Summary

- The company has closed up 2010 first semester with a net result of -7.8 M€, improving same period last year result in 5.9 M€
- In 1H10, despite a low sales volume, the company has been able to raise positive gross margin in both new and old portfolio sales
- It must be pointed out a new portfolio valuation carried out during this period that has led the company to record a new provision of -1.9 M€. This shows that most of the portfolio assets were already market valued
- The market scenario is still complicated, with few transactions and sometimes difficult value references. Despite this, the company is being able to materialize transactions, although they are low volume deals
- In line with its current strategy, Renta Corporación has managed to acquire the investment rights for 20 new operations during 2010, mainly residential buidings in the domestic market

Consolidated profit and loss summary *(€M)*	H110	H109	var.
Sales	25.1	321.1	-92%
Other Revenues	1.3	8.6	-84%
Total revenues	26.4	329.7	-92%
Gross sales margin (1)	2.6	-2.0	-226%
EBITDA	-4.3	-10.0	57%
EBIT	-5.3	-9.7	45%
Net profit	-7.8	-13.7	43%

H109 period includes 281 M€ sales to financial entities

Consolidated balance sheet summary *(€M)*	H110	H109	dif.
Total assets	375.0	461.6	-86.6
Current assets	308.0	388.5	-80.5
Equity	37.1	79.8	-42.7
Financing debt	296.0	321.8	-25.8

The company has reduced its total consolidated balance compared to same period 2009 because of lower inventory due to sales, the reduction on debt related to it and, additionally, the negative result registered in 2010

Datos Operativos Consolidados *(M €)*	H110	H109	dif.
Total investment	9.3	10.3	-1.0
Inventory + Investment rights (Pipeline)	372.1	374.4	-2.3
Inventory	281.8	319.8	-38.0
Investment rights	90.2	54.6	35.6
Net debt	283.1	292.5	-9.4

Still in force the strict investment policy of the company

“Pipeline” in line with H109 levels due to the higher new portfolio investment rights acquisition, and also due to the reception of an asset that was guaranteeing a debt that has been executed during Q210

(1) Gross margin is equal to Sales less Cost of sales

First semester of 2010 is difficult to compare to the same period 2009 in several items because H109 included 281 M€ sales to financial entities within the debt refinancing process

Market situation

- Global economy is controlled by two opposite forces. On the one hand, the positive cyclic boost coming from the emerging economies and partly from USA and, on the other hand, european countries, with high risk premiums and incertainty in the financial markets. The euro zone recovery is forecasted to be slow due to the financial system weakness and the fiscal consolidation.
- In spite of the fact it can be glimpsed a relative stability at a macroeconomic level, the domestic and international real state sector is still affected by the lack of liquidity, an excess of product supply and an economic scenario affected by a major job destruction and the lack of confidence of consumers.
- It is possible to distinguish some differences through the marketplaces where Renta operates, wich is currently focused in the domestic market:
    - Related to the **domestic market**, the **residential market** is focused in the unit by unit sales to final users and investors. The sale of entire buildings is still inactive due to the fact that investors with purchasing capacity to buy a whole building are risk diversifying and buying unit by unit, looking for city center placed assets and attractive prices.
    - The **office market** seems to have some dynamism maybe due to the last tax rate increase. It should be confirmed in next months if this positive trend has only been a consecuence of this policy. Nevertheless, we are beginning to see a stabilization in prime zone yields, a slight income drop and an increase in the number of investors. Despite all this, still few operations are being closed and there is a high price competition because of the lack of high quality assets.
    - The **land market** is still showing practically no demand, except for debt repayment operations. In view of this market stagnation, the most widely accepted strategy is progressing on the urbanistic planning zone projects and adapting the assets to the final users needs, in order to improve the product quality and prepare it for the moment the liquidity will recover.
    - The **international market** is still characterized by a difficult environment, with a low number of transactions and some price instability. However, Paris and Berlin are showing some signs of improvement basically on the residential market, while London and New York are more uncertain markets both in prices as well as in yields and volumes.

