

1- Summary

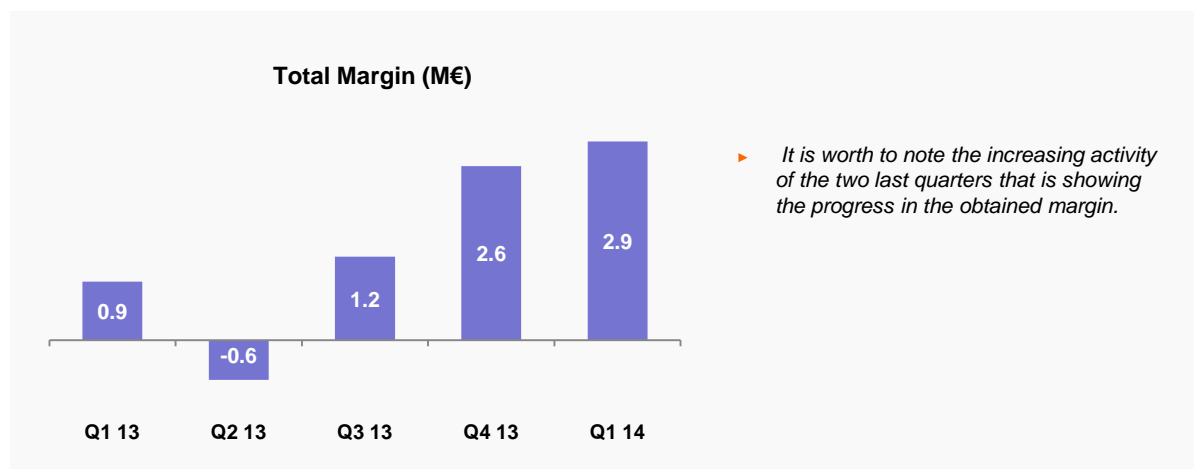
- Renta Corporación closed the first quarter of year 2014 with a **cumulative positive net profit** of **1.0 M€**, improving by 4.0 M€ the result of same period year 2013.
- The activity of these first months of year 2014 confirms the positive trend of the last months of year 2013. The company has led sales of important buildings amounting to more than 85 M€.
- In December 2013, the Commercial Court that oversees the insolvency process of the company appointed the Creditors Meeting for the 21st of March 2014. That meeting was postponed until the 9th of May 2014. The insolvent subsidiaries of the Group together with the majority of the financial entities and the Insolvency Administration, have requested a new postponement in order to allow the most relevant financial creditors to complete their internal decision processes of approval to ensure a correct formalization of the Creditors Agreement Proposal. The new Creditors Meeting date has been finally scheduled for June 13, 2014.
- Once the insolvency process is overcome, the company is going to request the resumption of the share quotation.

2- Consolidated profit and loss account

January-March			
(M €)	2014	2013	% var
Sales	1.9	6.3	-70%
Cost of sales and variable expenses	-2.1	-5.8	-63%
Margin from Sales	-0.3	0.6	n.a.
Income of Service Rendering	5.8	0.1	n.a.
Costs and variable expenses of Service Rendering	-2.4	0.0	n.a.
Margin from Service Rendering	3.4	0.1	n.a.
Rents and other income	0.1	0.7	-83%
Variable sale expenses	-0.3	-0.5	-37%
TOTAL MARGIN	2.9	0.9	239%
Admin and payroll expenses	-1.1	-2.4	53%
EBITDA	1.8	-1.5	n.a.
Depreciation, Provisions & Other	-0.1	-0.2	-68%
EBIT	1.8	-1.7	n.a.
Net financial income	-0.7	-1.3	-43%
PROFIT BEFORE TAX	1.0	-3.0	n.a.
Taxes	0.0	0.0	n.a.
NET PROFIT	1.0	-3.0	n.a.

Notes on the results

- **Total margin** stood at 2.9 M€, 2.0 M€ above the margin of same period year 2013 which was of 0.9 M€. This margin is mainly made up by:
 - ▶ **Sales margin** amounting to -0.3 M€, that is the difference between sales and the cost of sales adding the variable expenses of sales, and
 - ▶ **Service rendering margin** amounting to 3.4 M€, 3.3 M€ higher than 1Q 2013 figure, showing the activity increase of the last two quarters. It is worth to highlight the margin obtained in significant size operations such as the sale of Estel building, the former headquarters of Telefónica in Barcelona, or the sales of the buildings located in 12 Salustiano Olózaga St. and 9 General Oraá St. in Madrid.



