

## 1. Relevant issues

- ▶ Renta Corporación closes first half of year 2016 with a **net profit** of **2.0 M€**. Compared to the result of same period last year, the company increases its recurring profit of year 2015 which was of 1.1 M€, to which it was added an extraordinary profit totalling 3.4 M€.
- ▶ Year 2016 **EBITDA** totals **2.3 M€**, almost doubling the recurring EBITDA of first half 2015 which amounted to 1.2 M€.
- ▶ During the year 2016 the company carried out some outstanding transactions both in Barcelona, with the sale of a building in Bailén street or the conclusion of the second phase of a project in Aragón street, and Madrid, with the sale of two buildings located in the street Ponzano and Paseo Juan XXIII.
- ▶ **Business portfolio** of the company, defined as investment rights and inventory for sale, stands at **245.8 M€** by the end of June 2016 and increases by 15% over the amount of December 2015 which was of 214.0 M€. 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 June 2016 is **1.59 euros** per share, **9% below** 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-June			
Consolidated profit and loss summary (M €)	2016	2015	% var.
Sales	8.5	4.4	92%
Margin from operations	4.8	1.6	194%
EBITDA	2.3	-0.5	n.a.
EBIT	2.3	-0.6	n.a.
Net profit	2.0	4.5	-55%
Consolidated balance sheet summary (M €)	Jun 16	Dec 15	dif.
Total assets	73.4	69.3	4.1
Current assets	56.4	52.8	3.6
Equity	31.6	29.9	1.7
Net debt <sup>(1)</sup>	23.3	20.7	2.6
Consolidated main figures (M €)	Jun 16	Dec 15	dif.
Ordinary business portfolio	245.8	214.0	31.8
Inventory	12.2	7.7	4.5
Investment rights	233.6	206.3	27.3

(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

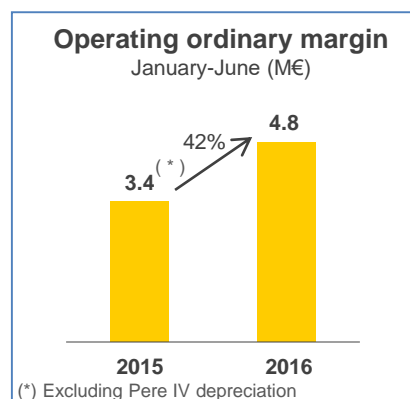
January-June					
(M €)	2016		2015		TOTAL
	TOTAL	% Income	TOTAL	% Income	Var. vs 2015
Sales	8.5		4.4		4.1
Cost of sales and variable expenses	-6.8		-5.6		-1.2
<b>Margin from sales</b>	<b>1.7</b>		<b>-1.2</b>		<b>2.9</b>
Income from service rendering	4.6		3.8		0.8
Costs and variable expenses of service rendering	-2.0		-0.9		-1.1
<b>Margin from services rendered</b>	<b>2.7</b>		<b>2.9</b>		<b>-0.3</b>
Other income and variable sale expenses	0.4		-0.1		0.5
<b>MARGIN FROM OPERATIONS</b>	<b>4.8</b>	<b>36%</b>	<b>1.6</b>	<b>19%</b>	<b>3.2</b>
Admin and payroll expenses	-2.5	-18%	-2.2	-25%	-0.3
<b>EBITDA</b>	<b>2.3</b>	<b>17%</b>	<b>-0.5</b>	<b>-6%</b>	<b>2.8</b>
Depreciation, provisions & other	0.0	0%	0.0	0%	0.0
<b>EBIT</b>	<b>2.3</b>	<b>17%</b>	<b>-0.6</b>	<b>-6%</b>	<b>2.8</b>
Net financial income	-0.7	-5%	-10.1	-116%	9.4
<b>PROFIT BEFORE TAX</b>	<b>1.6</b>	<b>12%</b>	<b>-10.6</b>	<b>-123%</b>	<b>12.3</b>
Taxes	0.4	3%	15.1	174%	-14.8
<b>NET PROFIT</b>	<b>2.0</b>	<b>15%</b>	<b>4.5</b>	<b>52%</b>	<b>-2.5</b>

### INCOME

- Total **income**, including sales and income from service rendering and rents, stood at 13.4 M€ compared with first half 2015 amount which was of 8.7 M€.