Consolidated profit and loss account

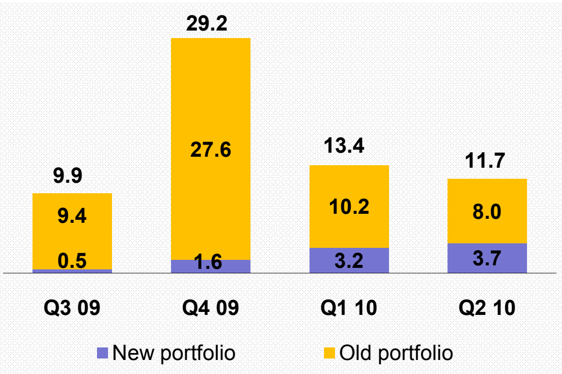
(M €)	H110	% Sales	H109	% Sales	% var
Sales	25.1	100%	321.1	100%	-92%
Other revenues	1.3	5%	8.6	3%	-84%
TOTAL INCOME	**26.4**	**105%**	**329.7**	**103%**	**-92%**
Cost of sales	-22.5	90%	-323.1	101%	-93%
GROSS MARGIN [1]	**2.6**	**10%**	**-2.0**	**-1%**	**-226%**
Sales, admin and payroll expenses	-8.2	33%	-16.6	5%	-51%
EBITDA	**-4.3**	**-17%**	**-10.0**	**-3%**	**57%**
Depreciation, Provisions & Other	-1.0	4%	0.3	0%	439%
EBIT	**-5.3**	**-21%**	**-9.7**	**-3%**	**45%**
Net financial income	-5.4	22%	-9.5	3%	43%
Equity accounting and others	0.0	0%	-0.1	0%	-101%
PROFIT BEFORE TAX	**-10.7**	**-43%**	**-19.3**	**-6%**	**44%**
Taxes	2.9	-12%	5.6	-2%	-48%
NET PROFIT	**-7.8**	**-31%**	**-13.7**	**-4%**	**43%**

[1] Gross margin is equal to Sales less Cost of sales, excluding Other Income

Notes on the results

1- REVENUES

- The accumulated **revenues** at June 2010 are 26.4 M€, significantly below the revenues registered in the same period last year.
- Related to **sales** it must be pointed out that first semester 2009 included the sales to financial entities within the refinancing process which amounted to 281.1 M€ and this fact is nullifying any comparison to H110.
- From total H110 sales amounting to 25.1 M€:
  - **old portfolio** sales stood at 18.2 M€. These sales are 100% focused in the building bussines unit and, geographically, 76% are coming from the international market. In Q210 it has been registered the last operation within the refinancing process, with the sale of an asset in London structured as an unsecured operation.
  - **new portfolio** sales totalled 6.9 M€. All sales are made up of buildings and mainly coming from the domestic market.



New portfolio sales have been gradually increasing during last quarters.

All these sales are made up of buildings and, geographically, mainly coming from the domestic market.

- **Income from rents and others** stood at 1.3 M€ compared with 8.6 M€ in 2009. The decrease in rents revenues is due to the sale of some assets within the agreements of the refinancing deal, that generated substantial rents until May 2009.

2- GROSS MARGIN

- Gross margin on sales stood at 2.6 M€. To interpret this margin properly, we must consider the following:
  - Gross margin of +4.5 M€, made up of +2.2 M€ new portfolio sales and +2,3 M€ old portfolio sales. We must consider two impacts included in the old portfolio margin, i) 1.0 M€ come from the sale of assets and ii) 1.3 M€ come from some provision reversions related to issues yet solved at the date.
  - "Extraordinary" gross margin of -1.9 M€ due to new current portfolio valuation.

3- OVERHEAD EXPENSES

- The group's combined variable, general and personnel expenses came to 8.2 M€ vs 16.6 M€ in 2009, decreasing by more than half. Excluding extraordinary expenses, the overhead costs have reduced by 36%, from 12.5 M€ in H109 to 8.0 M€ in H110. The increasing percentage on sales of these costs is mainly due to the high difference between current and last year sales amount, and it is not explained by the costs development, which have all reduced their total amount.

