

1. Relevant issues

- ▶ Renta Corporación closed first half of year 2017 with a **net result of €7.1 M**, far above the result of same period of year 2016 which was of €2.0 M.
- ▶ The **margin from operations** stands at **€9.5 M** virtually doubling the amount of first half of year 2016.
- ▶ During the first half of the year the company has carried out some outstanding transactions both in Barcelona, with the sale of Edificio Mercurio in Via Augusta or a building located in Avenida Diagonal; and Madrid, with the sale of two buildings located in Plaza Isabel II and General Moscardó Street.
- ▶ **Business portfolio** of the company, defined as investment rights and inventory for sale, stands at **€210.2 M** by the end of June, almost at the same level than that of December 2016. In addition, Renta Corporación manages assets available for sale in collaboration with **real estate funds** totalling an investment amount of approximately **€45 M**.
- ▶ In the first half of the year it has been initiated the activity of the Socimi (REIT) created in alliance with the Dutch company APG, the main shareholder, of which Renta Corporación is a shareholder and the exclusive manager. This vehicle has been created with the aim of acquiring **rental residential assets in Spain**, mainly in Barcelona and Madrid, worth **€250 M** in the initial phase, and it counts with a committed capital of €130 M. By the end of the first half of the year, this vehicle has invested more than €25 M in the acquisition of two rental residential buildings and has other additional assets under study that will be materialized along next months.

This way, the Company initiates an additional new business line which represents expanding its target market and obtaining higher and more recurrent revenues.

- ▶ The **share price** by the end of June 2017 is **2.84 euros** per share, **55% above** the price of year end 2016 which was of 1.84 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)	2017	2016	% var.
Margin from operations	9.5	4.8	99%
EBITDA	6.0	2.3	163%
EBIT	6.0	2.3	165%
Net profit	7.1	2.0	252%
Consolidated balance sheet summary (€M)	Jun 17	Dec 16	dif.
Total assets	90.2	71.1	19.1
Current assets	51.1	34.4	16.7
Equity	40.7	33.6	7.0
Net debt ⁽¹⁾	28.3	21.4	7.0
Consolidated main figures (€M)	Jun 17	Dec 16	dif.
Ordinary business portfolio	210.2	215.4	-5.2
Inventory	20.3	7.0	13.3
Investment rights	189.9	208.4	-18.5

(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

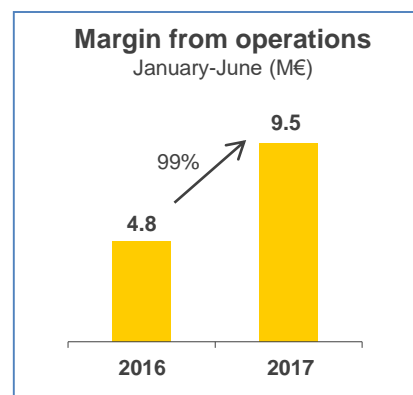
(€M)	January-June				TOTAL Var. vs 2015
	2017		2016		
	TOTAL	% Income	TOTAL	% Income	
Sales	10.8		8.5		2.3
Cost of sales and variable expenses	-8.8		-6.8		-2.0
Margin from sales	2.0		1.7		0.3
Income from service rendering	9.6		4.6		4.9
Costs and variable expenses of service rendering	-1.6		-2.0		0.4
Margin from services rendered	8.0		2.7		5.3
Other income and variable sale expenses	-0.5		0.4		-0.9
MARGIN FROM OPERATIONS	9.5	46%	4.8	36%	4.7
Admin and payroll expenses	-3.5	-17%	-2.5	-18%	-1.0
EBITDA	6.0	29%	2.3	17%	3.7
Depreciation, provisions & other	0.0	0%	0.0	0%	0.0
EBIT	6.0	29%	2.3	17%	3.7
Net financial income	-0.3	-1%	-0.7	-5%	0.4
PROFIT BEFORE TAX	5.7	28%	1.6	12%	4.1
Taxes	1.3	6%	0.4	3%	1.1
NET PROFIT	7.1	34%	2.0	15%	5.1

INCOME

- Total **income**, including sales and income from service rendering, rents and other, stood at €20.7 M compared with the same period of year 2016 amount which was of €13.4 M.

