

1- Summary

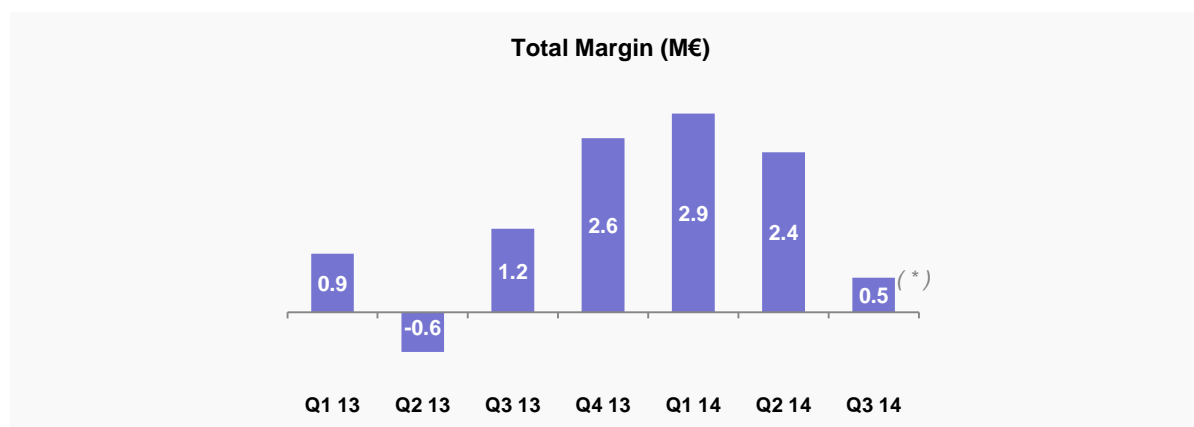
- Renta Corporación closes the period January-September 2014 with a positive cumulative net result of 29.8 M€. This total result is made up of a positive result of 1.6 M€ from the ordinary activity of the company, together with an extraordinary result of 28.1 M€ coming from the assignment of assets in payment of the syndicate loan, the accounting of part of the creditor waives and from other effects resulting from the insolvency process.
- It is worth to highlight the important sales activity that distinguish the first months of year 2014. During the period of January-September 2014 the company has been involved in sale transactions of important buildings amounting to more than 125 M€.
- On July 8th, 2014 the insolvency process was lifted and the Insolvency Administration relieved from his duty. The Commercial Court number nº 9 of Barcelona pronounced favourable to the Creditors Agreement Proposal presented by Renta Corporación Real Estate, S.A., together with Renta Corporación Real Estate Finance, S.L.U., Renta Corporación Real Estate ES, S.A.U. and Renta Corporación Core Business, S.L.U. The Agreement Proposal had been previously approved in the Creditors Meeting held on last 13th of June of 2014.
- On June 11th, 2014 the company was notified with the magistrate order confirming the assignment of assets to the financial entities of the syndicate, although the assets will not be transferred until the last quarter of year 2014.
- The company has requested the resumption of the share quotation in the stock market in order to get it as soon as possible.

2- Consolidated profit and loss account

(M €)	January-September				TOTAL % var
	2014			2013	
	TOTAL	ordinary	insolvency effects	TOTAL	
Sale	4.4	4.4		9.9	-56%
Cost of sales and variable expenses	-32.2	-3.9	-28.3	-9.7	232%
Margin from sales	-27.8	0.5	-28.3	0.2	n.a.
Income from Service Rendering	9.5	9.5		1.0	893%
Cost and variable expenses of Service Rendering	-3.9	-3.9		-0.1	-7296%
Margin from Service Rendering	5.6	5.6	0.0	0.9	521%
Rents and other income	0.4	0.4		1.0	-62%
Variable sale expenses	-0.9	-0.7	-0.2	-0.6	58%
TOTAL MARGIN	-22.7	5.8	-28.5	1.5	n.a.
Admin and payroll expenses	-3.7	-3.0	-0.7	-4.7	20%
EBITDA	-26.4	2.8	-29.2	-3.2	-731%
Depreciation, Provisions & Other	-0.2	-0.2		-0.4	-60%
EBIT	-26.6	2.7	-29.2	-3.6	-648%
Net financial income	54.3	-1.0	55.4	-2.0	n.a.
PROFIT BEFORE TAX	27.8	1.6	26.1	-5.6	n.a.
Taxes	2.0	0.0	2.0	0.0	n.a.
NET PROFIT	29.8	1.6	28.1	-5.6	n.a.