(M €)	**H110**	***% Sales***	**H109**	***% Sales***	**dif.**	**% Var.**
Sales	**25.1**		**321.1**		**-296.0**	
Sales, G&A, personnel expenses	**8.2**	***32.5%***	**16.6**	***5.2%***	**-8.4**	**-51%**
Excluding extraordinary expenses	8.0	*31.8%*	12.5	*3.9%*	-4.5	-36%
Variable selling expenses	1.9	*7.5%*	8.3	*2.6%*	-6.5	-78%
G&A	2.2	*8.9%*	3.0	*0.9%*	-0.8	-26%
Personnel	4.1	*16.2%*	5.2	*1.6%*	-1.2	-22%

- **Variable selling** expenses stood at 1.9 M€, down 6.5 M€ compared to H109. This significant decrease is due to the selective and conservative policy followed by the company for executing investment rights which implied registering option premium losses amounting to 4.0 M€ during 2009. Operating variable expenses have reduced by 57% in comparison with 2009.

	H110	***% Sales***	**H109**	***% Sales***	**dif.**	**% Var.**
Sales	25.1		321.1		-296.0	
- Operating variable expenses	1.9	*7.5%*	4.3	*1.3%*	-2.4	-57%
- Not executed invest. rights & other related costs	0.0	*0.0%*	4.0	*1.2%*	-4.0	-100%
Variable selling expenses	1.9	*7.5%*	8.3	*2.6%*	-6.5	-78%

- **G&A expenses** in the period are 2.2 M€, down 26% vs H109, a clear reflection of the strict cost control that is still being carried out by the company.

	H110	***% Sales***	**H109**	***% Sales***	**dif.**	**% Var.**
Sales	25.1		321.1		-296.0	
G&A expenses	2.2	*8.9%*	3.0	*0.9%*	-0.8	-26%

- **Personnel expenses** are 4.1 M€ in H110 compared to 5.2 M€ in the same period 2009. This decrese is mainly due to the staff reduction, which went from an average of 92 in H109 to 80 people in H110, and also to the salary policies carried out by the company.

	H110	*% Vtas*	H109	*% Vtas*	dif.	% Var.
- Ordinary personnel expenses	3.9	*15.5%*	5.1	*1.6%*	-1.2	-24%
- Organisational restructuring costs	0.2	*0.7%*	0.1	*0.0%*	0.1	69%
Personnel expenses	4.1	*16.2%*	5.2	*1.6%*	-1.2	-22%

4- FINANCIAL RESULT

- Net financial result stood at -5.4 M€, versus -9.5 M€ at the same period 2009. To correctly interpret this result we must highlight the following:
- Ordinary net financial result in H110 is -2.4 M€, compared to -6.5 M € in H109. This improvement is due mainly to next effects:
  - Net debt average in H110 lower than H109 (281.7 M€ vs 472.5 M€, respectively). Same period last year did not include the total debt decrease resulting from the refinancing process, as it was not closed until May 2009.
  - “All in” interest rate average also lower vs 2009 (2.71% vs 3.76%)

  These positive effects were offset by:
  - Lower interest capitalisation, 0.9 M€ in H110 vs 2.1 M€ in H109
- Result of -0.6 M€ due to hedging and foreign exchange impacts, mainly due to pound and dolar hedging option premiums.
- Within the refinancing deal, it was agreed the cancelation of a hedging on interest rate coming from the previous syndicate loan, which led to an expense of 3.7 M€ in H109.
- Commissions amounting to 1.1 M€ in H110 vs 0.2 M€ in H109 due to the syndicate loan expenses accrual.
- The company has registered a -1.0 M€ financial expense in “other interests” related to the difference between the real financial expense of the syndicate loan and the average margin weighten during its 7 years life length.

(M €)	H110	H109	dif.
Ordinary interest expenses	-3.5	-8.8	5.4
Ordinary interest incomes	0.1	0.2	-0.1
Capitalised interests	0.9	2.1	-1.2
Ordinary net financial result	-2.4	-6.5	4.1
Forex exchange hedging results	-0.6	1.4	-2.0
Interest rate hedging instruments		-3.7	3.7
Commissions	-1.1	-0.2	-0.9
Other interests	-1.3	-0.4	-0.9
Net financial result	**-5.4**	**-9.5**	**4.1**

5- NET PROFIT

- Net result for the H110 is negative of -7.8 M€, which is a 5.9 M€ improvement on the H109 result, which was of -13.7 M€ .
- To interpret this result correctly, it must be pointed out the following gross impacts:
  - Provision on portfolio valuation for a gross amount of -1.9 M€.
  - As a consecuence of a debtor unpayment, the asset guaranteeing the debt has been executed and returned to the company. The impact of that operation in profit and loss account is of -0.4 M€, coming from the difference between the total debt provision (made in 2009 in order to have an streamlined balance sheet) and the returned asset value. This impact has been registered within depreciation and provisions item.