MARGIN FROM OPERATIONS

- The **margin from operations** is €9.5 M and it almost doubles the amount of same period 2016 which was of €4.8 M. Total margin is mainly made up of:
 - ▶ **Margin from sales**, that is the difference between sales and their cost and variable expenses, totalling €2.0 M, among which it is worth to highlight the sale of a building in Paseo de la Castellana and another in the Street General Moscardó of Madrid.
 - ▶ **Margin from services rendered** totalling €7.7 M, to be pointed out the sale of the Edificio Mercurio in Via Augusta and another building located in Avenida Diagonal of Barcelona; as well as the sale of a building in Plaza Isabel II of Madrid.
 - ▶ **Margin from services rendered to the Socimi** amounting to €0.3 M, including the income originated in the management of this vehicle from Renta Corporación.
 - ▶ **Other income and variable expenses** totalling €-0.5 M.



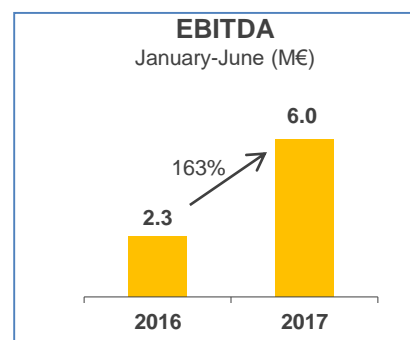
OVERHEAD EXPENSES

- The group's combined general and personnel expenses came to €3.5 M, €1.0 M above the amount of same period last year which was of €2.5 €, due to extraordinary expenses related to the external advisers contacted for the new Socimi project and its setting-up.

January-June					
(€M)	2017	% Margin	2016	% Margin	dif.
Margin from operations	9.5		4.8		4.8
G&A and personnel expenses	-3.5	-37%	-2.5	-52%	-1.0
G&A	-1.6	-17%	-0.9	-20%	-0.6
Personnel	-1.9	-20%	-1.5	-32%	-0.4

EBITDA

- Year 2017 **EBITDA** totals €6.0 M in comparison with the figure of same period last year which was of €2.3 M.



FINANCIAL RESULT

- Net financial result stood at €-0.3 M, compared to the amount of same period of year 2016 which was of €-0.7 M and included extraordinary interests totalling €-0.4 M.
- If only ordinary interest expenses are taken into account, financial result of both years stands at the same level. In addition to that, year 2016 figure included €0.1 M of interests paid to joint accounts.

January-June			
(€M)	2017	2016	dif
Ordinary interest expenses	-0.3	-0.2	0.0
Joint account contracts	0.0	-0.1	0.1
Ordinary interest incomes	0.1	0.1	0.0
Ordinary net financial result	-0.2	-0.2	0.0
Other interests	-0.1	-0.4	0.3
Net financial result	-0.3	-0.7	0.3

TAXES

- The company has registered €1.3 M of taxes for the net effect between several impacts:
 - ▶ Current tax expenses totalling €-1.4 M.
 - ▶ Tax expenses amounting to €-0.3M derived from the fiscal adjustment on inventory provision as a consequence of the new tax regulation requiring the reversal of inventory impairment losses in a 5 years period.
 - ▶ The registration of a tax credit in assets amounting to to €+3.0 M€ coming from tax losses to be offset against future profits.

NET PROFIT

- Renta Corporación closed first half of year 2017 with a net profit of €7.1 M, far above the result of first half year 2016 which was of €2.0 M.