### MARGIN FROM OPERATIONS

- The **operating margin** is 4.8 M€ compared to the amount of same period 2015 which was of 1.6 M€ and included the depreciation of the asset Pere IV totalling -1.8 M€ and registered to adjust its book value to its sale value. Total margin is mainly made up of:
  - ▶ **Margin from sales**, that is the difference between sales and their cost and variable expenses, totalling 1.7 M€, among which it is worth to highlight the sale of the second phase of a project in Aragón street from Barcelona, and the sale of a building in Ponzano street of Madrid.
  - ▶ **Margin from services rendered** totalling 2.7 M€, to be pointed out the sale of two buildings located in Paseo Juan XXIII in Madrid and Bailén street in Barcelona.
  - ▶ **Other income and variable sale expenses** amounting to 0.4 M€.



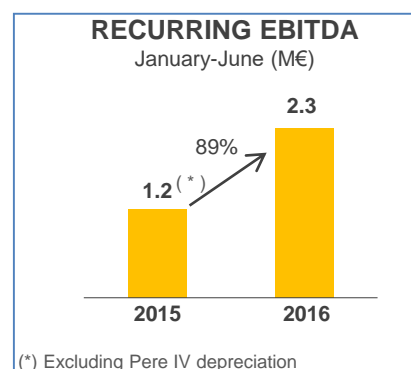
## OVERHEAD EXPENSES

- The group's combined general and personnel expenses came to 2.5 M€, 0.3 M€ above the amount of same period last year, which was of 2.2 M€.

January-June					
(M €)	2016	% Sales	2015	% Sales	dif.
<b>Sales</b>	<b>8.5</b>		<b>4.4</b>		<b>4.1</b>
<b>G&amp;A and personnel expenses</b>	<b>-2.5</b>	<b>-29%</b>	<b>-2.2</b>	<b>-49%</b>	<b>0.3</b>
G&A	-0.9	-11%	-0.6	-14%	0.3
Personnel	-1.5	-18%	-1.5	-35%	0.0

## EBITDA

- First half 2016 **recurring EBITDA** totals 2.3 M€, almost doubling the amount for the same period last year which was of 1.2 M€, excluding the depreciation of the asset Pere IV.



## FINANCIAL RESULT

- Net financial result 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.
- As in the previous year, the company has registered an extraordinary impact amounting to -0.4 M€ with regard to the partial reversal of the temporary effect on the equity loan and the creditors insolvency debt.
- Excluding the extraordinary impacts, ordinary net financial result of first half year 2016 is at the same level than that of same period of year 2015. Current year figure includes 0.1 M€ of interests paid to a joint account used to fund an operation carried out during the first half of 2016.

January-June			
(M €)	2016	2015	dif
Ordinary interest expenses	-0.2	-0.2	-0.1
Joint account contracts	-0.1		-0.1
Ordinary interest incomes	0.1	0.0	0.1
Ordinary net financial result	-0.2	-0.1	-0.1
Other interests	-0.4	-10.0	9.5
<b>Net financial result</b>	<b>-0.7</b>	<b>-10.1</b>	<b>9.4</b>

## TAXES

- 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 for first half of the year totalling -0.4 M€.

## NET PROFIT

- Renta Corporación closed first half of year 2016 with a net profit of **2.0 M€** compared to the profit of same period of year 2015 which totalled 4.5 M€. The latter amount was made up of a positive result totalling 1.1 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