Consolidated balance sheet

Assets *(€M)*	jun-10	dec-09
Long term assets	**67.0**	**64.2**
Inventory	281.8	270.7
Debtors	10.6	31.9
Cash	12.2	22.0
Other current assets	3.3	3.3
Current assets	**308.0**	**328.0**
Total Assets	**375.0**	**392.3**

Equity and Liabilities *(€M)*	jun-10	dec-09
Capital & Reserves	44.9	96.7
Period net profit	-7.8	-54.5
Total Equity	**37.1**	**42.2**
Long term debt	**254.0**	**258.7**
Long term creditors	**27.9**	**29.6**
Short term debt	**41.9**	**44.0**
Short term creditors	**14.0**	**17.7**
Equity and liabilities	**375.0**	**392.3**

Notes on the balance sheet

Assets

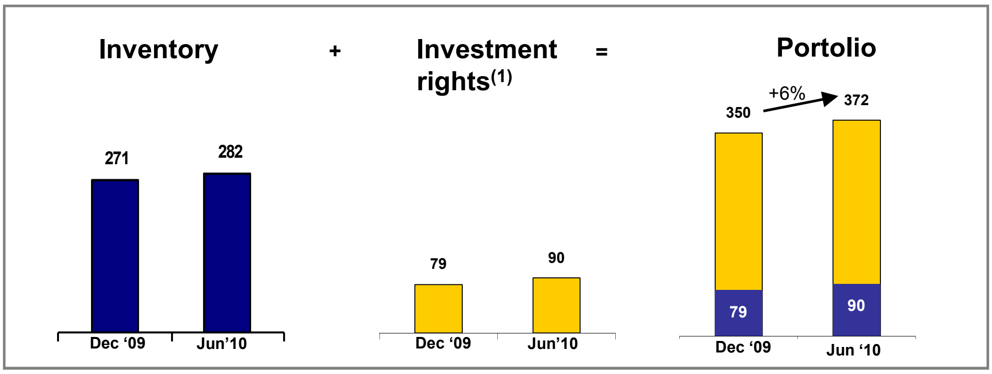
LONG TERM ASSETS

- Long term assets stood at 67.0 M€, approximately at the same level than 2009 year end, which were of 64.2 M€. It must be pointed out the company tax credit amounting to 49.5 M€ in June this year.

(M €)	jun-10	dec-09	dif.
Long term assets	4.2	4.4	-0.2
Long term debtors	12.5	12.5	0.0
Tax credit	49.5	46.1	3.4
Company's holding in MA & others	0.8	1.2	-0.4
Long term assets	**67.0**	**64.2**	**2.8**

INVESTMENT AND PORTFOLIO

- Investment in H110 stood at 9.3 M€, slightly below than the same period of previous year (10.3 M€). That investment amount meets the current company strategy requirements consisting of: i) increasing the value and liquidity of the old portfolio through specific commercial strategies for each asset, and ii) investing in new portfolio assets totally adapted to the new market conditions, focusing on the assets transformation and trying to minimize the acquisition investment in order to bring the asset sale date closer to its purchase date. The investment amount is made up of 7.3 M€ in new portfolio assets, 1.1 M€ in old portfolio assets and 0.9 M€ in interest capitalisation.
- The portfolio (inventory and investment rights) reached 281.8 M€, increasing by 11.1 M€ compared to 2009 year end. This increase is due to the reception of an asset which was guaranteeing a debt that the company has executed. Once the debt has been executed, the related asset has been returned to the company balance sheet at book value of the original purchase operation (22.3 M€). Regarding the portfolio make-up, total inventory is homogeneously divided between buildings and land, and geographically, 94% are domestic market assets.



