

## 1. Relevant issues

- ▶ Renta Corporación closed third quarter of 2016 with a **net profit** of **2.1 M€** compared to the result for same period of year 2015 which amounted to 7.0 M€ and included an extraordinary income of 3.4 M€.
- ▶ **Margin from operations** is of **6.2 M€**, the same amount than year 2015, coming from a total income amount lower than the amount for the same period last year.
- ▶ During the year 2016 the company has carried out some transactions in the two cities where it operates. It is worth to highlight the sale of a building located in Bailén Street and another in Paseo Pujades of Barcelona; as well as the sale of a building in Paseo de la Castellana and another one in Paseo Juan XXIII in Madrid.
- ▶ **Business portfolio** of the company, defined as investment rights and inventory for sale, stands at **274.2 M€** by the end of September 2016 vs 214.0 M€ of year end 2015, **increasing by 28%**. In addition, Renta Corporación manages assets available for sale in collaboration with **real estate funds** totalling an investment amount of approximately **55 M€**.
- ▶ The **share price** by the end of the quarter is **2.04 euros** per share, **17% above** the price of year end 2015 which was of 1.75 euros per share.

## 2. Main consolidated economic-financial figures

- The financial statements are presented according to the International Financial Reporting Standards (IFRS), as adopted by the European Union.

	January-September		
<b>Consolidated profit and loss summary (M €)</b>	<b>2016</b>	<b>2015</b>	<b>% var.</b>
Sales	11.6	32.4	-64%
Margin from operations	6.2	6.2	0%
EBITDA	2.5	3.0	-17%
EBIT	2.5	3.0	-18%
Net profit	2.1	7.0	-70%
<b>Consolidated balance sheet summary (M €)</b>	<b>Sep 16</b>	<b>Dec 15</b>	<b>dif.</b>
Total assets	70.1	69.3	0.8
Current assets	53.0	52.8	0.1
Equity	31.7	29.9	1.8
Net debt <sup>(1)</sup>	22.3	20.7	1.6
<b>Consolidated main figures (M €)</b>	<b>Sep 16</b>	<b>Dec 15</b>	<b>dif.</b>
Ordinary business portfolio	274.2	214.0	60.2
Inventory	11.2	7.7	3.5
Investment rights	263.0	206.3	56.7

(1) Includes the temporary effect of the restatement of the equity loan, which has a nominal value of 18,0 M€

## 2.a. Consolidated profit and loss account

(M €)	January-September				TOTAL	
	2016		2015			Var. vs 2015
	TOTAL	% Income	TOTAL	% Income		
Sales	11.6		32.4		-20.8	
Cost of sales and variable expenses	-9.1		-30.5		21.4	
<b>Margin from sales</b>	<b>2.5</b>		<b>1.9</b>		<b>0.6</b>	
Income from service rendering	5.8		6.2		-0.4	
Costs and variable expenses of service rendering	-2.3		-1.8		-0.6	
<b>Margin from services rendered</b>	<b>3.5</b>		<b>4.5</b>		<b>-1.0</b>	
Other income and variable sale expenses	0.2		-0.2		0.4	
<b>MARGIN FROM OPERATIONS</b>	<b>6.2</b>	<b>35%</b>	<b>6.2</b>	<b>16%</b>	<b>0.0</b>	
Admin and payroll expenses	-3.7	-21%	-3.1	-8%	-0.5	
<b>EBITDA</b>	<b>2.5</b>	<b>14%</b>	<b>3.0</b>	<b>8%</b>	<b>-0.5</b>	
Depreciation, provisions & other	0.0	0%	0.0	0%	0.0	
<b>EBIT</b>	<b>2.5</b>	<b>14%</b>	<b>3.0</b>	<b>8%</b>	<b>-0.5</b>	
Net financial income	-0.7	-4%	-11.2	-28%	10.4	
<b>PROFIT BEFORE TAX</b>	<b>1.7</b>	<b>10%</b>	<b>-8.2</b>	<b>-21%</b>	<b>9.9</b>	
Taxes	0.4	2%	15.1	39%	-14.8	
<b>NET PROFIT</b>	<b>2.1</b>	<b>12%</b>	<b>7.0</b>	<b>18%</b>	<b>-4.9</b>	