2.b. Consolidated balance sheet

Assets (€M)	Jun-17	Dec-16	Equity and Liabilities (€M)	Jun-17	Dec-16
Long term financial assets	1.5	1.0	Capital & Reserves	33.6	29.6
Other long term assets	37.6	35.7	Net profit	7.1	4.0
Long term assets	39.1	36.7	Equity	40.7	33.6
Inventory	40.7	27.3			
Debtors	6.7	2.8	Long term debt	21.3	21.4
Cash/Financial investments	3.7	4.3	Long term creditors	7.5	7.5
Current assets	51.1	34.4	Short term debt	10.7	4.3
			Short term creditors	10.0	4.3
Total Assets	90.2	71.1	Equity and liabilities	90.2	71.1

LONG TERM ASSETS

- Long term assets stood at €39.1 M and it is mainly made up of €18.7 M of investment properties and a tax credit totalling €18.7 M. The total amount increases by €2.4 M compared to December 2016 due mainly to the net variation of the current year tax credit registration, and the change in non-current loans and investment in equity instruments, specifically, in the Socimi created in alliance with the pension fund APG .
- Tax credit increases by €1.9 M compared to December 2016 due to the net effect between the new credit registration mentioned before and the reversal of it as a consequence of current year results. The total amount of tax credit in assets registered is of €18.7 M and comes mainly from tax losses to be offset against future profits. The company has still a pending €26.2 M tax credit arising from tax loss carryforwards.

(€M)	Jun-17	Dec-16	dif
Non-current loans/investment in equity instruments	1.5	1.0	0.5
Investment property	18.7	18.6	0.0
Other long term assets	0.2	0.2	0.0
Tax credit	18.7	16.8	1.9
Long term assets	39.1	36.7	2.4

INVENTORY

- Inventory stood at €40.7 M, increasing by €13.4 M compared to the end of year 2016 due primarily to the investment in the acquisition of new assets and the transformation of current portfolio, partially offset by the sales carried out during year 2017. Inventory amount includes option premiums of €2.3 M that entitle the Company to acquire future assets amounting to €189.9 M.

DEBTORS

- The breakdown of debtors is as follows:

(€M)	Jun-17	Dec-16	dif
Trade debtors & receivables	4.0	0.7	3.3
Accrued taxes	1.3	0.8	0.5
Other debtors	1.4	1.3	0.1
Debtors	6.7	2.8	3.9

- By the end of first half of 2017 debtors totalled €4.0 M and increased by €3.3 M compared with year end 2016 due mainly to receivable amounts coming from service rendering carried out during the current year and maturing in the third quarter of this year.
- Accrued taxes amount to €1.3 M by the end of June 2017 and increases by €0.5 M compared to December 2016 due mainly to the tax payment on account of first quarter 2017 taxes.
- Other debtors total €1.4 M and stand at the same level than that of year end 2016. This line includes basically deposits corresponding to new buildings acquired during the first half of the year.

EQUITY

- Equity stood at €40.7 M, increasing by €7.1 M compared to the amount of year end 2016 which was of €33.6 M, due to the profit of year 2017.

(€M)	Jun-17	Dec-16	dif
Capital & Reserves	33.6	29.6	4.0
Net profit	7.1	4.0	3.1
Equity	40.7	33.6	7.1

CREDITORS

(€M)	Jun-17	Dec-16	dif
Long-term creditors	6.8	6.8	0.0
Short-term creditors	5.2	2.0	3.2
Pre-sales/Deferred income	2.3	0.1	2.2
Other	3.2	2.9	0.3
Short & long term creditors	17.5	11.8	5.7

- Long-term creditors stand at €6.8 M and include the debt with the creditors coming from the insolvency period that will be repaid during this year and over the next 5 years. 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 interest rates. This impact has been and will be reversed as the debt is being repaid over the current and the coming years. Long-term creditors amount is the same than that of year end 2016.
- Short-term creditors increase by €3.2 M reaching €5.2 M. They are made up of creditors related with the recurrent activity of the company, in particular, the activity of acquisition, transformation and sale of buildings, which has increased substantially during first half of the year.
- Pre-sales and deferred income totalled €2.3 M and increased by €2.2 M compared to year end 2016 as a consequence of the increased sales activity of first half of 2017. They are expected to materialize during the current year.
- “Other” item stands at €3.2 M and remains at the same level than that of year end 2016.

