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Annual
Corporate
Governance
Report

ANNUAL CORPORATE GOVERNANCE REPORT

LISTED PUBLIC LIMITED COMPANIES (SOCIEDADES ANÓNIMAS)

ISSUER'S IDENTIFICATION DETAILS

**FINANCIAL
YEAR**

2006

**Company number
A-62385729**

Company Name:

RENTA CORPORACION REAL ESTATE S.A.

Registered Offices:

**AVENIDA DIAGONAL 449-2º
BARCELONA
08036
SPAIN**

MODEL ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED PUBLIC LIMITED COMPANIES

A OWNERSHIP STRUCTURE**A.1. Please give details of the company's share capital in the following table:**

Date last modified	Share capital (€)	Number of shares
07-04-2006	25,029,301.00	25,029,301

If there are different share classes, please indicate this in the following table:

Class	Number of shares	Unit par value

A.2. Please give details of the direct and indirect holders of significant holdings in your company at the close of the financial year, excluding directors:

Shareholder's Name or Corporate Name:	Number of Direct Shares	Number of Indirect Shares (*)	Total % of Share Capital
FUNDACION PRIVADA RENTA CORPORACION	1,253,980	0	5.010

(*) Through:

Name or Corporate Name of the Direct Holder of the Holding	Number of Direct Shares	% of Share Capital
Total:		

Please indicate the most significant changes to the share structure which have taken place during the year:

Shareholder's Name or Corporate Name:	Operation date	Description of the operation

A.3. Please give details in the following tables of any members of the Company's Board of Directors who own shares in the company:

Director's Name or Corporate Name:	Original Appointment Date	Most Recent Appointment Date	No. of direct shares	No. of indirect shares (*)	Total % of Share Capital
LUIS HERNÁNDEZ DE CABANYES	19-12-2000	15-03-2006	269,628	8,612,727	35.488
ANNA M. BIRULÉS BERTRAN	08-09-2004	08-09-2004	299,131	0	1.195
JOSEP-MARIA FARRÉ VIADER	19-12-2000	15-03-2006	25,135	1,025,554	4.198
ESTHER GIMÉNEZ ARRIBAS	19-12-2000	15-03-2006	1,100	855,470	3.422
ELENA HERNÁNDEZ DE CABANYES	19-12-2000	15-03-2006	358,260	0	1.431
CARLOS TUSQUETS TRIAS DE BES	27-12-2004	27-12-2004	0	100,000	0.400
CÉSAR A. GIBERNAU AUSIO	17-11-2003	03-03-2005	162,889	30,000	0.771
JUAN GALLOSTRA ISERN	09-02-2006	09-02-2006	50	0	0.0002

(*) Through:

Name or Corporate Name of the Direct Holder of the Holding	Number of Direct Shares
DINOMEN, S.L.	2,710,290
FINANTING 2001, S.L.	1,482,910
SDEEGTUTERS, S.L.	1,446,885
AURODOC 75, S.L.	1,572,364
TOGA 20, S.L.	1,400,278
SHONAN INVESTMENTS S.L.	1,025,554
ANPOL CAPITAL, S.L.	855,470
TUSQUETS CONSULTORES, S.L.	100,000
PREMISEHUNTER, S.L.	19,500
CONSORCIO TWO DOS, S.L.	10,500
Total:	10,623,751

Total shareholding controlled of the Board of Directors (%)	46.905
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Please give details in the following tables of any members of the Company's Board of Directors who possess any rights over shares in the company:

Director's Name or Corporate Name:	Number of direct option rights	Number of indirect option rights	Number of equivalent shares	Total % of Share Capital

A.4. Please provide details, if applicable, of any family, commercial, contractual or corporate relationships existing between significant shareholders to the extent known to the Company, unless they are of little relevance or derive from ordinary commercial business and transactions:

Related names or corporate names:	Relationship:	Brief description

A.5. Please provide details, if applicable, of any commercial, contractual or corporate relationships existing between significant shareholders and the Company, unless they are of little relevance or derive from ordinary commercial business and transactions:

Related names or corporate names:	Relationship:	Brief description

A.6. Please provide details of any shareholders' agreements of which the Company has been informed:

Parties to the Shareholders' Agreement	% of share capital affected	Brief Description of the Agreement
UNICEF COMITE ESPAÑOL (JCE)	0.847	UNDER DONATION AND BENEFICIAL INTEREST DEED EXECUTED ON 15 JANUARY 2003, IN THE PRESENCE OF BARCELONA NOTARY PUBLIC ANTONIO BOSCH CARRERA, UNDER NUMBER 32 OF HIS NOTARIAL RECORDS, UNICEF-COMITÉ ESPAÑOL (JCE) AND FUNDACIÓN INTERMÓN-OXFAM UNDERTAKE TO: (I) REFRAIN FROM TRANSFERRING 50% OF THEIR SHARES IN THE COMPANY UNTIL TWO (2) YEARS FROM LISTING OF COMPANY SHARES; AND (II) REFRAIN FROM TRANSFERRING THE REMAINING 50% OF THEIR SHARES IN THE COMPANY UNTIL FOUR (4) YEARS FROM LISTING OF COMPANY SHARES.
FUNDACIÓN INTERMON OXFAM	0.847	SEE THE COMMENTS ON THE CONTRACT DESCRIBED IN THE FIRST SECTION.
FUNDACION PRIVADA RENTA CORPORACION	5.010	WITHIN THE FRAMEWORK OF COMPANY LISTING, CERTAIN SHAREHOLDERS SIGNED A SHAREHOLDER CONTRACT ON 24 FEBRUARY 2006 REGULATING FREE TRANSFER OF SHARES IN THE COMPANY. THESE RESTRICTIONS SPECIFY THAT THE SIGNATORIES OF THE CONTRACT SHALL HAVE A PREFERENTIAL PURCHASE RIGHT OF SHARES IN THE COMPANY OWNED BY OTHER SIGNATORIES.
CRISTINA ORPINELL KRISTJANSDOTTIR	0.808	SEE THE COMMENTS ON THE CONTRACT DESCRIBED IN THE FIRST SECTION.
DINOMEN, S.L.	10.828	SEE THE COMMENTS ON THE CONTRACT DESCRIBED IN THE FIRST SECTION.
TOGA 20, S.L.	5.596	SEE THE COMMENTS ON THE CONTRACT DESCRIBED IN THE FIRST SECTION.
FINANTING 2001, S.L.	5.925	SEE THE COMMENTS ON THE CONTRACT DESCRIBED IN THE FIRST SECTION.
SDEEGTUTERS, S.L.	5.781	SEE THE COMMENTS ON THE CONTRACT DESCRIBED IN THE FIRST SECTION.
AURODOC 75, S.L.	6.282	SEE THE COMMENTS ON THE CONTRACT DESCRIBED IN THE FIRST SECTION.
LUIS HERNÁNDEZ DE CABANYES	1.077	SEE THE COMMENTS ON THE CONTRACT DESCRIBED IN THE FIRST SECTION.
ANNA M. BIRULÉS BERTRAN	1.195	SEE THE COMMENTS ON THE CONTRACT DESCRIBED IN THE FIRST SECTION.
INSTITUTO INTERNACIONAL DE FINANZAS	0.785	SEE THE COMMENTS ON THE CONTRACT DESCRIBED IN THE FIRST SECTION.
CÉSAR A. GIBERNAU AUSIO	0.651	SEE THE COMMENTS ON THE CONTRACT DESCRIBED IN THE FIRST SECTION.
ELENA HERNÁNDEZ DE CABANYES	1.431	SEE THE COMMENTS ON THE CONTRACT DESCRIBED IN THE FIRST SECTION.
PERE ARIMON VILAGELIU	1.608	SEE THE COMMENTS ON THE CONTRACT DESCRIBED IN THE FIRST SECTION.
ESTHER GIMÉNEZ ARRIBAS	0.004	SEE THE COMMENTS ON THE CONTRACT DESCRIBED IN THE FIRST SECTION.
ANPOL CAPITAL, S.L.	3.418	SEE THE COMMENTS ON THE CONTRACT DESCRIBED IN THE FIRST SECTION.
CELSO CABRERA MARRERO	0.262	SEE THE COMMENTS ON THE CONTRACT DESCRIBED IN THE FIRST SECTION.
PREMISEHUNTER, S.L.	0.042	SEE THE COMMENTS ON THE CONTRACT DESCRIBED IN THE FIRST SECTION.
CONSORCIO TWO DOS, S.L.	0.078	SEE THE COMMENTS ON THE CONTRACT DESCRIBED IN THE FIRST SECTION.

Please provide details of any concerted action between the Company's shareholders known to the company:

Parties to concerted action	% of share capital affected	Brief description of the concerted action
LUIS HERNÁNDEZ DE CABANYES	35.488	LUIS HERNÁNDEZ DE CABANYES, DIRECT AND INDIRECT HOLDER OF 35.488% OF RENTA CORPORACIÓN SHARE CAPITAL, IS MARRIED UNDER INDEPENDENT PROPERTY RULES TO CRISTINA ORPINELL KRISTJANSÐOTTIR, HOLDER OF 0.808% OF SHARE CAPITAL
CRISTINA ORPINELL KRISTJANSÐOTTIR	0.808	SEE SEPARATE NOTE ABOVE
JOSEP-MARIA FARRÉ VIADER	4.197	JOSÉ-MARIA FARRÉ VIADER, DIRECT AND INDIRECT HOLDER OF 4.197% OF RENTA CORPORACIÓN SHARE CAPITAL, IS MARRIED UNDER INDEPENDENT PROPERTY RULES TO IKUKO KAGÀ, HOLDER OF 0.959% OF SHARE CAPITAL
IKUKO KAGÀ	0.959	SEE SEPARATE NOTE ABOVE
ESTHER GIMÉNEZ ARRIBAS	3.422	ESTHER GIMÉNEZ ARRIBAS, DIRECT AND INDIRECT HOLDER OF 3.422%, OF RENTA CORPORACIÓN SHARE CAPITAL IS DE FACTO PARTNER WITH PERE ARIMÓN VILAGELIU, HOLDER OF 1.608% OF SHARE CAPITAL.
PERE ARIMON VILAGELIU	1.608	SEE SEPARATE NOTE ABOVE
ELENA HERNÁNDEZ DE CABANYES	1.431	ELENA HERNÁNDEZ DE CABANYES, DIRECT AND INDIRECT HOLDER OF 1.431% OF RENTA CORPORACIÓN SHARE CAPITAL, IS MARRIED UNDER INDEPENDENT PROPERTY RULES TO CELSO CABRERA MARRERO, HOLDER OF 0.262% OF SHARE CAPITAL
CELSO CABRERA MARRERO	0.262	SEE SEPARATE NOTE ABOVE
DAVID VILA BALTA	0.450	DAVID VILA BALTA, DIRECT AND INDIRECT HOLDER OF 0.450% OF RENTA CORPORACIÓN SHARE CAPITAL, IS MARRIED UNDER INDEPENDENT PROPERTY RULES TO ANA HERNÁNDEZ DE CABANYES, HOLDER OF 0.371% OF SHARE CAPITAL
ANA HERNÁNDEZ DE CABANYES	0.371	SEE SEPARATE NOTE ABOVE

If there have been any amendments to, or breaches of, such covenants, agreements or concerted action, please indicate it expressly.

PREMISEHUNTER, S.L. and CONSORCIO TWO DOS, S.L. have agreed with Renta Corporación Real Estate, S.A. (hereinafter "Renta Corporación" or the "Company") to abide by the shareholder agreement signed on 24 February 2006, as referred to above, while such agreement as of 31 December 2006 has not been made into deed.

A. 7. Please indicate whether there is any individual or organisation who may exercise control over the Company under the terms of section 4 of the Spanish Stock Market Act (Ley del Mercado de Valores):

Name or corporate name

Comments

A.8. Please give details of the Company's treasury shares in the following tables:

As at the close of the financial year:

Number of Direct Shares	Number of Indirect Shares (*)	Total % of Share Capital
102,474	0	0.409

(*) Through:

Name or Corporate Name of the Direct Holder of the Holding	Number of Direct Shares
Total:	

Please provide details of any significant variations effected during the year in accordance with the provisions of Spanish Royal Decree 377/1991:

Date	Number of Direct Shares	Number of Indirect Shares	Total % of Share Capital
Profit and loss in the year due to treasury share transactions (in thousands of euros)			663

A.9. Please provide details of the terms and/or duration of authorities granted by the General Meeting of Shareholders to the Board of Directors for acquisitions or transfers of Company shares described under section A.8.

The Renta Corporación General Meeting of Shareholders of 9 February 2006 authorised the Board to buy own shares. The terms and conditions of resolution sixteen adopted at this General Meeting are reproduced below:

“(...) the Board is hereby authorised to effect derivative acquisition of own shares, whether directly by the Company or by its controlled companies, under the following terms:

- a) Acquisition may be based on purchase and sale, swap or handover as payment, once or several times, provided that the acquisition shares, added to those already held by the Company, do not exceed 5% of share capital.
- b) The price or consideration value will range from par value and no more that closing price of Company shares in the Continuous Market at acquisition time.
- c) This authority will be valid for 18 months from the day after this agreement.

In addition, and for the purposes envisaged in the second paragraph of article 75.1 of the Spanish Companies Act, to expressly authorise the acquisition of treasury shares in the Company by any of the companies controlled by it under the same terms as those resulting from this agreement. It is specifically provided that any shares acquired under this authority may be used, both in disposal or redemption and in application of remuneration schemes specified under section 75.1 paragraph three of the Spanish Companies Act. This authority shall be effective from the date Company shares are accepted for official trading on the Madrid and Barcelona stock exchanges.

Accordingly, this agreement shall automatically become void in the event that on 31 December 2006 Company shares have not been accepted for official trading on the aforementioned Madrid and Barcelona stock exchanges and inclusion in the Spanish Stock Market Interconnection System (SIBE or “Continuous Market”).”

Under this authority, the Board adopted agreements on 14 June 2006, which are reproduced below:

“Given that (...), the Board has plans to implement an employee and management incentive scheme in the near future, which contemplated issuing Company shares to such individuals, and to issue shares to Renta Corporación Group officers, it is hereby agreed to approve a specific Company buyback scheme under the terms of the own shares buyback programmes regulated by Regulation 2273/2003/EC of 22 December.

The terms and conditions of the buyback programme are as follows:

- (i) The purpose of the buyback programme is to comply with obligations on consignment of shares the Company plans to implement in the near future under the Renta Corporación employee and management incentive scheme, as well as in respect of consignment of shares to officers of the company.
- (ii) The maximum number of own shares that can be purchased is 375,440, representing approximately 1.5% of the Company’s current share capital.
- (iii) The maximum purchase price will be 30 euros per share.
- (iv) The share buyback programme will remain in force until 31 December 2006.

Conditions for operating under the buyback programme with regard to price and volume, and to restrictions and other terms, shall be governed by the provisions of Regulation 2273/2003/EC of 22 December and the Internal Code of Conduct.

This scheme, and any suspension or modification thereto, shall be reported to the Spanish Securities and Investment Board and treated as a material event.

In addition to the share buyback programme as referred to above (...), derivative acquisition of own shares up to a total limit of 5% of share capital is authorised in terms of the aforementioned General Meeting of Shareholders resolution, applicable legislation and Internal Code of Conduct governing operations with treasury shares. Under article 9.1 of the Internal Code of Conduct, the purpose of regular trading in own shares under this authority will be to contribute to liquidity of the shares in the market or to reduce fluctuations in the share price, and will under no circumstances be designed to manipulate the unfettered process of price formation in the market or to favour certain shareholders in Renta Corporación Group companies.”

Subsequently, under Board agreement of 25 October 2006, the above share buyback programme was modified to (i) increase maximum acquisition price to 36 euros per share and (ii) extend its term to 30 April 2007.

A.10. Indicate any legal restrictions or restrictions in the Articles of Association on voting rights, as well as any legal restrictions on acquiring or transferring shareholdings.

There are no restrictions by law or under the Articles of Association on Renta Corporación share voting rights.

Article 13 of the current articles of association (hereinafter "Articles of Association"), reproduced below, does not provide for any restriction on unfettered transfer of shares: "ARTICLE 13. TRANSFER OF SHARES

Shares and financial rights therefrom, including preferred subscription rights, are freely transferable by any lawful means.

Transfer of new shares shall not become effective until the relevant share capital increase has been filed with the Company Registry.

Finally, the shareholders' agreements referred to in Section A.6 above should be noted.

