Summary

- **For the first time since the third quarter of 2007, Renta Corporación has been able to generate a positive 8.3 M€ result in the second quarter of 2011. Thus, the company closed the first half of the year with profits of 3.4 M€, an improvement of 11.2 M€ vs the negative result of the same period 2010.**
- **On June 15th, the Company formalized a new sindicated loan for the long term within the refinancing agreement of the total debt. The signing of this deal gives the company more stability for the coming years:**
  - **Inventory level stood at 178.7 M€, down 33% vs December 2010, after the sale of assets to financial institutions and the ordinary sales of the period**
  - **Net debt stood at 191.4 M€ at the end of June, closing 36% down compared to 297.5 M€ of year-end 2010**
  - **Debt has a maturity of 8 years for senior and bilateralized tranches, and 10 years for the equity loan**
- **In line with its current strategy, Renta Corporación has acquired 9 new investment rights in 2011, mostly residential buildings in the domestic market**
- **The Company will focus on the following major strategic challenges:**
  - **Consolidation of the business model that has been developed since the beginning: acquisition, refurbishment and sale of operations adapted to the new market environment, focused on the residential domestic market; along with operations of collaboration and limited risk with financial entities, as well as operations with investment partners**
  - **Liquidity, achieved through ordinary business as well as other financing forms**
  - **Keeping a strict cost control**

Consolidated profit and loss summary (€M)	**H1 11**	**H1 10**	***var.***
Sales	137.2	25.1	*446%*
Other Revenues	4.8	1.3	*258%*
Total revenues	141.9	26.4	*437%*
Gross sales margin (1)	14.6	2.6	*467%*
EBITDA	7.8	-4.3	*283%*
EBIT	2.4	-5.3	*145%*
Net profit	3.4	-7.8	144%

2011 first half has a difficult comparison with same period 2010 in several items, as 2011 includes sales for 118 M€ to financial entities within the debt refinancing process

Consolidated balance sheet summary (€M)	**H1 11**	**H1 10**	***dif.***
Total assets	199.8	375.0	*-175.2*
Current assets	196.6	308.0	*-111.4*
Equity	16.3	37.1	*-20.8*
Financing debt	193.6	296.0	*-102.4*

The company has reduced its balance sheet vs same period 2010 because of lower inventory due to financial institutions sales and the consequent debt reduction, as well as due to the tax credit decapitalization

Consolidated main figures *(M €)*	**H1 11**	**H1 10**	***dif.***
Total investment	16.8	9.3	*7.5*
Inventory previous to 2009	169.4	276.3	*-106.9*
Ordinary business portfolio	113.5	51.0	*62.5*
Inventory	9.4	5.6	*3.8*
Investment rights	104.2	45.4	*58.7*
Net debt	191.4	283.1	*-91.7*

Still in force the strict investment policy of the company

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

Market situation

- Global economy is managed by two opposite forces. On the one hand, the positive cyclic boost coming from the emerging economies and, on the other hand, a situation of high risk premiums and incertainty in most of the financial markets, including the Spanish market, particularly enhanced by the Greek and Portuguese sovereign debt crisis. The euro zone recovery is forecasted to be slow due to the financial system weakness and the fiscal consolidation.
- The domestic real estate market does not show changes with respect to last month evolution and it is still affected by the lack of liquidity, an excess of product supply and an economic scenario marked by a major job destruction and the lack of confidence of consumers. The **residential market**, which is the one that offers some liquidity, focuses on the unit by unit sale mainly to end users. Regarding the **land market,** it is totally stagnated except for opportunistic transactions or debt repayment operations.