Notes on the results

- **Total margin** stood at -22.7 M€ and it is made up of a positive margin amounting to 5.8 M€ from the ordinary activity of the company, and an extraordinary margin of -28.5 M€ coming from the assignment of assets in payment of the syndicate loan and, to a lesser extent, due to tax payments in relation to the insolvency process. The assignment of assets will be completely registered in the last quarter of the year with the transfer of the asset ownership. Thus, the total margin is mainly made up of:
 - ▶ **Margin from sales**, that is the difference between sales and the cost of sales adding the variable expenses of them, amounting to 0.5 M€, slightly above the amount of same period last year.
 - ▶ **Margin from service rendering** of 5.6 M€, 4.7 M€ higher than the amount of same period last year, showing the activity increase over the last few 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 sale of Salustiano Olózaga 12 and Paseo de la Castellana 16 in Madrid.
 - ▶ **Margin from the assignment of assets in payment** of the syndicate debt amounting to -28.3 M€, coming from the depreciation of the assigned assets in its entirety.



(*) The lower margin of the third quarter of year 2014 is the result of the seasonality of the activity of Renta Corporación that is recovered eventually in the last quarter of the year. By the end of the third quarter the company has pre-sales of important operations that would lead to an annual operating net profit above 6 M€.

- **General expenses** totalled 1.6 M€, 0.3 M€ down the amount of same period of year 2013. Year 2014 amount includes a non-recurring expense of 0.7 M€ in relation to the insolvency process, compared to the figure of 0.8 M€ registered in the same period of year 2013 in relation to that same concept. If these costs were disregarded, operating general expenses would decrease by 0.3 M€ vs same period of year 2013, which would represent a decrease of 23%.
- **Personnel expenses** are 2.1 M€, 0.7 M€ down the amount of January-September 2013. The amount of year 2013 included a non-recurring expense of 0.6 M€ coming from the staff restructuring process, resulting from the viability plan adopted by the company within the voluntary insolvency process in which it was involved since the first quarter of last year.
- **EBITDA** is negative of -26.4 M€. This total amount is made up of a positive EBITDA amounting to +2.8 M€ from the ordinary activity of the company, and a negative EBITDA of -29.2 M€ coming mainly from the partial accounting of the effects of the assignment of assets in payment of the syndicate debt, specifically, concerning the depreciation of the assigned assets; and, to a lesser extent, coming from the accounting of extraordinary costs caused by the insolvency process of the company.

- **Net financial result** stood at 54.3 M€, hard to compare to the figure of same period last year as it includes the accounting of substantial extraordinary impacts. To correctly interpret this result, following effects should be noted:
 - ▶ The section of ordinary incomes and expenses decreases significantly in comparison with year 2013 amount, with a net expense of 1.0 M€ by the end of September 2014 vs 2.1 M€ in the same period year 2013. That substantial decrease is due to the assignment of assets in payment of the syndicate loan in June 2014. Average interest rate is of 1.27 % by the end of third quarter 2014, below the rate of 1.59% of same period 2013.
 - ▶ An extraordinary impact totalling +55.4 M€ has been registered as a result of, first, the implicit waive in the repayment of debt amounting to 98.6 M€ with the assignment of assets with a value of 65.4 M€, which amounts to +33.1 M€; and second, the waive resulting from the creditor debt concerned by Option of payment A of the Creditors Agreement, which amounts to +22.2 M€.
- It is worth mentioning a positive impact of 2.0 M€ in the **taxes** section due to the deferred fiscal effect of the financial costs capitalised in past years as more inventory value of the assets assigned in payment of debt
- **Net profit of** January-September 2014 period is positive of 29.8 M€ and it is made up of a positive result totalling +1.6 M€ from the ordinary activity of the company, together with an extraordinary result of +28.1 M€ coming mainly from the Creditors Agreement approval and the overcoming of the insolvency process.

