

1. Relevant issues

- ▶ Renta Corporación has closed the first quarter of 2017 with a **net profit of €3.2 M**, clearly above the result of same period 2016, which was of €0.6 M.
- ▶ **EBITDA** totals **€2.7 M**, above the amount of first quarter 2016 which was of €0.8 M.
- ▶ During this year the Company carried out some outstanding transactions such as the sale of the building Mercurio in Vía Augusta street of Barcelona, which will be repositioned as residential, or the sale of the buildings in Santa Filomena or Rambla del Carmel streets, in that same city.
- ▶ **Business portfolio** of the company, defined as investment rights and inventory for sale, stands at **€214.7 M** by the end of March 2017, at the same level than that of December 2016, which was of €215.4 M. In addition, Renta Corporación manages assets available for sale in collaboration with **real estate funds** totalling an investment amount of approximately **€45 M**.
- ▶ The **share price** by the end of March 2017 is **2.03 euros** per share, **11% above** the price of year end 2016 which was of 1.84 euros per share.
- ▶ Renta Corporación in alliance with the company APG from Holland, as the main shareholder, have created a **Socimi** with the aim of acquiring rental residential real estate assets in Spain amounting to **€250 M**. That vehicle has a committed capital of €130 M and will fund the operations up to 50% of the portfolio gross value.

The management of that vehicle, which activity will be focused in Madrid and Barcelona without dismissing other main Spanish cities to invest in, will be carried out exclusively by Renta Corporación. This way, the Company initiates an additional new business line which represents expanding its target market and obtaining higher and more recurrent revenues.

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-March		
Consolidated profit and loss summary (€M)	2017	2016	% var.
Margin from operations	4.2	2.0	111%
EBITDA	2.7	0.8	254%
EBIT	2.7	0.8	259%
Net profit	3.2	0.6	397%
Consolidated balance sheet summary (€M)	Mar 17	Dec 16	dif.
Total assets	78.3	71.1	7.3
Current assets	41.3	34.4	6.9
Equity	36.7	33.6	3.0
Net debt ⁽¹⁾	24.1	21.4	2.7
Consolidated main figures (€M)	Mar 17	Dec 16	dif.
Ordinary business portfolio	214.7	215.4	-0.7
Inventory	12.4	7.0	5.4
Investment rights	202.3	208.4	-6.1

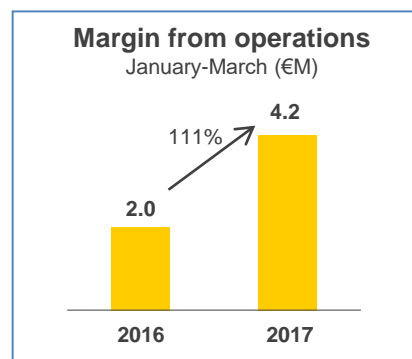
(1) Includes the temporary effect of the restatement of the equity loan, which has a nominal value of €18.0 M

2.a. Consolidated profit and loss account

January-March					
(€M)	2017		2016		TOTAL
	TOTAL	% Income	TOTAL	% Income	Var. vs 2015
Sales	0.8		2.2		-1.4
Cost of sales and variable expenses	-0.8		-1.5		0.7
Margin from sales	0.0		0.7		-0.7
Income from service rendering	5.0		1.3		3.7
Costs and variable expenses of service rendering	-0.5		-0.5		0.0
Margin from services rendered	4.5		0.9		3.7
Other income and variable sale expenses	-0.4		0.4		-0.8
MARGIN FROM OPERATIONS	4.2	70%	2.0	55%	2.2
Admin and payroll expenses	-1.5	-25%	-1.2	-34%	-0.3
EBITDA	2.7	46%	0.8	21%	1.9
Depreciation, provisions & other	0.0	0%	0.0	0%	0.0
EBIT	2.7	45%	0.8	21%	1.9
Net financial income	-0.1	-2%	-0.1	-3%	0.0
PROFIT BEFORE TAX	2.6	43%	0.6	18%	2.0
Taxes	0.6	10%	0.0	0%	0.6
NET PROFIT	3.2	53%	0.6	18%	2.6

NOTES ON THE RESULTS

- Total **income**, including sales and income from service rendering, rent and other, stood at €6.0 M compared with first quarter 2016 amount which was of €3.6 M.
- The **operating margin** is €4.2 M, far exceeding the amount of same period year 2016. Total margin is mainly made up of:
 - ▶ **Margin from sales**, that is the difference between sales and their cost and variable expenses, totalling €0.0 M, and made up of the sale of the last units of some assets sold unit by unit.
 - ▶ **Margin from services rendered** totalling €4.5 M, to be pointed out the sale of the building Mercurio in Vía Augusta Street of Barcelona, or the sale of the buildings in Santa Filomena or Rambla del Carmel streets, in that same city.
 - ▶ **Other income and variable sale expenses** totalling €-0.4 M.



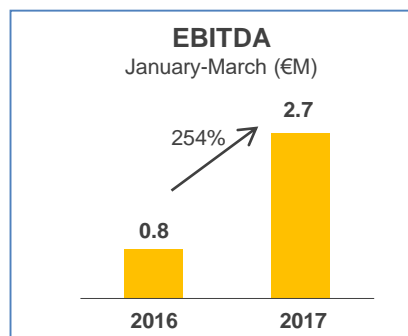
- The group's combined general and personnel expenses came to €1.5 M, slightly above the amount of same period last year, which was of €1.2 M.