Consolidated profit and loss account

(M €)	H1 11	*Sales*	H1 10	*Sales*	% var
Sales	137.2	*100%*	25.1	*100%*	**446%**
Other revenues	4.8	*3%*	1.3	*5%*	258%
TOTAL INCOME	**141.9**	***103%***	**26.4**	***105%***	**437%**
Cost of sales	-122.6	*-89%*	-22.5	*-90%*	444%
GROSS MARGIN (1)	**14.6**	***11%***	**2.6**	***10%***	**467%**
Sales, admin and payroll expenses	-11.6	*-8%*	-8.2	*-33%*	42%
EBITDA	**7.8**	***6%***	**-4.3**	***-17%***	**283%**
Depreciation, Provisions & Other	-5.4	*-4%*	-1.0	*-4%*	415%
EBIT	**2.4**	***2%***	**-5.3**	***-21%***	**145%**
Net financial income	0.2	*0%*	-5.4	*-22%*	103%
PROFIT BEFORE TAX	**2.6**	***2%***	**-10.7**	***-43%***	**124%**
Taxes	0.9	*1%*	2.9	*12%*	-70%
NET PROFIT	**3.4**	***2%***	**-7.8**	***-31%***	**144%**

(1) Gross margin is equal to Sales less Cost of sales, excluding Other Income

Notes on the results

1- REVENUES

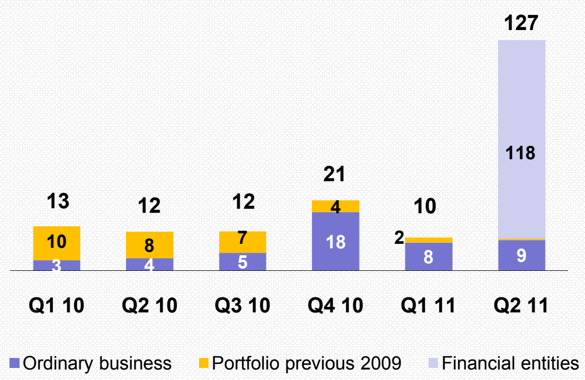
- Accumulated **revenues** at June 2011 are 141.9 M€, well above those recorded in the first half 2010. Sales amounted to 137.2M€, increasing by 112.0 M€ compared to 1H10, and other revenues amounted to 4.8 M€, representing an increase of 3.4 M€ over the same period last year.

- Related to **sales** a distinction can be made between:

  - Sales to financial entities under the **refinancing process** amounting to 117.5 M. This figure is divided into 85% in the domestic market and 15% internationally. By business unit, building sales totalled 101.0 M€ and land,16.5 M€.

  - **Ordinary business sales** amounted to 17.7 M€, significantly increasing compared to first half of year 2010, in which amounted to 6.9 M€. They focus on the residential business unit and the domestic market, distributing 63% in Madrid and 37% in Barcelona.

  - **Porfolio previous to 2009 sales** outside the refinancing process amounted to 2.0 M.



- ***Ordinary business sales*** *remain stable over recent quarters and increase considerably vs 1H10.*
- *Sales are concentrated in the buiding unit and geographically, in the domestic market.*

- **Income from rents and others** stood at 4.8 M€ compared with 1.3 M€ in 2010. While rental income remained stable at 0.8 M€, this semester have been recorded revenues related with the exclusive commercialization of two assets and the recovery of an asset of the portfolio previous to 2009.

2- GROSS MARGIN

- Gross margin on sales stood at 14.6 M€. To interpret this margin properly, we must consider the following:

  - Gross margin of +16.0 M€, made up of +2.4 M€ of ordinary business sales and +13.6 M€ from sales of portfolio acquired prior to 2009. This last figure corresponds almost entirely to the sales of assets to financial entities within the debt refinancing process.
  - “Extraordinary” gross margin of -1.4 M€ in inventory provision.

3- OVERHEAD EXPENSES

- The group’s combined variable, general and personnel expenses came to 11.6 M€ vs 8.2 M€ in 2010. Excluding extraordinary expenses, the overhead costs have reduced by 7% compared to the same period last year, going from 8.0 M€ in 1H10 to 7.5 M€ en 1H11. The significant decrease in the percentage of this items on sales has to do primarily with the great leap in the amount of sales, rather than with sales evolution in absolute terms.