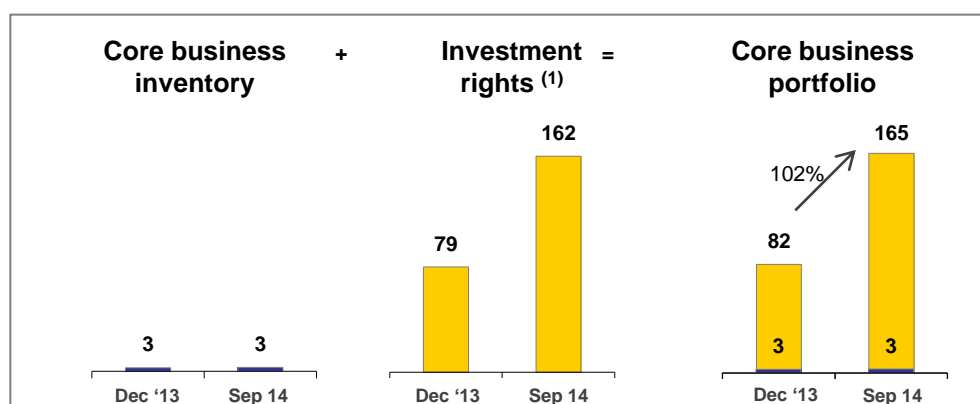
3- Consolidated balance sheet

sep-14					Sep-14				
Assets (M €)	TOTAL	ordinary	insolvency impacts	Dec-13	Equity and Liabilities (M €)	TOTAL	ordinary	insolvency impacts	Dec-13
Long term assets	0.9	0.9		1.0	Capital & Reserves	-41.8	-41.8		-28.8
Inventory	117.1	145.4	-28.3	145.2	Net profit	29.8	1.6	28.1	-13.1
Debtors	4.3	4.3		4.2	Equity	-12.1	-40.2	28.1	-41.8
Cash/Financial Investm.	4.5	5.2	-0.7	1.9	Long term debt	18.1	18.1		
Current assets	125.9	154.9	-29.0	151.4	Long term creditors	6.4	8.5	-2.0	3.4
					Short term debt	41.7	140.3	-98.6	162.5
					Short term creditors	72.5	29.1	43.5	28.3
Total Assets	126.8	155.8	-29.0	152.4	Equity and liabilities	126.8	155.8	-29.0	152.4

Note: The allocation of the effects resulting from the insolvency process between the sections of the balance sheet meets an explicative and simplicity criterion of the main extraordinary impacts, without distinguishing the reclassifications between debt and equity loan, or short term and long term creditors that have also taken place.

Notes on the balance sheet

- **Inventory** stood at 117.1 M€, decreasing by 28.1 M compared to the end of 2013 due mainly to the depreciation of the assets assigned in payment of the syndicate loan which will be transferred by the last quarter of the year; and, to a lesser extent, due to the sales of the period January-September 2014. Once the assignment of assets in payment of debt is completely registered with the transfer of the assets ownership by the end of the year, the inventory figure will decrease by an additional amount of 65.4 M€ for this reason.
- Focusing on the **ordinary business portfolio**, it amounts to 165.1 M€ and it is made up of inventory worth 2.9 M€ and all the investment rights amounting to 162.2 M€.



(1) Investment rights include part of option premiums under inventory

- **Investment rights** stand at 162.2 M€. All them are focused on ordinary business portfolio adapted to the new market conditions. They are made up of residential assets primarily, focused on the domestic market.
- **Equity** stood at -12.1 M€, increasing by 29.8 M€ in comparison to -41.8 M€ at year-end 2013 due mainly to the positive result of the January-September 2014 period, clearly influenced by the profit coming from the effects of the Creditors Agreement approval and the overcoming of the insolvency process.
- In addition to this, the short term and long term debt include equity loans amounting to +51.5 M€, with mercantile consideration of equity in terms of capital reduction or legal dissolution conditions established in the commercial law.

Equity and Liabilities (M €)	Sep-14			Dec-13
	TOTAL	ordinary	insolvency impacts	
Capital & Reserves	-41.8	-41.8		-28.8
Net profit	29.8	1.6	28.1	-13.1
Equity	-12.1	-40.2	28.1	-41.8
Equity loan	51.5	51.5		44.9
Commercial Equity	39.4	11.3	28.1	3.0

- **Net debt** amounts to 55.4 M€ by the end of September and decreases in 105.2 M€ compared to year-end 2013, due primarily to the assignment of assets in payment of the syndicate loan and also due to the waives registered in the other financial debt section.

(M €)	Sep-14	Dec-13	dif.
Syndicated loan	50.8	147.7	-97.0
Operations with mortgage guarantee	8.5	9.9	-1.4
Other financial debt	0.5	4.8	-4.3
Cash and short term deposits	-4.5	-1.9	-2.5
Total Net Debt	55.4	160.6	-105.2

- **Short & Long creditors** stood at 79.0 M€ by the end of September 2014, 47.2 M€ above the amount of December 2013. The significant increase of creditors is due mainly to the accounting of the assignment of assets in payment of the syndicate loan, the transfer of which will be made in the last quarter of the year, which has led to a reclassification into creditors of the repayed debt amounting to 65.4 M€. This effect has been partially offset by the creditors decrease caused by the waives of those that are concerned with Option A of repayment established in the Creditors Agreement.
- Once the insolvency process has been overcome and the Insolvency Administration relieved from his duty, the priority of the company focuses on the implementation of the business plan based on:
 - ▶ Maintaining the current business model adapted to the new market conditions.
 - ▶ The continuity of the company activity trying to reach a largest size and a greater number of operations taking advantage of the real estate market recovery initiated in September 2013.
 - ▶ The accomplishment of the agreements reached in the Creditors Agreement Proposal after approving it in the Creditors Meeting.
 - ▶ Maintaining the control over the general and the personnel costs, once they have been optimized and adapted to the current activity standard of the company.
- Recovering the share quotation in the stock market is also a priority of the company and should take place in the short term.

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Warnings

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