

## SUMMARY

- Significant increase in investments (€203.2 million), which are three times as high as Q1 2005
- Satisfactory results for the quarter:

Operating Profit (EBIT)	Profit	Gross Margin	Investment	Inventory + Investment rights
€17.6 million	€10.0 million	€26.3 million	€203.2 million	€93.2 million
+35.0%	+ 12.8%	+ 53.6%	+ 240.4%	+132.3%

► When comparing with the results from the same period of the previous year, it is important to bear in mind the different characteristics of the operations that generate them.

- The size of inventories together with the investment rights bring high visibility to the 2006-2007 period.
- Results consistent with growth and profit goals for 2006.
  - Increase in profit > 35%
- During Q1 the Company completed the process of becoming a public listed company, with its shares being quoted for the first time on 5 April 2006.

Consolidated Profit and Loss Account (€ million)	Q1 2006	% Sales	Q1 2005	% Sales	% incr.
Sales	129.6	100%	67.7	100%	91.4%
Total revenue	131.1	101%	68.3	101%	92.1%
EBITDA	17.7	14%	13.1	19%	35.1%
EBIT	17.6	14%	13.1	19%	35.0%
<b>Profit attributable to shareholders</b>	<b>10.0</b>	<b>8%</b>	<b>8.8</b>	<b>13%</b>	<b>12.8%</b>
No. of shares (million)	21.9		21.95 <sup>(1)</sup>		0.0%
<b>PPS - Profit per share attributable to shareholders (€)</b>	<b>0.45</b>		<b>0.40</b>		<b>12.8%</b>

Consolidated Balance Sheet Summary (€ million)	Q1 2006	Q1 2005	Var.
Total assets	574.6	289.2	285.4
Current assets	571.6	285.8	285.8
Equity <sup>(2)</sup>	84.7	61.2	23.5
Financial debt	402.9	194.4	208.5

Ratios	Q1 2006	Q1 2005
Gross margin % / Cost of sales	25.5%	33.9%
Gross margin % / Sales	20.3%	25.3%
EBITDA / Total revenues	13.5%	19.2%
EBIT / Total revenues	13.5%	19.2%
Profit attributable to shareholders / Total revenues	7.6%	13.0%
Leverage (Net Debt/ Net Debt + Equity)	82%	76%

Consolidated Operating Data (€ million)	Q1 2006	Q1 2005	% incr.
Gross sales margin <sup>(3)</sup>	26.3	17.1	53.6%
Total Investment	203.2	59.7	240.4%
Inventories	425.8	243.3	75.0%
Investment Rights	567.4	184.2	208.0%
Pre-sales	143.0	76.7	86.5%

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

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

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

## BUSINESS EVOLUTION

- During the first quarter the Company made acquisitions worth €184.4 million and the total investment was €203.2 million.
  - ▶ This level of investment is three times that of the same period of 2005.
- At the end of the first quarter the Company had inventories worth €425.8 million as well as investment rights worth €567.4 million.
  - ▶ Investment rights falling due in 2006 were worth €280.2 million.
  - ▶ The combination of inventories and investment rights described here is a key element in the evolution foreseen for the company in the period 2006-2007.

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- Operating profit (EBIT) was €17.6 million, up 35%, and net attributable profit was €9.98 million, an increase of 12.8% over the €8.85 million of Q1 2005.
- Gross sales margin was €26.3 million (up 53.6%).
  - ▶ Margin on cost of sales was 25.5%
- Revenues were in excess of €131 million, up 92.1%.
  - ▶ The greatest growth came from the sale of residential property (Residential Refurbishing business unit) in Barcelona and Paris.

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- Q1 2006 profitability, as frequently occurs in short time frames, does not match the goal for the whole financial year. In this case it is slightly lower than the goal and it is not strictly comparable with that of Q1 2005:
  - ▶ Presence in Q1 2005 of two operations with exceptionally high margins.
  - ▶ The margins generated in Q1 2006 were obtained without any sale operation in Land Transformation.
- The rate of tax in Q1 2005 was lower than that of Q1 2006, which is considered to be standard for the entire financial year 2006.