- **General expenses** stood at 0.6 M€, decreasing by 0.4 M€ vs same period last year. This amount includes 0.4 M€ of extraordinary costs within first quarter 2014 in relation to the insolvency process of the company, in comparison with 0.5 M€ registered in 1Q 2013 for the same reason. If these extraordinary costs were not taken into account, ordinary general expenses would decrease by 0.2 M€ vs same period of year 2013, which would represent a decrease of 42%.
- **Personnel expenses** amount to 0.5 M€, 0.9 M€ lower than the figure of January-March 2013. The amount of year 2013 included a non-recurring expense of 0.5 M€ coming from the staff restructuring process, resulting from the viability plan adopted by the company within the voluntary insolvency process in which it is involved since the first quarter of last year. If these extraordinary costs were not taken into account, ordinary personnel expenses would decrease by 0.4 M€ vs the same period of year 2013, which would represent a decrease of 45%.
- **EBITDA** is positive in 1.8 M€, increasing by 3.3 M€ the amount of same period last year, which was negative in 1.5 M€.
- **Net financial result** stood at -0.7 M€, below the amount registered in first quarter of year 2013 which was of -1.3 M€. It is worth to note that 1Q13 figure included an extraordinary impact of -0.6 M€ in relation with the interests of a pending legal claim of the company. If this extraordinary cost was not taken into account, net financial result for the first quarter year 2014 would stand at the same level as the 1Q 2013.

- **Net profit** of period January-March 2014 is positive in 1.0 M€, improving by 4.0 M€ the net result of same period of 2013, which was negative in -3.0 M€. The result of first quarter 2014 includes the accounting of extraordinary impacts amounting to -0,4 M€ related to the insolvency process of the company.

3- Consolidated balance sheet

Assets (€M)	Mar-14	dec-13	Equity and Liabilities (€M)	Mar-14	dec-13
Long term assets	1.0	1.0	Capital & Reserves	-41.8	-28.8
Inventory	144.5	145.2	Net profit	1.0	-13.1
Debtors	3.3	4.2	Total Equity	-40.8	-41.8
Cash and financial investments	6.3	1.9	Equity loan	44.9	44.9
Current assets	154.2	151.4	Commercial Equity	4.1	3.0
Total Assets	155.2	152.4	Long term debt		
			Long term creditors	3.4	3.4
			Short term debt	116.9	117.6
			Short term creditors	30.8	28.3
			Equity and liabilities	155.2	152.4

Notes on the balance sheet

- **Inventory** stood at 144.5 M€, decreasing by 0.7 M€ compared to 2013 year end due to the sales of first quarter 2014. Regarding the composition of the portfolio, the total inventory is made up of 99% of portfolio previous to 2009 and 1% corresponds to ordinary business portfolio, entirely focused on buildings in the domestic market.

(M€)	Mar-14	dec-13	Dif
Land and Buildings	144.0	144.7	-0.7
By business unit			
Ordinary business portfolio	1.4	2.2	-0.8
Portfolio previous to 2009	142.5	142.5	0.0
By asset typology			
Residential and offices	17.3	18.0	-0.7
Land	126.6	126.6	0.0
Purchase option premiums	0.6	0.5	0.0
Ordinary business portfolio	0.6	0.5	0.0
Portfolio previous to 2009	-	-	-
TOTAL Inventory	144.5	145.2	-0.7

- **Investment rights** stand at 61.8 M€. All them are focused on ordinary business portfolio adapted to the new market conditions. They are made up of residential assets mainly, focused on the domestic market.

(M €)	Mar-14	dec-13	Dif
Investment rights	61.8	78.9	-17.1
Ordinary business portfolio	61.8	78.9	-17.1
Portfolio previous to 2009	-	-	-

- **Commercial equity** stood at 4.1 M€, increasing by 1.0 M€ compared with 3.0 M€ of 2013 year-end due to the positive result of the first quarter 2014. This total amount is made up of -40.8 M€ of accounting equity and +44.9 M€ of equity loan with mercantile consideration of equity.
- **Net debt** amounts to 155.5 M€ by the end of March, lower than December 2013 amount, primarily due to the improvement in cash as a consequence of last months activity and the decrease in overhead and personnel costs resulting from the insolvency process.

(M €)	Mar-14	dec-13	Dif
Syndicated loan	147.7	147.7	0.0
Operations with mortgage guarantee	8.5	9.9	-1.4
Other financial debt	5.5	4.8	0.7
Cash and short term deposits	-6.3	-1.9	-4.4
Total Net Debt	155.5	160.6	-5.1

- **Short & long creditors** total 34.2 M€, increasing by 2.4 M€ in comparison with December 2013 as a consequence of the increase in rehabilitation and external professional services related to last months operations. Creditors amount includes deferral of VAT granted by the Tax Authorities totalling 21.1 M€ and maturing by the end of year 2016.
- The priority of the company focuses on the overcoming of the insolvency process and the continuity of the ordinary activity. All that is going to be possible by means of a viability plan based on:
 - ▶ An agreement with creditors, mainly financial entities and Public Administration, embodied in the Creditors Agreement Proposal admitted the 29th of January 2014, that would allow to substantially reduce company debt through the payment with assets, the debt capitalization and the establishment of waivers. The remaining debt would be repayed in a long-term schedule.
 - ▶ Cost reduction by means of a corporate simplification and, mainly, by reducing overhead and personnel expenses, all them issues that have been carried out already.
 - ▶ Maintaining the current business model already adapted to the new market conditions.
- Recovering the company share quotation will also be a priority once the company overcomes the insolvency procedure.

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Warnings

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