RENTA CORPORACIÓN

Quarterly Report : FY 2006 Results

Summary

- **Excellent results in 2006: Net profit of €47.5 M, 46% up on 2005 and 8% above the Company's strategic plan for 2006 (€44 M).**
  - **ROE of 31.4% in 2006 and ROA of 12.1%.(*)**
- **Strong growth in sales, profit and investment:**
  - **Sales €590.0 M (+84%), net distributable profit €47.5 M (+46%), investment €864.2 M (+161%).**
- **Strong pipeline profitability: inventory levels together with investment rights at year-end ("pipeline") signals significant profit for the 2007 – 2009 period.**
- **A particularly significant increase in PPS, up by 28%, given the larger number of shares as a result of the capital increase at the time of the IPO (from €1.48/share in 2005 to €1.90/share at 2006 year end).**

- Salient figures at 2006 year end:

Sales	Attributable profit	Gross Margin	Investment	Inventory + Investment rights
€590.0 M *+84%*	€47.5 M *+46%*	€121.4 M *+55%*	€864.2 M *+161%*	€1,095.7 M *+30%*

- Growth targets under the 2007-2008 Strategic Plan have been revised upwards significantly in the last quarter (see page 4, "Goals and Outlook").
- In H1 2006, the Company went public (PSO / PRO), and its shares started trading on 5 April 2006.

	January-December				
Consolidated Profit and loss summary *(€ M)*	**2006**	***% Sales***	**2005**	***% Sales***	**% incr.**
Sales	590,0	*100%*	320,8	*100%*	84%
Total revenues	596,2	*101%*	324,1	*101%*	84%
Gross sales margin (1)	121,4	*21%*	78,2	*24%*	55%
EBITDA	77,4	*13%*	54,0	*17%*	43%
EBIT	77,0	*13%*	53,7	*17%*	43%
Profit attributable to shareholders	**47,5**	***8%***	**32,5**	***10%***	**46%**
No. of shares (M)	25,03		21,95 (3)		14%
PPS - Profit per share attributable to shareholders (€) (2)	**1,90**		**1,48**		**28%**

Consolidated Balance Sheet Summary *(€ M)*	**2006**	**2005**	**Var.**
Total assets	889,3	394,3	495,0
Current assets	881,1	392,1	489,0
Net equity (4)	203,9	85,0	118,9
Financial debt	507,3	216,1	291,2

Ratios	**2006**	**2005**
Gross margin % / Cost of sales	25,9%	32,2%
Gross margin % / Sales	20,6%	24,4%
EBITDA / Total revenues	13,0%	16,7%
EBIT / Total revenues	12,9%	16,6%
Profit attributable to shareholders / Total revenues	8,0%	10,0%
Leverage (Net Debt/ Net Debt + Equity)	71%	71%

Consolidated Operating data *(€ M)*	**2006**	**2005**	**% incr.**
Total investment	864,2	330,6	161%
Inventory	710,2	323,5	120%
Investment rights	385,5	517,8	-26%
Pre-sales	299,2	83,4	259%

Barcelona

London

(*) ROE / ROA calculated as Net Profit / average monthly shareholder´s Funds and EBIT / average monthly Net Assets, respectively

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

(2) Basic Earnings per share are €1.97, based on the w eighted average number of shares in circulation excluding treasury shares. Up to 33% versus 2005.

(3) Adjusted for the share split approved by the General Meeting of 22 April 2005

(4) Net equity is equal to shareholders' funds plus minority holdings

Business evolution

- Acquisitions and Investment. At €864.2 M, total investment volume was almost three times that of 2005.

. Acquisitions stood at €769 M, 80% of them in the Spanish market and 20% internationally. In 2006 the company gained a stronger presence in the international market, with acquisition investment increasing from €79 M in 2005 to €155 M in 2006.

  - Paris has doubled its investment, standing at €144 M, and the Company now has a new office in Berlin, investing in operations worth €18 M in 2006.

- Inventory and Investment rights. At year end, the company held inventory valued at €710.2 M and investment rights of €385.5 M.

  - Added together, inventory and investment rights ("pipeline" €1.096 M) yield strong visibility in terms of company evolution in the period 2007 – 2009.

- Sales revenues. Sales revenues reached €590 M, €269 M up on 2005.

  - The three business units experienced significant growth, in excess of 70%.

  - The Residential Refurbishment business unit accounts for 52% of total sales, with Barcelona and Paris accounting for the unit's growth versus the same period last year.

