OPTIONS

Investment Rights	354.2	513.2	-159.0
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- Increase of €90.7 M in Debtors is mainly due to suitably guaranteed trade receivables. During July €86.1 M will be paid (91% of the total figure).



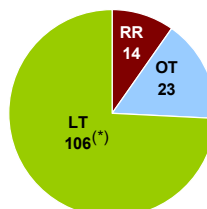
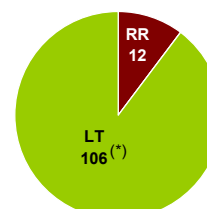
**Notes on balance sheet (continued)**
**Liabilities**

- Short-term creditors (€99.6 M at period-end H1 2006) consist of the following:

	H1 2006	
Accrued Taxes	30.7	
Suppliers	49.7	
Deposits	11.1	(See following table)
Others Creditors	8.0	
<b>Short term creditors</b>	<b>99.6</b>	

- The following chart shows presales for deposit amounts.

- Because of the high level of rotation in RC's business, pre-sales figures are not very relevant.
- (\*) A significant portion of presales is subject to completion of planning processes, therefore it is uncertain when the sales will be posted.

**Presales by business unit**
**March '06 €143 M**

**June '06 €188 M**


- The Net debt balance was €363.8 M (€212.9 M at year-end 2005) with a slight fall in the leverage ratio. The table shows evolution in the period, sorted by headings:

	H1 2006	31/12/2005
Operations with mortgage guarantee	266.7	163.3
Additional sums available under loan agreements	120.6	51.1
Interest due and other financial debts	1.1	1.7
Cash	-24.7	-3.2
<b>Total Net Debt</b>	<b>363.8</b>	<b>212.9</b>
Net Debt / (Net Debt + Equity)	67%	71%

- Cash flow is momentarily higher due to collection of payment for several sales on the last day of the month. At closing date of this document, the level has returned to normal due to acquisitions on July.

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**Notices**

Percentages in the tables are for actual figures in euros, while in some instances they can deviate from absolute rounded figures shown in the tables.

The information published in this report includes statements that assume forecasts or estimates of the Company's future evolution. Analysts and investors should bear in mind that such statements regarding the future do not entail any assurance of how the Company will perform, and involve risks and uncertainties, whereby actual performance may differ substantially from what is suggested in such forecasts.