B COMPANY MANAGEMENT STRUCTURE**B.1. Board of Directors****B.1.1. Please provide details of the maximum and minimum number of directors permitted under the Articles of Association:**

Maximum Number of Directors	12
Minimum Number of Directors	3

B.1.2. Please give details of the members of the Board of Directors in the following table:

Name or corporate name of the director.	Representative	Position on the Board	Original Appointment Date	Most Recent Appointment Date	Election Procedure
LUIS HERNÁNDEZ DE CABANYES		CHAIRMAN – MANAGING DIRECTOR	19-12-2000	15-03-2006	GENERAL MEETING
JOSEP-MARIA FARRÉ VIADER		MANAGING DIRECTOR	19-12-2000	15-03-2006	GENERAL MEETING
ANNA M. BIRULÉS BERTRAN		VICE-CHAIRWOMAN	08-09-2004	08-09-2004	GENERAL MEETING
ESTHER GIMÉNEZ ARRIBAS		DIRECTOR SECRETARY	19-12-2000	15-03-2006	GENERAL MEETING
CARLOS SOLCHAGA CATALAN		DIRECTOR	09-02-2006	09-02-2006	GENERAL MEETING
JUAN GALLOSTRA ISERN		DIRECTOR	09-02-2006	09-02-2006	GENERAL MEETING
CARLOS TUSQUETS TRIAS DE BES		DIRECTOR	27-12-2004	27-12-2004	GENERAL MEETING
PEDRO NUENO INIESTA		DIRECTOR	30-11-2004	30-11-2004	GENERAL MEETING
CÉSAR A. GIBERNAU AUSIO		DIRECTOR	17-11-2003	03-03-2005	GENERAL MEETING
ELENA HERNÁNDEZ DE CABANYES		DIRECTOR	19-12-2000	15-03-2006	GENERAL MEETING

Total Number of Directors	10
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Please indicate any directors who have ceased to be Board members during the period:

Director's Name or Corporate Name:	Date of leaving

B.1.3. Please give details of the members of the Board of Directors, and their different positions, in the following tables:**EXECUTIVE DIRECTORS**

Director's Name or Corporate Name:	Nominating Committee	Position in the Company's Organisation
LUIS HERNÁNDEZ DE CABANYES	APPOINTMENTS AND REMUNERATION COMMITTEE	CHAIRMAN AND MANAGING DIRECTOR
JOSEP-MARIA FARRÉ VIADER	APPOINTMENTS AND REMUNERATION COMMITTEE	MANAGING DIRECTOR
ANNA M. BIRULÉS BERTRAN	NOT APPLICABLE	VICE-CHAIRMAN
ESTHER GIMÉNEZ ARRIBAS	APPOINTMENTS AND REMUNERATION COMMITTEE	DIRECTOR AND COMPANY SECRETARY

EXTERNAL DIRECTORS REPRESENTING SUBSTANTIAL SHAREHOLDERS

Director's Name or Corporate Name:	Nominating Committee	Shareholder's Name or Corporate Name: who he/she represents or who has proposed appointment

INDEPENDENT EXTERNAL DIRECTORS

Name or trading name of the director	Committee proposing the appointment	Background
CARLOS SOLCHAGA CATALAN	APPOINTMENTS AND REMUNERATION COMMITTEE	RENTA CORPORACIÓN MEMBER SINCE 2006. INTERNATIONAL CONSULTANT WITH SOLCHAGA & RECIO ASOCIADOS SINCE 1995. CURRENTLY CHAIRMAN OF THE EDITORIAL BOARD OF SPANISH BUSINESS MAGAZINE CINCO DÍAS, OWNED BY PRISA (PUBLISHER OF EL PAÍS NATIONAL NEWSPAPER), CHAIRMAN OF THE QUEEN SOFÍA ART CENTRE NATIONAL MUSEUM. ECONOMIC STUDIES MANAGER WITH BANCO DE VIZCAYA FROM 1976 TO 1979. MINISTER FOR TRADE OF THE BASQUE GENERAL COUNCIL (1979-1980). MEMBER OF THE SPANISH PARLIAMENT FROM 1980 TO 1994 AND CHAIRMAN OF THE SOCIALIST PARLIAMENTARY GROUP FROM 1992 TO 1994. MINISTER FOR INDUSTRY AND ENERGY FROM 1982 TO 1985 AND FINANCE MINISTER FROM 1985 TO 1993. CHAIRMAN OF THE IMF INTERIM COMMITTEE (1991-1993). CURRENTLY A MEMBER OF SEVERAL ADVISORY AND CORPORATE BOARDS. HOLDS A DEGREE IN ECONOMICS AND BUSINESS STUDIES FROM THE MADRID UNIVERSITY OF ALCALÁ DE HENARES AND A POSTGRADUATE QUALIFICATION FROM THE ALFRED P. SLOAN SCHOOL OF THE MASSACHUSETTS INSTITUTE OF TECHNOLOGY (MIT).
JUAN GALLOSTRA ISERN	APPOINTMENTS AND REMUNERATION COMMITTEE	RENTA CORPORACIÓN MEMBER SINCE 2006. CEO AND GENERAL MANAGER OF JG INGENIEROS CONSULTORES DE PROYECTOS, S.A. GROUP FROM 2001, WHERE HE WAS GENERAL MANAGER FROM 1995 TO 2000. DIRECTOR OF BRITISH COMPANY, FIRST Q & LTD. 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. DIRECTOR OF HOSPITECNA, S.L. ASSOCIATE PROFESSOR WITH THE CONSTRUCTION ENGINEERING DEPARTMENT OF THE POLYTECHNIC UNIVERSITY OF CATALONIA FROM 1997 TO 2005. MEMBER OF THE MANAGEMENT COMMITTEE OF THE UPC - GRUPO JG BUSINESS CHAIR. LECTURER AND PROFESSOR AT SEMINARS AND COURSES ON CONSTRUCTION ENGINEERING, WITH SEVERAL ARTICLES PUBLISHED IN TRADE MAGAZINES. MEMBER OF THE BOARD OF TRUSTEES OF THE OFFICIAL CATALONIAN SOCIETY OF INDUSTRIAL ENGINEERS AND CHAIRMAN OF THE PROFESSIONAL COMMITTEE. HOLDS A DEGREE IN INDUSTRIAL ENGINEERING FROM THE POLYTECHNIC UNIVERSITY OF CATALONIA AND HAS COMPLETED THE IESE (BARCELONA BUSINESS SCHOOL) GENERAL MANAGEMENT PROGRAM.
CARLOS TUSQUETS TRIAS DE BES	APPOINTMENTS AND REMUNERATION COMMITTEE	RENTA CORPORACIÓN MEMBER SINCE 2004. CHAIRMAN OF FIBANC GROUP AND DIRECTOR OF BANCA MEDIOLANUM (ITALY). HE JOINED THE WEALTH MANAGEMENT COMPANY OF BANCA CATALANA GROUP IN 1971, WHERE HE BECAME DEPUTY GENERAL MANAGER. JOINED BANKUNION IN 1977, WHERE HE DEVELOPED THE MONEY MARKET DEPARTMENT. IN 1983, HE WAS THE DRIVING FORCE BEHIND SETTING UP THE FIBANC GROUP, WHERE HE IS CHAIRMAN. CURRENTLY HE IS ALSO DIRECTOR OF 3i'S ADVISORY BOARD. HOLDS A Ph.D. IN ECONOMICS FROM THE UNIVERSITY OF BARCELONA.

OTHER EXTERNAL DIRECTORS

Director's Name or Corporate Name:	Nominating Committee
ELENA HERNÁNDEZ DE CABANYES	APPOINTMENTS AND REMUNERATION COMMITTEE
PEDRO NUENO INIESTA	APPOINTMENTS AND REMUNERATION COMMITTEE
CÉSAR A. GIBERNAU AUSIO	APPOINTMENTS AND REMUNERATION COMMITTEE

Please give details of the reasons why they cannot be considered directors representing substantial shareholders or independent directors:

Elena Hernández de Cabanyes

Although Elena Hernández de Cabanyes has a holding in the company, it is not sufficiently significant to class her as a director representing substantial shareholders. Aside from his directorship, he has not been proposed by nor does he represent any shareholders.

While Elena Hernández de Cabanyes's track record leaves no room for doubt as to her being a recognised professional and clearly independent, and thus able to meet the requirement of being an independent Company director, restrictions under the definition of independent director in the Unified Code of Recommendations on Good Corporate Governance, given her family ties to Luis Hernández de Cabanyes, and her position of partner and sole officer of the Second House, S.L. company, where some of the Company officers are partners, prevent her from being classified as an independent external director. Accordingly, Elena Hernández de Cabanyes is classified under "Other external directors".

Pedro Nuevo Iniesta

Pedro Nuevo Iniesta has no direct holding in the Company, and therefore cannot be classified as director representing substantial shareholders.

While Pedro Nuevo Iniesta's track record leaves no room for doubt as to his being a recognised professional and clearly independent, and thus able to meet the requirement of being an independent Company director, restrictions under the definition of independent director in the Unified Code of Recommendations on Good Corporate Governance, given his family ties to Christina Nuevo Plana, senior Company executive, have led to review of his independent director status.

Accordingly, on 26 July 2006 the Renta Corporación Board reclassified Pedro Nuevo's position to "Other external directors".

César A. Gibernau Ausió

Although César A. Gibernau Ausió has direct and indirect holdings in the company, there are not sufficiently significant to class him as a director representing substantial shareholders. Aside from his directorship, he has not been proposed by nor does he represent any shareholders.

While César A. Gibernau Ausió's track record leaves no room for doubt as to his being a recognised professional and clearly independent, and thus able to meet the requirement of being an independent Company director, restrictions under the definition of independent director in the Unified Code of Recommendations on Good Corporate Governance, given the consultancy service relationship between the firm Gibernau, Plana y Asociados, S.L. – of which César A. Gibernau is founding partner – has been providing to the Company, has led to a review of his status as independent director.

Accordingly, and given that hitherto such service relationship has not been significant, whereby his impartiality and objectiveness as independent director of the Company have never been compromised, on 9 February 2006 the Renta Corporación Board reclassified his position under "Other external directors".

Please indicate any changes to the type of each director which have taken place during the period:

Director's Name or Corporate Name:	Date of change	Previous condition	Current condition
CÉSAR A. GIBERNAU AUSIO	09-02-2006	INDEPENDENT EXTERNAL DIRECTOR	OTHER EXTERNAL DIRECTOR
CARLOS TUSQUETS TRIAS DE BES	26-07-2006	EXTERNAL DIRECTOR REPRESENTING SUBSTANTIAL SHAREHOLDERS	INDEPENDENT EXTERNAL DIRECTOR
PEDRO NUENO INIESTA	26-07-2006	INDEPENDENT EXTERNAL DIRECTOR	OTHER EXTERNAL DIRECTOR

B.1.4. Please indicate whether the classification of the directors made in the preceding Section corresponds to the distribution envisaged in the Board Regulations.

The directors' classification detailed in Section B.1.3 above refers to distribution envisaged in the Board Regulations, which under Article 6 specifies that it shall be ensured by every possible means that the Board has a majority of external or non-executive directors over the number of executive directors. Accordingly, as specified under B.1.3 above, it is hereby stated that of the current ten (10) Board members, six (6) are external directors or directors not representing substantial shareholders and the other four (4) are executive directors. Under the Board Regulations, executive directors are those directors who in any way carry out management duties within the Company. All non-executive directors shall therefore be considered external directors.

Furthermore, the Board shall seek to ensure that the majority group of external directors includes the holders (or their representatives) of stable significant holdings in the Company's share capital (directors representing a substantial shareholding) and professionals of reputable status with no connection to the executive team or the significant shareholders (independent directors). The Board shall also seek to ensure, to the extent possible, that there is a reasonable balance between the directors representing substantial shareholders and the independent directors, i.e. taking into account the relationship between floating capital (held by ordinary investors) and stable capital (held by significant shareholders) among the Company's shareholders. Considering Renta Corporación's current shareholder structure, and that the benchmark Company shareholder is an executive director, it is believed that there is a reasonable balance in the Board make-up even though there are no directors representing substantial shareholders.

B.1.5. Please specify the powers, if any, delegated to the managing director(s):

Director name or trading name	Brief description
LUIS HERNÁNDEZ DE CABANYES	HAS ALL THE POWERS THAT CAN BE DELEGATED UNDER THE LAW, IN HIS CAPACITY AS CHAIRMAN AND CHIEF EXECUTIVE OF THE COMPANY. THE LATTER APPOINTMENT WAS AS A RESULT OF REAPPOINTMENT BY BOARD AGREEMENT ON 6 JUNE 2006.
JOSEP-MARIA FARRÉ VIADER	HAS ALL POWERS AND RIGHTS THAT CAN BE DELEGATED UNDER THE LAW, YET SUBJECT TO RESTRICTIONS AND LIMITATIONS SPECIFIED IN BOARD AGREEMENT OF 26 JULY 2006.

B.1.6. Please identify any members of the Board who hold management or executive positions in other companies within the listed company's corporate group:

Director's Name or Corporate Name:	Name of the group company	Position
LUIS HERNÁNDEZ DE CABANYES	RENTA CORPORACION REAL ESTATE GO, S.L.	NATURAL PERSON REPRESENTING THE SOLE DIRECTOR RENTA CORPORACION
LUIS HERNÁNDEZ DE CABANYES	RENTA CORPORACION REAL ESTATE ON, S.A.	NATURAL PERSON REPRESENTING THE SOLE DIRECTOR RENTA CORPORACION
LUIS HERNÁNDEZ DE CABANYES	RENTA CORPORACION REAL ESTATE FINANCE, S.L.	NATURAL PERSON REPRESENTING THE SOLE DIRECTOR RENTA CORPORACION
LUIS HERNÁNDEZ DE CABANYES	RENTA CORPORACION REAL ESTATE RA, S.A.	NATURAL PERSON REPRESENTING THE SOLE DIRECTOR RENTA CORPORACION
LUIS HERNÁNDEZ DE CABANYES	RC REAL ESTATE DEUTSCHLAND GMBH	JOINT DIRECTOR
LUIS HERNÁNDEZ DE CABANYES	GROUPE IMMOBILIER RENTA CORPORACION, S.A.S.	CHAIRMAN AND GENERAL MANAGER
LUIS HERNÁNDEZ DE CABANYES	MASELLA OESTE, S.L.	DIRECTOR
JOSEP-MARIA FARRÉ VIADER	RC REAL ESTATE DEUTSCHLAND GMBH	JOINT DIRECTOR
JOSEP-MARIA FARRÉ VIADER	GROUPE IMMOBILIER RENTA CORPORACION, S.A.S.	GENERAL MANAGER
JOSEP-MARIA FARRÉ VIADER	RENTA PROPERTIES (UK) LIMITED	DIRECTOR
ESTHER GIMÉNEZ ARRIBAS	RC REAL ESTATE DEUTSCHLAND GMBH	JOINT DIRECTOR
ESTHER GIMÉNEZ ARRIBAS	NORFEU, S.A.R.L.	JOINT OFFICER
ESTHER GIMÉNEZ ARRIBAS	RENTA CORPORACIÓN LUXEMBOURG S.A.R.L.	JOINT OFFICER

B.1.7. Please give details of any Company directors who are members of the Boards of Directors of other companies, which are not within the Company's corporate group, listed on official securities markets in Spain, of which the Company has been notified:

Director name or trading name	Listed entity	Position

B.1.8. Please give details of the directors' aggregate remuneration accrued during the year in the following tables:**a) In the company forming the subject matter of this report:**

Type of Remuneration	Figures in € thousands
Fixed remuneration	1,610
Variable remuneration	1,122
Allowance for expenses	0
Remuneration pursuant to the Articles of Association	0
Share options and/or options on other financial instruments	0
Miscellaneous	112
TOTAL:	2,844

Other benefits	Figures in € thousands
Advances	30
Loans granted	0
Pension plans and funds: Contributions	0
Pension plans and funds: Obligations assumed	0
Life insurance premiums	1
Guarantees created by the company in favour of the directors	0

b) By reason of the Company directors belonging to other boards of directors and/or being involved in the senior management of companies within the corporate group:

Type of Remuneration	Figures in € thousands
Fixed remuneration	0
Variable remuneration	0
Allowance for expenses	0
Remuneration pursuant to the Articles of Association	0
Share options and/or options on other financial instruments	0
Miscellaneous	0
TOTAL	0

Other benefits	Figures in € thousands
Advances	0
Loans granted	0
Pension plans and funds: Contributions	0
Pension plans and funds: Obligations assumed	0
Life insurance premiums	0
Guarantees created by the company in favour of the directors	0

c) Total remuneration by type of director:

Types of Director	By company	By group
Executive directors	2,510	0
External directors representing substantial shareholders	0	0
Independent directors	209	0
Other external directors	125	0
Total	2,844	0

d) In relation to the income attributed to the controlling company:

Total remuneration of directors (in thousands of euros)	2,844
Total remuneration of directors/income attributed to the controlling company (expressed as a %)	5,990

B.1.9. Please identify any members of senior management who are not also executive directors, indicating the total remuneration accrued in their favour during the year:

Name or corporate name	Position
ENRIC VENANCIO FILLAT	GENERAL MANAGER
PERE ARIMON VILAGELIU	SALES MANAGER (RR)
MERITXELL CARRERAS MOLINS	DIRECTOR OF PLANNING AND ANALYSIS, AND INVESTOR RELATIONS
TANIA CONCEJO BONTEMPS	MANAGER OF THE PARIS OFFICE
TOMÁS DURÁN WEITKAMP	TECHNICAL DEPARTMENT MANAGER
CHRISTINA NUENO PLANA	OFFICE TRANSFORMATION (OT) DIRECTOR
DAVID PILLINGER	MANAGER OF THE LONDON OFFICE
MARÍA DOLORES SÁNCHEZ JULIÁN	FINANCE AND ADMINISTRATION MANAGER
MARÍA JOSÉ SENDRA CUESTA	RESIDENTIAL REFURBISHMENT MANAGER
MIREIA SERRANO-CODINA I TRISTANY	TAX AND FINANCE MANAGER
DAVID VILA BALTA	ACQUISITIONS MANAGER
ALICIA LACARTA ANTIGA	LEGAL DEPARTMENT DIRECTOR
MARGARITA CARDONA TUR	INTERNAL AUDITOR
FERNANDA SÁEZ DE CABEZÓN ESCORUELA	CONTROLLER
FRANCESC XAVIER VENTURA I TEIXIDOR	LAND TRANSFORMATION (LT) DIRECTOR

Total remuneration of senior management (in thousands of euros)	2,910
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B.1.10. Please indicate briefly whether there are any guarantees or protective clauses for cases of dismissal or changes in control in favour of members of senior management, including executive directors, of the Company or its corporate group. Please indicate whether these contracts have to be notified and/or approved by the management bodies of the company or its corporate group:

Number of beneficiaries	1	
	Board of Directors	General Meeting of Shareholders
Body which authorises the clauses	X	
	YES	NO
Is the Board of Shareholders informed of the clauses?		X

B.1.11. Please indicate the process for setting the remuneration of Board members and the relevant applicable Articles in the Articles of Association:

Under article 46 of the Articles of Association:

“Every year Board members shall receive a fixed amount for distribution between the directors, to be determined by the General Meeting of Shareholders. This amount shall range from zero point five per cent to five per cent (0.5%) of the Company’s net profit in the preceding financial year.

Unless amended by the General Meeting, the above amount established the General Meeting shall increase annually in line with the Consumer Price Index.

The Board of Directors shall establish the specific amount to be received each year by each of its members, and shall be able to scale the amount to be received by each of them on the basis of whether or not they belong to bodies authorised by the Board of Directors, the offices held therein and, generally, their dedication to managing or serving the Company.

The remuneration of the office of Managing Director is understood to be without prejudice to any additional amounts received by way of fees or as salaries for rendering professional services or under an employment relationship, as applicable.

In addition, Directors may be paid in shares in the Company or in any other group company, or in options on such shares, or in instruments linked to share price. When it concerns shares in the Company, such remuneration shall be agreed by the General Meeting of Shareholders. The agreement shall express, as applicable, the number of shares to be given, the price for exercising the option, the reference share price and the duration of this form of remuneration.”

In turn, article 25 of the Board Regulations specifies that:

1. “The directors and members of the Audit Committee and the Appointments and Remuneration Committee shall be entitled to receive the remuneration established in accordance with the Articles of Association. In particular, the members of the Board of Directors shall receive a fixed amount each year which shall be determined by the Shareholders’ Meeting and shall be between a minimum of zero point five percent (0.5%) and a maximum of five percent (5%) of the Company’s net profit in the immediately preceding year.

Unless amended by the General Meeting, the above amount established the General Meeting shall increase annually in line with the Consumer Price Index.

2. The Board of Directors shall establish the specific amount to be received each year by each of its members, and shall be able to scale the amount to be received by each of them on the basis of whether or not they belong to bodies authorised by the Board of Directors, the offices held therein and, generally, their dedication to managing or serving the Company.
3. The Board of Directors shall seek to ensure that the remuneration is moderate on the basis of the requirements of the market.
4. In particular, the Board of Directors shall adopt all measures available to it to ensure that the remuneration paid to external directors, including any received in connection with their membership of committees, complies with the following guidelines:
 - a) The remuneration paid to the external director must be based on his or her effective dedication.
 - b) The external director must be excluded from the provision systems funded by the Company for the events of dismissal, death or any others.
 - c) The remuneration paid to the external director must be calculated in such a way that it provides incentives for dedication while not hindering the director’s independence.
5. The remuneration of the office of Director is understood to be without prejudice to any additional amounts which may be received by way of fees or as salaries for rendering professional services or under an employment relationship, as applicable.
6. In addition, Directors may be paid with shares in the Company or in any other listed company within its corporate group, or with options on such shares, or with instruments linked to their price. When the said remuneration relates to shares in the Company or instruments linked to their price, it must be agreed by the Board of Shareholders. The agreement shall express, as applicable, the number of shares to be given, the price for exercising the option, the reference share price and the duration of this form of remuneration.
7. The Company is authorised to take out civil liability insurance for its directors.
8. The remuneration paid to external and executive directors, in the latter case in the proportion which corresponds to their position as directors not in connection with their executive function, shall be included in the report as separate items for each director. The part of the remuneration paid to executive directors in connection with their executive function shall be stated as one item, broken down into the different remuneration headings or items.”

B.1.12. Please identify any Board members who are also board members or executives of other companies with significant holdings in the listed company and/or companies in its corporate group:

Director's Name or Corporate Name:	Corporate name of the significant shareholder	Position
LUIS HERNÁNDEZ DE CABANYES	DINOMEN, S.L.	SOLE ADMINISTRATOR
LUIS HERNÁNDEZ DE CABANYES	AURODOC 75, S.L.	SOLE ADMINISTRATOR
LUIS HERNÁNDEZ DE CABANYES	TOGA 20, S.L.	SOLE ADMINISTRATOR
LUIS HERNÁNDEZ DE CABANYES	FINANTING 2001, S.L.	SOLE ADMINISTRATOR
LUIS HERNÁNDEZ DE CABANYES	SDEEGTUTERS, S.L.	SOLE ADMINISTRATOR
ESTHER GIMÉNEZ ARRIBAS	ANPOL CAPITAL, S.L.	JOINT DIRECTOR
JOSEP-MARIA FARRÉ VIADER	SHONAN INVESTMENTS S.L.	EMPOWERED

Please give details of any relevant relationships, other than those envisaged in the preceding paragraph, between the Board members and any significant shareholders and/or shareholders in companies within the Company's corporate group:

Related director name or trading name	Shareholder's Name or Corporate Name:	Relationship
LUIS HERNÁNDEZ DE CABANYES	DINOMEN, S.L.	LUIS HERNÁNDEZ DE CABANYES HAS A DIRECT HOLDING IN THE COMPANY OF 44.44% AND AN INDIRECT HOLDING OF 17.60%.
LUIS HERNÁNDEZ DE CABANYES	FINANTING 2001, S.L.	LUIS HERNÁNDEZ DE CABANYES HAS A DIRECT HOLDING IN THE COMPANY OF 43.15% AND AN INDIRECT HOLDING OF 20%.
LUIS HERNÁNDEZ DE CABANYES	AURODOC 75, S.L.	LUIS HERNÁNDEZ DE CABANYES HAS A DIRECT HOLDING IN THE COMPANY OF 36.13% AND AN INDIRECT HOLDING OF 14.76%.
LUIS HERNÁNDEZ DE CABANYES	TOGA 20, S.L.	LUIS HERNÁNDEZ DE CABANYES HAS A DIRECT HOLDING IN THE COMPANY OF 43.15% AND AN INDIRECT HOLDING OF 20%.
LUIS HERNÁNDEZ DE CABANYES	SDEEGTUTERS, S.L.	LUIS HERNÁNDEZ DE CABANYES HAS A DIRECT HOLDING IN THE COMPANY OF 43.15% AND AN INDIRECT HOLDING OF 20%.
ESTHER GIMÉNEZ ARRIBAS	ANPOL CAPITAL, S.L.	ESTHER GIMÉNEZ ARRIBAS HAS A HOLDING IN THE COMPANY OF 48.387%.
JOSEP-MARIA FARRÉ VIADER	SHONAN INVESTMENTS S.L.	JOSEP-MARÍA FARRÉ VIADER HAS A HOLDING IN THE COMPANY OF 74.713%.

B.1.13. Please indicate any amendments to the Board Regulations made during the year:

There have been no changes to the Board Regulations in 2006. Nevertheless, on 21 February 2007 the Board approved certain changes to Board Regulations to align them with recommendations of the Unified Code of Good Corporate Governance or "Conthe Code". These changes will be proposed to the General Meeting of Shareholders for debate, to be held on 29 March 2007 at first calling.

B.1.14. Please indicate the procedures for appointing, re-electing, assessing and removing directors. Please give details of the competent bodies, the steps to be carried out and the criteria to be used for each procedure:

The appointment and removal of Renta Corporación directors are governed by Articles 17 to 22 of the Board Regulations.

Appointment of Directors

Directors shall be appointed by the Board of Shareholders or the Board of Directors in accordance with the provisions of the Law on Public Limited Companies, following a report from the Appointments and Remuneration Committee.

Appointment of External Directors

The Board of Directors shall seek to ensure that candidates are elected from among persons of recognised authority, skill and experience, and shall be particularly strict in relation to any person called to be one of the independent directors envisaged in Article 6 of the Board Regulations.

The Board of Directors may not nominate for, or appoint to, the office of independent director any persons who hold an executive position in the Company or who have a family relationship with the executive directors or other senior executives of the Company.

Re-election of Directors

Before proposing a re-election of directors to the Board of Shareholders, the Board of Directors shall assess, without the participation of the subjects affected and in accordance with Article 21.1 of the Board Regulations, the proposed directors' dedication to the office and the quality of their work during the previous term.

Term of Office

Directors shall hold office for the time established by the General Meeting for such purpose. This shall be the same for all directors and may not exceed six years. At the end of this time, they may be re-elected one or more times for equal terms.

The directors' appointment shall expire when, following the end of the term, either the next General Meeting has been held or the legal deadline for holding the Meeting to approve the preceding year's accounts has passed.

Directors appointed by co-option must have their position ratified on the date of the first General Meeting.

Any director who completes his or her term or who for any other reason ceases to hold his or her position may not be a director of, or hold any executive positions in, any other company whose corporate aim is similar to the Company's, for two years.

The Board of Directors may, if it deems fit, exempt the outgoing director from this obligation or reduce the period.

Vacation of Office

Directors shall cease to hold office on expiry of the term for which they were appointed and when so decided by the Board of Shareholders pursuant to the powers conferred on it by the law or the Articles of Association.

Independently of the above, directors must tender their resignation to the Board of Directors in the cases specified in Section B.1.15 below.

Objectivity and Secrecy of Ballots

Under Article 22 of the Board Regulations, directors affected by appointment, re-election or removal proposals shall abstain from taking part in any related deliberations and votes.

All votes of the Board of Directors relating to the appointment, re-election or removal of directors shall be secret.

B.1.15. Please list those events in which directors are under an obligation to resign.

Directors must tender their resignation to the Board of Directors and, if deemed fit by the said Board, resign, in the following cases: (i) on ceasing to hold the executive positions associated with their appointment as directors; (ii) on application of one of the events of conflict of interest or prohibition envisaged by the law; (iii) if seriously reprimanded by the Board of Directors for breaching their duties as directors; and (iv) if remaining in the Board could jeopardise the Company's interests or if the reasons for which they were appointed no longer apply (e.g. if a director representing a substantial shareholder disposes of his holding in the company).

In addition, under Article 39 of Renta Corporación's Articles of Association, any director who completes his or her term or who for any other reason ceases to hold his or her position may not be a director of, or hold any executive positions in, any other company whose corporate object is similar to the Company's, for two years. The Board of Directors may, if it deems fit, exempt the outgoing director from this obligation or reduce the period.

B.1.16. Please explain whether the Chairman of the Board is also the Chief Executive of the Company. Please give details of any measures taken to limit the risk of accumulation of powers in a single person:

Yes No

There is no risk of concentration of powers. The list of powers pertaining to the Board of Directors, the Audit Committee and the Appointments and Remuneration Committee constitutes adequate measures for limiting the risk of accumulation of powers in a single person. Furthermore, the Chairman and Chief Executive carries out his duties with the assistance of the Company's senior executive tier, in particular by the Vice-Chairwoman, Managing Director, General Manager and Company Secretary, thus preventing accumulation of excess powers.

B.1.17 Are any strengthened majorities – other than those required by law – needed for any type of decision?

Yes No

Please explain how resolutions of the Board of Directors are passed, indicating at least the attendance quorum and the different majorities required for passing resolutions.

Adoption of Resolutions

Description of agreement	Quorum	Type of majority
Any type of resolution	A Board Meeting shall be validly constituted when attended by at least half plus one of its members present or represented.	Unless other voting quorums are expressly stipulated by the Law or the Articles of Association, resolutions shall be passed by a majority of the attendants at the meeting. In the event of a tie, the Chairman shall have the casting vote.

B.1.18. Please explain whether there are any specific requirements, other than those relating to directors, for being appointed Chairman:Yes No

Description of Requirements

B.1.19. Please indicate whether the Chairman has a casting vote:Yes No

Matters to which a casting vote may apply
The Chairman shall have a casting vote in the event of a tie in any vote.

B.1.20. Please indicate whether there are any limits to the directors' ages under the Articles of Association or Board Regulations:Yes No

Age limit for chairman
Age limit for Managing Directors
Age limit for directors

B.1.21. Please indicate whether there are any limits on the length of term of independent directors under the Articles of Association or the Board Regulations.Yes No

Maximum number of years of term	0
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B.1.22. Please indicate whether there are any formal procedures for delegating votes in the Board of Directors. If so, please provide brief details.

As at 31 de December de 2006, there are no formal procedures for delegating votes in the Board of Directors. Such procedures must comply with the current legislation.

However, under Article 16 of the Company's Board Regulations, directors shall do everything in their power to attend Board Meetings and, if unable to attend in person, shall seek to grant powers of representation in writing to another Board Member, including any relevant instructions and informing the Chairman of the Board.

B.1.23. Please indicate the number of meetings held by the Board of Directors during the year. Specify also, if applicable, the number of such meetings held without the Chairman's attendance:

Number of Board Meetings	10
Number of Board Meetings not attended by the Chairman	0

Please indicate the number of meetings held by the various Board committees during the year:

Number of meetings of the Executive or Delegated Committee	0
Number of meetings of the Audit Committee	5
Number of meetings of the Appointments and Remuneration Committee	7
Number of meetings of the Strategy and Investment Committee	0
Number of meetings of the Committee	0

B.1.24. Please indicate whether the individual and consolidated annual accounts being submitted to the Board of Directors for approval have been certified in advance:Yes No

Please identify, as appropriate, who has certified the Company's individual and consolidated annual accounts for preparation by the Board:

Name	Position
ENRIC VENANCIO FILLAT	GENERAL MANAGER
MARÍA DOLORES SÁNCHEZ JULIÁN	FINANCE AND ADMINISTRATION MANAGER

B.1.25. Please explain the mechanisms, if any, established by the Board of Directors to prevent the individual and consolidated annual accounts prepared by it from being submitted to the Board of Shareholders with reservations in the audit report.

Article 39.3 of the Board Regulations stipulates that the Board of Directors shall seek to prepare a final version of the accounts such that no reservations are made by the auditor. It also provides that, if the Board of Directors considers that it must maintain its decision, it shall publicly explain the nature and extent of the discrepancy.

However, the same Article also stipulates that, in order to prevent the accounts from being submitted with reservations to the Board of Shareholders, the Audit Committee must, prior to their preparation:

- (a) Be familiar with the Company's financial information process and internal control systems, verify that they are adequate and complete, and review the appointment or substitution of the people in charge of them.
- (b) Supervise the internal audit systems.
- (c) Review the Company's annual accounts and periodic financial information, ensuring compliance with legal requirements and the proper application of the generally accepted accounting principles, with the external and internal auditors' direct collaboration.
- (d) Maintain relations with the external auditors in order to receive information regarding issues relating to the accounts audit preparation process and any other communications envisaged in the accounts audit legislation and the technical audit standards.