### NOTES ON THE RESULTS

- Total **income**, including sales and income from service rendering and rents, stood at 17.8 M€ compared to third quarter 2015 amount which was of 39.2 M€.
- Operating margin** stands at 6.2 M€, the same amount than same period of year 2015, and it is mainly made up of:
  - ▶ **Margin from sales**, that is the difference between sales and their cost and variable expenses, totalling 2.5 M€, among which it is worth to highlight the sale of a building in Paseo Pujades in Barcelona, and another one located in Ponzano Street in Madrid.
  - ▶ **Margin from services rendered** totalling 3.5 M€, to be pointed out the sale of a building located in Bailén Street of Barcelona and another one in Paseo Juan XXIII in Madrid.
  - ▶ **Other income and variable sale expenses** amounting to 0.2 M€.
- The group's combined **general and personnel expenses** came to 3.7 M€, slightly above the amount of same period last year, which was of 3.1 M€.

(M €)	January-September				dif.
	2016	% Sales	2015	% Sales	
<b>Sales</b>	<b>11.6</b>		<b>32.4</b>		<b>-20.8</b>
<b>G&amp;A and personnel expenses</b>	<b>-3.7</b>	<b>-32%</b>	<b>-3.1</b>	<b>-10%</b>	<b>0.5</b>
G&A	-1.3	-11%	-0.9	-3%	0.4
Personnel	-2.3	-20%	-2.2	-7%	0.2

- Year 2016 third quarter **EBITDA** totals 2.5 M€, compared to the amount of same period last year which was of 3.0 M€.

- Accumulated **net financial result** of September 2016 stood at -0.7 M€, hard to compare to the figure of same period 2015 as last year figure included the registration of several extraordinary impacts amounting to -10,0 M€ mainly related to the classification of part of the Tax Authorities insolvency debt as general privilege. Additionally, year 2015 amount included -0,9 M€ of interests paid to joint accounts used to fund some operations. If these extraordinary impacts were excluded, the net financial amount would stay at the same level than that of third quarter 2015.
- The Company has registered 0.4 M€ of taxes for the net effect between the registration of a tax credit in assets amounting to +0.8 M€ coming from tax losses to be offset against future profits, and the current tax expense of the period totalling -0.4 M€. Last year amount included the registration of a tax credit in assets of 15.1 M€.
- Renta Corporación closed the third quarter of year 2016 with a **net profit** of 2.1 M€ compared to the amount of same period of year 2015 which totalled 7.0 M€. As it has been explained, the last amount is made up of a positive result of 3.6 M€ for the ordinary activity of the Company, plus an extraordinary positive result of 3.4 M€, mainly coming from the registration of a tax credit in assets resulting from tax losses, partially offset with the classification of part of the Tax Authorities insolvency debt.

## 2.b. Consolidated balance sheet

<b>Assets (M €)</b>	<b>Sep-16</b>	<b>Dec-15</b>	<b>Equity and Liabilities (M €)</b>	<b>Sep-16</b>	<b>Dec-15</b>
Long term financial assets	1.6	1.6	Capital & Reserves	29.6	21.6
Other long term assets	15.5	14.9	Net profit	2.1	8.2
<b>Long term assets</b>	<b>17.1</b>	<b>16.5</b>	<b>Equity</b>	<b>31.7</b>	<b>29.9</b>
Inventory	45.2	42.8	<b>Long term debt</b>	<b>14.2</b>	<b>13.8</b>
Debtors	3.3	5.4	<b>Long term creditors</b>	<b>7.6</b>	<b>8.6</b>
Cash/Financial investments	4.5	4.6	<b>Short term debt</b>	<b>12.5</b>	<b>11.4</b>
<b>Current assets</b>	<b>53.0</b>	<b>52.8</b>	<b>Short term creditors</b>	<b>4.0</b>	<b>5.6</b>
<b>Total Assets</b>	<b>70.1</b>	<b>69.3</b>	<b>Equity and liabilities</b>	<b>70.1</b>	<b>69.3</b>

