RENTA CORPORACIÓN

Quarterly Report
January-September 2007

Summary

- **Strong growth in sales and net profit:**
  - **Sales up 23% at €500.5 million.**
  - **Net profit up 26% reaching €39.1 million.**
- **The Office unit stands out from other business units, with sales reaching €243.0 million, up 70% from the same period in 2006. It is also worth highlighting that Land sales in the first nine months of the year exceed €150.9 million, almost tripling the volume from the same period in 2006.**
- **The pipeline, inventory and investment rights, reaches €1,260.8 M, up 25% from last year.**
- **EPS increases by 26%, up from €1.23 per share in September 2006 to €1.56 per share in this year.**
- **The company strengthens its internationalisation process by entering the New York market, where it has acquired two buildings.**
- **Last July, Renta Corporación invested a total of €60 million to acquire a building in Barcelona to house the company headquarters and provide office and retail space for rent.**

- **Main figures (Jan-Sept 2007 vs. same period year ago):**

Sales	Net profit	Gross Margin	Pipeline
€500.5 M *+23%*	€39.1 M *+26%*	€95.0 M *+11%*	€1,260.8 M *+25%*

	Jan-Sept				
Consolidated Profit and loss account (€M)	**2007**	***% Sales***	**2006**	***% Sales***	**% incr.**
Sales	500.5	*100%*	407.1	*100%*	23%
Total revenues	510.7	*102%*	411.7	*101%*	24%
Gross sales margin [1]	95.0	*19%*	85.8	*21%*	11%
EBITDA	66.7	*13%*	54.9	*13%*	21%
EBIT	66.3	*13%*	54.7	*13%*	21%
Net profit	**39.1**	***8%***	**30.9**	***8%***	**26%**
No. of shares (M)	25.03		25.03		
EPS – Earnings per share (€)	**1.56**		**1.23**		**26%**

Ratios	**2007**	**2006**	**Var.**
% Gross margin / Sales	19.0%	21.1%	-2.1 pp
% Gross margin / Cost of sales	23.4%	26.7%	-3.3 pp
Rotation [2]	7.5	8.1	7.3%
EBITDA / Total revenues	13.1%	13.3%	-0.3 pp
Net profit / Total revenues	7.6%	7.5%	0.1 pp
Leverage [3]	75.2%	68.1%	7.2 pp

Consolidated operating figures *(€M)*	**2007**	**2006**	**Var.**
Total investment	501.1	576.2	-75.1
Pipeline	1,260.8	1,009.8	251.0
Inventory	812.0	578.7	233.3
Investment rights	448.9	431.2	17.7
Pre-sales	164.0	109.9	54.1

Paris

London

Barcelona

[1] Gross sales margin is equal to Sales less Cost of sales

[2] Weighted average time that sales made in the period remained on the balance sheet (months)

[3] Leverage equals Net Debt divided by Net Debt plus Net Equity

Consolidated Profit and Loss Account

(€M)	Jan-Sept 2007	% Sales	2006	% Sales	% incr.
Sales	500.5	*100%*	407.1	*100%*	**23%**
Other revenues	10.2	*2%*	4.6	*1%*	121%
TOTAL INCOME	**510.7**	***102%***	**411.7**	***101%***	**24%**
Cost of sales	-405.5	*81%*	-321.3	*79%*	26%
GROSS MARGIN [(1)]	**95.0**	***19%***	**85.8**	***21%***	**11%**
Overhead expenses	-38.6	*8%*	-35.5	*9%*	9%
EBITDA	**66.7**	***13%***	**54.9**	***13%***	**21%**
Depreciation and Provisions	-0.3	*0%*	-0.2	*0%*	64%
EBIT	**66.3**	***13%***	**54.7**	***13%***	**21%**
Net financial expenses	-11.9	*2%*	-6.2	*2%*	91%
Equity accounting and others	0.0	*0%*	-0.9	*0%*	n/a
PROFIT BEFORE TAX	**54.4**	***11%***	**47.6**	***12%***	**14%**
Taxes	-15.3	*3%*	-16.7	*4%*	-8%
NET PROFIT	**39.1**	***8%***	**30.9**	***8%***	**26%**
No. of shares (M)	25.03		25.03		
EPS - Earnings per share (€)	**1.56**		**1.23**		**26%**