(M €)	**H1 11**	***% Sales***	**H1 10**	***% Sales***	**dif.**	**% Var.**
Sales	**137.2**		**25.1**		**112.0**	
Sales, G&A, personnel expenses	**-11.6**	***-8.4%***	**-8.2**	***-32.5%***	**-3.4**	**42%**
Excluding extraordinary expenses	**-7.5**	***-5.4%***	**-8.0**	***-31.8%***	**0.5**	**-7%**
Variable selling expenses	-3.3	*-2.4%*	-1.9	*-7.4%*	-1.5	80%
G&A	-4.6	*-3.3%*	-2.2	*-8.9%*	-2.3	105%
Personnel	-3.7	*-2.7%*	-4.1	*-16.3%*	0.4	-10%

- **Variable selling** expenses stood at 3.3 M€, increasing by 1.5 M€ compared to 1H10. This increase is mainly due to the variable costs related to sales to financial entities. Moreover, it was recorded a loss in option premiums worth 0.4 M€ within the first half of the year, as a result of the selective policy of the company when executing its investment rights.

	H1 11	***% Sales***	**H1 10**	***% Sales***	**dif.**	**% Var.**
Sales	137.2		25.1		112.0	
- Operating variable expenses	-3.0	*-2.2%*	-1.9	*-7.4%*	-1.1	60%
- Not executed investment rights	-0.4	*-0.3%*		*0.0%*	-0.4	n.a.
Variable selling expenses	-3.3	*-2.4%*	-1.9	*-7.4%*	-1.5	80%

- **G&A expenses** in the period are 4.6 M€, increasing in 2.3 M€ vs 1H10. It must be pointed out the recording of extraordinary costs amounting to 2.7 M€ according to the debt refinancing process and the overhead costs renegotiation. If these costs are disregarded, operating G&A expenses reduce by 0.4 M€ vs 1H10.

	H1 11	***% Sales***	**H1 10**	***% Sales***	**dif.**	**% Var.**
Sales	137.2		25.1		112.0	
- Operating G&A expenses	-1.9	*-1.4%*	-2.2	*-8.9%*	0.4	-17%
- Refinancing expenses & others	-2.7	*-2.0%*		*0.0%*	-2.7	n.a.
G&A expenses	-4.6	*-3.3%*	-2.2	*-8.9%*	-2.3	105%

- **Personnel expenses** are 3.7 M€ by the end of first half 2011 compared to 4.1 M€ for the same period 2010. This decrease is mainly due to a lower average staff, which went from 80 people in 1H10 to 63 people in 1H11, being the staff of 53 people at the end of the semester. That reduction is also influenced by the salary policies carried out by the company. The amount for 2011 period includes 1.0 M€ related to personnel restructuring.

	H1 11	*% Sales*	H1 10	*% Sales*	dif.	% Var.
- Ordinary personnel expenses	-2.7	*-1.9%*	-3.9	*-15.6%*	1.3	-32%
- Organisational restructuring costs	-1.0	*-0.7%*	-0.2	*-0.7%*	-0.9	483%
Personnel expenses	-3.7	*-2.7%*	-4.1	*-16.3%*	0.4	-10%

4- DEPRECIATION, PROVISIONS & OTHER

- Depreciation, provision and other for 1H11 amounted to 5.4 M€ vs 1.0 M€ in 2010. Several provisions and expenses have been booked within this period resulting from:
  - Provision amounting to 2.4 €, for an unpaid debt corresponding to the un-offset VAT of a land operation (considered as a expense)
  - Legal claim and asset recovery risks amounting to 2.3 M€

(M €)	H1 11	H1 10	dif.
Depreciation	-0.5	-0.5	0.1
Bad debtor provision	-4.9	-0.5	-4.4
Depreciation, Provisions & Other	**-5.4**	**-1.0**	**-4.3**