- Gross Margin. Gross sales margin was €121.4 M (+ 55%), with gross margin on cost of sales of 25.9%, within the target 25-30% range. Average profitability in 2006 was not helped by impacted by certain operations which had a very quick turnover but lower than average margins.

  - Inventory turnover. The 12-month turnover target improved considerably in 2006, from 11,2 months in 2005 to 8.3 months in 2006.

- EBIT and Net profit. Operating profit (EBIT) was up by 43%, reaching €77.0 M and attributable net profit €47.5 M, 46% up on €32.5 M at 2005 year end. EBIT shows a margin on revenues of 13% and net profit of 8%.

- Quarterly Seasonality. Seasonality of profit was reduced significantly in 2006 compared with 2005, where the lion's share of business was done in Q4.

- Corporation tax. The effective tax rate at 2006 year end was 33%, unchanged from 2005.

Other information

1. GOING PUBLIC

- In Q1 2006 the Company followed the required procedures to qualify for listing in the Barcelona and Madrid Stock Exchanges, through an Initial Public Offering for a total 5.2 M shares and a Public Rights Offering for 2 M shares, as detailed in the relevant Prospectus lodged with the official registries of the Spanish Securities and Investment Board on 16 March.

- Accordingly shares were listed on 5 April 2006, started trading on the same date and were included in the Spanish Continuous Market.

- Exercising the green-shoe option granted to the underwriters, the Company issued 1.08 M additional shares, which began to be traded on 12 April 2006.

- Following these operations, share capital rose to €25.0 M represented by 25,029,301 shares with a €1 par value, with equal voting and financial rights, increasing shareholders funds by approximately €80 M.

- Profit for 2006 includes one-off costs of approximately €1.6M related to listing of the Company.

2. MAIN MATERIAL EVENTS AND OTHER NOTICES (*)

- (*) Reported to the Spanish Securities and Investment Board since registration date of the Offering Prospectus – 16 March 2006 up until publication of these results:

► 28/03/2006	Setting of Maximum Price of the Offering's Retail Tranche and signature of Underwriting and Placement Agreement for Retail Tranche.
► 03/04/2006	Setting of Price for the Offering's Qualified Investor Tranche, signature of Underwriting and Placement Agreement for Qualified Investor Tranches and allotment of shares under the Retail Tranche.
► 04/04/2006	Information on demand for the Offering's various Tranches.
► 05/04/2006	Listing of Company shares on the Stock Markets of Barcelona and Madrid.
► 07/04/2006	Exercising of green-shoe option granted to the Offering's underwriters.
► 25/04/2006	Information on lodging with the Companies Registry of an Agreement reached by Company Shareholders as regulating certain restrictions on unrestricted transfer of Company shares.
► 27/04/2006	Company sends information on its results in Q1 2006.
► 04/05/2006	Q1 2006 Results.
► 10/05/2006	Para-corporate agreements. Lodging of supplementary information on material event reported on 25/04/2006 regarding the agreement signed by several Company shareholders.
► 19/05/2006	Morgan Stanley & Co as Global Coordinator and stabilising agent for the Initial Public Offering and Public Rights Offering of Renta Corporación Real Estate, S.A., lodges relevant information.
► 01/06/2006	Company sends general presentation.
► 15/06/2006	Information on approval of a buyback programme of own shares and approval for derivative acquisition of own shares.
► 06/07/2006	Company sends information on its temporary own share buyback programme. » Subsequent notices on: 19/07/2006, 05/09/2006, 22/09/2006, 08/11/2006, 09/01/2007.
► 27/07/2006	H1 2006 Results.
► 27/07/2006	Changes in the Board and other Governing Bodies. Material events on remuneration systems.
► 26/10/2006	Results January-September 2006.
► 26/10/2006	Modifications on the share buyback programme.
► 18/12/2006	Mandate and underwriting agreement signed to secure syndicated finance.
► 25/01/2007	Proposal to appoint a new Chief Executive Officer.
► 14/02/2007	The Company reports signature of a commercial loan agreement for 500 M euros.