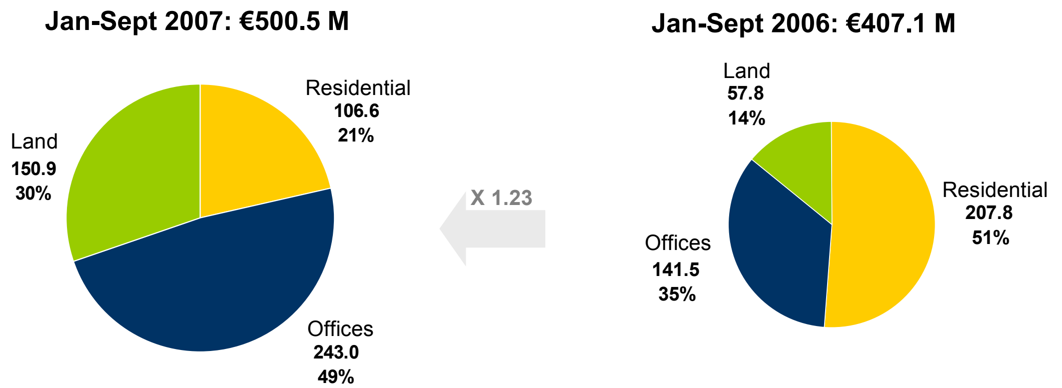
[(1)] Gross margin is equal to Sales less Cost of sales, excluding Other Income

Notes on the results

1. SALES

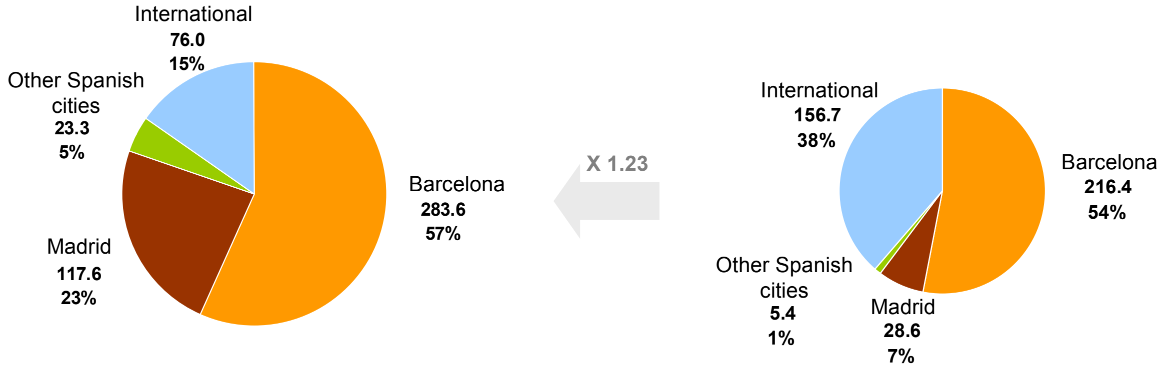
- Sales revenues reached €500.5 million, a significant 23% increase over the same period in 2006, which is even more remarkable considering the challenging sales environment, especially in the Spanish market.
- By business unit, the excellent Office sales performance stands out, accounting for almost 50% of total sales with €243.0 million (up 72% vs. year ago). At €150.9 million, Land sales are almost three times what they were in the same period in 2006.
- By geography, Barcelona and Madrid were especially significant, accounting for 80% of year to date sales. Year-to-date, the focus in international markets has been on the acquisition and transformation process, with strong sales projected for Q4.