January-March					
(€M)	2017	% Margin	2016	% Margin	dif.
Margin from operations	4.2		2.0		2.2
G&A and personnel expenses	-1.5	-35%	-1.2	-61%	-0.3
G&A	-0.6	-14%	-0.5	-24%	-0.1
Personnel	-0.9	-21%	-0.7	-38%	-0.1

- First quarter 2017 **EBITDA** is of €2.7 M in comparison with the figure of same period year before that was of €0.8 M.

- Net financial result** stood at €-0.1 M, at the same level than that of first quarter 2016.

- The Company has registered €+0.6 M of **taxes** for the net effect between several effects: i) current tax expenses amounting to €-0.6 M; ii) tax expenses amounting to €-0.2 M 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 iii) the registration of a tax credit in assets amounting to €+1.4 M coming from tax losses to be offset against future profits.



- Renta Corporación has closed the first quarter of year 2017 with a **net profit of €3.2 M**, clearly above the result of same period 2016, which was of €0.6 M.

2.b. Consolidated balance sheet

Assets (€M)	Mar-17 Dec-16		Equity and Liabilities (€M)	Mar-17 Dec-16	
	Mar-17	Dec-16		Mar-17	Dec-16
Long term financial assets	0.5	0.4	Capital & Reserves	33.5	29.6
Other long term assets	36.5	36.3	Net profit	3.2	4.0
Long term assets	37.0	36.7	Equity	36.7	33.6
Inventory	33.2	27.3	Long term debt	21.3	21.4
Debtors	3.6	2.8	Long term creditors	7.5	7.5
Cash/Financial investments	4.5	4.3	Short term debt	7.3	4.3
Current assets	41.3	34.4	Short term creditors	5.5	4.3
Total Assets	78.3	71.1	Equity and liabilities	78.3	71.1

NOTES ON THE BALANCE SHEET

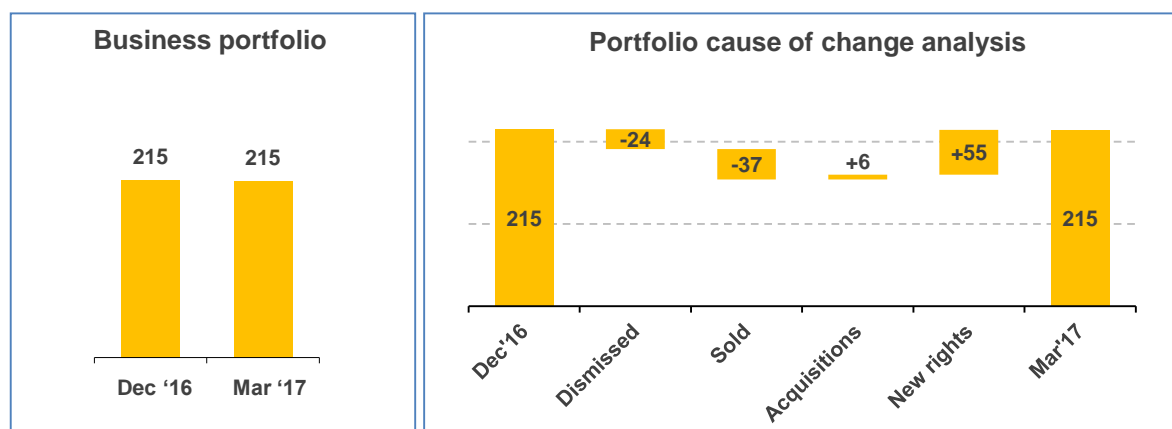
- Long term assets** stood at €37.0 M and it is mainly made up of €18.7 M of investment properties and a tax credit totalling €17.6 M. The total amount increases by €0.3 M compared to December 2016 due basically to the net effect between current year tax credit registration and the change in non-current loans and investment in equity instruments.

- **Inventory** amounts to €33.2 M and increases by €5.9 M compared to the end of year 2016 due basically 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 €2.7 M that entitle the Company to acquire future assets amounting to €202.3 M.
- **Debtors** totalled €3.6 M and increases by €0.8 M compared to year end 2016 due mainly to new receivable amounts from service rendering, partially offset by the collection of withheld amounts until the completion of work of some ongoing operations and the decrease of the amounts deposited in the notary office in relation to acquisition operations under due diligence process.
- **Equity** stands at €36.7 M and increases by €3.1 M compared to the amount of December 2016, which was of €33.6 M due to the profit obtained in first quarter 2017.
- **Short & long term creditors** by the end of March 2017 total €13.0 M and increase by €1.2 M vs year end 2016 amount due basically to the increase in pre-sales of some ongoing operations and also due to a higher debt with the Tax Authorities as a result of the regular activity of the company.
- Total **net debt** stands at €24.1 M, €2.7 M above the amount of December 2016 due to the increase in operations with mortgage guarantee.

(€M)	Mar-17	Dec-16	Dif
Operations with mortgage guarantee	14.1	11.1	3.0
Other financial debt	0.0	0.0	0.0
Cash and short term deposits	-4.5	-4.3	-0.2
Financial Net Debt	9.6	6.8	2.7
Equity loan ⁽¹⁾	14.5	14.5	0.0
Total Net Debt	24.1	21.4	2.7

(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 €214.7 M by the end of first quarter 2017, at the same level than that of December 2016 which was of €215.4 M. The number of operations decreases slightly compared to year end 2016 and the average size increases. 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.

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Warnings

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