Assets (M €)	Jun-14	Dec-15	Equity and Liabilities (M €)	Jun-14	Dec-15
Long term financial assets	1.6	1.6	Capital & Reserves	29.6	21.6
Other long term assets	15.4	14.9	Net profit	2.0	8.2
<b>Long term assets</b>	<b>17.0</b>	<b>16.5</b>	<b>Equity</b>	<b>31.6</b>	<b>29.9</b>
Inventory	46.1	42.8			
Debtors	5.4	5.4	<b>Long term debt</b>	<b>14.2</b>	<b>13.8</b>
Cash/Financial investments	4.8	4.6	<b>Long term creditors</b>	<b>7.6</b>	<b>8.6</b>
<b>Current assets</b>	<b>56.4</b>	<b>52.8</b>	<b>Short term debt</b>	<b>13.9</b>	<b>11.4</b>
			<b>Short term creditors</b>	<b>6.1</b>	<b>5.6</b>
<b>Total Assets</b>	<b>73.4</b>	<b>69.3</b>	<b>Equity and liabilities</b>	<b>73.4</b>	<b>69.3</b>

## LONG TERM ASSETS

- Long term assets stood at 17.0 M€, increasing by 0.5 M€ compared to year end 2015 due to the recordering of the tax credit in assets previously mentioned. The total amount of tax credit in assets registered is **15.2 M€** and comes mainly from tax losses to be offset against future profits. The company has still a pending **26.3 M€** tax credit arising from tax loss carryforwards.

(M €)	Jun-16	Dec-15	dif
Non-current loans/investment in equity instruments	1.6	1.6	0.0
Other long term assets	0.2	0.2	0.0
Tax credit	15.2	14.7	0.5
<b>Long term assets</b>	<b>17.0</b>	<b>16.5</b>	<b>0.5</b>

## INVENTORY

- Inventory stood at 46.1 M€, increasing by 3.3 M€ compared to the end of year 2015 due to the investment in the acquisition of two new assets, partially offset by the sales of first semester 2016. This amount includes option premiums of 1.5 M€ that entitle the company to acquire future assets amounting to 233.6 M€.

## DEBTORS

- The breakdown of debtors is as follows:

(M €)	Jun-16	Dec-15	dif
Trade debtors & receivables	4.1	3.7	0.3
Accrued taxes	0.1	0.6	-0.5
Other debtors	1.2	1.0	0.2
<b>Debtors</b>	<b>5.4</b>	<b>5.4</b>	<b>0.0</b>

- By the end of June 2016 debtors totalled 4.1 M€ and increased by 0.3 M€ compared with year end 2015.
- Accrued taxes amount to 0.1 M€ in June 2016 and decrease by 0.5 M€ compared with December 2015 as a consequence of the normal activity of the group.
- Other debtors amount to 1.2 M€ by the end of first half 2016 and increase by 0.2 M€ vs the end of year 2015 due mainly to the amounts deposited in the notary office in relation to acquisition operations under due diligence process and also due to the accrued interests from long term financial assets.

## EQUITY

- Equity stood at 31.6 M€, increasing by 1.7 M€ compared to the amount of year end 2015 which was of 29.9 M€, due primarily to the profit of first half of current year partially offset by the acquisition of treasury shares totalling -0.2 M€.

(M €)	Jun-16	Dec-15	dif
Capital & Reserves	29.6	21.6	8.0
Net profit	2.0	8.2	-6.2
<b>Equity</b>	<b>31.6</b>	<b>29.9</b>	<b>1.7</b>

## CREDITORS

(M €)	Jun-16	Dec-15	dif
Long-term creditors	7.6	8.2	-0.5
Short-term creditors	3.3	3.0	0.3
Pre-sales/Deferred income	1.0	1.1	-0.1
Other	1.7	1.9	-0.2
<b>Short &amp; long term creditors</b>	<b>13.7</b>	<b>14.2</b>	<b>-0.5</b>

- Long-term creditors stand at 7.6 M€ and include the debt with the creditors coming from the insolvency period that will be repaid over a 7 years period from year 2016 onwards. It is also included under this item the registration of the temporary effect coming from the restatement of this debt taking into account the effective interest rate based on the market long term interests. This impact has been and will be reversed as the debt is being repaid over the current and the coming years. Long-term creditors has decreased by 0.5 M€ vs year end 2015 after the reclasification of this debt between the long and the short term according to its maturity period.
- Short term creditors increase by 0.3 M€ over December 2015 and total 3.3 M€. They are made up of the creditors related with the recurrent activity of the company.
- Pre-sales and deferred incomes totalled 1.0 M€ and decreased by 0.1 M€ compared to year end 2015 as a consequence of the net effect between the increase in pre-sales, almost offset by the realization of part of the deferred income.
- “Other” item stands at 1.7 M€ and decreases slightly over year end 2015.