SALES BY BUSINESS UNIT



SALES BY GEOGRAPHY

Jan-Sept 2007: €500.5 M | **Jan-Sept 2006: €407.1 M**



2. GROSS MARGIN

- Gross sales margin was €95.0 million (up 11% vs. year ago).
- Gross margin on cost of sales from January to September was 23.4%, while in the same period of 2006 it was 26.7%. The higher margin from Land and its higher relative sales volume balanced in part for a certain weakening of margins in the rest of the business.
- The average sales rotation (*) for this period, at 7.5 months, is less than the 8.1 months for the same period the previous year.

3. VARIABLE SELLING COSTS, G&A AND PERSONNEL EXPENSES

- The total of variable selling costs, G&A and personnel expenses came to €38.6 million. This is 1.0 p.p. less than one year ago, which translates into higher margin.
- Variable selling costs came to €16.1 million, this is 1.1 p.p. better than year ago thanks to a different sales mix.
- The increase in G&A expenses during this period is mostly due to the company's efforts to further develop its international presence, including better positioning in these markets.
- Personnel expenses grew year to date by 18%, in line with head count growth during this period.

	Jan-Sept					
(€M)	**2007**	***% Sales***	**2006**	***% Sales***	**Incr.**	**Var.**
Sales	**500.5**		**407.1**		**93.4**	
Overhead expenses	**38.6**	***7.7%***	**35.5**	***8.7%***	**3.1**	**-1.0 pp**
Variable selling costs	16.1	*3.2%*	17.3	*4.3%*	-1.3	-1.1 pp
G&A	9.3	*1.8%*	6.9	*1.7%*	2.4	0.1 pp
Personnel	13.3	*2.6%*	11.3	*2.8%*	2.0	-0.2 pp

(*) Weighted average time that sales made in the period remained on the balance sheet (months).

4. FINANCIAL EXPENSES

- Net Financial expenses up from €6.2 million in 2006 to €11.9 million in 2007, due to higher interest rates and greater average debt levels.
- Financial expenses were €25.8 million, of which €13.0 million have been included in assets as higher inventory value. The method for the capitalisation of financial expense has been updated this quarter to adapt it to the current financing based on global financing through a syndicated loan rather than case-by-case mortgages, as was the case in the past.
- As of September 2007, financial income was €0.9 million, the same amount as one year ago.

5- NET PROFIT

- Net profit for this period was €39.1 million, 26% up on €30.9 million in the same period of 2006.
- Earnings per share (EPS) were €1.56 in September 2007, up from €1.23 one year ago.

Consolidated Balance Sheet

Assets *(€M)*	**Sep-07**	**Dec-06**
Long term assets	**72.0**	**8.2**
Inventory	812.0	710.2
Receivables	212.7	162.3
Cash	35.6	6.1
Other current assets	2.4	2.6
Current assets	**1,062.7**	**881.1**
Total Assets	**1,134.7**	**889.3**

Equity and Liabilities *(€M)*	**Sep-07**	**Dec-06**
Capital	99.9	102.7
Reserves	88.5	53.7
Profit	39.1	47.5
Total Equity	**227.4**	**203.9**
Financial debt (long term)	**563.2**	**0.0**
Long term creditors	**4.1**	**5.8**
Financial debt (short term)	**165.7**	**507.3**
Payables	**174.2**	**172.3**
Equity and liabilities	**1,134.7**	**889.3**

