FULL YEAR RESULTS 2008

Highlights

- **In 2008 Renta 4's Consolidated Profit was €5.6 million, while Net Operating Income totalled €9.8 million.**

- Full year results have been specially affected by **non-recurrent and extraordinary cost recorded under the figure "Net Trading Income & AFSFA", which amounted 3 million.** This effect is due to the distribution between Renta 4's shareholders of the former stake that Company held in Bolsas y Mercados Españoles (BME) and the results of Net Trading Operations. **Excluding these extraordinary adjustments, Net Operating Income in the fourth quarter would have been €2.5 million and €12.9 million for the full year.**

- During the year, **Renta 4 net money inflows were €309 million**. This amount partially offset the negative valuation effect caused by stock market declines, which totalled €1,149 million. Therefore, **total client assets under management at 31 December reached €3,403 million.**

- **Total revenues** at December rose to €70.1 million, which is **8% lower than the previous year.**

- **Operating costs**, excluding amortizations, **remained stable, with a slight increase of 1.1% against 2007. Last quarter,** due to the cost reduction plan implemented along 2008, operating costs **were 9.9% lower than last year.**

- At 31 December, **total number of accounts** reached 119,704, **a year-on-year increase of 21.8%**, while total number of executed orders was up 11.4% against the same period of 2007.

Consolidated Statement of Income

	Q4 08	Q4 07	%	Ac. 08	Ac. 07	%
Revenues	**16,800**	**23,327**	**-28.0%**	**70,120**	**76,192**	**-8.0%**
Fee and commission income	12,571	15,415	-18.4%	46,283	53,528	-13.5%
Interest and similar income	3,964	5,897	-32.8%	19,959	18,529	7.7%
Return on equity instruments	265	2,015	-86.8%	3,878	4,135	-6.2%
Expenses	**-6,872**	**-7,565**	**-9.2%**	**-26,608**	**-26,323**	**1.1%**
Fee and commission expenses	-3,735	-3,374	10.7%	-11,908	-12,661	-5.9%
Interest and similar expenses	-3,137	-4,191	-25.1%	-14,700	-13,662	7.6%
Net trading income & AFSFA (*)	**-2,977**	**268**	**n.s**	**-3,015**	**1,700**	**n.s**
Operating Cost	**-7,403**	**-8,219**	**-9.9%**	**-30,649**	**-30,169**	**1.6%**
Personnel	-3,753	-4,001	-6.2%	-15,644	-15,337	2.0%
Other general administrative expenses	-3,069	-3,565	-13.9%	-12,702	-12,714	-0.1%
Depreciation and amortization	-581	-653	-11.0%	-2,303	-2,118	8.7%
NET OPERATING INCOME	**-452**	**7,811**	**n.s**	**9,848**	**21,400**	**-54.0%**
Other income and expenses	-951	-234	306.4%	-2,077	120	n.s
PROFIT BEFORE TAX	**-1,403**	**7,577**	**n.s**	**7,771**	**21,520**	**-63.9%**
Income tax expenses	-42	-2,268	-98.1%	-2,168	-6,189	-65.0%
CONSOLIDATED PROFIT	**-1,445**	**5,309**	**n.s**	**5,603**	**15,331**	**-63.5%**

(*)AFSFA: Available-for-sale-financial assets

Operating data

At 31 December 2008, **total client assets under management** amounted €3,403 million, a year-on-year decrease of 19.8% against the end of 2007. This decline was mainly caused by the negative valuation effect caused by stock market declines, which meant a drop of €1,149 million. Nevertheless, net money inflows, which totalled €309 million, could make up for 27% of the losses caused by this valuation effect.

Renta 4's **investment funds assets**, according to data published by Inverco, amounted to €493 million, a decrease of 33.6% against the year-end 2007 figure of €743 million. This decline was in line with the downsizing recorded by the overall Spanish market's, which felt by 30%.

It is important to highlight the increase in the number of **SICAVs** managed by Renta 4, which rose from 51 at December 2007 to 57 at December 2008, totalled €467 million.

Pension funds grew 37.5% on the year-end 2007 figure, to €132 million. Net money inflow in 2008 was €54 million, 116% higher than those in 2007. Participants in this segment were 11,784, an increase of 96.2% against previous year.

Total number of accounts maintained its growing pace, and reached 119,704, with a 12 month increase of 21.8%. This means that, during 2008, a daily average of more than 84 people decided to become Renta 4 clients.

Total number of executed orders went up by 11% last year, giving a figure above 2.6 million. The traded volume exceeded €105,000 million, 17% higher than in the same period last year. There has been a remarkable difference between the evolution of equity (-34%) and fixed income market (+17%) traded. This movement towards products with lower fees explains the decrease in fee and commission income, even if the total traded amount has increased.

The weight of the **on-line channel** in the retail business segment grew further, accounting for 68% of revenues (+8 pp) and 81% of orders (+4pp) of the year.

Revenues

- **Fourth Quarter 2008 (October-December)**

Total revenues amounted to €16.8 million, 28% less than for the same period last year.

"Fee and commission income" fell 18.4%, to €12.6 million. The drop in brokerage commissions was only 1.7%, against an accumulated figure of 12.6% at September. The high volatility in financial markets, mainly in October, helped this recovery.

By markets, fees generated on the stock market fell by 22,9% in the quarter, but were almost completely offset by the increases in those from derivatives and fixed income market, which showed an aggregate improvement of 63.8%.