3. CHANGES IN THE BOARD

- July 2006:
  - At the proposal of the Appointments and Remuneration Committee, appointments of Carlos Tusquets Trías de Bes and Pedro Nueno Iniesta were changed from "Director representing substantial shareholders" to “External Independent Director”, and from “External Independent Director" to "Other External Director”, respectively.
  - At the proposal of the Appointments and Remuneration Committee, Esther Giménez Arribas was appointed Company Secretary, replacing César A. Gibernau Ausió.
- December 2006:
  - At the proposal of the Appointments and Remuneration Committee, it was agreed to submit to the General Meeting of Shareholders the appointment of Enric Venancio Fillat as Executive Director.
- January 2007:
  - At the proposal of the Appointments and Remuneration Committee, an agreement was reached to propose César Bardají Vicancos to the General Meeting of Shareholders as Executive Director and, with the due agreement of the Meeting, to appoint him as Chief Executive Officer, following Josep Mª Farré's decision to vacate his position in the company.

4. GOALS AND OUTLOOK

- Growth targets under the 2007 & 2008 Strategic Plan were reviewed upwards in October 2006, establishing the following benchmark parameters:
  - Net profit growth rate: 30% per annum
  - 2008 net profit target: >€75 M (previous target €65 M)
  - Normalised investment volume: €750 M per annum

Paris

Consolidated Profit and Loss Account

Amounts in € M		2006	% Sales	2005	% Sales	% incr.
		January-December				
	Sales	590,0	100%	320,8	100%	84%
	Other revenues	6,2	1%	3,3	1%	89%
TOTAL INCOME		**596,2**	101%	**324,1**	101%	**84%**
	Cost of sales	-468,7	79%	-242,7	76%	93%
Gross margin [1]		**121,4**	21%	**78,2**	24%	**55%**
	Selling, general and payroll expenses	-50,2	9%	-27,4	9%	83%
EBITDA		**77,4**	13%	**54,0**	17%	**43%**
	Depreciation and provisions	-0,3	0%	-0,3	0%	16%
EBIT		**77,0**	13%	**53,7**	17%	**43%**
	Net financial profit	-10,0	2%	-4,9	2%	105%
	Share of P&L of associates and others	3,9	1%	0,0	0%	n/a
PROFIT BEFORE TAX		**70,9**	12%	**48,7**	15%	**45%**
	Taxes	-23,4	4%	-16,1	5%	45%
	Minority holdings	0,0	0%	-0,1	0%	-100%
PROFIT. ATTRIBUTABLE TO SHAREHOLDERS		**47,5**	8%	**32,5**	10%	**46%**
No. of shares (mill.)		25,03		21,95 [2]		14%
PPS - Profit per share attributable to shareholders (€)		**1,90**		**1,48**		**28%**

[1] Gross margin is equal to Sales less Cost of sales
[2] Adjusted for the share split approved by the General Meeting of 22 April 2005

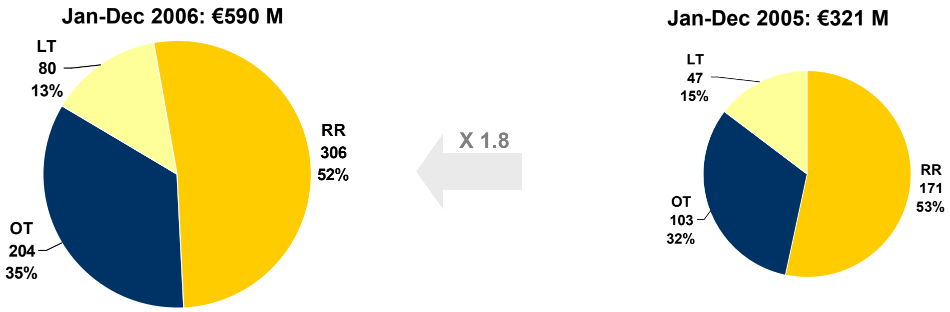
Notes on Company results

Sales and Gross sales margin

1. SALES

- Sales revenues reached €590 M, 84% up on 2005 (€320.8 M)
  - All three business units have experienced sales growth in excess of 70%.
  - The Residential Refurbishment business unit accounts for 52% of total sales, with Barcelona and Paris accounting for the unit's growth with respect to the previous year.