(1) Investment rights include option premiums under inventory

(M €)	jun-10	dec-09	dif.
Land and Buildings	**277.1**	**266.8**	**10.3**
By geography			
National	259.2	238.4	20.8
International	17.9	28.4	-10.5
By business unit			
Residential and offices	145.7	158.5	-12.8
Land	131.4	108.3	23.1
Purchase option premiums	4.5	3.5	1.0
Old portfolio	2.8	2.8	0.0
New portfolio	1.8	0.7	1.0
Work in progress and other	0.2	0.4	-0.3
TOTAL Inventory	**281.8**	**270.7**	**11.1**

(*) It includes 2 assets amounting to 57,5 M€ that could be classified as land depending on the strategy finally carried out by the company

- Investment rights stand at 90.2 M€. We must distinguish between:
  - Old portfolio investment rights of 44.8 M€, amount that remains stable compared to 2009 year-end. It is made up of land in the domestic market. The aim of the company is reconsidering the project continuity depending on how well the asset adapts to the market conditions and the company strategy once the expiration date arrives. As a consecuence, there is a high probability to non execute these options.
  - New portfolio investment rights amounting to 45.4 M€, relating to assets that totally meet the new market requirements. It is made up of residential buildings with an average acquisition investment around 2.5 M€, mainly in the domestic market. These investment rights have increased in 10.8 M€ as a consecuence of the growing company activity in new portfolio assets.

(M €)	jun-10	dec-09	dif.
Investment rights	**90.2**	**79.4**	**10.8**
Old portfolio	44.8	44.8	0.0
New portfolio	45.4	34.6	10.8

DEBTORS

- The breakdown of debtors is as follows:

(M €)	jun-10	dec-09	dif.
Trade debtors & receivables	1.4	26.2	-24.8
Accrued Taxes	6.6	2.1	4.5
Other debtors	2.6	3.6	-1.0
Debtors	**10.6**	**31.9**	**-21.3**

- At the end of H110 the balance of trade debtors & receivables is 1.4 M€, decreasing by 24.8 M€ compared to December 2009. That decrease is mainly due to a debt which was guaranteed with an asset. Due to the debt unpayment, the asset has been executed and added back to the company inventory. The impact of that operation in the profit and loss account has been of -0.4 M€ due to the fact that almost all the difference between the total debt and the returned asset value was provisioned in the past. The debt will yet follow its course and will be judicially claimed.
- Accrued taxes amount to 6.6 M€, increasing by 4.5 M€. Part of this increase is due to the VAT pending to recover coming from the operation described in the former point.

Equity

- Equity stands at 37.1 M€, decreasing by 5.1 M€ in comparison to 42.2 M€ at year end 2009. This decrease is mainly due to the losses registered during H110, partially offset by an increase in cumulative translation differences resulting from the higher equity value in USA caused by the dolar appreciation.

(M €)	jun-10	dec-09	dif.
Capital & Reserves	44.9	96.7	-51.7
Period net profit	-7.8	-54.5	46.7
Equity	**37.1**	**42.2**	**-5.1**

Liabilities

CREDITORS

(M €)	jun-10	dec-09	dif.
Accrued Taxes	20.0	22.3	-2.3
Suppliers	7.0	9.9	-2.8
Deposits on pre-sales	0.5	0.5	0.1
Other Creditors	14.4	14.7	-0.3
Short & long term creditors	**42.0**	**47.3**	**-5.4**

- Short & long term creditors at the end of H110 stood at 42.0 M€, decreasing by 5.4 M€ in comparison to december 2009. It must have been pointed out:
  - Deferral on VAT given by the Treasury Department amounting to 20.0 M€ and for a term as far as 4 years. From the begining of the year, 2.3 M€ have been repaid.
  - Suppliers stood at 7.0 M€, 2.8 M€ lower than year end 2009.
  - Deposits on pre-sales amount to 0.5 M€ and they are related to a future sales volume of around 17 M€, focused on new portfolio (70%).
  - Other creditors remain stable compared to december 2009 at 14.4 M€. This amount is including provisions, accrued and deferred taxes.