NET DEBT

- Total net debt stands at €28.3 M, €6.9 M above the amount of December 2016 due mainly to the increase in operations with mortgage guarantee.

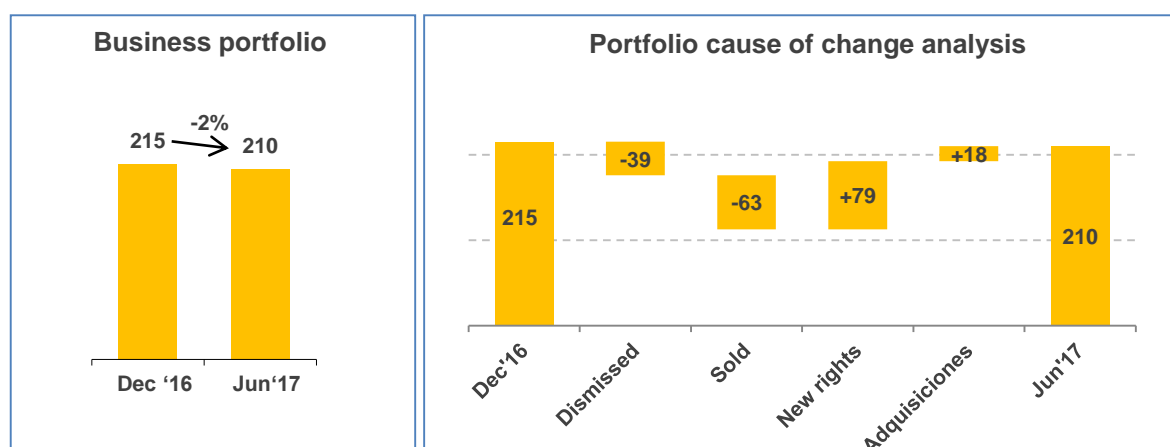
(€M)	Jun-17	Dec-16	Dif
Operations with mortgage guarantee	17.4	11.1	6.4
Other financial debt	0.0	0.0	0.0
Cash and short term deposits	-3.7	-4.3	0.6
Financial Net Debt	13.8	6.8	6.9
Equity loan ⁽¹⁾	14.5	14.5	0.0
Total Net Debt	28.3	21.4	6.9

(1) It has been included the temporary effect coming from the restatement of the equity loan with a nominal value of €18.0M 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 €210.2 M by the end of June 2017, virtually the same level than that of December 2016. All 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 45 M€.

3.b. Ongoing and completed activity

EDIFICIO MERCURIO - Barcelona



- Office building located in the city center, close to Avenida Diagonal, in a well connected area with public transport.
- Design of the building complete transformation project.
- Total sales amount: €30 M
- Entire project period: 3 months

DIAGONAL - Barcelona



- Office building located in a prime area.
- Profitability sale.
- Total sales amount: €7.0 M
- Entire project period: 3 months

SANTA FILOMENA - Barcelona



- Residential building located in the upper part of the historic quarter of Sarrià district. Classic building dating from 1910 and preserving the original architectonic elements. Excellent location.
- Residential rehabilitation project.
- Total sales amount: €3 M
- Entire project period: 5 months

GENERAL MOSCARDÓ - Madrid


- Offices located in the financial center of Madrid, near Azca, an area with one of the most important business and office centers of the city.
- Total refurbishment of the offices. Rental management and sale to an investor.
- Total sales amount: €5.6 M
- Entire project period: 16 months