5- FINANCIAL RESULT

- Net financial result stood at +0.2 M€, versus -5.4 M€ at the end of first half 2010. To correctly interpret this result we must highlight the following:
  - Stable balance between finacial income and expenses. Average net debt moves from 281.7 M€ in first half of 2010 to 288.3 M€ in 1H11, still without effect the debt decrease due to sales to financial entities as they have not been recorded until the end of June 2011. Average interest rate moves from 2.04% to 2.38% between those periods.
  - Lower interest capitalization, 0.4 M€ in first half 2011 vs 0.9 M€ in same period 2010

- The Company has included several extraordinary impacts under “other interest” item:
  - The complete formalization of the new refinancing agreement has led the company to move back the financial expense provision yet not applied, amounting to 3.3 M€, booked as a result of the difference between the real financial expense of the May 2009 syndicate loan and the average margin weighten during its 7 years life length.
  - It have also been recorded within these heading, forgiveness in relation to certain debt within the refinancing process amounting to 1.0 M€.
  - Finally, some participation accounts, worth 0.8 M€, in relation with land operations from past periods which could not be retrieved have also been provisioned.

(M €)	Jun-11	Jun-10	dif
Ordinary interest expenses	-3.5	-3.5	0.0
Ordinary interest incomes	0.1	0.1	-0.1
Capitalised interests	0.4	0.9	-0.6
Ordinary net financial result	-3.0	-2.4	-0.6
Forex exchange hedging results	0.0	-0.6	0.6
Commissions	0.0	-1.1	1.1
Other interests	3.2	-1.3	4.6
Net financial result	**0.2**	**-5.4**	**5.6**

6- TAXES

- It has been booked within this period the positive impact coming from the tax decapitalization related with deferred fiscal effects amounting to +0.9 M€

7- NET PROFIT

- Net result for the first half 2011 is positive of 3.4 M€, which is a 11.2 M€ improvement on the same period 2010 result, which was of -7.8 M€ .
- In line with the balance sheet streamlining that is being carried in recent years, it must be pointed out the following gross impacts that totalized - 3.9 M€ in the first semester:
  - Provision on current portfolio valuation of -1.4 M€
  - Personnel and overhead restructuring expenses amounting to -1.9 M€
  - Option premium losses of -0.4 M€
  - Expenses related with the debt refinancing process amounting to -1.9 M€
  - Un-offset VAT of a land operation worth -2.4 M€
  - Legal claims risk and land operations extracosts amounting to - 2.3 M€
  - Extraordinary income coming from the recovery of an asset of + 3.1 M€
  - Extraordinary financial income amounting to +3.3 M€ as a result of moving back the financial expense provision in relation with May 2009 syndicated loan

Consolidated balance sheet

Assets (€M)	Jun-11	dec-10
Long term assets	3.2	17.2
Inventory	178.7	267.0
Debtors	13.6	8.8
Cash	2.0	21.7
Other current assets	2.3	2.3
Current assets	**196.6**	**299.8**
Total Assets	**199.8**	**317.1**

Equity and Liabilities (€M)	Jun-11	dec-10
Capital & Reserves	-41.6	43.9
Period net profit	3.4	-84.9
Total Equity	**-38.2**	**-41.0**
Equity loan	**54.5**	
Total Equity	**16.3**	**-41.0**
Long term debt	**126.7**	
Long term creditors	**17.6**	**20.4**
Short term debt	**12.4**	**319.4**
Short term creditors	**26.8**	**18.3**
Equity and liabilities	**199.8**	**317.1**

Notes on the balance sheet

Assets

1- LONG TERM ASSETS

- Long term assets stood at 3.2 M€, decreasing significantly vs 2010 year-end, due to the reversal of a deferred payment and the consequent recovery of a land asset.