Barcelona

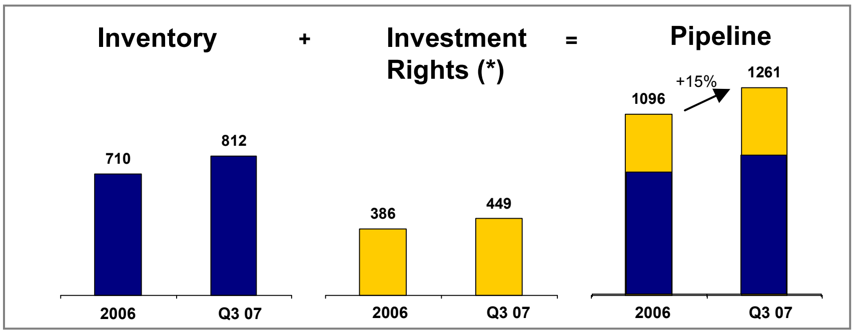
Notes on the Balance Sheet

Assets

INVESTMENT AND PIPELINE

- A significant investment effort was carried out during the first nine months, reaching €501.1 million. Investment per quarter was €183.7 M for Q1' 07, €100.7 M for Q2' 07 and €216.7 M for Q3' 07.
- Investment by business unit indicates that Offices accounts for 51% of the total with €256.2 million, followed by Residential, which accounts for 38% with €189.3 M.
- The split of investment between Spanish and international markets is well-balanced, with 56% and 44% respectively. The increase made in international investments deserves special mention, up €141.1 million or +180% vs. same period a year ago.

- The pipeline (inventory and investment rights) achieved €1,260.8 million by close of September, up €165.2 million or +15% from year-end 2006.
    - Inventory reached €812.0 million, up €101.8 million in relation to year-end 2006. This inventory level is higher than in previous periods, due mainly to the greater investment efforts in international markets, where the activity has mostly focused in the acquisition and transformation process.
    - Investment rights reached €448.9 million, up €63.4 million from year-end 2006. Investment right premiums lost in this period amounted to €3.4 million. This makes it possible to constantly adapt our portfolio to current market conditions.
- These figures provide some profit visibility for the 2007-2009 period, with a high level of flexibility.



- The inventory mix is well balanced between the three business units.
- The recent sales concentration in Madrid is translated into lower inventory values in both absolute and relative terms in that market.
- The inventory increase in international markets is mainly due to Paris.

(€M)	Sep-07	Dec-06	Var.
Land and Buildings	**794.5**	**701.6**	**92.9**
By geography			
Barcelona	406.9	368.6	38.2
Madrid	134.6	219.4	-84.8
Other Spanish cities	21.8	36.6	-14.7
International	231.2	77.0	154.1
By business unit			
Residential	247.7	148.9	98.8
Offices	276.8	231.7	45.0
Land	270.0	320.9	-50.9
Purchase option premiums	15.3	7.8	7.6
Work in progress and other	2.1	0.8	1.3
TOTAL Inventories	**812.0**	**710.2**	**101.8**
Investment rights (*)	**448.9**	**385.5**	**63.4**
Pipeline	**1,260.8**	**1,095.6**	**165.2**

(*) Investment rights include option premiums included as inventory

RECEIVABLES

- Receivables breakdown is as follows:

(€M)	Sep-07	Dec-06	var.
Trade debtors and other accounts receivable	155.5	88.5	66.9
Accrued taxes	21.9	48.7	-26.8
Other receivables	35.3	25.0	10.3
Receivables	**212.7**	**162.3**	**50.5**

- At the September close, trade debtors was €155.5 million, of which €26.7 million falls due in Q4 07.
- The Company's outstanding balance with the tax authorities went from €48.7 million at close of 2006 to €21.9 million at September 2007. The decrease is due to payments made by the tax authorities.

Equity

- Equity rose by €23.5 million, from €203.9 million at year-end 2006 to €227.4 million at September 2007.
- A dividend of €14.3 million (€0.57 per share) was distributed, which amounts to a payout of 30% of the 2006 consolidated profit. The dividend was paid out on April 12, 2007.

Liabilities

PAYABLES

- Payables with €174.2 million at the close of September, are made up as follows:

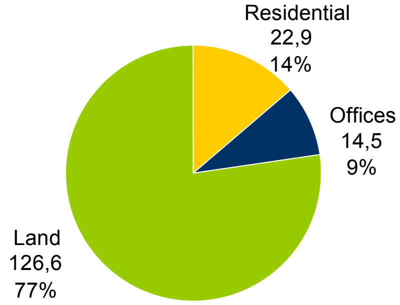
(€M)	Sep-07	Dec-06	Var.
Accrued taxes	21.6	22.0	-0.4
Suppliers	131.4	127.4	3.9
Deposits on pre-sales	17.0	20.7	-3.7
Other Creditors	4.2	2.2	2.1
Payables	**174.2**	**172.3**	**1.9**

- Suppliers stood at €131.4 million at the end of September. Most of this corresponds to deferred payments on properties and provisions for taxes and works in progress.
- Given the high rotation in this business, pre-sales figures are not particularly significant. Part of them is subject to completion of town planning procedures, which makes it difficult to predict when the sales will be posted.