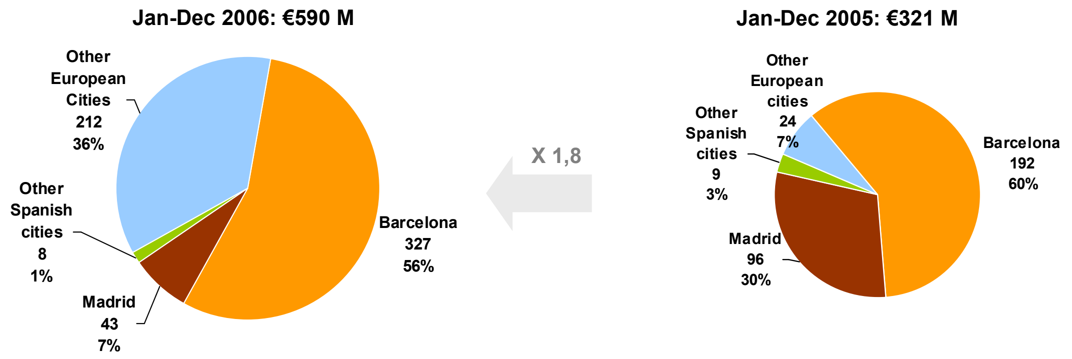
SALES BY BUSINESS UNIT



- Mix by business units has remained stable compared to 2005. Residential Refurbishment and Office Transformation continue to hold the lion's share of Company sales (87%).

NOTE: "RR": Residential Refurbishment, "OT": Office Transformation, "LT": Land Transformation

GEOGRAPHICAL DISTRIBUTION OF SALES



- Geographically, Barcelona and Paris accounted for the majority of sales in 2006, approximately 86%.
- Growth and consolidation in the international market.
  - Paris is consolidated as a key city, sales were €181 M , multiplying its sales by 8.
  - A new office was set up in Berlin, already in the first year has reported sales (€10 M) accounting for 5% of all international sales.

NOTE: Information on presales can be found in the "Liabilities" section under "Notes on the Balance Sheet".

2. GROSS MARGIN

- Gross sales margin was €121.4 M (up 55% on 2005), with profit on cost of sales of 25,9% (32,2% at the close of 2005). Average profitability in 2006 was not helped by certain operations which had a very quick turnover but lower than average margins.
  - Annual profitability is within the target range of 25% - 30% set by the Company.
  - Inventory turnover for 2006 was considerably better than 2005, standing at 8.3 months versus 11.2 in 2005.

Pre-tax profit

1. SELLING, GENERAL AND PERSONNEL EXPENSES

	2006	% Sales	2005	% Sales	Var	% Incr
Sales	590,0		320,8		269,2	84%
- Variable operational selling expenses	16,8	*2,8%*	9,1	*2,8%*	7,6	84%
- 2006 Non-recurring expenses	3,4	*0,6%*				
Variable selling expenses	20,2	*3,4%*	9,1	*2,8%*	11,1	121%

- Variable selling expenses, which include selling and taxation, increased by €11.1 M (from €9.1 M to €20.2 M), due to strong sales growth and mix. Furthermore, the percentage on sales stands at 3.4%, higher than the 2005 figure of 2.8%. This increase is due to the higher sales volume in France, with higher than average taxes, and to provision for tax risks.

	2006	% Sales	2005	% Sales	Var	% Incr
Sales	590,0		320,8		269,2	84%
- Operational general expenses	11,6	*2,0%*	9,2	*2,9%*	2,4	27%
- 2006 Non-recurring expenses	3,2	*0,5%*				
General expenses	14,8	*2,5%*	9,2	*2,9%*	5,6	61%

- General expenses rose by €5.6 M to €14.8 M.

- In H1 2006 there was a one-off charge of €2.8 M for dead-deal costs (including option premiums), as follows: €2.5 M for two Land Transformation operations and €0.3 M for another two in Residential Refurbishment. The Company decided to pull out of these deals in order to focus on others with a clear high turnover and profitability outlook.
- Advertising expenditure has increased significantly as a result of a more aggressive advertising policy, rising from €2.7 M in 2005 to €4.0 M in 2006.
- Increase in other recurring general expenses stands at 27%, significantly less than the growth in revenues.

	2006	%Sales	2005	%Sales	Var	%Incr
Sales	590,0		320,8		269,2	84%
- Operational personnel expenses	14,0	2,4%	9,1	2,8%	4,9	53%
- 2006 Non-recurring expenses	1,2	0,2%				
Personnel expenses	15,2	2,6%	9,1	2,8%	6,1	66%

- Personnel expenses rose by €6.1 M (€15.2 M in 2006 versus €9.1 M in FY2005). This increase was mainly due to the following:
  - One-off cost linked to listing of the Company, as explained in the operation's registration document (bonus to non-shareholder employees of €1.2 M).
  - Increasing by 19 the average staff (+€2.0 M) in senior management, technical, land transformation, administration and finance areas; target-based variable supplementary remuneration (€+0.6 M); annual wage and salary increase (€+0.9M).