## OTHER INFORMATION

### **STOCK EXCHANGE LISTING**

- During Q1 2006 the Company took all necessary procedures to float the company's shares on the Barcelona and Madrid Stock Exchanges, through a public stock offer of 5.2 million shares and a public rights offering of 2 million shares, as detailed in the Prospectus lodged in the official records of the CNMV as of 16 March.
- The shares were floated on 5 April 2006, and on this same date trading commenced, with the inclusion of the shares in the Stock Exchange Interconnection System (Continuous Market).
- To execute the subscription option (green shoe) granted to the underwriters, as specified in the above-referenced Prospectus, the Company issued 1.08 million shares, which were floated on 12 April 2006.
- Following these operations, the share capital now stands at 25.1 million shares, represented by 25,029,301 shares with an individual face value of €1, with equal voting and financial rights. Shareholders funds have grown by approximately €80 million.

### **OUTLOOK**

- The Q1 results are consistent with the 2006 Operating Plan which aims for growth in excess of 35%, i.e. a net profit in excess of €44 million.
- This result, together with the levels of investment and inventories, profit margins and associated parameters, are also consistent with the 2005-2008 Strategic Plan, which in three years aims to, as minimum, double the main figures and in particular the EBITDA and the annual profit attributable to shareholders.

**CONSOLIDATED PROFIT AND LOSS STATEMENT**

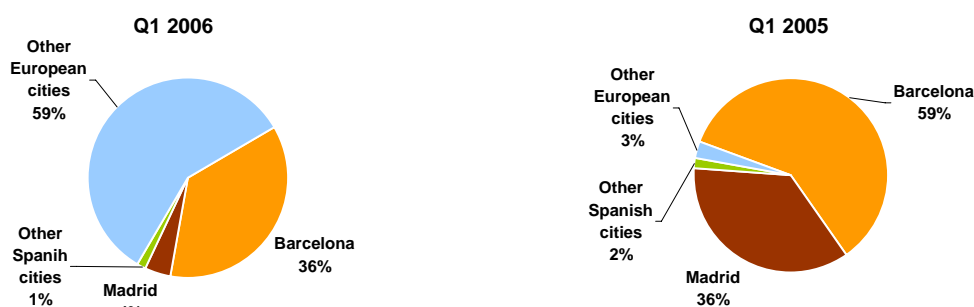
Amounts in € million	Q1 2006	% Sales	Q1 2005	% Sales	% incr.
Sales	129.6	100%	67.7	100%	91.5%
Other revenues	1.5	1%	0.6	1%	170.2%
<b>TOTAL INCOME</b>	<b>131.1</b>	<b>101%</b>	<b>68.3</b>	<b>101%</b>	<b>92.1%</b>
Cost of sales	-103.3	80%	-50.6	75%	104.2%
Selling, general and payroll expenses	-10.1	8%	-4.5	7%	122.0%
<b>EBITDA</b>	<b>17.7</b>	<b>14%</b>	<b>13.1</b>	<b>19%</b>	<b>35.1%</b>
Amortisation	-0.1	0%	0.0	0%	
Provisions	0.0	0%	0.0	0%	n/a
<b>EBIT</b>	<b>17.6</b>	<b>14%</b>	<b>13.1</b>	<b>19%</b>	<b>35.0%</b>
Net financial profit	-2.2	2%	-1.2	2%	83.8%
Share of P&L of associates	-0.2	0%	0.2	0%	n/a
<b>PROFIT BEFORE TAX</b>	<b>15.2</b>	<b>12%</b>	<b>12.1</b>	<b>18%</b>	<b>25.7%</b>
Taxes	-5.2	4%	-3.2	5%	65.8%
Minority interest	0.0	0%	-0.1	0%	-100.0%
<b>PROFIT ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>10.0</b>	<b>8%</b>	<b>8.8</b>	<b>13%</b>	<b>12.8%</b>
<b>Gross margin <sup>(1)</sup></b>	<b>26.3</b>	<b>20%</b>	<b>17.1</b>	<b>25%</b>	<b>53.6%</b>
No. of shares (million)	21.95		21.95 <sup>(2)</sup>		0.0%
<b>PPS - Profit per share attributable to shareholders (€)</b>	<b>0.45</b>		<b>0.40</b>		<b>12.8%</b>

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

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

**Notes on the Results**
**Sales and Gross sales margin**

- Sales grew faster than gross margin (91% and 54% respectively) for three main reasons:
  - ▶ Q1 2005 included two sales with exceptionally high margins.
  - ▶ No sales were booked in Q1 2006 by the Land Transformation business unit (although the contribution made by this unit is expected to increase during the year).
  - ▶ Furthermore one operation of significant size and fast turnaround was booked in the quarter, but with a lower than usual margin (acquisition and sale in Q1 with the transformation of the property concentrated in the option period).
- Sales and Gross sales margin of the Residential Refurbishment business unit made a major contribution to first quarter growth in 2006 when compared with the same period of 2005.
- From the geographic point of view, Paris accounted for more than half of all sales:



NOTE: Details of the pre-sales are included in the "Liabilities" section of the "Notes to the Balance Sheet"

**Notes on the results (continued)****Profit Before Tax**

- **Selling, general and payroll expenses** came to €10.1 million in the first quarter, with an increase of €5.6 million.
  - ▶ Variable operating expenses were up to €3.4 million (from €1.1 to €4.5 million) due to the sharp growth in volume. These were selling and taxes expenses related to operations.
  - ▶ General expenses grew by 23.5%(+ €0.4 million). This increase is consistent with the Operational Plan for 2006.
  - ▶ Payroll expenses grew by €1.7 million. The increase was due mainly to the following:
    - ▶ Average workforce increased by 23 people (+ €0.5 million), mainly in the land, technical and administration and finance departments.
    - ▶ Variable compensation based on meeting goals (+ €0.6 million).
    - ▶ Annual increase of wages and salaries (+ €0.3 million).
- **EBITDA** was up to 35.1% reaching €17.7 million and **Operating profit (EBIT)** was up to 35% reaching €17.6 million.
- The **Net financial profit** was -€2.2 million as a result of the investment effort required for the expansion process.
  - ▶ Financial expenses amounted to €3.6 million; €1.4 million of these have been capitalised and added to the value of the investment.
- **Profit before tax** grew 25.7% to €15.2 million.

**Net Attributable profit**

- The **effective tax rate** in Q1 2006 was 34%, and this rate is considered standard for the whole financial year. It compares with 26% in the same period of 2005.
- **Year to date attributable profit** was €9.98 million, which represents an increase of 12.8% on the €8.85 earned in Q1 2005.
- **Profit per share attributable to shareholders (PPS)** for Q1 2006 was €0.45, or 12.8% higher than the equivalent quarter of 2005 in comparative terms.

## CONSOLIDATED BALANCE SHEET

Assets (€million)	March 06	Dec 05
<b>Long term assets</b>	<b>3.0</b>	<b>2.2</b>
Inventories	425.8	323.5
Debtors	129.0	62.3
Cash	13.1	3.2
Other working capital	3.7	3.1
<b>Current assets</b>	<b>571.6</b>	<b>392.1</b>
<b>Total Assets</b>	<b>574.6</b>	<b>394.3</b>

Liabilities (€million)	March 06	Dec 05
Capital	21.4	21.4
Reserves	53.3	30.5
Profit to date	10.0	32.5
Minority holdings	0.0	0.6
<b>Total Net Worth</b>	<b>84.7</b>	<b>85.0</b>
<b>Short term creditors</b>	<b>87.0</b>	<b>93.2</b>
<b>Financial debt (short term)</b>	<b>402.9</b>	<b>216.1</b>
<b>Total Liabilities</b>	<b>574.6</b>	<b>394.3</b>

### Notes on the Balance Sheet

#### Assets

##### ● Inventories, Investments and Investment Rights

At the end of the first quarter, Renta Corporación owned **Inventories** valued at €425.8 million. Properties were acquired during the period for €184.4 million. Total **Investment** volume was €203.2 million

In addition, the Company owns **Investment Rights** (that means purchase options that give the right to acquire properties) worth €567.4 million of which €280.2 million with fall due in 2006, fact highly positive and relevant.

#### Inventories

	By geographic distribution		
	march 06	dec 05	Var.
<b>Land and Buildings</b>	405.2	305.5	99.7
Barcelona	272.8	188.3	84.5
Madrid	33.9	25.8	8.1
Other Spanish cities	5.7	7.0	-1.3
Other European cities	92.8	84.5	8.3
<b>Work in progress</b>	<b>1.3</b>	<b>1.3</b>	<b>0.0</b>
<b>Purchase option premiums</b>	<b>19.4</b>	<b>16.7</b>	<b>2.7</b>
<b>TOTAL Inventories</b>	<b>425.8</b>	<b>323.5</b>	<b>102.3</b>

	By business unit		
	march 06	dec 05	Var.
<b>Land and Buildings</b>	405.2	305.5	99.7
RR	148.7	128.1	20.6
BT	84.8	70.7	14.1
LT	171.7	106.8	64.9