In addition, the Audit Committee ordinarily meets quarterly to review the periodic financial information to be lodged with stock market authorities, as well as information to be approved by the Board of Directors and included in its annual published documents.

It is hereby stated for the record that the audit reports relating to Renta Corporación's individual and consolidated annual accounts have not contained any reservations to date.

B.1.26. Please give details of the measures adopted to ensure that the information disclosed to the securities market is transmitted in an equitable and symmetrical manner:

Under article 50 of Articles of Association, the Company shall publish full details of corporate governance on its website for public scrutiny. The contents and structure of the Company website shall be as specified by law and other regulations on the subject as applicable from time to time. Furthermore, Article 38 of the Board Regulations, which governs relationships with the markets, stipulates that the Board of Directors shall immediately inform the public, by means of the communications of relevant facts to the Spanish Securities and Investment Board (Comisión Nacional del Mercado de Valores) and through the corporate website, of all relevant information in accordance with the Securities Market Law and its developing legislation.

It also stipulates that the Board of Directors shall adopt all necessary measures to ensure that the semi-annual, quarterly and any other financial information which caution requires to be made available to the markets is drafted in accordance with the same professional practices, principles and criteria with which the annual accounts are prepared, and that it will be as reliable as them. In accordance with that Article, it shall also include information regarding the Company's governance rules and the degree to which they are complied with in its annual public documentation.

In this regard, any material information (with a potential impact on share trading) released by the Company shall first be reported to the Spanish Securities and Investment Board as a material event. Once the information has been sent to the Spanish Securities and Investment Board through the appropriate channel, it will be transmitted to the main media, information agencies and analysts, and published on Renta Corporación's website (www.rentacorporacion.com). All information disclosed to the media, agencies, analysts and investors will thus be disseminated at the same time.

In turn, the Renta Corporación Internal Code of Conduct for Stock Market Operations regulates the following in detail: (i) the way in which persons who are subject to this Code must treat any privileged information to which they have access; (ii) the operation and communication of operations with Renta Corporación securities and financial instruments that the persons to whom the Code applies wish to carry out; (iii) the measures to be adopted by Renta Corporación at the study or negotiation stages of any legal or financial operation capable of influencing the price of the securities and financial instruments of any class issued by the Company to an appreciable extent; (iv) the obligations of the persons to whom the Code applies, and the way in which they must treat any type of confidential information affecting the Company which they may have; (v) the communication of relevant facts to the Spanish Securities and Investment Board; and (vi) the prohibition on manipulating the prices of Renta Corporación securities and financial instruments.

B.1.27. Is the Company Secretary also a director?

Yes No

B.1.28. Please give details of any mechanisms established by the Company for preserving the independence of the auditor, the financial analysts, the investment banks and the credit rating agencies.

Article 39 of the Board Regulations stipulates that the Audit Committee shall refrain from proposing to the Board of Directors, which shall in turn abstain from submitting to the General Meeting, the appointment as the Company's accounts auditor of an auditing firm with a conflict of interest in accordance with the accounts audit legislation, as well as the appointment of any firm whose fees envisaged to be paid by the Company under all headings exceed five percent of its total income in the preceding year.

The Board of Directors shall publicly announce the total fees paid by the Company to the auditing firm for both auditing and other services.

The Audit Committee is therefore responsible for dealing with the Company's external auditors, gathering information on issues liable to compromise auditor independence, and other information on the audit preparation process, as well as any other communications envisaged under auditing legislation and auditing standards (article 13 of the Board Regulations).

On the other hand, Article 38 of the Board Regulations governs the Company's relations with markets in general, and therefore with financial analysts and investment banks, among others, and the relationship between them and Renta Corporación is based on principles of transparency and non-discrimination. The Company coordinates dealings with them, managing requests for information both from them and from institutional or private investors. With regard to credit rating agencies, the Company does not have a credit rating.

B.1.29. Please indicate whether the auditing firm carries out any other work for the Company and/or its corporate group in addition to audit work. If so, please specify the fees received for such work and the percentage of total fees charged to the Company which they represented.

Yes No

	Company	Group	Total
Amount invoiced for work other than audit work (in thousands of euros)	487	0	487
Amount invoiced for work other than audit work/Total amount invoiced by the audit firm (%)	68.250	0.000	68.250

B.1.30. Please indicate the number of consecutive years the auditing firm has been auditing the Company's and/or its corporate group's annual accounts. Please also indicate the percentage represented by the number of years audited by the current auditing firm out of the total number of years for which the annual accounts have been audited:

	Company	Group
Number of consecutive years	4	7

	Company	Group
Number of years audited by current auditors / Number of years for which the company has been audited (as a %)	100.000	100.000

B.1.31. Please give details of Board members' holdings in the capital of companies carrying out the same, a similar or a complementary type of business to that forming the corporate object of the Company or its corporate group, of which the company has been informed. Please indicate the positions or functions held or carried out at these companies:

Director's Name or Corporate Name:	Name of the company in question	shareholding (%)?	Position or duties
LUIS HERNÁNDEZ DE CABANYES	SECOND HOUSE, S.L.	47.500	
LUIS HERNÁNDEZ DE CABANYES	FINANTING 2001, S.L.	63.150	SOLE ADMINISTRATOR
LUIS HERNÁNDEZ DE CABANYES	AURODOC 75, S.L.	50.890	SOLE ADMINISTRATOR
LUIS HERNÁNDEZ DE CABANYES	TOGA 20, S.L.	63.150	SOLE ADMINISTRATOR
LUIS HERNÁNDEZ DE CABANYES	SDEEGTUTERS, S.L.	63.150	SOLE ADMINISTRATOR
LUIS HERNÁNDEZ DE CABANYES	DINOMEN, S.L.	62.040	SOLE ADMINISTRATOR
LUIS HERNÁNDEZ DE CABANYES	ALDERAMIN STAR, S.L.	62.040	SOLE ADMINISTRATOR
LUIS HERNÁNDEZ DE CABANYES	MIXTA ÁFRICA, S.A.	19.020	INDIVIDUAL REPRESENTING THE DIRECTOR AND CHAIRMAN OF FUNDACIÓN PRIVADA RENTA CORPORACIÓN
ANNA M. BIRULÉS BERTRAN	SECOND HOUSE, S.L.	1.500	
ANNA M. BIRULÉS BERTRAN	MIXTA ÁFRICA, S.A.	0.460	
JOSEP-MARIA FARRÉ VIADER	SECOND HOUSE, S.L.	5.680	
JOSEP-MARIA FARRÉ VIADER	SHONAN INVESTMENTS, S.L.	74.710	EMPOWERED
ESTHER GIMÉNEZ ARRIBAS	ANPOL CAPITAL, S.L.	48.387	JOINT DIRECTOR
ESTHER GIMÉNEZ ARRIBAS	MIXTA ÁFRICA, S.A.	0.300	DIRECTOR
ELENA HERNÁNDEZ DE CABANYES	SECOND HOUSE, S.L.	3.660	SOLE ADMINISTRATOR AND GENERAL MANAGER
ELENA HERNÁNDEZ DE CABANYES	MIXTA ÁFRICA, S.A.	1.820	
ELENA HERNÁNDEZ DE CABANYES	PROMOTORA DE INDUSTRIAS GRÁFICAS, S.A.	5.000	
CARLOS TUSQUETS TRIAS DE BES	LIFE MARINA IBIZA, S.L.	6.540	
CÉSAR A. GIBERNAU AUSIO	SECOND HOUSE, S.L.	1.050	
CÉSAR A. GIBERNAU AUSIO	MIXTA ÁFRICA, S.A.	0.460	NON-DIRECTOR SECRETARY
CÉSAR A. GIBERNAU AUSIO	CHARCEBOY, S.L.	10.910	
CÉSAR A. GIBERNAU AUSIO	GP CONSULTING	18.700	EMPOWERED
JUAN GALLOSTRA ISERN	GRUPO JG INGENIEROS CONSULTORES DE PROYECTOS, S.A.	5.000	MANAGING DIRECTOR

B.1.32. Please indicate, including details if applicable, whether there is a procedure for directors to obtain external advice.Yes No

Procedure details
Chapter VII of the Board Regulations (articles 23 and 24), which governs director information, provides as follows: (i) Article 23: Directors may request information on any Company matter and examine its books, records, documents and other literature. The right to information extends to partly-owned companies whenever possible. Requests for information must be addressed to the Secretary of the Board, who will send it to the relevant appropriate representative in the Company. The Secretary shall warn the director of the confidential nature of the information requested and received, and of his or her duty of confidentiality in accordance with the Regulations. The Chairman may refuse to provide the information if he is of the opinion that: (i) it is not necessary for the proper performance of the duties with which the director has been entrusted, or (ii) the cost involved is unreasonable in view of the seriousness of the problem and of the company's assets and income. (ii) Article 24: To assist them in performance of their duties, external directors may request engagement of legal, accounting, financial or other specialist advisors at the Company's expense. The assignment must necessarily relate to specific problems of certain significance and complexity arising in the performance of their position. The Company Chairman must be informed of the decision to contract someone, which may be vetoed by the Board of Directors if it can prove that: a) it is not necessary for the proper performance of the duties with which the external directors have been entrusted; b) the cost involved is unreasonable in view of the seriousness of the problem and of the company's assets and income; or c) the technical assistance requested may be adequately provided by experts and technicians within the Company.

B.1.33. Please indicate, including details if applicable, whether there is a procedure for directors to obtain the necessary information for preparing the management bodies' meetings sufficiently in advance.Yes No

Procedure details
Board meetings shall be called with at least three days' notice, and should always include the meeting agenda with an attachment of all relevant information, duly summarised and prepared.

B.1.34. Please indicate whether there is liability insurance for the Company directors.Yes No **B.2. Board Committees****B.2.1. Please list the management bodies:**

Name of the body	Number of members	Duties
BOARD OF DIRECTORS	10	THE BOARD OF DIRECTORS IS RESPONSIBLE FOR THE REPRESENTATION AND SUPREME DIRECTION AND MANAGEMENT OF THE COMPANY BOTH IN AND OUT OF COURT, IN RELATION TO ALL ACTS INCLUDED IN THE CORPORATE OBJECT DEFINED IN ITS ARTICLES OF ASSOCIATION AND ALL ACTIONS REQUIRED BY THE LAW AND THE ARTICLES OF ASSOCIATION. THIS IS WITHOUT PREJUDICE TO THE ACTS EXPRESSLY RESERVED BY THEM FOR THE GENERAL MEETING OF SHAREHOLDERS.
AUDIT COMMITTEE	3	SEE SECTIONS B.2.3 AND B.2.4 BELOW.
APPOINTMENTS AND REMUNERATION COMMITTEE	3	SEE SECTIONS B.2.3 AND B.2.4 BELOW.

B.2.2. Please give details of all Board committees and their members:**EXECUTIVE OR DELEGATED COMMITTEE**

Name	Position

AUDIT COMMITTEE

Name	Position
CÉSAR A. GIBERNAU AUSIO	CHAIRMAN
ANNA M. BIRULÉS BERTRAN	MEMBER
CARLOS TUSQUETS TRIAS DE BES	SECRETARY AND MEMBER

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position
CÉSAR A. GIBERNAU AUSIO	CHAIRMAN
ANNA M. BIRULÉS BERTRAN	MEMBER
CARLOS TUSQUETS TRIAS DE BES	SECRETARY AND MEMBER

STRATEGY AND INVESTMENT COMMITTEE

Name	Position

B.2.3. Please describe organisation and operating rules, as well as responsibilities of each Board committee:

Audit Committee

The Audit Committee's organisation and operating rules are as detailed below, pursuant to article 48 of the Articles of Association and Article 13 of the Board Regulations:

i.- Composition.

The Audit Committee shall be comprised of three directors, a majority of whom shall be non-executive, appointed by the Board of Directors. For these purposes, executive directors shall be understood to be those directors who in any way carry out management duties within the Company or companies in its corporate group.

The Chairman of the Audit Committee shall be elected from the ranks of such non-executive directors, shall be replaced every four years and may be re-elected no earlier than one year following the date on which he or she vacated office.

The Secretary shall be the person appointed as such by the members of the Committee.

ii.- Competencies

Without prejudice to any other assignments it may receive from the Board of Directors from time to time, the Audit Committee shall carry out the following basic duties:

- Provide information at the General Meeting of Shareholders on any issues raised therein by shareholders relating to matters for which it is responsible.
- Recommend appointment of external auditors to the Board for submission to the General Meeting of Shareholders, under the terms of section 204 of the Spanish Companies Act, including any terms of business, scope of professional mandate and, as appropriate, renewal or not of their appointment.
- Supervise internal auditing practices.
- To review the Company's accounts and ensure compliance with legal requirements and the proper application of the generally accepted accounting principles, with the external and internal auditors' direct collaboration.
- Be aware of the financial reporting process, internal control systems, verify their suitability and accuracy and review designation or replacement of parties responsible for them.
- Deal with external auditors to gather information on issues that might undermine their independence and any others relating to development of the audit process, as well as other reporting requirements specified under audit legislation and technical auditing standards.
- To monitor compliance with the audit contract, seeking to ensure that the opinion regarding the annual accounts and the main contents of the audit report are drafted clearly and concisely, and to assess the results of each audit.
- Review regular financial information to be reported by the Board to the markets and their supervisory bodies.
- To examine compliance with the Internal Code of Conduct, the Board Regulations and the Company's governance rules in general, and to make any necessary proposals for their improvement.
- To receive information and, where applicable, issue reports regarding the disciplinary measures intended for members of the Company's senior management team.

iii.- Working and Operation

The Audit Committee shall ordinarily meet on a quarterly basis, for the purpose of reviewing the periodic financial information to be sent to the Stock Exchange authorities and the information to be approved and included by the Board of Directors within its annual public documentation. It shall also meet at the request of any of its members and whenever called by its Chairman, who must do so whenever the Board of Directors or its Chairman request that a report be issued or proposals be adopted, and in any event whenever it is appropriate for the proper performance of its duties.

The Audit Committee shall prepare an annual report regarding its operation, highlighting the main incidents which have arisen, if any, in relation to the duties pertaining to it. In addition, the Audit Committee shall include in the above report, whenever it deems fit, proposals for improving the Company's governance rules. The Audit Committee's Report shall be attached to the Company's annual corporate governance report and shall be available to shareholders and investors on the website.

The members of the Company's staff or management team shall be under an obligation to attend the Audit Committee's meetings and to collaborate with it and give it access to any information they may have whenever so requested by the Committee. The Committee may also require the accounts auditors to attend the meetings.

The Audit Committee may, for the better performance of its duties, obtain advice from external experts whenever it deems necessary for the proper performance of its duties.

Appointments and Remuneration Committee

In accordance with Article 14 of the Board Regulations, there shall be an Appointments and Remuneration Committee within the Board of Directors. The Committee shall be governed by the following rules:

i. Composition

The Appointments and Remuneration Committee shall be comprised of three directors, most of whom shall be non-executive, appointed by the Board of Directors. For these purposes, executive directors shall be understood to be those directors who in any way carry out management duties within the Company.

The Chairman of the Appointments and Remuneration Committee shall be elected from among the said non-executive directors, must be replaced every four years and may be re-elected at the end of one year following the date on which he or she vacated office.

The non-Committee Secretary shall be the person appointed as such by the members of the Committee.

ii. Competencies

Without prejudice to any other duties which may be assigned to it by the Board of Directors, the Appointments and Remuneration Committee has the following basic responsibilities:

- To formulate and review the criteria to be followed for the composition of the company's and its subsidiaries' management teams and the selection of candidates.
- To raise all proposals for the appointment of executives to the Board of Directors, so that it can make the appointments.
- To analyse, formulate and periodically review the hiring and loyalty policies for new executives.
- To analyse, formulate and periodically review executive remuneration policies, assessing their appropriateness and performance.
- To ensure transparency in remuneration.
- To inform of any transactions which involve, or may give rise to, conflicts of interest.

iii. Working and Operation

The Appointments and Remuneration Committee shall ordinarily meet on a quarterly basis. It shall also meet whenever called by its Chairman, who must do so whenever the Board of Directors or its Chairman request that a report be issued or proposals be adopted, and in any event whenever this is convenient for the proper performance of its duties.