2. EBITDA & EBIT

- EBITDA was €77.4 M (+43%) and operating profit (EBIT) was €77.0 (+43%), in both cases representing 13.1% of sales.

3. FINANCIAL PROFIT AND SHARE OF P&L OF ASSOCIATES

- Net financial profit was €-10.0 M as a result of the Company's investment drive in its expansion process.
  - Financial cost were €17.3 M, of which €6.1 M have been incorporated into assets as higher inventory value.
  - Financial income were €1.2 M.
- Share of P&L of associates is €3.7 M as a result of higher value of holdings in companies subject to the share of P&L of associates.

4. PROFIT BEFORE TAX

- Pre-tax profit was €70.9 M, up by €22.2 M (+45%).

Net attributable profit

- Net attributable profit for 2006 was €47.5 M, 46% up on €32.5 M in 2005.
- Attributable profit per share (PPS) was €1.90 in 2006, up from €1.48 the previous year. This increase is especially significant given the larger number of shares as a result of the capital increase at the time of the IPO.
- The effective tax rate at 2006 year end was 33%, unchanged from 2005.

Consolidated Balance Sheet

Assets (€ M)	dec-06	dec-05
Long term assets	**8,2**	**2,2**
Inventory	710,2	323,5
Debtors	162,3	62,3
Cash	6,1	3,2
Other current assets	2,6	3,1
Current assets	**881,1**	**392,1**
Total Assets	**889,3**	**394,3**

(€ M)	dec-06	dec-05
Capital	102,7	21,4
Reserves	53,7	30,5
Profit to date	47,5	32,5
Minority holdings	0,0	0,6
Total Net Equity	**203,9**	**85,0**
Long term creditors	**5,8**	**0,0**
Short term creditors	**172,3**	**93,2**
Financial debt (short term)	**507,3**	**216,1**
Net Equity & Liabilities	**889,3**	**394,3**

Berlin

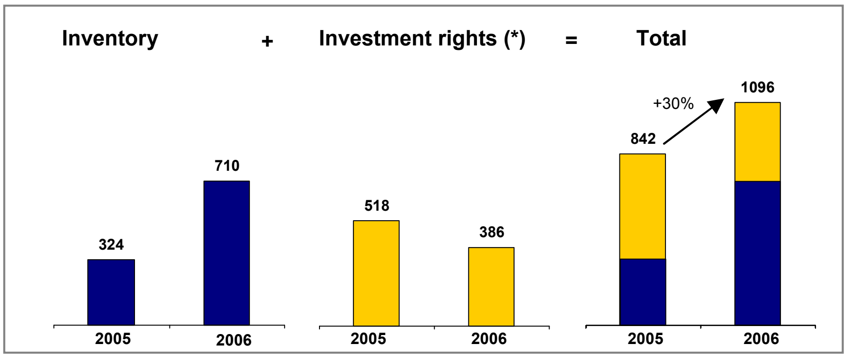
Palma de Mallorca

Notes on the Balance Sheet

Assets

INVESTMENT, INVENTORY AND INVESTMENT RIGHTS

- Significant investment in 2006 of €864.2 M (€534 M up on 2005). From this investment, €769 M were allocated to property acquisitions: €184.4 M in Q1 2006, €182.8 M in Q2 2006, €136.8 M in Q3 2006 and €265 M in Q4 2006. 80% of acquisitions were in Spain and the remainder in the international market.
- The company holds inventory valued at €710.2 M, twice the 2005 figure.
- In addition, it holds Investment Rights (i.e. purchase options entitling the Company to acquire properties) for €385.5 M.
- The volume of inventory and investment rights, up 30% since year end 2005, should make a substantial contribution to profit in the period 2007-2009.



(*) Investment rights include option premiums detailed under inventory

- The greatest increase in inventory, in both absolute and relative terms, was in Madrid, due to the presence of several large scale operations in the transformation phase.
- A notable increase of inventory of land operations, up from 35% to 46%.