## NET DEBT

- Total net debt stands at 23.3 M€, 2.6 M€ above the amount of December 2015 due mainly to the increase in operations with mortgage guarantee.

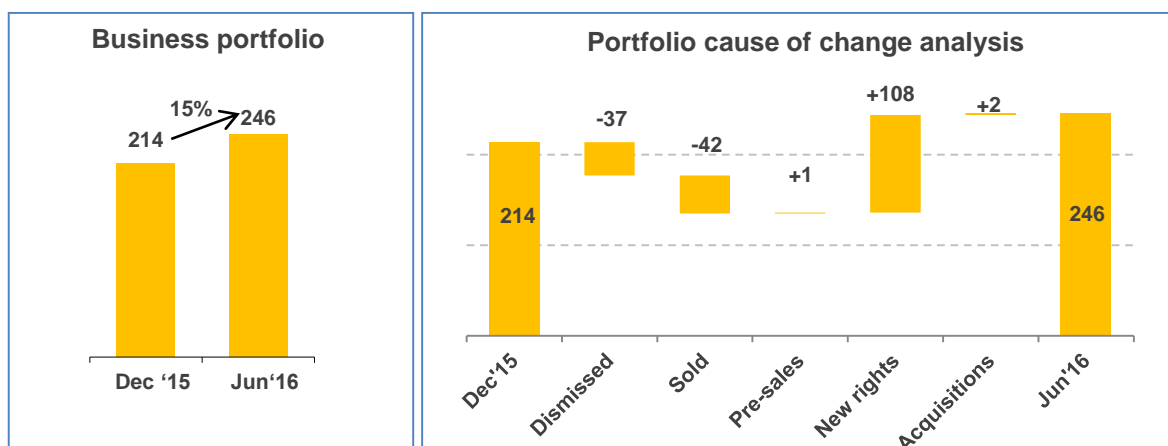
(M €)	Jun-16	Dec-15	Dif
Operations with mortgage guarantee	13.6	11.0	2.6
Other financial debt	0.4	0.5	-0.1
Cash and short term deposits	-4.8	-4.6	-0.2
<b>Financial Net Debt</b>	<b>9.1</b>	<b>6.8</b>	<b>2.3</b>
Equity loan <sup>(1)</sup>	14.2	13.8	0.3
<b>Total Net Debt</b>	<b>23.3</b>	<b>20.7</b>	<b>2.6</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

### 3.a. Portfolio

- Business portfolio** of the company, defined as investment rights and inventory for sale, stands at 245.8 M€ by the end of June 2016 and increases by 15% compared to the amount of December 2015 which was of 214.0 M€. Both the number and the average size of operations increase slightly compared to year end 2015. Most of the investment rights are focused in Madrid and Barcelona.

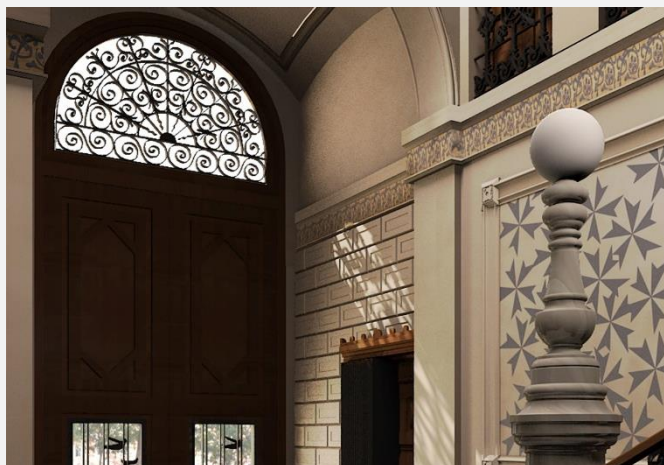


- In addition, Renta Corporación manages assets available for sale in collaboration with real estate funds totalling an investment amount of approximately 55 M€.