B.2.4. Please indicate, where applicable, each committee's powers of advice, consultation and any delegated powers:

Name COMMITTEE	Brief description
AUDIT COMMITTEE	UNDER ARTICLE 13 OF THE BOARD REGULATIONS, THE AUDIT COMMITTEE HAS THE DUTIES DETAILED IN SECTION B.2.3. ABOVE.
APPOINTMENTS AND REMUNERATION COMMITTEE	UNDER ARTICLE 14 OF THE BOARD REGULATIONS, THE APPOINTMENTS AND REMUNERATION COMMITTEE HAS THE DUTIES DETAILED IN SECTION B.2.3. ABOVE.

B.2.5. Please indicate whether there are any regulations governing the Board committees and, if so, the place where they are available for examination, as well as any amendments made during the year. Please also specify whether any voluntary annual reports regarding each committee's activities have been prepared.

The Audit and Appointments and Remuneration Committees' organisation and operating rules can be found in the Board Regulations, available for examination on the Company website (www.rentacorporacion.com). No specific Regulations for the Audit Committee or the Appointments and Remuneration Committee have been approved to date.

The Audit Committee prepares an annual report (which will be attached to this Report and will be made available to shareholders on the Company website) highlighting the main activities and incidents which have arisen, if any, in relation to its duties. In addition, the Audit Committee shall include in the above report, whenever it deems fit, proposals for improving the Company's governance rules.

B.2.6. If there is an Executive Committee, please explain the degree of delegation and autonomy it has for the adoption of resolutions regarding the company's management and administration in the exercise of its duties:

Not applicable.

B.2.7. Please indicate whether the Executive Committee structure reflects the various directors' involvement in the Board based on their status:

Yes No

Otherwise, please explain the Executive Committee structure
Not applicable

B.2.8. If there is an Appointments and Remuneration Committee, please indicate whether all its members are external directors:

Yes No

C RELATED TRANSACTIONS

C.1. Please give details of any relevant operations involving a transfer of resources or obligations between the Company or companies within its corporate group and significant shareholders of the Company.

Name or corporate name of the significant shareholder	Name or corporate name of the company or group member	Nature of the Relationship	Type of operation	Amount (€ '000)
ALDERAMIN STAR, S.L.	RC REAL ESTATE DEUTSCHLAND GMBH	Contractual	Sale of property (finished or unfinished)	5.659

C.2. Please give details of any relevant operations involving a transfer of resources or obligations between the Company or companies within its corporate group and the Company's directors or executives.

Name or Corporate Name of the Director or Executive	Name or Corporate Name of the Company or Entity Within its Corporate Group	Nature of the Relationship	Type of operation	Amount (€ '000)

C.3. Please give details of any significant operations carried out between the company and other group companies, provided they are not removed in the consolidated financial statement preparation process and they are not part of the company's usual business in terms of their purpose and conditions.

Name of the group company	Brief description of the operation	Figures (€ thousands)

C.4. Please identify any conflict of interest concerning the Company directors in accordance with Article 127 of the Law on Public Limited Companies.

According to information available to the Company, none of the directors are subject to conflict of interest between his or her duties to the Company and his or her personal interests of any type, nor are they engaged, either for their own account or on behalf of third parties, in the same, similar or complementary business to the Company's principal business. This is without prejudice to article B.1.31 above, which, as specified, generally refers to companies whose principal business includes real estate business, while their main business involves holding of securities and investments not related to real estate and therefore do not involve potential conflict of interest for the Company.

C.5. Please give details of the mechanisms in place for detecting, determining and resolving possible conflicts of interest between the company and/or its corporate group, and its directors, executives or significant shareholders.

The Board Regulations and Internal Code of Conduct regulate mechanisms in place for detecting and regulating potential conflicts of interest.

With regard to directors, the mechanisms in place for detecting possible conflicts of interest are governed by the Board Regulations. Under Article 29 of the Board Regulations, the Director in question must inform the Board of Directors of the existence of a conflict of interest and abstain from attending and taking part in deliberations affecting matters in which he or she has a personal interest. A director shall be deemed to be under a conflict of interest if the matter concerns a member of his or her family or partners, companies or entities on which a member of his or her family is able to exert significant influence.

Article 32 of the Board Regulations also provides that a Director may not take advantage, for his or her benefit or that of a party related to him or her as provided in Article 29 above, of a business opportunity pertaining to the Company unless the opportunity was first offered to the Company and the latter declined to exploit it. For the purposes of the above, a business opportunity is any chance to conduct an investment or commercial operation which has arisen or been discovered in connection with the Director's exercise of his or her role, or by using the Company's means and information, or under circumstances which make it reasonable to conclude that the third party's offer was actually addressed to the Company.

In addition, the Director must inform the Company of any positions held in the Boards of Directors of other listed companies, and generally of any facts, circumstances or situations which may be relevant to his or her performance as director of the Company in accordance with the Board Regulations.

The body which regulates and resolves directors' conflicts of interest is the Audit Committee.

With regard to senior executives, the mechanisms in place for detecting and regulating possible conflicts of interest are governed by the Internal Code of Conduct, which also applies to directors. Under Article 10 of the Internal Code of Conduct, the persons to whom it applies must at all times exercise their free judgement, be faithful to the Company and its shareholders and act without regard to their own or third parties' interests. They shall therefore refrain from giving priority to their own interests at the expense of the Company's, or to the interests of some investors at the expense of others, and from taking part in, or influencing, decisions which may affect persons or entities with which there is a conflict, and from accessing the confidential information affecting such a conflict.

In addition, all affected persons must inform the General Secretary of any possible conflict of interest they may be under by reason of their activities outside the Company, their family relationships, their personal affairs, or any other reason, with the Company or any of the companies within its Group, with significant customers or suppliers of the Company or of companies within its Group, and entities carrying out the same type of business or competing with the Company or any of the companies within its Group. Any queries relating to the possibility of a conflict of interest must be discussed with the General Secretary, and the Audit Committee shall have the last say.

D RISK CONTROL SYSTEMS

D.1. Please give a general description of the Company's and/or its group's risk policy, including details and an assessment of the risks addressed by the system, together with evidence of the systems' appropriateness to the profile of each risk:

The Audit Committee is the body in charge of establishing and supervising the control mechanisms. It must supervise the Company's internal control systems and verify that they are adequate and complete. In this regard, each business area within the Company exercises its own risk assessment and control policy. The Company lays down the maximum risks which can be assumed by each business and coordinates them to ensure consistency and homogeneity with Renta Corporación's global risk policy.

Furthermore, in order to align Company business with recommendations of the Unified Code of Good Corporate Governance, on 25 October 2006 the Board approved appointment of an internal Company auditor who, supervised by the Audit Committee, will oversee good practices in the information and internal control system. This internal auditor is required to submit an annual plan to the Audit Committee, reporting any issues and submitting a final activity report at the end of the financial year.

The risk control systems are deemed sufficient in relation to the business conducted by the Company.

D.2. Please indicate the control systems in place for assessing, mitigating or reducing the main risks affecting the company and its corporate group:

The Company's group has developed a method included in its internal management information system known internally as TMS (Transaction Management System). Thanks to this system, it is possible to quickly assess investment opportunities on the basis of a large number of key variables covering various aspects of a specific property, such as its physical condition, legal and market situation, acquisition cost, possible future transformation and sale strategy, and lease and town planning situation, among others. As a result, the property's appeal can be assessed and a potential purchase offer can be made very quickly. The TMS is constantly updated with market information from a large number of analysed properties. The TMS in turn makes it possible to evaluate a large number of operations per year without having to resort to staff increases or other resources which would be necessary in the absence of the TMS.

Another significant risk control step taken by Renta Corporación is efficient use of purchasing options. This instrument allows the Company to take desirable assets off the market in order to examine them before acquisition and reduce time from actual purchase to sale of the transformed building, which in turn reduces capital lock-in and exposure to market risk. The Company exercises virtually all options, pointing to the quality of intelligence and knowledge of the market.

Finally, in line with recommendations on internal accounting control and other matters addressed by PricewaterhouseCoopers Auditores, S.L. in their 4 September 2006 report, the Company has implemented the following in 2006:

- Money laundering
 - The Company has implemented several measures designed to prevent money laundering, namely:
 - Setting up an internal body responsible for prevention.
 - Appointment of Esther Giménez Arribas to represent the Company before the Spanish Money Laundering Prevention Executive Service, advising the Service of her appointment.
 - Production of a higher-risk client acceptance policy, and design of internal control procedures designed to ensure awareness, anticipation and prevention of money laundering operations:
- Register of Balances and Transactions with Related Companies
 - The Company has established a formal procedure to aggregate balances and transactions with companies and related parties, which includes unique coding of sub-accounts for this type of holders. The Company regularly checks compliance with this procedure.
- Compilation of documents on International Financial Reporting Standards (IFRS)
 - The Company produces and holds monthly financial information required to produce IFRS-compliant financial statements.
- Continuity and recovery tests on computerised information.
 - The Company has implemented a continuity and recovery plan for computerised information, under an arrangement with an external provider. In 2006 it performed the requisite tests to ensure the efficacy of the action and recovery plan, audited by an external company.
- Security and safety for the EDP centre.
 - The Company has implemented preventive measures to cover EDP centre contingencies, namely:
 - Restricted access to site;
 - Automatic fire detection and extinguishing system; and
 - Heat detectors.
- Spanish Data Protection Act (LOPD)
 - Within the LOPD alignment project, the Company has completed its security document and lodged files containing personal details with the Data Protection agency.
 - Furthermore, the Company has implemented measures designed to identify and prevent certain risks rated as non-significant.

D.3. If some of the risks affecting the Company and/or its corporate group have already materialised, please specify the circumstances which gave rise to them and indicate whether the control systems in place have worked:

None of the risks affecting the Company have materialised. The control systems and mechanisms have worked correctly.

D.4. Please indicate whether there is any committee or other management body in charge of establishing and supervising these control mechanisms, and give details of their duties:

On 25 October 2006 the Board approved appointment of the Company's internal auditor, whose main duties are outlined under D.1 above, reporting to the Audit Committee.

The Audit Committee is the body in charge of establishing and supervising the control mechanisms. It must supervise the Company's internal control systems and verify that they are adequate and complete. Their duties are detailed in Section B.2.3 above.

D.5. Please identify and describe the procedures for complying with the various regulations which apply to your company and/or corporate group:

With regard to compliance with the various regulations which apply to Renta Corporación and its corporate group, it should be noted that they comply with the specific regulations applicable to it by reason of its line of business under the Law on Public Limited Companies and other related applicable legislation.

In addition, as a listed Company, it meets specific applicable regulations, and submits to the provisions of the Stock Market Act and other relevant legislation.

Therefore the Company complies with its obligation to lodge its own and group financial information with the Spanish Securities and Investment Board on a quarterly, half-yearly and annual basis, and any material events and other information requested by the Board. In addition, full details on corporate governance and other relevant Company information is available to shareholders on the Company website for review, allowing them to exercise their rights under applicable legislation.

With regard to the regulations specifically relating to the Company's business and activities, the procedures implemented in the various business and support areas also comply with the various specific regulations applicable to the Company's and its Corporate Group's line of business.

E GENERAL MEETINGS

E.1. Please indicate the quorums required for General Meeting of Shareholders under the Articles of Association. Please describe how they differ from the minimum numbers envisaged in the Spanish Law on Public Limited Companies (Ley de Sociedades Anónimas):

Under article 28 of Renta Corporación's Articles of Association, an Ordinary or Extraordinary General Meeting of Shareholders shall be in quorum at first call if the shareholders in attendance or represented hold at least 25% of the subscribed voting capital, and shall be in quorum at second call regardless of the attending capital. However, in order for an Ordinary or Extraordinary General Meeting to validly resolve a bond issue, a capital increase or decrease, the transformation, merger or demerger of the Company, or any amendment to the Articles of Association generally, the attendance of shareholders present or represented holding at least 50% of the subscribed voting capital shall be required on first call. On second call, 25% of such capital shall suffice. Shareholders entitled to attend who vote remotely under the terms of the Articles of Association shall be deemed to be in attendance for the purposes of quorum at the relevant General Meeting. Absences occurring after the General Meeting has been declared open shall not affect the validity of the Meeting.

Accordingly, under article 15 of the Regulations for the General Meeting of Shareholders, a General Meeting shall be validly in quorum at first call if the shareholders in attendance or represented hold at least 25% of the subscribed voting capital. On second call, the Meeting shall be validly constituted regardless of the attending capital.

In order for an Ordinary or Extraordinary General Meeting to validly resolve a bond issue, a capital increase or decrease, the merger, demerger, winding up or liquidation of the Company, or generally any amendment to the Articles of Association, the attendance of shareholders present or representing holding at least 50% of the subscribed voting capital shall be required on first call. On second call, the attendance of 25% of the said capital shall be enough. However, when attended by shareholders representing less than 50% of the subscribed voting capital, the resolutions referred to in this paragraph may only be validly passed by two thirds of the capital present or represented at the Meeting. Absences occurring after the General Meeting has been declared open shall not affect the validity of the Meeting.

The quorums established for the valid constitution of General Meetings are therefore no different from those envisaged in the Law on Public Limited Companies.

E.2. Please explain the system for passing resolutions. Describe how this differs from the regime envisaged in the Law on Public Limited Companies.

Under Article 35 of the Articles of Association, Meeting resolutions shall be adopted by a majority vote of capital in attendance or represented. This does not apply to those cases for which a greater majority is required by the Law or the Articles of Association. In particular, if the meeting is attended by shareholders representing less than 50% of the subscribed voting capital, resolutions relating to the matters referred to in Article 103 of the Law on Public Limited Companies shall only be valid if passed by the affirmative vote of two thirds of the share capital present or represented at the Meeting.

With regard to the Rules of the General Meeting, Article 26 stipulates that resolutions shall be adopted when the votes in favour of the proposal exceed half the number of votes belonging to the shares present or represented. This shall not apply to those cases for which a greater majority is required by the Law or the Articles of Association. In the case of agreements relating to matters which were not included in the agenda, shares which are not deemed present or represented shall not be counted towards the base for calculating the above mentioned majority.

The quorum required for the valid adoption of resolutions at Renta Corporación is therefore no different from the regime established in the Law on Public Limited Companies.

E.3. Please list any shareholder rights relating to General Meetings which differ from those established in the Law on Public Limited Companies.

Shareholder rights with regard to General Meetings are those established by the Spanish Companies Act, currently found under articles 26, 28, 30, 31,32 and 33 of the Articles of Association. Furthermore, these rights are detailed in the Regulations for the General Meeting of Shareholders, available for examination on the Company website.

In particular, the Rules of the General Meeting provide for the following shareholder rights:

Right to Information

Under Article 9, shareholders may ask the Board of Directors, from the date of publication of the General Meeting call, to and including the seventh day before the date for which the Meeting is scheduled, to provide any information or clarification they deem necessary, or address to it in writing any questions they deem fit, in relation to the matters included in the agenda.

In addition, shareholders may also request, within the same time frame and in the same manner, information or clarification, or address questions in writing in relation to any information available to the public which may have been supplied by the Company to the Spanish Securities and Investment Board since the date of the last General Meeting. The Board of Directors shall be obliged to provide the requested information in writing up to the day of the General Meeting.

Requests for information may be delivered to the registered office or sent to the Company by post or other means of electronic distance communication sent to the address specified in the relevant notice of a meeting. If no such address has been specified, they can be sent to the Shareholders' Office. If the electronic document by means of which the information is being requested includes the legally acknowledged electronic signature used by the person making the request, this shall be admitted as a request. Following a prior agreement adopted to that end, electronic documents sent with mechanisms deemed by the Board of Directors to provide adequate guarantees of authenticity and identification of the shareholder exercising his or her right to information shall also be accepted as requests.

Regardless of the means employed for issuing requests for information, the shareholder's request must include his or her full name together with legal evidence of the shares held, so that this information can be checked against the list of shareholders and number of shares held by each shareholder provided by the Spanish Central Securities Deposit (Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A, "Sociedad de Sistemas" or "Iberclear") for the Shareholders' Meeting in question. The shareholder shall be responsible for providing proof that the request was sent to the Company in due time and form. The Company's website shall include relevant explanations regarding the exercise of shareholders' right to information in accordance with the applicable legislation.

Requests for information governed by this Article shall be answered prior to the General Meeting, after the requesting shareholder's identity and shareholder status have been verified.

The directors are obliged to provide the information requested in writing up to the day of the General Meeting, except in the following cases:

- (i) if disclosing the information requested may, in the Chairman's opinion, damage the company's interests;
- (ii) if the request for information or clarification does not relate to matters included in the agenda or to any information available to the public and supplied by the Company to the Spanish Securities and Investment Board since the date of the last General Meeting;
- (iii) if the information or clarification requested is deemed to be abusive; or
- (iv) If so specified by law, these Articles of Association, or court rulings.