FINANCIAL DEBT

- Net debt at june 2010 stood at 283.1 M€, up 5.5 M€ compared to year end 2009 due to the financial interest capitalisation.
- Leverage ratio was 88.4%, increasing in 1.6 p.p. vs december 2009, basically due to the equity decrease in H110 and the lower cash amount. The table below shows changes over the period, by headings:

(M €)	jun-10	dec-09	dif.
Syndicated loan (*)	254.0	250.5	3.6
Operations with mortgage guarantee	37.5	49.3	-11.8
Other financial debt	4.5	2.8	1.7
Cash and short term deposits	-12.9	-24.9	12.1
Total Net Debt	**283.1**	**277.6**	**5.5**
Net debt / (Net debt + Equity)	88.4%	86.8%	+1.6pp

(*) The amount is the total disposed loan reduced by the capitalised commissions corresponding to the refinancing process

- The average net debt balance at H110 is 281.7 M€ compared to 381.5 M€ in 2009.
- At june 2010 the balance is 37.5 M€ on mortgages, 11.8 M€ down vs year end 2009.

Outlook for the future

- The future is still unclear with respect to the recovering on demand and also the re-establishment of credit facilities to real estate potential buyers. Significant changes in that situation are not forecasted for the short-medium term.
- Despite all this, the company has been able to find a market niche to operate and generate margin. From the beginning of this year, Renta Corporación has acquired purchase options over 20 new operations, added to the inventory assets coming from previous year. Some of this assets has already been sold and some other are in an advanced stage of the transformation and sale process all of them reaching the requirement of generating positive margin.
- The company keeps focused in the same strategic lines that were comunicated in 2009:
    - Old portfolio assets refurbishment and sale, always looking for the most appropiate divestment strategy
    - Margin generation through the acquisition, transformation and sale process of assets that meet the new market requirements. The company is focused on well located residential assets in the market places where the company currently operates, mainly in the domestic market, with a low investment volume and trying to maximize the asset yield by adding value through the same transformation process that has been historically carried out by the company
    - Intensive overheads cost control

Other information

1- MAIN MATERIAL EVENTS AND OTHER COMMUNICATIONS

- Of all material events reported to the Spanish Securities and Investment Board since January 2010 until now, the following are worth highlighting:
    - 07/01/2010 Registration of the capital increase and verification of the new issued shares.
    - 08/01/2010 Change of the material event nº 118.566 typology to "Trading: admissions, changes and removals".
    - 18/02/2010 The company announces the date of publication of the report for the January-December 2009. Conference call notification.
    - 19/02/2010 Resolution of the shareholders agreement signed on the 24/02/2006.
    - 25/02/2010 The company posts information about January-December 2009.
    - 25/03/2010 The Company Board of Directors approves and draws up the Individual and Consolidated Annual Accounts as well as the Annual Management Report. Both the Annual Corporate Governance Report and Article 116b of the Securities Exchange Act corresponding to year end 2009 were also approved.
    - 25/03/2010 The company posts the 2009 Corporate Governance Annual Report.
    - 25/03/2010 The company posts the report on Article 116b of the Securities Exchange Act.

- 29/04/2010 The company posts information about Q110.
- 29/04/2010 Announcement of the Board of Directors resolutions held on the 28th April 2010: announcement of the Ordinary General Meeting of Shareholders.
- 08/06/2010 Approval of proposals for resolution of the Ordinary General Meeting of Shareholders held on the 8th of June 2010.
- 15/07/2010 The company announces the date of publication of the report for January-June 2010. Conference call notification.

2- CHANGES IN THE BOARD OF DIRECTORS

June 2010:

- Re-election by the Annual General Meeting of Shareholders of Mr. Luis Hernández de Cabanyes, Mrs. Esther Elisa Giménez Arribas and Mrs. Elena Hernández de Cabanyes and subsequent ratification or amendment of his post.
- Re-election of Mr. Luis Hernández de Cabanyes as president of the Board of Directors and Chief Executive Officer of the Company for an additional period of time of 6 years from the date of approval of the Annual General Meeting of Shareholders.

Department of Planning, Analysis and Investor Relations
r.inversores@rentacorporacion.com
Investor Relations: +34 93 363 80 87
Switchboard: +34 93 494 96 70
www.rentacorporacion.com