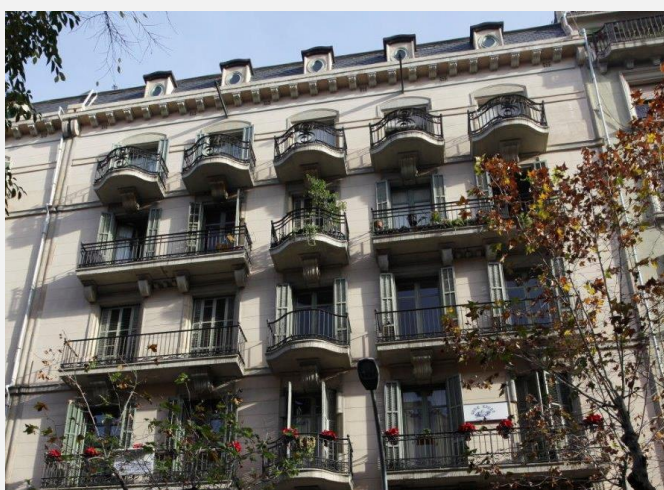
### 3.b. Ongoing and completed activity

#### PASSEIG PUJADES - Barcelona



- Year 1880 classic building located in the heart of Born district, near Ciutadella Park and Born Market.
- Project consisting of the total refurbishment of the building including the frontage, the roof, the staircase, the installation of an elevator and the refurbishment of the facilities supplies.
- Total sales amount: 5.3 M€
- Entire project period: 12 months

#### BAILÉN - Barcelona



- Classic building located in Ensanche Derecho district with 2 retail units and 13 flats. It enjoys excellent access to commercial services and wide connections to public transportation networks. Building very well preserved.
- Total sales amount: 6.5 M€
- Entire project period: 2 months

#### ARAGÓN - Barcelona



- Building located in Ensanche Derecho district, next to Paseo de Gracia and Avda. Diagonal, constructed between 1989 and 1993 for the head office of Carbueros Metálicos.
- Transformation into a 4 stars hotel after the negotiation of the tenancy situation. Optimization of the below ground floors by building 127 car parking spaces.
- Total sales amount: 23.0 M€
- Entire project period: 15 months

**PONZANO - Madrid**


- Residential building located in the heart of Chamberí district with 2 retail units and 21 flats very well preserved.
- Optimization of the tenancy situation.
- Total sales amount: 4.1 M€
- Entire project period: 3 months

**MONTALBÁN - Madrid**


- Building located only a few metres away from Paseo del Prado and Cibeles Square, near Retiro Park. It enjoys excellent connections with Madrid through to access to principal roads and public transportation networks.
- The current use of the building is residential although it also allows tertiary and hotel uses.
- Total sales amount: 20.0 M€
- Entire project period: 18 months

**PASEO JUAN XXIII - Madrid**


- College with an outstanding location in the Madrid University Town and an excellent accessibility. The complex is made up of a 4 floors building with a semibasement, located in an environment with all kind of facilities and wide green areas.
- Analysis of the development potential and the current building distribution optimization.
- Total sales amount: 11.7 M€
- Entire project period: 2 months