However, the exception specified under paragraph (i) above shall not apply to requests supported by shareholders representing at least one-quarter of share capital.

The Board of Directors may authorise any of its members, the Chairmen of its Committees or its Secretary to answer shareholders' requests for information for and on behalf of the Board of Directors.

The means for providing the information requested by a shareholder shall be the same as the means used by the shareholder to send the request which gave rise to it, unless the shareholder specifies a different way from among those declared to be appropriate in this article. The directors may in any event send the information in question by registered post with acknowledgement of receipt or bureaufax.

The Company may include on its website information relating to the answers given to shareholders in reply to questions asked by them in the exercise of their right to information governed herein.

Right to Representation

Under Article 12, any shareholder with the right to attend may be represented by another person at General Meetings even if that other person is not a shareholder. The power of representation must be granted in writing or by the means of distance communication expressly stated by the management body in the notice, and provided the requirements envisaged in the said notice have been met and the representative's and representee's identities are duly guaranteed in any event. The rules for assessing the validity of a power of representation granted by distance communication means are governed by the same provision.

Right to Remote Voting

Article 24 regulates the right to remote voting in writing sent by post or other means of electronic distance communication. It authorises the Board of Directors to develop the provisions of that Article and lay down the rules, means and procedures appropriate to the state of technology for casting votes and delegating representation by electronic means, complying with any legislation developing this system and the provisions of the Articles of Association and the Rules of the General Meeting.

E.4. Please specify any measures adopted to encourage shareholder participation in General Meetings.

Article 35 of the Renta Corporación Articles of Association specifies that as a means to encourage shareholder involvement at General Meetings, any shareholder may also take part in discussion of items on the agenda, while the Chairman, using his or her powers, is empowered to take steps to ensure the meeting is conducted in an orderly manner, such as setting time limits on speeches, establishing turns or closing the speaker list.

Article 36 of the Board Regulations provides that the Board of Directors shall encourage informed shareholder involvement at General Meetings and shall take the necessary steps to help ensure that the General Meeting of Shareholders effectively exercises its duties under the Law and Articles of Association. In particular, the Board of Directors shall adopt the following measures: (i) it shall endeavour to make all legally required information, as well as all other information which may be of interest and may be reasonably supplied, available to shareholders prior to the relevant General Meeting; (ii) it shall attend all requests for information filed by shareholders before the General Meeting with the utmost diligence; (iii) it shall attend all questions asked by shareholders in connection with the holding of the Meeting with the same degree of diligence.

In view of the above, all documentation necessary to discuss the items in the agenda for each General Meeting is available to shareholders sufficiently in advance. Such documents shall be published on the Company' and the Spanish Securities and Investment Board (CNMV) websites. Shareholders who are unable to attend General Meetings in person may likewise delegate their representation and vote on another person, who need not be a shareholder.

E.5. Please specify whether the Chairman of the General Meeting is the same person as the Chairman of the Board. Please give details of any measures adopted to ensure the independence and proper operation of the Shareholders' Meeting:

Yes No

Please describe these measures.

Under Article 16 of the Rules of the General Meeting, General Meetings shall be chaired by the Chairman of the Board of Directors or, in his or her absence, by the Vice-Chairman. In the absence of both the Chairman and the Vice-Chairman, they shall be chaired by a member of the Board of Directors appointed by the General Meeting itself.

The Article also provides that the Chairman may, even if he or she is present at the meeting, delegate the leadership of the discussion on the Secretary or any member of the management body which he or she deems fit. The Chairman may also, if he or she wishes, obtain the assistance of any expert he or she deems fit.

It falls to the Chairman to declare the Meeting in quorum, lead and establish the order of debates and speeches, set the time allocated to each speaker under the Regulations for the General Meeting of Shareholders, end debate when he or she considers the matter sufficiently discussed, and direct voting, clarification of any queries on the agenda and list of attendees, and will declare passing of resolutions, end or adjourn the meeting as applicable, and generally exercise all powers, including order and discipline to ensure a smooth meeting, and he may even order removal of any person disturbing the proceedings, and interpret the Regulations.

The Rules of the General Meeting also contain, among others, provisions relating to drawing up the list of attendees, the progress of the Meetings and votes on proposals for resolutions to ensure the proper operation of General Meetings.

The management body may request the presence of a Notary Public to take the minutes of the General Meeting, and shall be under an obligation to do so whenever so requested by shareholders representing at least 1% of the share capital five days prior to the date for which the General Meeting is scheduled.

The minutes taken by the Notary shall be deemed to constitute the minutes of the General Meeting and shall not require the latter's approval.

Without prejudice to the registration of resolutions liable to registration at the Companies Registry or to any legal provisions governing the publication of company resolutions which may apply, the Company shall inform the Spanish Securities and Investment Board of the resolutions passed, either verbatim or by means of a summary thereof, by means of the appropriate notification of a relevant fact. The text of the resolutions passed at the Meetings held during the current and the previous year shall also be available on the Company website. In addition, the Secretary shall issue a certificate of the resolutions, or of the minutes taken by the Notary if applicable, if requested by any shareholder or his or her representative at the General Meeting.

E.6. Please indicate any amendments made to the Regulations of the General Meeting during the year.

There have been no changes to Regulations for the General Meeting of Shareholders in 2006. Nevertheless, on 21 February 2007 the Board approved certain proposals to change certain articles of the Regulations for the General Meeting of Shareholders to align them with recommendations of the Unified Code of Good Corporate Governance or "Conthe Code". These changes will be proposed to the Annual General Meeting of Shareholders for debate and approval, to be held on 29 March 2007 at first calling.

E.7. Please include General Meeting attendance details for the year to which this report relates:

Date of General Meeting of Shareholders	Contact details for assistance				Total %
	% personal attendance	% by representation	% absentee votes		
09-02-2006	51.423	48.577	0		100.000
15-03-2006	93.629	6.371	0		100.000

E.8. Please briefly indicate the resolutions adopted at the General Meetings held in the year to which this report relates, and the percentage of votes with which each resolution was adopted:

Annual General Meeting of Shareholders of 9 de February de 2006

The following resolutions were passed unanimously at the General Meeting:

One. Application to listing of Company shares and empowerment of the Board.

Two. Changes to Company share representation scheme by converting physical certificates on the register, amendment to Articles of Association and delegation to the Board.

Three. Public Stock Offering (PSO) on Company shares by shareholders and under delegation to the Board.

Four. Approval of a Public Rights Offering (PRO) on Company shares and delegation of powers to the Board to recapitalise the Company under the terms of section 153.1 b) of the Companies Act, with waiver of preferential rights by shareholders.

Five. Approval of a green-shoe subscription option and delegation of powers to the Board to recapitalise the Company under the terms of section 153.1b of the Companies Act, with waiver of preferential rights by shareholders.

Six. Decapitalisation to amortise subject to PRO revocation.

Seven. Amendment to article 2 of the Articles of Association on principal business.

Eight. Amendment to article 15 of the Articles of Association on transfer of shares.

Nine. Amendment to Articles of Association and approval of new wording of the Articles of Association.

Ten. Approval of Regulations for the General Meeting of Shareholders.

Eleven. Endorsement of Regulations for the Board of Directors.

Twelve. Setting of maximum annual remuneration of the Board.

Thirteen. Approval of interim dividend proposed by the Board.

Fourteen. Delegation to the Board of power to recapitalise, with the power to exclude preferential rights.

Fifteen. Delegation of power to the Board of Directors to issue bonds, debentures and other fixed income stocks, whether simple, swappable and/or convertible into shares, warrants, promissory notes and preferential interests, with the power to exclude preferential subscription rights, and authority for the Company to guarantee fixed income stock issues of Company subsidiaries

Sixteen. Approval to allow the Board to enter into derivative acquisition of own shares, directly or through group companies, and to sell them after the date they are accepted for listing.

Seventeen. Approval of proposal to appoint new independent Company directors.

Eighteen. Approval of proposal to change the nature of the position held by one of the Board members.

Nineteen. Approval of the individual and consolidated Company accounts for year ending 31 December 2005.

Twenty. Delegation of powers to interpret, execute, solemnise and register the above agreements.

The full wording of the agreements is available at the registered offices of Renta Corporación, and on the Company website (www.rentacorporacion.com).

Annual General Meeting of Shareholders of 15 March 2006

The following resolutions were passed unanimously at the General Meeting:

One. Approve annual accounts and corporate management of Renta Corporación Real Estate, S.A. and its consolidated Group, and propose application of Renta Corporación Real Estate, S.A. result, for financial year ending 31 December 2005.

Two. At the proposal of the Board and following favourable report from the Appointments and Remunerations Committee, reappoint the following directors: Luis Hernández de Cabanyes, Josep M^º Farré Viader, Esther Elisa Giménez Arribas and Elena Hernández de Cabanyes, and ratify the nature of their posts

Three. Reappoint Renta Corporación Real Estate, S.A. auditors for financial year 2006

Four. Delegate powers to the Board.

The full wording of the agreements is available at the registered offices of Renta Corporación, and on the Company website (www.rentacorporacion.com).

E.9. Please specify, if applicable, the number of shares required to attend General Meetings, and whether the Articles of Association contain any restrictions in this regard.

The Articles of Association contain no restrictions on the right to attend General Meetings of Shareholders, and no minimum number of shares is required to attend.

Shareholders shall be entitled to attend regardless of the number of shares held, provided such entitlement is recorded before the Meeting. This shall be supported by the relevant personal attendance card or other document proving shareholder status under the law. This card or document shall specify the number, class and series of shares held, as well as the number of votes the holder is entitled to cast.

This regulation is completed by the Rules of the General Meeting, which stipulate that shareholders are entitled to attend General Meetings regardless of the number of shares held, provided the shares in question are registered in their name in the corresponding Register at least five days prior to the date for which the Meeting is scheduled. In addition, in order to attend a General Meeting, a shareholder must obtain the relevant attendance card, the certificate issued by the Spanish Central Securities Deposit (Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores) as may be required in each case, or a document providing evidence of shareholder status in accordance with the law.

E.10. Please indicate and justify the Company's policies regarding the delegation of votes at General Meetings.

Article 31 of the Articles of Association specifies that notwithstanding attendance of corporate shareholders through their attorneys, every shareholder entitled to attend may appoint a proxy for the Meeting, even if such proxy is not a shareholder. The power of representation must be granted in writing or by the means of distance communication determined by the management body, which must duly guarantee the representative's and principal's identities. A specific power of representation must be granted for each Meeting, in the terms and with the scope provided in the Law on Public Limited Companies and the Regulations of the General Meeting.

It also adds that the Chairman, the Secretary of the Board of Shareholders or the persons appointed in agreement with him or her shall be deemed to be authorised to determine the validity of the powers of representation granted and whether the requirements for attending the Meeting have been complied with.

Such provisions shall not apply when the proxy is the principal's spouse, forebear or descendant, or if the proxy has a general power of attorney granted under an executed deed with the power to manage all assets held by the principal in the country.

Proxy may be revoked at any time and principal's personal attendance at the Meeting will be construed as revoking such proxy.

Furthermore, article 12 of the Rules of the General Meeting establishes that proxy may be revoked at any time. As a general rule, and provided the certainty of the date can be proved, the last act carried out by the shareholder prior to the Meeting shall be deemed valid. If there is no such certainty, the shareholder's vote shall prevail over the delegation. In any event, personal attendance by the principal at the General Meeting shall revoke the power of representation.

Without prejudice to Article 108 of the Law on Public Limited Companies, the power of representation, which must be specially granted for each Meeting, must be granted in writing. Powers of representation granted by means of distance communication shall only be deemed valid if made:

- (i) By post, by sending the Company the attendance card issued by the entity or entities in charge of keeping the Registry, duly signed and filled in by the shareholder, or by any other written means which, in the opinion of the Board of Directors pursuant to a resolution passed in advance to that end, enables the identities of the shareholder granting representation and the appointed delegate to be duly verified.
- (ii) By electronic means of remote communication, duly authenticated to ensure validity of proxy and shareholder identity. A power of representation granted by these means shall be accepted if the electronic document granting it includes the legally acknowledged electronic signature used by the principal, or any other type of signature which is deemed by the Board of Directors, pursuant to a prior resolution passed for that purpose, to provide adequate guarantees of authenticity and identification of the shareholder granting the power of representation.

In order to be valid, a power of representation granted by any of the distance communication means mentioned in this Section must be received by the Company no later than 24 hours before the day immediately preceding the day scheduled for holding the General Meeting on first call. The Board of Directors may establish a shorter period in accordance with the provisions of the Articles of Association.

E.11. Please indicate whether the Company is aware of the institutional investors' policy of taking part or not taking part in the company's decisions.

Yes No

Please describe the Policy

E.12. Please indicate the address of your website and how its corporate governance content can be accessed.

The Company's website address is . To access corporate governance details, click on the "Shareholder and Investor Information" tab and then on the "Corporate Governance" tab.

F EXTENT OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Please indicate the extent to which the Company follows existing corporate governance recommendations, or whether it does not follow such recommendations.

If it does not follow one or more of them, please explain which recommendations, rules, practices or criteria are applied by the Company.

Until the single document referred to in ORDER ECG/3722/2003 of 26 December is ready, recommendations in the Olivencia and Aldama Reports must be used as reference when completing this section.

Recommendation No. 1. The Duties of the Board of Directors

"The Board of Directors should expressly assume a general supervision function as the core of its duties, exercise the responsibilities involved without the ability to delegate them, and lay down a formal list of the matters reserved exclusively to its knowledge." (Olivencia Code)

Continued.

Renta Corporación's Articles of Association already specify that the Board is responsible for the Company's representation as well as its top management and administration in and out of court in all proceedings set out in the principal business and required as under the Law and Articles of Association.

Furthermore, under article 5 of Renta Corporación's Board Regulations, the Board of Directors is the Company's highest decision-making body, responsible for general supervision and for making the most important decisions on running the Company. The Regulations also stipulate that none of the powers reserved by the law or by institutions for direct knowledge by the Board, or any other powers necessary for the responsible exercise of the general supervision function, may be delegated. The above mentioned Article 5 of the Board Regulations also includes a list of the matters reserved to the Board.

Recommendation No. 2. The Independence of the Board of Directors

"The Board of Directors should include a reasonable number of independent directors, who should be persons of professional prestige unrelated to the executive team and the significant shareholders." (Olivencia Code)

Continued.

The Renta Corporación Board has three independent directors out of ten.

Recommendation No. 3. Composition of the Board of Directors

"In the composition of the Board of Directors, external directors (directors representing substantial shareholders and independent directors) should constitute a majority over executive directors, and the proportion of directors representing significant shareholders and independent directors should be established taking into account the existing relationship between the share capital represented by significant holdings and the rest." (Olivencia Code)

Continued.

At 31 December 2006, six Board members were non-executive directors.

Article 36 of the Articles of Association and article 6 of the Board Regulations already provide that the Board shall as far as possible ensure a majority of external directors over executive directors.

Recommendation No. 4. Size of the Board of Directors

"The Board of Directors should adjust its size to achieve a more efficient and participatory operation. An adequate size could in principle be between five and fifteen members." (Olivencia Code)

"The Board of Directors should have a reasonable number of members to ensure its operability and the work of each director, and to have the necessary means for the best and most efficient exercise of its duties, including communication with the managers of the various business and service areas, and assistance from external experts and professionals if applicable." (Aldama Report)

Continued.

As at 31st December 2006, the Company's Board of Directors is comprised of ten members. This is within the number recommended by the Good Corporate Governance rules, and provides for efficient and participatory operation.

Therefore, under article 29 of the Articles of Association and Article 7 of the Board Regulations, the Board shall have between three and twelve members.

Recommendation No. 5. No Concentration of Power

"In the event that the Board of Directors chooses to appoint its Chairman to the position of Chief Executive of the Company, it should adopt the necessary precautionary measures to reduce the risks arising from the concentration of power in a single individual." (Olivencia Code)

Continued.

Although the Chairman of Renta Corporación currently holds the position of Chief Executive of the Company, the Company already has a series of mechanisms in place to limit the risks arising from the concentration of power in a single individual, as indicated in Section B.1.16 of this Report. Specifically, in addition to the Chairman, individuals who are actively involved in day-to-day management and making top-level decisions on the Company include the Chief Executive, Vice-Chairwoman, General Manager and Company Secretary.

Recommendation No. 6. Regulatory Guarantee

"The position of Secretary of the Board should be given greater relevance, reinforcing the Secretary's independence and stability and emphasising his or her function of ensuring that the Board's actions are in accordance with the law in form and in substance." (Olivencia Code)

Continued.