### NOTES ON THE BALANCE SHEET

- Long term assets** stood at 17.1 M€ and increases by 0.6 M€ compared to year end 2015 due mainly to the reordering of the tax credit in assets for the current year.
- Inventory** amounts to 45.2 M€, increasing by 2.4 M€ vs year end 2015 due mainly to the investment in new purchase options and in the acquisition and refurbishment of the current portfolio, partially offset by the sales carried out during the year. Inventory amount includes option premiums of 2.2 M€ that entitle the company to acquire future assets amounting to 263.0 M€.
- Debtors** totalled 3.3 M€ and decreased by 2.1 M€ compared to year end 2015 due mainly to the collection of receivable amounts from service rendering, some of them concerning real estate funds operations of the company, and the collection of withheld amounts until the completion of work of some ongoing operations; partially offset by the increase of the amounts deposited in the notary office in relation to acquisition operations under due diligence process.
- Equity** stood at 31.7 M€ increasing by 1.8 M€ compared to the amount of December 2015, which was of 29.9 M€, due primarily to the profit obtained in this year partially offset by the acquisition of treasury shares totalling 0.2 M€.

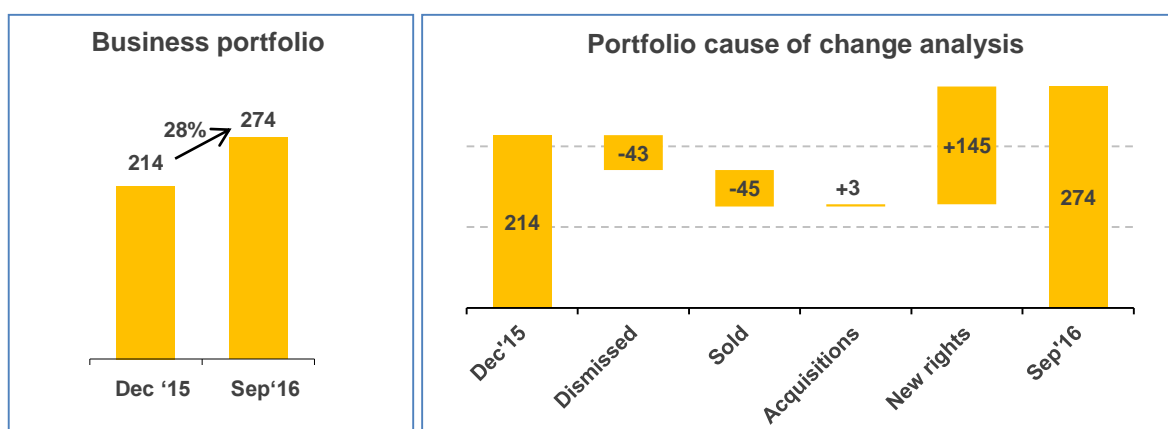
- **Short & long term creditors** by the end of September 2016 total 11.6 M€, decreasing by 2.6 M€ vs year end 2015 amount. This decrease is due mainly to the lower amount of refurbishing and transformation costs of some operations carried out by the company currently, the payment to the Tax Authorities in order to meet the agreement reached last year and the realization of the deferred income.
- **Total net debt** amounted to 22.3 M€, 1.6 M€ above the amount of December 2015, of which 1.3 M€ come from the increase of operations with mortgage guarantee, and the remaining difference is due to the equity loan restatement impact.

(M €)	Sep-16	Dec-15	Dif
Operations with mortgage guarantee	12.3	11.0	1.3
Other financial debt	0.3	0.5	-0.2
Cash and short term deposits	-4.5	-4.6	0.1
<b>Financial Net Debt</b>	<b>8.1</b>	<b>6.8</b>	<b>1.2</b>
Equity loan <sup>(1)</sup>	14.2	13.8	0.3
<b>Total Net Debt</b>	<b>22.3</b>	<b>20.7</b>	<b>1.6</b>

(1) It has been included the temporary effect coming from the restatement of the equity loan with a nominal value of 18.0 M€ taking into account the effective interest rate, which is based on the market long term interest rates.

### 3. Portfolio and company activity

- **Business portfolio** of the company, defined as investment rights and inventory for sale, stands at 274.2 M€ by the end of September 2016 vs 214.0 M€ of year end 2015, increasing by 28%. The number of operations increases significantly vs year end 2015, whereas the average size decreases slightly. Most of the investment rights are focused in Madrid and Barcelona.



- In addition, Renta Corporación manages assets available for sale in collaboration with real estate funds totalling an investment amount of approximately 55 M€.

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#### Warnings

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