

Renta Corporación ups the pace of its investments

- The company invested over €200M in Q1
- Q1 Operating profit up by 35% with net profit of €10M

Barcelona, 27 april 2006.- Renta Corporación ups the pace of its investments in line with the company's medium-to-long-term growth plans. Specifically, in Q1 2006, Renta Corporación tripled its investment figure compared to the same period last year (€59.7 million) to €203.2 million, of which €184.4 million is in property acquisitions. At the close of Q1, the company held inventories with a book value of €425.8 million. In addition, Renta Corporación holds investment rights for the acquisition of new buildings for €567.4 million, of which €280.2 million lapse in 2006.

Renta Corporación has published its first results since floating the Company on 5 April, showing that the business is making good progress. Operating profit was up by 35% reaching €17.6 million and net profit by 12.8% on the same period last year, totalling €10 million. Revenues stand at €131.1 million, over €60 million up on the same period last year.

It should be noted that Renta Corporación's business outside Spain has been gaining ground in sales, accounting for 59% of total sales in Q1.

The investment effort driving the company's growth process has resulted in higher inventory levels (€425.8 million) with significant acquisitions in Q1 (€184.4 million). The net increase in inventories since 31 December 2005 was €102.3 million, up 32%. Current inventory levels stand the Company in good stead to achieve its established growth targets.

Gross margin over cost of sales in Q1 was 25.5%, slightly lower than usual, though this is against a backdrop of no Land Transformation operation sales in the period.

Significant events in Q1 2006

Renta Corporación shares were floated on the Madrid and Barcelona stock exchanges on 5 April 2006. The operation was structured under a Public Stock Offering of more than 5.2 million shares and a Public Rights Offering of 2 million new shares. The ensuing free float, after financial houses exercised the green shoe option of 1.08 million new shares, is 33% of capital. The operation was aimed at three investor tranches: Spanish Retail Tranche 15%, Spanish Institutional Tranche 20% and International Institutional Tranche 65%.

Renta Corporación has extended its international expansion. In addition to Paris and London, the company acquired four properties in downtown Berlin in the first quarter.

Outlook

The results in this first quarter are consistent with the company's targets, with forecast increase in net profit of more than 35%, set to reach a figure of around €44 million by the end of FY 2006.

These results, as well as profit margins and other related parameters, are also consistent with the goals established in the 2005-2008 Strategic Plan, which envisages doubling salient figures over three years and, in particular, EBITDA and net profit.

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