(M €)	Jun-11	dec-10	dif.
Long term assets	1.8	3.3	-1.5
Long term debtors	0.0	12.5	-12.5
Tax credit	0.9	0.9	0.0
Company's holding in MA & others	0.5	0.5	0.0
Long term assets	**3.2**	**17.2**	**-14.0**

2- INVESTMENT AND PORTFOLIO

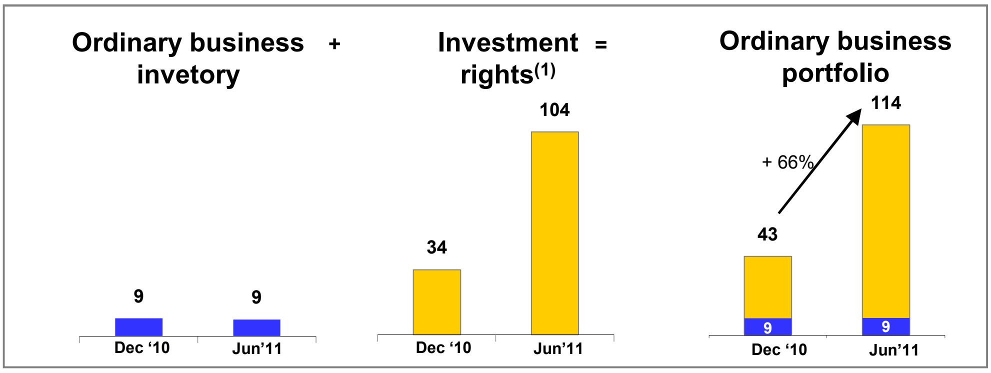
- Investment for the first half of 2011 stood at 16.8 M€, significantly above the amount of same period 2010, which was of 9.3 M€. These levels of investment are consistent with the current Company strategy consisting of: i) investing in new portfolio adapted to the new market conditions and gradually increase the average size of operations, and ii) preserving the value of the portfolio prior to 2009 by investing small amounts, in order to make it liquid in the future when market conditions are optimal. Investment amount is divided in 14.5 M€ of ordinary business portfolio, 1.9 M€ in portfolio prior to 2009 and 0.4 M€ corresponding to interest capitalization.
- Inventory stood at 178.7 M€, decreasing by 88.3 M€ compared to the endo of 2010. This decrease is mainly due to the sale of assets to the financial entities, partially offset by the recovery of an asset that was guaranteeing a debt amounting to 16.6 M€. Regarding the composition of the portfolio, the total inventory is made up of a 27% of buidings and a 73% of land assets; and by business unit, 5% is ordinary business portfolio and the remaining 95% corresponds to portfolio prior to 2009.

(M€)	Jun-11	dec-10	dif.
Land and Buildings	**176.3**	**266.0**	**-89.7**
By business unit			
Ordinary business portfolio	7.0	8.2	-1.2
Portfolio previous to 2009	169.4	257.8	-88.5
By asset typology			
Residential and offices	46.6	139.5	-92.9
Land	129.7	126.5	3.2
Purchase option premiums	2.4	1.0	1.4
Cartera de negocio ordinario	2.4	1.0	1.4
Cartera previa al 2009		0.0	0.0
Work in progress and other		0.0	0.0
TOTAL Inventory	**178.7**	**267.0**	**-88.3**

- Investment rights stand at 104.2 M€, all them focused on ordinary business portfolio adapted to the new market conditions. They are made up of residential assets with an average acquisition amount around 3,0 M€, focused on the domestic market. It must be pointed out 60.0 M€ investment rights on financial entities assets that are managed under an exclusive commercialization strategy more than an acquisition-refurbishment and sale strategy.