The Secretary of the Board of Renta Corporación enjoys independence in the carrying out of the duties with which he has been entrusted. This is without prejudice to his accountability to the Chairman of the Board. As at 31 de December de 2006, the Secretary of the Board of Directors of Renta Corporación is also a director of the Company.

Pursuant to Article 10 of the Board Regulations, the Secretary shall ensure that the Board's actions are in accordance with the law in form and in substance, shall verify that such actions comply with the Company's Articles of Association and with the provisions issued by the regulatory bodies, and shall ensure that the Company's corporate governance criteria and the Board Regulations are adhered to.

Recommendation No. 7. Composition of the Executive Committee

"The composition of the Executive Committee, if there is one, should reflect the same balance as the Board of Directors with regard to the different types of director, and the relationship between the two bodies should be based on the principle of transparency, so that the Board has full knowledge of the matters dealt with and decisions adopted by the Committee." (Olivencia Code)

"The Board of Directors shall determine the composition of this committee, with the recommendation that, if the Executive Committee assumes the powers of the Board either fully or to a significant extent, its composition regarding the different types of director should be similar to that of the Board itself." (Aldama Report)

This is not applicable, since Renta Corporación does not have an Executive Committee.

Recommendation No. 8. The Committees of the Board of Directors

"The Board of Directors should create delegate Committees for control from among its members. These should be comprised exclusively of external directors and relate to matters relating to accounting control and information (Audit); selection of directors and senior executives (Appointments); determination and review of the remuneration policy (Remuneration); and assessment of the corporate governance system (Compliance)." (Olivencia Code)

Continued.

The Board has an Audit Committee and Appointments and Remuneration Committee made up of members from its ranks, whose structure, powers and operation comply with the terms of articles 13 and 14, respectively, of the Board Regulations. Nevertheless, for better and more efficient operation of these bodies, it has been deemed expedient to include at least one executive director on each Committee.

Recommendation No. 9. Directors' Information

"The necessary measures should be adopted to ensure that directors have sufficient information, specially drafted and aimed at preparing the sessions of the Board, sufficiently in advance. No information, regardless of its importance or reserved nature, may be exempted from this requirement save for in exceptional circumstances." (Olivencia Code)

Continued.

Article 43 of the Articles of Association and article 15 of the Board Regulations specify that Board meetings shall be called with at least three days' notice, should always include an agenda for the meeting and attach all relevant information, duly summarised and prepared.

Recommendation No. 10. Frequency of Board Meetings

"The proper operation of the Board requires meetings to be held with the frequency necessary for the performance of its duties; the Chairman must encourage the participation and free opinion of all directors; the minutes must be drafted with special care, and the quality and efficiency of the Board's work should be evaluated at least once a year." (Olivencia Code)

Continued.

In 2006, the Renta Corporación Board met ten (10) times, in other words frequently enough to ensure compliance with its duties. In addition, the Chairman encourages and seeks to ensure the participation of all directors in deliberations, with the attendance of senior executives where applicable, if the Chairman deems this to be necessary or convenient for reporting on specific matters.

Under article 43 of the Articles of Association and 15 of the Board Regulations, the Board shall ordinarily meet at least six (6) times a year, and on the Chairman's initiative, as often as required by the Chairman to ensure successful operation of the Company. The Board of Directors must also meet whenever requested by at least two of its members. In such a case, a meeting shall be called by the Chairman to be held within fifteen days immediately following the request.

The Article also provides that the Chairman of the Board may call extraordinary Board meetings whenever he or she deems this to be justified by the prevailing circumstances. The Chairman shall organise the debate, encouraging and seeking to ensure that all directors participate in the deliberations. One of the Secretary's duties is to assist the Chairman in his or her work and to provide for the proper operation of the Board, with special emphasis on providing directors with all necessary advice and information, keeping the company's documents, duly reflecting the course of meetings in the minute books, and certifying any resolutions passed by the Board.

Finally, the Board of Directors has implemented the practice of drafting an annual schedule of its ordinary meetings.

Recommendation No. 11. Appointments Policy

"The intervention of the Board of Directors in the selection and re-election of its members should follow a formal and transparent procedure, based on a reasoned proposal from the Appointments Committee." (Olivencia Code)

Continued.

Article 17 of the Board Regulations specifies that directors shall be appointed, following report from the Appointments and Remuneration Committee, by the General Meeting of Shareholders or the Board itself subject provisions of the Spanish Limited Companies Act.

Recommendation No. 12. Irremovability of External Directors

"After the External Independent Directors or Directors Representing Substantial Shareholders have been elected by the Shareholders' Meeting, the Board of Directors should not propose their removal before the end of the term for which they were appointed under the Articles of Association, save for on exceptional justified grounds approved by the Board of Directors following a report of the Appointments and Remuneration Committee." (Aldama Report)

Continued.

It should be noted that since their appointment, there have been no proposals to remove the six external directors currently on the Renta Corporación Board. It is also worth highlighting that Carlos Tusquets Trías de Bes, previously a director representing substantial shareholders, is now independent external director as a result of 3i exiting the company under the PSO and PRO, while César A. Gibernau Ausió and Pedro Nuevo Iñiesta, previously independent external directors, are now other external directors, in compliance with recommendations of the Unified Code of Good Corporate Governance or "Conthe Code."

In accordance with the Articles of Association and the Board Regulations, Directors shall hold office for a maximum term of six years, after which they may be re-elected for equal or shorter terms, and shall be removed from office either on expiry of the term for which they were appointed or when so decided by the Shareholders' Meeting pursuant to the powers conferred on it by the law or the Articles of Association. In addition, Directors must tender their resignation to the Board of Directors and, if applicable, resign if deemed fit by the Board following a serious reprimand by the latter for breach of their obligations as Directors and following a report of the Audit Committee.

Recommendation No. 13. Resignation of Directors

"Companies' regulations should include an obligation on directors to resign in those cases in which the operation of the Board or the Company's credit and reputation may be detrimentally affected." (Olivencia Code)

Continued.

Renta Corporación Articles of Association specify nothing on the matter. Nevertheless, article 21 of the Renta Corporación Board Regulations provides for cases where Renta Corporación directors must tender their resignation to the Board and accept any decision it makes on their continuation in office.

Recommendation No. 14. Age of Directors

"An age limit should be established for the office of Director. This could be between sixty-five and seventy for executive directors and the Chairman, and a more flexible option for other Board members." (Olivencia Code)

"Companies which adopt an age limit policy for directors must set it out clearly within their internal regulations." (Aldama Report)

Not continued.

It has not been deemed necessary to establish any age limit for the office of director, since the average ages of the Chairman and the Company's other executive directors are particularly low.

Recommendation No. 15. Adequate Information and Advice

"The right of all directors to request and obtain the information and advice necessary to perform their supervisory duties should be formally recognised, and the suitable channels for exercising that right, including access to external experts under special circumstances, should be established." (Olivencia Code)

Continued.

Article 24 of the Regulations specifies that in order to assist them in exercising their duties, external directors may request engagement of legal, accounting, financial or other specialist consultants at the Company's expense. The assignment must necessarily relate to specific problems of certain significance and complexity arising in the performance of their position.

In addition, Article 13 of the Regulations provides that the Audit Committee may obtain advice from external experts whenever it deems necessary for the proper performance of its duties.

Recommendation No. 16. Remuneration of Directors

"The remuneration policy for directors, which should be proposed, assessed and reviewed by the Remuneration Committee, should comply with criteria of moderation, connection with the Company's profits, and detailed, individual information." (Olivencia Code)

Continued.

To date, the remuneration of Renta Corporación's Board Members has adhered to moderation criteria in accordance with market requirements.

The Articles of Association specify that every year Board members shall receive a fixed amount for distribution to directors, to be determined by the General Meeting of Shareholders. This amount shall range from zero point five per cent to five per cent of the Company's net profit in the preceding financial year. Unless amended by the General Meeting, the above amount established the General Meeting shall increase annually in line with the Consumer Price Index. It is also provided that the Board is to set the specific amount to be received each year by each of its members.

Recommendation No. 17. Loyalty of Directors

"The company's internal regulations should describe in detail the obligations arising from directors' general duties of diligence and loyalty, and should particularly contemplate situations of conflict of interest, the duty of confidentiality, the exploitation of business opportunities and the use of company assets." (Olivencia Code)

Continued.

According to Article 45 of Renta Corporación's Articles of Association, Board members must exercise their functions with the diligence of a prudent businessman and faithful agent, and must maintain all confidential information secret, even after ceasing to hold office.

In accordance with Article 26 of the Board Regulations, any member of Renta Corporación's Board of Directors is obliged, in the exercise of his or her functions, to:

- a) Adequately enquire about, and prepare for, Board meetings and any delegated bodies to which he or she may belong;
- b) Attend Board Meetings and actively participate in deliberations, so that his or her opinion is effectively taken into account for making decisions.
- c) Provide his or her strategic vision, concepts, criteria and innovative measures for the optimum development and evolution of the Company's business.
- d) Carry out any specific assignment entrusted to him or her by the Board of Directors and reasonably included within his or her pledge of dedication.
- e) Investigate any irregularity in the Company's management which may have come to his or her attention, and monitor any risk situation.
- f) Urge those persons with the ability to call meetings to call an extraordinary Board Meeting or include any items he or she deems fit in the agenda for the next scheduled meeting.

In addition to the above general obligations, Renta Corporación's Board Regulations impose on directors: (i) a duty of confidentiality, applicable even after ceasing to hold office, with the obligation to maintain the secrecy of all information, data, reports or background information of which they have become aware as a result of the exercise of their functions. Such information may not be disclosed to third parties or disseminated if it may have a detrimental effect on the company's interests. This does not apply to certain exceptions specified by the legislation; (ii) a non-competition obligation; and (iii) duties of information. The Board Regulations also regulate, throughout their Articles, the conflicts of interest which must be disclosed by Directors, the use of company assets by Directors of the Company, the application of codes of conduct regarding the treatment of non-public information, business opportunities, indirect operations and transactions with significant shareholders.

In particular, with regard to conflicts of interest, Article 29 of the Regulations details the various situations which may give rise to such a conflict with the Company.

Recommendation No. 18. Extension of the Loyalty Obligations to Significant Shareholders and Senior Management

"The Board of Directors should encourage the adoption of appropriate measures to extend loyalty obligations to significant shareholders, particularly by establishing precautionary measures for transactions entered into between such shareholders and the company." (Olivencia Code)

Continued.

Article 35 of the Board Regulations specifies that the Board formally reserves the right to know of any major transaction with a significant shareholder. In addition, before authorising the Company to carry out transactions of that nature, the Board shall assess the operation from the points of view of equal treatment of shareholders and market conditions.

Recommendation No. 19. General Meeting of Shareholders

“The Company should, in connection with the holding of a General Meeting of Shareholders, and from the moment of the call, provide the full contents of all proposals for resolutions to be submitted to the General Meeting on the Company website. This is regardless of any other procedure available to the Company either voluntarily or pursuant to legal requirements.” (Aldama Report)

Continued.

Shareholder entitlement to information is regulated under article 32 of the Articles of Association, which specifies that from publication date of the call for General Meeting of Shareholders and up to seven days before the Meeting date, shareholders may ask the Board of Directors to provide any information or clarify any items on the agenda, or address in writing any questions they wish. In addition, shareholders may also request, within the same time frame and in the same manner, information or clarification, or address questions in writing in relation to any information available to the public, which may have been supplied by the Company to the Spanish Securities and Investment Board since the last General Meeting was held. The Board of Directors shall be obliged to provide the requested information in writing up to the day of the General Meeting.

Furthermore, Article 36 of the Board Regulations provides that the Board of Directors shall promote informed shareholder participation in General Meetings and shall adopt all appropriate measures to contribute to the Board of Shareholders’ effective exercise of the duties pertaining to it in accordance with the Law and the Articles of Association.

In particular, the Board of Directors shall adopt the following measures:

- a) It shall endeavour to make all legally required information, as well as all other information which may be of interest and may be reasonably supplied, available to shareholders prior to the General Meeting.
- b) It shall attend all requests for information made by shareholders before the General Meeting with the utmost diligence.
- c) It shall attend all questions asked by shareholders in connection with the holding of the Meeting with the same degree of diligence.

Article 8 of the Regulations for the General Meeting of Shareholders provides that in addition to statutory provisions or Company Articles of Association and the provisions of the Meeting Regulations, from the date the Meeting is publicly called, the Company will post proposals for agreements produced by the Board for the agenda on the website, as well as any reports required by law or specified by the Board.

In addition, all information deemed useful or appropriate to facilitate shareholders’ attendance and participation at the General Meeting shall be included on the Company website from the date of the notice, including, where appropriate and without limitation:

- (i) Procedure to obtain an attendance card.
- (ii) Instructions for carrying out or delegating remote voting by the means envisaged in the notice, if applicable.
- (iii) Information regarding the venue in which the General Meeting is to take place and how to get there and gain access to it.
- (iv) Information, where appropriate, on the systems or procedures in place to help follow the General Meeting.
- (v) Information on how shareholders may exercise their right to information (post, e-mail, and any other appropriate details).

Recommendation No. 20. Rules of the General Meeting and Board Regulations

“All Companies should have a set of Corporate Governance rules or criteria, including at least the Regulations of the General Meeting of Shareholders and the Board Regulations.” (Aldama Report)

Continued.

In addition to the Articles of Association, Renta Corporación also has Regulations for the General Meeting of Shareholders, Board Regulations and Internal Code of Conduct in Stock Markets.

Nevertheless, as detailed under section G, in order to align statutory documents and any required by law on corporate governance of the Company with recommendations of the Unified Code of Good Corporate Governance or “Conthe Code”, at the proposal of the Appointments and Remuneration Committee, at its meeting of 21 February 2006 the Board proposed to the 29 March 2006 General Meeting of Shareholders certain amendments to the Articles of Association and Regulations for the General Meeting of Shareholders. At this meeting the Board also approved certain amendments to the Board Regulations.

Recommendation No. 21. Transparency of Information

“Measures aimed at making the vote delegation mechanism more transparent and boosting communication between the company and its shareholders, particularly institutional investors, should be adopted.” (Olivencia Code)

Continued.

In its capacity as a bridge between the ownership and the management, the Board of Directors has created appropriate channels to obtain knowledge of any proposals which may be made by shareholders in relation to the management of Renta Corporación.

It is also provided that the Board, through some of its directors and with the collaboration of any members of senior management it deems fit, may organise information meetings regarding the progress of the Company and its Corporate Group for shareholders residing in the most important financial markets in Spain and other countries.

Recommendation No. 22. Transparency with the Markets

“The Board of Directors should assume responsibility for furnishing the markets with prompt, accurate and reliable information beyond the requirements imposed by the current legislation, particularly with reference to the shareholding structure, substantial amendments to the rules of governance, related transactions of particular significance and treasury shares.” (Olivencia Code)

Continued.

Under article 50 of the Articles of Association and article 38 of the Board Regulations, the Company shall immediately inform the public, by reporting material events to the Spanish Securities and Investment Board and through the Company website, on material information under provisions of the Stock Market Act and its developing legislation. The contents and structure of the Company website shall be as specified by law and other regulations on the subject as applicable from time to time.

Recommendation No. 23. Information regarding Corporate Governance

“The information obligations regarding each company’s governance practices and structures should be extended, and measures should generally be adopted to ensure better quality of information, restated in a single text published for the general knowledge of shareholders and investors.” (Aldama Report)

Continued.

This Corporate Governance Report provides evidence of Renta Corporación’s compliance with the majority of recommendations included in the Code for Good Corporate Governance drafted by the Special Committee for the Encouragement of Transparency and Security in Markets and Listed Companies (Comisión Especial para el Fomento de la Transparencia y Seguridad en los Mercados y en las Sociedades Cotizadas) in relation to the publicity and assessment of the rules of Corporate Governance. Furthermore, article 49 of the Articles of Association specifies that the annual corporate governance report shall be publicised as provided for under stock market rules, and its approval shall be reported to the Spanish Securities and Investment Board as a material event no later than the date of publication of the first notice of Ordinary General Meeting or the body empowered to approve annual accounts of the company for the financial year to which the report refers. Furthermore, the annual corporate governance report shall be made available to shareholders and investors via the website upon reporting to the CNMV.

Furthermore, as detailed under section G, in order to align statutory documents and any required by law on corporate governance of the Company with recommendations of the Unified Code of Good Corporate Governance or “Conthe Code”, at the proposal of the Appointments and Remuneration Committee, at its meeting of 21 de February de 2007 the Board proposed to the 29 de March de 2007 General Meeting of Shareholders certain amendments to the Articles of Association and Regulations for the General Meeting of Shareholders. The Board also approved certain amendments to the Board Regulations and Internal Code of Conduct on Stock Market Operations.

