1- Current market environment

- In the first quarter of 2008, the **real estate industry** was conditioned by a strong downturn in the availability of credit, similar to the situation during the second half of 2007. This has affected the entire real estate industry, although to differing degrees depending on the country and business unit.
- Renta Corporación specialises in the acquisition, transformation and sale of large properties in prime areas of the cities where it operates: Barcelona, Madrid, Paris, London, Berlin and New York.
- In **Barcelona and Madrid** demand for rental of urban **residential** property has grown, but this has not led to an increase in sales. In the **offices** segment, the scarcity of product and tougher conditions for credit have reduced liquidity in spite of healthy demand.
- **The London** market, together with Barcelona and Madrid, has seen the credit squeeze come at the same time as a significant change in the trend of real estate prices. The first segment affected was **offices**, with price adjustments due to the demand for higher yields. The same trend has gradually spread to the residential sector as well, although to a lesser degree.
- The European markets of **Paris and Berlin** are holding up relatively well against the impact of the credit crisis and are maintaining acceptable levels of business.
- **New York** (Manhattan) has not been immune to the squeeze on credit, highlighting the strong interdependence of finance and real estate on this market. Liquidity, however, is still high thanks to the interest shown in New York by international investors. Business on the **residential** market remains active, thanks mainly to transactions in the high value segment. During the first quarter, the **offices** sector maintained the high level of demand and rent attained in 2007.

2- Business evolution

- The cyclic slowdown in the Spanish real estate market and the serious liquidity crisis in the international financial system, continuing the trend of the second half of 2007, still underlie the whole of the first quarter of this year. Nevertheless, in spite of the context becoming more complicated both in Spain and in the rest of the cities where we operate, we witnessed a slight increase in business activity compared with the final months of last year, making us cautiously optimistic about the next few months.
- The Company closed the first quarter with **revenues** of €131.2 million. This was much higher than either the third or fourth quarters of last year, but 50% lower than the same period last year.
  - **Sales** stood at €126.5 million. Following the strategy defined by the Group at the beginning of this year, a top priority has been, and in the coming months will continue to be, the adaptation of the existing portfolio to the new market conditions, with preference for liquidity over margin. In that respect, gross margin on cost of sales was 2.1%.

- **Rentals and other revenues** stood at €4.7 million, more than double the figure for the same period of 2007.

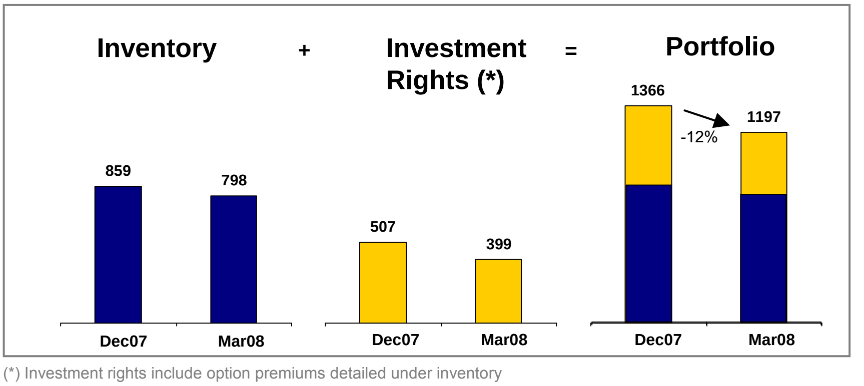
• **Net income** for this first quarter was - €8.7 million. This result is similar to the scenario forecast by the Company in the event of an unfavourable environment such as the present one. We can characterise 2008 as a transitional year, when income growth will recover once the current portfolio has been renewed and market conditions and liquidity allow.

• Renta Corporación's sales effort in recent months have allowed it on the one hand to **strengthen its financial position** and on the other hand to invest in transactions suited to the new market circumstances. This has meant:

- Net **financial debt** at the end of March 2008 stood at €669 million, or €67 million lower than the €736 million at the end of 2007. Leverage has improved slightly and stands at 76%.

(€ M)	**mar-08**	**dic-07**	**Var.**
Syndicated loan	495.6	496.0	-0.4
Mortgage-secured transactions	71.3	97.7	-26.4
Mortgage on head office	53.5	53.4	+0.1
Credit facilities and other financial debt	58.2	94.3	-36.1
Cash and short term deposits	-9.3	-5.2	-4.1
Total Net Debt	**669.4**	**736.2**	**-66.9**
Net debt / (Net debt + Equity)	76%	77%	-1 pp

- First quarter **investment** was €65 million, of which 42% corresponds to the international market and 58% to the Spanish market, as a result of the exercise of existing investment rights. Investment has been focused primarily on the acquisition of office buildings for short term refurbishment and sale.



(*) Investment rights include option premiums detailed under inventory

- On the other hand the Company is being much more **selective** as to the **options** that it eventually exercises. Investment in land has been restricted to significant opportunities, which is why we decided against taking up premiums of €0.7 million this quarter.
- The current **portfolio** stood at €1,197 million, down €169 million from the end of 2007. At the close of the first quarter, inventory stood at €798 million and investment rights at €399 million.

- Although the environment continues to be challenging, we were able to reach new **sales agreements** during the quarter, which we expect to complete in the next few months, for a total presales value of just over €40 million.
- In the area of **personnel, advertising and administration** expenses, the Company has carried out a series of initiatives with the aim of rationalising and reducing the cost structure over the year without affecting the Group's image, compromising its growth or going against the Company's culture and business model.
- Several steps have been taken to facilitate worldwide **marketing** of assets, by reinforcing the international sales team, which will focus all its efforts on expanding its customer base and gaining access to potential international purchasers, as well as strengthening cross-border business between the various offices.
- The **strategic direction defined by the Company** at the beginning of the year is still valid: to strengthen the internationalisation of the Company, give priority to transformation and sale of buildings, broaden our international customer base and maintain a solid financial position. However, implementing the strategy is proving to be slower than expected, since the environment continues to pose a serious challenge, with more opportunistic demand conditioned by the credit squeeze.

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Note:
Periodic public information in accordance with the new requirements of Law 6/2007 and Royal Decree 1362/2007