Changes in pre-sales from Sept 06 to Sept 07

(€M)	Deposits Pre-sales	Pre-sales
Sep-06	**11.0**	**109.9**
- Out	-9.5	-77.6
+ In	15.5	131.7
Sep-07	**17.0**	**164.0**

Pre-sales Sept 07



FINANCIAL DEBT

- Net debt at the end of September stands at €691.3 million, and the leverage stands at this time at 75%. The table shows changes over the period:

(€M)	**Sep-07**	**Dec-06**	**Var.**
Syndicated loan	495.7	0.0	495.7
Operations with mortgage guarantee	98.9	316.7	-217.8
Mortgage on Registered Office	53.4	0.0	53.4
Credit facilities and other financial debt	80.9	190.6	-109.7
Cash and short term deposits	-37.7	-8.1	-29.6
Total Net Debt	**691.3**	**499.2**	**192.1**
Net debt / (Net debt + Equity)	75%	71%	4pp

- The average net debt in the first nine months of the year is €544.5 million. This rise in the net debt is due mainly to heavy investment coupled with a low seasonality third quarter sales period.
- On 15/02/2007, the Company signed a structured loan with a banking syndicate consisting of 21 financial entities. The €500 million loan, with a 15/02/2012 maturity date is divided into two tranches:
  - Tranche A for a total figure of €200 million, repayable in five consecutive half-yearly and increasing payments (beginning 15/02/2010),
  - and a revolving Tranche B for a total of €300 million.
- The syndicated long-term loan allowed the company to replace a significant number of its mortgage-financed operations and other short-term credit facilities.
- This access to long-term financing has made it possible to implement policies for interest rate risk management. So, in March contracts were signed for coverage of up to €200 million. At the end of September 2007, interest rate hedging reached €210.8, which accounts for 30.5% of the net debt.
- Financing for the building that will serve as the new corporate head office was obtained in July 2007. The total cost was €62.8 million, financed by a €54 million mortgage due July 2017 and a €8.8 million short-term loan.

Goals and outlooks

- Growth objectives in the Strategic Plan for 2007 and 2008 were set with the following reference parameters:
  - Net profit growth rate: 30% p/a
  - 2008 net profit target: €80 M

Other information

1. MAIN MATERIAL EVENTS AND OTHER NOTICES

- Of all material events reported to the Spanish Securities and Investment Board since January 2007 until now, we highlight the following:
  - 25/01/2007 Proposal to appoint a new Chief Executive Officer.
  - 14/02/2007 Execution of a commercial loan with a banking syndicate for €500 M.
  - 25/07/2007 New Renta Corporación head office.
  - 02/10/2007 Beginning of operations in New York.

2. CHANGES IN THE BOARD OF DIRECTORS

- January 2007:
  - Appointment of César Bardají Vivancos to the position of Executive Director, and subject to approval by the General Assembly, his appointment as CEO, following Josep Mª Farré's decision to vacate his post in the company.
  - Appointment of Juan Velayos Lluís as Non-Director Deputy Company Secretary for a 6-year statutory period.
- March 2007:
  - Appointment of Enric Venancio Fillat as Board member for a six-year period with the rank of executive director.
  - Appointment of César Bardají Vivancos as Board member for a six-year period with the rank of executive director.
  - Furthermore, César Bardají Vivancos was appointed as new Chief Executive Officer of the Company for the term of his directorship.
- April 2007:
  - Appointment of Juan Velayos Lluís as Company Secretary and Secretary to the Board of Renta Corporación without Director status, effective 18 June 2007.

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Notes

Percentages in the tables are for actual figures in euros, and may in some instances deviate from the rounded figures shown in the tables.

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