Recommendation No. 24. Periodic Financial Information

“All periodic financial information offered to the markets in addition to the annual financial information should be prepared in accordance with the same professional principles and practices as the annual accounts, and should be checked by the Audit Committee prior to its dissemination.” (Olivencia Code)

Continued.

The Board Regulations stipulate that the Board of Directors must adopt all necessary measures to ensure that the semi-annual, quarterly and any other financial information which caution requires to be made available to the markets is drafted in accordance with the same professional practices, principles and criteria with which the annual accounts are prepared, and that it must be as reliable as them.

The Board of Directors, on its part, has an Audit Committee to both supervise the financial statements and exercise a monitoring function. One of its functions is to be familiar with the financial information process and the Company’s internal control systems, to verify that they are adequate and complete, and to review the periodic financial information to be provided by the Board to the markets and its supervisory bodies.

Recommendation No. 25. Information on the Internet

“To have a website through which shareholders, investors and the market in general can be provided with financial information and any other significant information relating to the Company, such as helping shareholders exercise their right to information and any other corporate rights which may apply.” (Aldama Report)

Continued.

Article 50 of the Articles of Association and article 38 of the Board Regulations, as governing relationships with the markets, specify that the Board of Directors shall immediately inform the public, by reporting material events to the Spanish Securities and Investment Board (Comisión Nacional del Mercado de Valores) and through the company website, of all material information under the terms of the Stock Market Act and its developing legislation.

The Board Regulations also stipulate that the Board of Directors shall adopt all necessary measures to ensure that the semi-annual, quarterly and any other financial information which caution requires to be made available to the markets is drafted in accordance with the same professional practices, principles and criteria with which the annual accounts are prepared, and that it will be as reliable as them. In accordance with that Article, it shall also include information regarding the Company’s governance rules and the degree to which they are complied with in its annual public documentation.

In this regard, material events relating to the Company and any material information (with a potential impact on share trading) released by the Company shall first be reported to the Spanish Securities and Investment Board as a material event. Once the information has been sent to the Spanish Securities and Investment Board through the appropriate channel, it is transmitted to the main media, information agencies and analysts, and published on Renta Corporación’s website (www.rentacorporacion.com). All information disclosed to the media, agencies, analysts and investors is disseminated at the same time.

Recommendation No. 26. The Independence of the External Auditor

“The Board of Directors and the Audit Committee should monitor all situations which may jeopardise the independence of the external company auditors, and should specifically verify the percentage represented by the fees paid under all items in relation to the total amount paid to the audit firm. In addition, all fees relating to professional services other than audit services should be made public.” (Olivencia Code)

Continued.

Pursuant to Article 13 of the Board Regulations, the Audit Committee is the body in charge of ensuring the external auditors' independence.

Section B.1.28 of this Report contains a reference to the mechanisms established by the company to preserve the external auditor's independence.

Recommendation No. 27. Regarding Reservations in the Audit Report

“The Board of Directors should seek to ensure that the annual accounts drafted by it are submitted to the Shareholders' Meeting without any reservations or qualifications in the audit report and, whenever this is not possible, both the Board and the auditors should clearly explain the nature and scope of any discrepancies to the shareholders and the markets.” (Olivencia Code)

Continued.

Since the Company has been required to audit its accounts, none of the audit reports have had any reservations. In this respect, article 39 of the Board Regulations specifies that the Board of Directors shall arrange preparation of a final version of the accounts so that no reservations are made by the auditor. However, if the Board of Directors considers that it must maintain its decision, it shall publicly explain the nature and extent of the discrepancy. Section B.1.25 contains a more detailed explanation of the mechanisms for preventing accounts from being submitted with reservations in the audit report.

Recommendation No. 28. Continuity

“The Board of Directors should include in its annual public report information regarding its rules of governance, including the reasoning behind any rules which do not conform to the recommendations contained in this Code.” (Olivencia Code)

Continued.

Renta Corporación has produced this Report as an indication of its high degree of compliance with the recommendations on good corporate governance, including information on which rules it complies with, providing an explanation of any recommendations it does not follow.

Furthermore, article 48 of the Articles of Association specifies that the Audit Committee shall produce an annual report on its operation to include, where appropriate, proposals to improve Company governance rules. In this respect, under article 38 of the Board Regulations, the Board shall include in its annual published documents information on the company's governance rules and the extent of its compliance therewith.

G OTHER INFORMATION OF INTEREST

If you believe there are any relevant aspects or principles relating to the corporate governance practices applied by your company which have not been covered in this Report, please indicate this below and explain the nature of such aspects or principles.

This section may include any information, clarification or detail relating to the preceding sections of this report, to the extent that it is relevant and not a repetition.

Specifically, please indicate whether the company is subject to any corporate governance legislation other than the Spanish legislation and, if so, include any information required in this report which it is under an obligation to supply.

In view of approval of the special task force Report on good governance of listed companies, as approved on 19 May 2006 (Unified Code of Good Corporate Governance or “Conthe Code”), to be used as a benchmark by companies in 2007, and in order to align statutory documents and Company documents on corporate governance with Conthe Code recommendations, following proposal from the Appointments and Remuneration Committee, at its meeting of 21 February 2007 the Board proposed to the General Meeting of Shareholders of 29 March 2007 certain amendments to the Articles of Association and Regulations for the General Meeting of Shareholders. At this meeting the Board also approved certain amendments to the Board Regulations.

These amendments and amendment proposals are available at the registered offices of Renta Corporación, and on the Company website (www.rentacorporacion.com).





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Audit
Committee
Annual Report

Audit Committee Annual Report

1 Introduction

The Renta Corporación Real Estate, S.A. Audit Committee was set up by agreement of Board meeting held on 4 February 2005, following recommendations on Good Corporate Governance (Olivencia Code), updated by the Special Committee for Promotion of Transparency and Security in Markets and Listed Companies (Aldama Commission), and under the third agreement reached at the Board meeting held on 3 December 2004 on creation of Specialist Board Committees, and also under the terms of Additional Provision Eighteen of the Securities Market Act, implemented by section 47 of Act 44/2002.

Audit Committee rules on structure and operation are set out in article 47 of the company's Articles of Associations and article 13 of the Regulations of the Board of Directors.

This report details the Audit Committee's main undertakings throughout 2006. It also aims to be an effective instrument, both for the Board in terms of approval of performance of entrusted duties and for current and future shareholders of Renta Corporación Real Estate, S.A.

2 Audit Committee structure

Under the terms of article 47 of the Articles of Association and article 13 of the Board Regulations, the Audit Committee is made up of three company directors, the majority external and therefore non-executive. Appointment of Committee members is the responsibility of the Board of Directors and requires a two-thirds majority vote. Committee members will appoint their Chairman from their own ranks for a four-year term; he or she may be re-elected one year after stepping down from the post. The Secretary will also be elected from their ranks.

At 31 December 2006, membership of the Renta Corporación Real Estate, S.A. Audit Committee was as follows:

Name and surname(s)	Position	Nature of the position
César A. Gibernau Ausió	Chairman	Other external director
Anna M. Birulés Bertran	Member	Executive
Carlos Tusquets Trias de Bes	Secretary	Independent

Current Committee members have the relevant experience and powers to discharge their duties, and have a direct line to external and internal auditors and Company executives for the purpose of collecting any required financial information.

3 Audit Committee Powers and Duties

The Audit Committee has been entrusted with the following duties:

- Report to the General Meeting of Shareholders on issues raised by shareholders on matters for which the Committee is responsible.
- Recommend appointment of external auditors to the Board for submission to the General Meeting of Shareholders, under the terms of section 204 of the Spanish Companies Act, including any terms of business, scope of professional mandate and, as appropriate, renewal or not of their appointment.
- Supervise internal auditing practices.
- Review Company accounts, monitor compliance with statutory requirements and proper use of generally accepted accounting principles, whereby the Committee is to receive full cooperation from external and internal auditors.
- Be aware of the financial reporting process, internal control systems, verify their suitability and accuracy and review designation or replacement of parties responsible for them.
- Handle dealings with external auditors to gather information on issues likely to undermine their independence and any others on development of the audit process, as well as other communications specified under audit legislation and technical regulations.

To monitor compliance with the audit contract, seeking to ensure that the opinion regarding the annual accounts and the main contents of the audit report are drafted clearly and concisely, and to assess the results of each audit.

- Review regular financial information to be reported by the Board to the markets and their supervisory bodies.
- Examine compliance with the Internal Code of Conduct, Articles of Association and company governance standards in general, and make any necessary proposals to improve them.
- Collect information and, as appropriate, produce a report on disciplinary measures to be imposed on Company management.
- Draw up an annual report on its operation, highlighting any issues, if any, relevant to its specific duties. And, when the Committee sees fit, include proposals in the report aimed at improving the Company's governance rules.

The duties, carried out by the Audit Committee throughout 2006 are the same as those specified in the Articles of Association and the Board of Directors' Charter, as approved by the General Meeting of Shareholders on 9 February 2006.

4 Audit Committee Operation

The Audit Committee shall ordinarily meet on a quarterly basis, for the purpose of reviewing the periodic financial information to be sent to the Stock Exchange authorities and the information to be approved and included by the Board of Directors within its annual public documentation. Furthermore, it will meet whenever convened by the Chair as required in order to ensure that it discharges its duties successfully, or whenever the Board or the Chair requests a report or adoption of proposals, or at the request of any Board member.

All members of Company management or personnel are required to attend committee meetings and cooperate in providing access to available information when asked. The Committee may also require the accounts auditors to attend the meetings.

In addition, the Audit Committee may seek advice from independent experts where necessary to ensure proper and better discharge of its duties.

5 Audit Committee Meetings

In 2006, the Audit Committee held nine meetings with full attendance by members as well as the General Manager and the regular presence of the Planning, Analysis and Investor Relations Director.

The Audit Committee requested the attendance of the Company auditors, the Chief Executive, Finance Director and Controller at a meeting for review and examination of individual and consolidated annual accounts for 2005.

The following are the headlines for matters examined at Audit Committee meetings held in 2006:

Meeting of 13 February 2006:

- Receipt of audit report on individual Company and consolidated Group accounts for year 2005.
- Review of individual Company accounts for year ending 31 December 2005.
- Review of consolidated Group accounts for year ending 31 December 2005.
- Proposal to reappoint Company auditor for financial year 2006.

Meeting of 26 de April de 2006:

- Regular financial information on Q1 2006.

Meeting of 26 de July de 2006:

- Regular financial information on H1 2006.
- Information on operations with related parties
- Approval of proposed Company auditor fees.

Meeting of 25 de October de 2006:

- Regular financial information on Q3 2006.
- Information on tax inspection by "Direction Générale des Impôts" and employment inspection by "URSAFF" at the Company's French subsidiary, Groupe Immobilier Renta Corporación S.A.S.
- Proposal to appoint internal auditor.

Meeting of 20 de December de 2006:

- Information on syndicated finance.
- Information on operations with related parties
- Monitoring of recommendations on internal accounting control and other matters.
- Information on tax inspection by "Direction Générale des Impôts" and employment inspection by "URSAFF" at the Company's French subsidiary, Groupe Immobilier Renta Corporación S.A.S.
- Information on property purchases and sales in France by the Renta Group through its wholly owned subsidiary in Luxembourg, Renta Corporación Luxembourg, S.a.r.l.

6 Audit Committee Activities

The following is a summary of Committee activities in 2006. The most significant matters addressed were:

a. Regarding Financial Statements:

- The Committee received the audit report on 2005 for Renta Corporación Real Estate, S.A. and Group companies, from PriceWaterhouseCoopers Auditores, S.L. Their opinion on the individual and consolidated accounts for 2005, as in previous years, highlights that in all significant aspects the accounts present an accurate picture of the equity and financial position of Company and Group alike.
- The Committee submitted the 2005 Renta Corporación Real Estate, S.A. individual accounts and consolidated Group accounts to the Board, along with a favourable report.
- The Committee performed in-depth review and examination of Q1, Q2 and Q3 2006, with nothing to compromise the accurate picture of the reviewed and examined financial statements, and agreed to submit regular information for these quarters to the Board, for forwarding to the Spanish Securities and Investment Board and Stock Market Boards where Company shares are traded, under the terms of section 35 of the Stock Market Act and Order of 18 January 1991 on regular public information on organisations issuing securities for trading in stock markets.

b. External Audit:

- The Committee proposed to the Board, for submission to the General Meeting of Shareholders, reappointment of PricewaterhouseCoopers Auditores, S.L. as company auditor for individual and consolidated accounts, with head office in Madrid, Paseo de la Castellana, número 43, company number B-79031290, registered with the Madrid Companies Registry at page 87,250-1, folio 75, tome 9,267, book 8,054, section 3 and with the Official Auditor Registry under number S0242.
- Following examination and review of the fee proposal submitted by auditors, PricewaterhouseCoopers Auditores, S.L., to review 2006 accounts for Renta Corporación Real Estate, S.A., Group companies and the companies with which it forms a Consolidated Group, the Appointments and Remuneration Committee resolved to accept the proposal.

c. Internal Control and Risk Management:

- The Audit Committee reviewed proper implementation of suitable measures so that major Company and Group company risks are reasonably identified, quantified and controlled.
- The Committee examined and reviewed recommendations for internal accounting control and other matters from PricewaterhouseCoopers Auditores, S.L. in their report of 4 September 2006 and, with regard to measures actually implemented pursuant to the report, verified that continuity plans were tested as were several measures to prevent money laundering and financial crime. Among future measures for implementation, in order to cover internal risks specific to cash management, the Committee considered it appropriate to implement the XRT cash module as a tool for internal control of Renta Group cash and bank positions.
- The Committee examined and reviewed all major Company operations with related parties in 2006, and checked the operation to sign up to several instances of recapitalisation of Mixta África, S.A. by certain company shareholders, directors and executives, as a result of the interest declared by such individuals to the Company as they were investing individually, directly or through related parties or companies controlled by them, through cash and non-cash contributions, in Mixta África, S.A.
- On the basis of the legal opinion given by Baker & McKenzie on the purchase and sale of a property in France, the Committee examined and reviewed Renta Group conveyance operations in France completed or in progress through companies in which the Luxembourg-based subsidiary, Renta Corporación Luxembourg, S.a.r.l., has a stake.
- The Appointments and Remuneration Committee examined and reviewed reports issued by the "Direction Générale des Impôts" on 20 November 2006, and by "URSAFF" on 1 December 2006, as a result of tax and employment inspections on Groupe Immobilier Renta Corporación S.A.S.
- The Appointments and Remuneration Committee examined and reviewed implications of syndicated finance, whereby on 15 December 2006 the Company signed a mandating agreement with lenders Santander Central Hispano, Eurohypo and Fortis Bank, as lead arrangers and underwriters, and a bridging loan with Fortis Bank.
- The Appointments and Remuneration Committee approved the Chief Executive's proposal to appoint Margarita Cardona Tur Internal Company Auditor, previously head of Risk Control.

d. Compliance Standards:

- The Committee examined compliance with the Internal Code of Conduct and Board Regulations, Articles of Association and corporate governance rules in general.
- The Committee proposed debating amendments to Articles of Association and Regulations in 2007 to align them with the Conthe Code, by adopting, as appropriate, agreements to be proposed to the Board for subsequent submission to the General Meeting of Shareholders.

7 Conclusion

In financial year 2006, the Audit Committee has successfully discharged the duties entrusted by the Articles of Association and Board of Directors' Charter within its main operating areas.

Consequently, the Committee has successfully verified that the company's financial statements have been prepared in compliance with generally accepted principles and standards and, therefore, confirmed that the annual accounts to be prepared by the Board accurately reflect Company equity, financial situation and results of operations, and include necessary and sufficient information to understand them clearly.

Furthermore, the Committee has verified that Renta Corporación Real Estate, S.A. and Group annual accounts and Management Report for year ending 31 December 2005 explain any likely commercial, financial and legal risks clearly and in simple terms.

The Committee has also examined the contents of the audit report for 2005, ensuring that the opinion on the annual accounts and main contents of the audit report have been clearly and accurately written.

As for compliance, the Committee is satisfied with internal processes put in place in 2006 to ensure compliance with current legislation and the Group's internal policies, standards and procedures.

To conclude, the Audit Committee has nothing significant to report, whereby its opinion on 2006 is favourable.

On 21 de February de 2007 the members of the Audit Committee signed to indicate their acceptance of this report on 2006 activities, for its submission to the General Shareholders' Meeting.