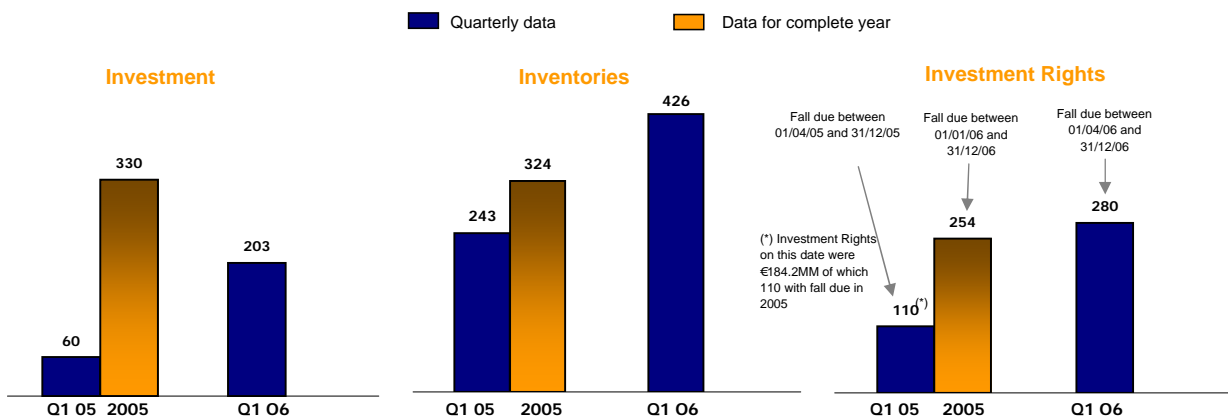
#### Purchase Options:

	Investment Rights	567.4	513.2	54.2
Year 2006	280.2 <sup>(1)</sup>	254.5 <sup>(2)</sup>	25.7	
> Year 2006	287.2	258.7	28.5	

(1) corresponding to 9 months

(2) corresponding to 12 months

#### Evolution charts (€million)



▶ Significant investment effort in Q1 2006

▶ Increase in inventories, key for the visibility of the business

▶ Complementary visibility due to increase in investment rights

● The increase of €66.7 million in **Debtors** corresponds mainly to one outstanding collection which at the time of going to press of this report, had been paid.

Notes on the Balance Sheet (continued)

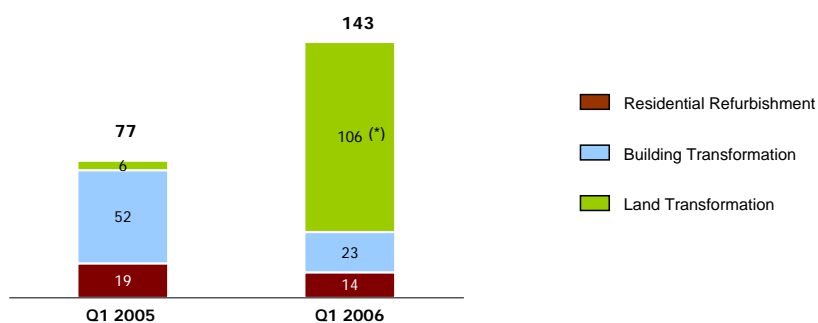
Liabilities

- **Short term creditors** (€87 million at the close of Q1 2006) was made up as follows:

▶ Accrued Taxes:	€21 million
▶ Suppliers:	€42 million
▶ Deposits:	€16 million <sup>(1)</sup>
▶ Other Creditors:	€8 million

(1) The following graph shows the pre-sales for which deposits have been paid as of the end of Q1 compared with the previous year:

Pre-sales by business unit (€million)



(\*) A significant portion of the pre-sales are subject to successful completion of planning formalities. Therefore, the accounting time cannot be determined in advance.

- The balance of **Net Debt** stands at €389.8 million (€212.9 at the close of 2005). The chart gives a breakdown in the period:

	Q1 2006	31/12/2005
Operations with mortgage guarantee	284.8	163.3
Additional sums available under loan agreements	116.6	51.1
Interest due and other financial debts	1.5	1.7
Cash	-13.1	-3.2
<b>Total Net Debt</b>	<b>389.8</b>	<b>212.9</b>
Net Debt / (Net Debt + Equity)	82%	71%