INVENTORY	By geographic distribution		
	dec-06	dec-05	Var.
Land and Buildings	**701,6**	**305,5**	**396,1**
Barcelona	368,6	188,3	180,4
Madrid	219,4	25,8	193,6
Other Spanish cities	36,6	7,0	29,6
Other European cities	77,0	84,5	-7,5
Purchase option premiums	7,8	16,7	-8,9
Work in progress and others	0,8	1,3	-0,5
TOTAL Inventories	**710,2**	**323,5**	**386,7**

INVENTORY	By business unit		
	dec-06	dec-05	Var.
Land and Buildings	701,6	305,5	396,0
RR	148,9	128,1	20,8
OT	231,7	70,7	161,0
LT	320,9	106,8	214,1
PURCHASE OPTIONS			
Investment rights	**385,5**	**517,8**	**-132,3**

NOTE: "RR": Residential Refurbishment, "OT": Office Transformation, "LT": Land Transformation

DEBTORS

- Debtor breakdown is as follows:

	dec-06	dec-05
Trade debtors and other accounts receivable	88,5	41,9
Accrued Taxes	48,7	14,2
Other Debtors	25,0	6,2
Debtors	**162,3**	**62,3**

- At 2006 year end, the balance for trade customers was €87.3 M, suitably guaranteed, of which €48 M fall due in Q1 2007.
- Accrued Taxes rose from €14.2 M at close of 2005 to €48.7 M, essentially reflecting receivable or offset table VAT balances.

Net Equity

- Share capital was up €81.3 M during the year, as a result of the capital increase associated with the listing of the Company.
  - Share capital is represented by 25,029,301 totally subscribed and paid-up shares with a par value of €1.
  - At year end, treasury shares stood at 102,474, or 0.41% of share capital.
- The remaining headings are higher due to undistributed profit from previous years and 2006 result.

Liabilities

CREDITORS

- Short-term creditors, €172.3 M at 2006 year end, are made up as follows:

	Dec-06	Dec-05
Accrued Taxes	22.0	14.9
Suppliers	127.4	59.5
Deposits on pre-sales	20.7	11.4
Other Creditors	2.2	7.4
Short term creditors	**172.3**	**93.1**

- The balance of suppliers stood at €127.4 M (+€67.9 M) at the close of 2006. 85% of this is accounted for by deferred payments on properties and provisions for taxes and building work. The remaining 15% includes promissory notes, other creditors, etc.

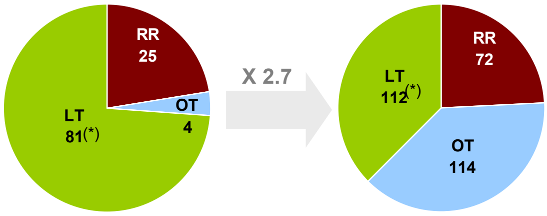
- The following chart shows pre-sales figures for "Pre-sales deposit" amounts for September and December 2006.

Changes in the pre-sales portfolio

Pre-sales portfolio at Sept. 2006	**109,9**
+ New Pre-sales	217,0
- Completed sales	-27,7
Pre-sales portfolio at Dec 2006 (1)	**299,2**

- Because of the high level of turnover in RC's business, pre-sales figures are usually not particularly significant in relative terms.

Pre-sales by business unit



Sept '06: €109,9 M **Dec '06: €299,2 M**

(*) A significant portion of Land Transformation pre-sales is subject to completion of planning permission procedures, which makes it difficult to predict when the sales will be posted.

(1) Although there have been changes in the make-up of the pre-sales portfolio, the balance at the date of publication of this report is still above €300 M.

FINANCIAL DEBT

- The Net debt balance was €499.2 M (€212.9 M at 2005 year end) while the leverage ratio has remained uncharged versus 2005 standing at 71%. The table shows changes over the period, by headings:

	Dec-06	Dec-05
Operations with mortgage guarantee	316.7	163.3
Loans/credit facilities with financial institutions	188.8	51.1
Interest due and other financial debts	1.8	1.7
Cash and short term deposits	-8.1	-3.2
Total Net Debt	**499.2**	**212.9**
Net Debt / (Net Debt + Equity)	71%	71%

- The average interest cost of financial debt for 2006 was 3.7%. The percentage above Euribor (60 p.b.) has stayed relatively stable over the financial year.
- On 15/02/2007, the Company signed a structured loan with a banking syndicate consisting of 21 financial entities. The €500 M loan is divided into 2 tranches:
  - Tranche A for a total figure of €200 M, repayable in five consecutive half-yearly and increasing payments.
  - Tranche B, Revolving, for a maximum total of €300 M.

This new finance will replace the previous one, which principally involved mortgage loans. It is significantly better in terms of dynamics, stability and cost (significant savings in duties associated with the establishment of mortgage guarantees).

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