PLAZA ISABEL II - Madrid


- Building known as Cine de la Ópera, designed by the architect Teodoro Anasagasti. It has a privileged location in one of the most popular tourist areas in the centre of Madrid, surrounded by large tracts of pedestrian zones and numerous shops, as well as trendy restaurants and bars.
- Hotel rehabilitation project.
- Total sales amount: €24.3 M
- Entire project period: 14 months

JORGE JUAN - Madrid


- Residential building in Salamanca district, built in 1923. Well connected area with all kind of services.
- Residential rehabilitation project. Tenants renting management.
- Total sales amount: €8.4 M
- Entire project period: 3 months

4. Socimi

- Last April, Renta Corporación and the company APG from Holland, the main shareholder, created a **Socimi** (REIT) with the aim of acquiring **rental residential assets in Spain** worth **€250 M** in the initial phase. This vehicle, which has a committed capital of €130 M, will fund the operations up to 50% of the gross asset value and plans to be listing on the stock exchange market by the end of 2018.
- Renta Corporación is one of the shareholders and the exclusive manager of this vehicle, which activity will be focused on Madrid and Barcelona without dismissing other main Spanish cities to invest in. That way, the company initiates an additional new business line which represents expanding its target market and obtaining higher and more recurrent revenues.
- APG, the main shareholder of the Socimi controlling about 95% of its capital, is one of the biggest pension funds in the world and has an extensive expertise in the residential real estate market. It disembarks in the Spanish market through this vehicle and together with Renta Corporación because of the significant synergy opportunities and the high market share of Renta.
- Renta Corporación has registered the first income coming from the management of the Socimi during the first half of the year which amounts to €0.3 M.
- By the end of the first half of the year, the vehicle has invested more than €25 M in the acquisition of two rental residential buildings and has other additional assets under study that will be materialized along next months.

RIVAS - Madrid



- Acquisition price: €17.5 M
- Area: 12,743 s.q.m.
- Units: 200 homes with parking space and storage room
- Yield: 6%