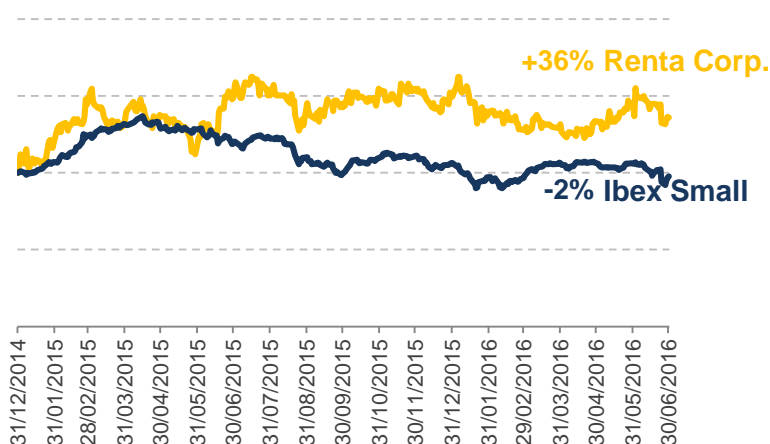


## 4. Share performance and investor relations

- The **share price** by the end of June 2016 is **1.59 euros** per share, **9% below** the share price of 2015 year end which was of 1.75 euros, reaching a value of 1.9 euros per share at the beginning of this year.

### SHARE PERFORMANCE

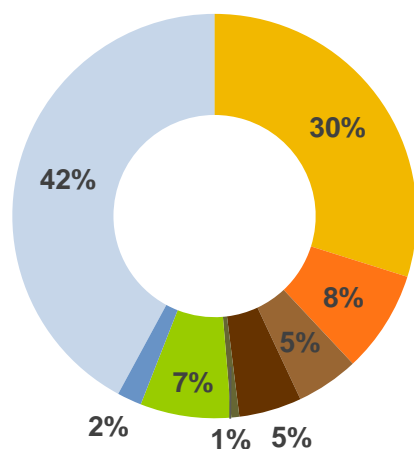
at 30/06/2016	
<b>Market capitalization</b>	<b>52.3 M€</b>
<b>Nº of traded shares</b>	<b>6.9 M</b>
<b>Value of traded shares</b>	<b>11.3 M€</b>



Source: Invertia

### SHAREHOLDER STRUCTURE

30/06/2016



- Luís Hernández de Cabanyes (President)
- Blas Herrero
- Baldomero Falcones
- Jormavi
- Fundación Renta Corporación
- Other significant shareholders
- Treasury shares
- Free-float

## 5. Real estate market performance and future outlook

- The recovery of the Spanish economy initiated last year keeps consolidating during year 2016. At the domestic level, the gradual improvement of the labour market and the financing conditions for businesses and households keeps encouraging consumption and investment choices. GDP is expected to continue to grow at healthy rates for the next 2 years, which will allow job creation and unemployment decrease.
- The recovery of the Spanish residential real estate sector continues, along with positive growth rates in residential prices, an increase in mortgages, home sales and new housing permits.
- Regarding the commercial real estate market, the lack of product together with the increasing demand forces a yield adjustment. Socimis (REITs) keep active in the market, showing their interest in new acquisitions or managing the portfolio created in the last years.
- Although there are existing conditions to conclude there is an investment opportunity in the Spanish real estate market for the next years, it is also true that the uncertainty in the financial markets coming from a potential global economy downturn or the United Kingdom exit of the European Union (Brexit) could restrain these expectations. The overcoming of the current Spanish Government temporary status will also help to return the normality to the markets.

## 6. Main material events

- Of all material events reported to the Spanish Securities Commission (CNMV) since January 2016 until now, the following are worth highlighting:
  - ▶ 25/02/2016 The company posts information about January-December 2015.
  - ▶ 25/02/2016 Announcement of the Board of Directors resolutions: announcement of the Ordinary General Meeting of Shareholders.
  - ▶ 25/02/2016 The company reports the drawing up of its Annual Accounts and the approval of the Corporate Governance Annual Report and the Annual Directors' Remuneration Report.
  - ▶ 25/02/2016 The company posts the Annual Directors' Remuneration Report.
  - ▶ 25/02/2016 The company posts the Corporate Governance Annual Report.
  - ▶ 21/03/2016 Proposals and Announcement of the Ordinary General Meeting of Shareholders.

- ▶ 27/04/2016 Approval of proposals for resolution. Ordinary General Meeting of Shareholders.
- ▶ 12/05/2016 The company posts information about Q12016.
- ▶ 12/05/2016 The company informs about the changes in the Audit Commission and in the Appointments and Wages Commission.
- ▶ 12/05/2016 Retributive Plan for employees and managers.

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**Warnings**

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