(M €)	Jun-11	dec-10	dif.
Investment rights	**104.2**	**33.5**	**70.6**
Ordinary business portfolio	44.2	33.5	10.6
Exclusive commercialization	60.0	0.0	60.0

- Focusing on the **ordinary business portfolio**, this amounts to **113.5 M€** and is made up of inventory worth 9.4 M€ and all the investment rights of the semester, worth 104.2 M€. This portfolio is composed entirely of buildings in the domestic market adapted to the new market conditions



(1) Investment rights include options premiums under inventory

3- DEBTORS

- The breakdown of debtors is as follows:

(M €)	Jun-11	dec-10	dif.
Trade debtors & receivables	7.4	1.0	6.3
Accrued Taxes	5.1	5.6	-0.5
Other debtors	1.1	2.2	-1.1
Debtors	**13.6**	**8.8**	**4.8**

- At the end of first half 2011 the balance of trade debtors & receivables is 7.4 M€, increasing by 6.3 M€ compared to December 2010. This increase is due to the deferred VAT payment of same asset sales to financial entities within the debt refinancing process, which has been already collected and added to the Company's treasury at the date of publication of this report.
- Accrued taxes amount to 5.1 M€, and maintains the same level as at the end of 2010.

Equity

- Equity stood at 16.3 M€, increasing by 57.3 M€ in comparison to -41.0 M€ at year-end 2010. The materialization of the agreement with the financial entities enabled the rebalance of the Company equity because of the commercial consideration of the equity loan as equity, as well as through the capital gains from the sale of assets to financial institutions and their consequent positive net result.

(M €)	Jun-11	dec-10	dif.
Capital & Reserves	-41.6	43.9	-85.5
Period net profit	3.4	-84.9	88.3
Equity	**-38.2**	**-41.0**	**2.8**
Equity loan	54.5		54.5
Equity	**16.3**	**-41.0**	**57.3**

Liabilities

1- CREDITORS

(M €)	Jun-11	dec-10	dif.
Accrued Taxes	16.2	17.9	-1.7
Suppliers	8.0	7.4	0.6
Deposits on pre-sales	0.2	0.2	0.0
Other Creditors	19.9	13.2	6.8
Short & long term creditors	**44.4**	**38.6**	**5.7**

- Short & long term creditors stood at 44.4 M€ by the end of June 2011, increasing by 5.7 M€ versus December 2010. It must be pointed out:
  - Deferral of VAT granted by the Tax Department amounted to 16.2 M€ and for a term as far as 4 years since June 2009. Of the total deferred amount, 8.9 M€ have short maturity, and 7.2 M€ in the long term. From the beginning of the year 1.7 M€ have been repaid.
  - Suppliers stood at 8.0 M€ increasing by 0.6 M€ compared to the end of 2010.
  - Deposits on pre-sales amount to 0.2 M€ and they are related to a future sales volume of around 12 M€, almost totally focused on ordinary business portfolio.
  - Other creditors increases over year-end 2010 and are at 19.9 M€. This amount includes VAT of 8.1 M€, significantly increasing due to sales to financial entities, provisions and deferred taxes.

2- FINANCIAL DEBT

- Net debt stood at 191.4 M€ once the refinancing process was closed, decreasing by 106.1 M€ compared to December 2010.

(M €)	**Jun-11**	**dec-10**	**dif.**
Syndicated loan	181.2	279.3	-98.2
Operations with mortgage guarantee	10.3	34.2	-23.9
Other financial debt	2.1	5.8	-3.7
Cash and short term deposits	-2.2	-21.9	19.7
Total Net Debt	**191.4**	**297.5**	**-106.1**

- The average net debt balance of 1H11 is 288.3 M€ compared to 281.7 M€ in 2010. The significant debt reduction due to the sale of assets to financial institutions barely affects the average balance as it has been signed on 15 June.
- At June 2011 the balance is 10.3 M€ on mortgages. This amount has decreased since year-end 2010 by 23.9 M€ due to sales to financial institutions within the refinancing process.
- The agreement with financial institutions, once fully formalized last June 15 with the sale of assets, divides the remaining debt of current sindicated loan a follows:
    - Equity loan amounting to 54.5 M€. This loan would be considered as equity and would rebalance this line of the consolidated balance sheet. It has a maturity period of 10 years and would be repayed through two means: i) a percentage of the Company consolidated annual net profit; and ii) the cash surplus generated with the sale of inventories previous to 2009 once the senior credit is completely repaid.
    - Senior credit amounting to 104.2 M€. It has a maturity period of 8 years with a bullet repayment, although mandatory repayments will occur in each sale of inventory previous to 2009.
    - Bilateralized tranch amounting to 22.4 M€ and same repayment and maturity conditions as the senior credit.
- The financial expenses associated to the new sindicated loan have been significantly minimized with the accrual of a reduced fixed interest rate (1%) that is only payed with the cash generation of the Company. There is also an extraordinary variable interest linked to the positive results of the Company.