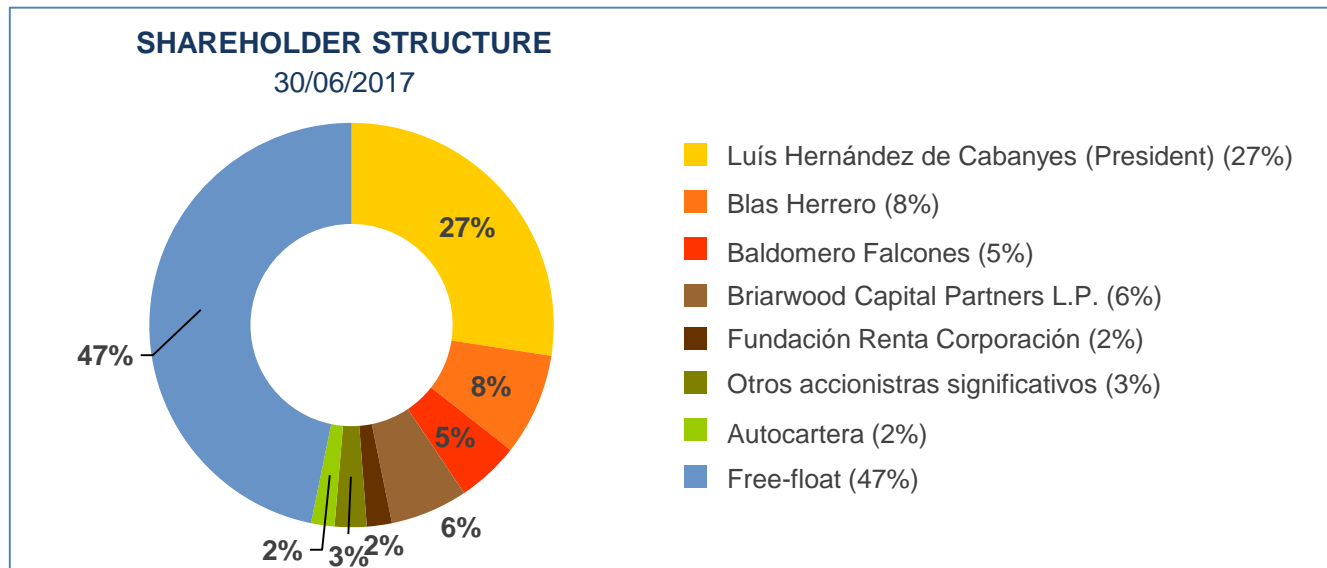
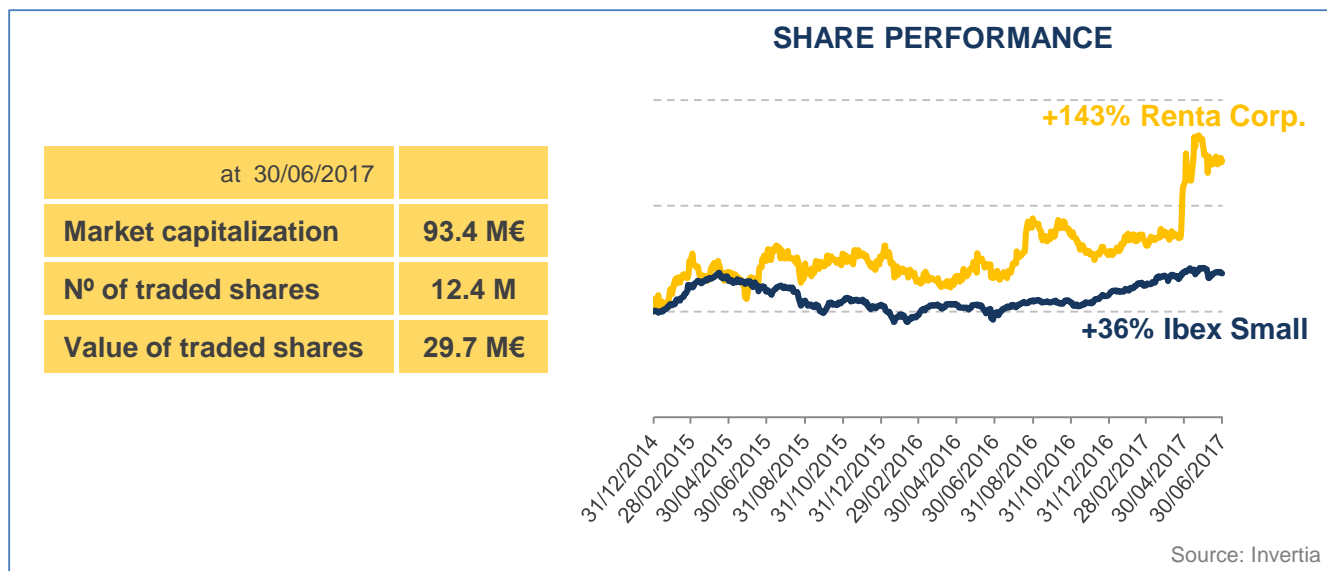
NAVALCARNERO - Madrid



- Acquisition price: €8.2 M
- Area: 8,148 s.q.m.
- Units: 135 homes with parking space and storage room
- Yield: 6.39%

5. Share performance and investor relations

- The **share price** by the end of June 2017 is **2.84 euros** per share, **55% above** the share price of 2016 year end which was of 1.84 euros, reaching a value of 3.1 euros per share in May.