Outlood for the future

- The new agreement on debt restructuring give the Company stability and balance for the long term. The materialization of the agreement allows it to avoid decapitalization risks and also to accomodate debt repayment to the cash generation of the Company.
- The Company will focus on the following major strategic challenges:
  - **Business**: under this heading we can distinguish
    - Core business: the business model has proven to be valid and shoud be the main element of margin generation. The Company will focus on the domestic residential market, mantaining a permanent portfolio of 30 operations and gradually increasing them in it size, while consolidating the average margin around 20%
    - Financial institution operations: partnership providing management and limited risk
    - Special operations of acquisition, refurbishment and sale of non-residential assets, exclusive management contracts with added value
    - Investment operations with financial partners. In this sense, an initial agreement has been signed with two funds to form a joint-venture whose purpose is the acquisition of real estate assets owned by financial institutions. If this agreement finally materialized, Renta Corporación will be a minority shareholder and the operation manager
    - Portofolio previous to 2009: Their low maintainance and financial costs allows the Company to keep this portfolio with a minimum development investment and make it liquid when market conditions are optimal
  - **Liquidity**: It is a key element of the Company and will be obtained through multiple ways such as optimizing the use of option premiums, capital increase, mortgage borrowing, ordinary business cash flows, joint-ventures with financial partners or the deferrement of VAT resulting from the sales to financial entities.
  - Intensive **overheads control** of the company.

Other information

1- MAIN MATERIAL EVENTS

- Of all material events reported to the Spanish Securities and Investment Board since January 2011 until now, the following are worth highlighting:
  - 17/02/2011 The company announces the date of publication of the report for the Januanry - December 2010. Conference call notification.
  - 24/02/2011 The company posts information about January – December 2010.

- 05/04/2011 The company informs about the negotiations with finantial entities.
- 29/04/2011 The company informs about the redraw of its 2010 Annual Accounts and the situation of the negotiations to reestructure its debt.
- 29/04/2011 Th company posts the 2010 Corporate Governance Annual Report.
- 29/04/2011 The company posts the 2010 report on Article 116 b of the Securities Exchange Act and additional references to article 61 b of the Securities Exchange Act.
- 13/05/2011 The company posts information about the agreement to reestructure its finantial debt.
- 13/05/2011 The company posts information about Q12011.
- 13/05/2011 Announcement of the Board of Directors resolutions held on the 13th May 2011: announcement of the Ordinary General Meeting of Shareholders.
- 15/06/2011 The comany posts informationa about the effectiveness finantial debt restructuring agreement.
- 15/06/2011 The company informs thas has signed a Stand-by Equity Distribution Agreement with YA Global Dutch BV.
- 22/06/2011 Approval of proposals for resolution of the Ordinary General Meeting of Shareholders held on the 22nd of June 2011.
- 23/06/2011 The company posts some additional information given to the shareholders during the Ordinary General Meeting of Shareholders held on 22nd of June 2011.
- 14/07/2011 The company announces the date of publication of the report for January – June 2011. Conference call notification.

2- CHANGES IN THE BOARD OF DIRECTORS

June 2011:

- Re-election by the Annual General Meeting of Shareholders of Mr. Juan Gallostra Isern and subsequent ratification or amendment of his post.
- Appointment by means of co-opting of Mr. Ignacio López del Hierro Bravo as a member of the Company Board of Directors.

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