6. Real estate market performance and future outlook

- The real estate market consolidated its recovery during year 2016 and year 2017 is forecasted as a year of real estate expansion. It is expected the Spanish economy to grow by more than 2.7% during year 2017 and the creation of around 450,000 new job posts. On the other hand, consumer expectations show optimism and increases the amount of homes that think that the situation of the economy is going to improve in the next twelve months.
- Housing demand prospects are positive. The good evolution of mortgages for the next quarters will also strengthen the growth of the residential demand during 2017, which will continue encouraging construction as well as the appreciation of the house price in all the country and, particularly, in Madrid and Barcelona.
- Regarding the retail real estate market, it is confirmed the good evolution as a result of the good performance of the investment market which reached €2,900 M since the beginning of the year.
- It is worth to highlight the number of contracts figure in the office segment. The volume of space hired in Barcelona during first half of 2017 almost doubles the figure for the same period last year (+46%). The increase in Madrid reaches around 25%. The number of contracts signed in both cities has reached the level of year 2017 figures.
- To sum up, it is forecasted a year 2017 very active for the investment in the Spanish real estate market, with a high activity of REITs, without dismissing new corporate operations. The risks of the sector continue linked, first of all, to the fact that the improvement of the global economy could mitigate the expansive monetary policy, pushing up the interest rates and the financing costs. Secondly, unexpected regulatory changes could result in an uncertainty increase around the economic policy that could affect the sector actors decisions. Finally, geopolitics risks could predetermine the evolution of the main economic factors.

7. Main material events

- Of all material events reported to the Spanish Securities Commission (CNMV) since January 2017 until now, the following are worth highlighting:
 - ▶ 24/02/2017 Announcement of the Board of Directors resolutions: announcement of the Ordinary General Meeting of Shareholders, the drawing up of its Annual Accounts and the approval of the Corporate Governance Annual Report and the Annual Directors' Remuneration Report.
 - ▶ 24/02/2017 The company posts information about January-December 2016.
 - ▶ 24/02/2017 The company posts the Management report January-December 2016.
 - ▶ 24/02/2017 The company posts the 2016 Annual Directors' Remuneration Report.
 - ▶ 24/02/2017 The company posts the 2016 Corporate Governance Annual Report.

- ▶ 16/03/2017 Proposals and Announcement of the Ordinary General Meeting of Shareholders.
- ▶ 26/04/2017 Approval of proposals for resolution. Ordinary General Meeting of Shareholders.
- ▶ 26/04/2017 The company posts the Ordinary General Meeting of Shareholders press release.
- ▶ 04/05/2017 The Company announces the formalization of the agreement with the Netherland pension fund APG.
- ▶ 05/05/2017 The Company posts additional information about the formalization of the agreement with the Netherland pension fund APG.
- ▶ 10/05/2017 The company posts information about Q1 2017.
- ▶ 10/05/2017 The company informs about the changes in the Board of Directors.
- ▶ 10/05/2017 Retributive Plan for employees and managers.

CHANGES IN THE BOARD OF DIRECTORS

April 2017:

- ▶ Resignation of Mr. Carlos Tusquets Trías de Bes.
- ▶ Appointment of Mrs. Ainoa Grandes Massa.

May 2017:

- ▶ Resignation of Mr. Javier Carrasco Brugada.
- ▶ Appointment of Mr. Luis Conde Moller.
- ▶ Appointment of Mr. José M^a Cervera Prat as secretary non director.

CHANGES IN THE APPOINTMENTS AND REMUNERATIONS AND AUDIT COMMISSIONS

April 2017:

- ▶ Mr. Juan Gallostra Isern substitutes Mr. Carlos Tusquets Trías de Bes as the president of the appointments and remunerations and audit commission.
- ▶ Mrs. Ainoa Grandes Massa substitutes Mr. Carlos Tusquets Trías de Bes as the secretary of the appointments and remunerations and audit commission.
- ▶ Mrs. Elena Hernández de Cabanyes substitutes Mr. Javier Carrasco Brugada as member of the audit commission.

May 2017:

- ▶ Mr. Luis Conde Moller substitutes Mrs. Ainoa Grandes Massa as the secretary of the appointments and remunerations commission.

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Warnings

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