Fee and commission income from asset management was €3.1 million, 31% less than in the fourth quarter of 2007, due to a reduction of performance fees at the end of 2008. They amounted 0.4 million as of 31 December 2008, and 1.2 million in 2007. If we exclude this effect the decrease would have been only of 13.5%.

"Interest and similar income" decreased by 32.8% in the quarter, reaching €4 million. A lower interest rate scenario, compared with the same period of last year, was to blame for the income decrease in this business area.

"Return on equity instruments" showed a decrease of 86.8%, due to the recorded BME's dividend in December 2007. In December 2008, Renta 4's former stake in BME was distributed among its shareholders and they received this dividend.

"Net Trading Income and AFSFA" showed a loss of €3 million, against a profit of €0.3 million in the same quarter of last year. This effect is due to the distribution from the reserves of additional paid-in capital among its shareholders with the former stake in Bolsas y Mercados Españoles (BME) in last days of 2008 and the result of net trading income. Until the distribution of the BME's shares, the valuation of the stake that Renta 4 held was recorded in the Equity of Renta 4's balance sheet and being adjusted to market value each quarter.

- **Accumulated 2008 (January-December)**

Total revenues amounted to €70.1 million, 8% less than the same period last year, when the figure was €76.2 million.

"Fee and commission income" reached €46.3 million, 13.5% lower than the previous year.

Brokerage commissions fell by 9.8%. Along 2008, declines have been reduced each quarter, from an accumulated figure of 17.1% in March to last's quarter decrease of a mere 1.7%. As we have remarked in previous reports, this is due on the one hand to the "calendar effect" derived from 2007 (whose first quarter was the best of all) and, on the other hand, to the progressive adaptation of Renta 4 to the new scenario, widening the range of products (CFDs, new international derivatives...) and tools (iPhone application, automatic trading software) that Company offered its clients.

The average fee for retail clients in stock markets trade decrease by 22%, whereas its equivalent in derivatives improved by 12.4%. This price drop was partially offset by the increase in the number of executed operations, which, in the retail segment, rose by 2.9%.

"Interest and similar income" went up 7.7% in the year. Its downward evolution throughout the year was produced by the fall in interest rates. Nevertheless, net interests in 2008 reached €5.3 million. This figure represents a 8.1% improvement against December 2007.

"Return on equity instruments" (dividends) decreased by 6.2% year on year to €3.9 million, in line with last year's figures. This drop is due to the effect of the abovementioned distribution of BME shares among Renta 4's shareholders.

Finally, it's important to note that the negative market conditions that we have suffered in 2008, led the **"Net Trading Income and AFSFA"** figure to a loss of €3 million, where had a relevant impact the loss recorded due to the distribution of BME shares among Renta 4's shareholders. This figure contrasts with the positive €1.7 million posted in the same period last year and explains itself 20 percentage points of the fall published in the net operating income.

Costs

- **Fourth Quarter 2008 (October-December)**

Operating costs, including amortizations, dropped by 9.9% to €7.4 million.

"Personnel expenses" decreased by 6.2%.

Meanwhile, **"General administrative expenses"** went down 13.9% to €3.1 million. In December 2007 they stood at 3.6 million.

"Depreciation and amortizations" decreased by 11%. The Company took advantage of the "calendar effect", derived from the opening of new branches, which slowed down throughout the year 2007.

- **Accumulated 2008 (January-December)**

"Personnel costs" only went up by 2%, and stood at €15.6 million. This increase tended to flatten throughout the year and will keep doing it in the future. The productivity improvement plans implemented in the period made the average operating cost per employee (excluding amortizations) decrease by 4.3% in 2008.

"General administration expenses" went down 0.1% in 2008, standing at €12.7 million. Costs derived from the expansion and maintenance of Renta 4's commercial network in late 2007 an early 2008, which rose by 25.8%, were offset by cost reductions (-25% in 2008) in the remainder.

The **implementation of the new cost control policy** approved by the Company was noticeable during the second half of 2008, where total costs decreased by 8.9%, compared to previous year. With a view to 2009, Renta 4 will continue improving its operational efficiency and profitability, in all its business areas.

Other income and expenses

In the fourth quarter, they reached a loss of €1 million, giving an accumulated loss for the year of €2.1 million. These figures contrast with the previous year's profit, which amounted €0.1 million. The main factors that caused this year loss were goodwill amortization and certain impairment losses suffered by several portfolios. If those items were excluded, profit before tax would have only fell by 54% against last year, instead the decrease of 63.9% published.

Net operating income

Net operating income for the quarter reached a loss of €0.5 million, against the profit of €7.8 million reached in the same period of last year. The factors that explains this fall were the drop in performance fees, the abovementioned effect caused by the distribution of BME stake along Renta 4's shareholders and the BME dividend received in the last quarter of 2007, that has been received by Renta 4' shareholders in 2008 thanks to the former BME stake distribution before mentioned. Excluding all these, which totalled around €5.6 million, the net operating income decrease would have been nearly 35%.

Accumulated figure **at December for net operating income** was €9.8 million, down 54% against 2007. If we exclude losses in net trading income and available-for-sale financial assets, the drop would have been limited to only 34.7%.

Market situation and outlook

Conditions in the financial markets have been extremely unstable in 2008. In this difficult scenario, Renta 4 has demonstrated to be consistent and profitable.

Renta 4's operating figures have remained satisfactory in 2008, due to the efforts made in **costs control, the diversity of its revenue sources and the commercial activity carried out through its branch network, generating a net operating income for the year of €12.9 million**.

In 2009 the Company will continue improving its operational efficiency, focusing on **risk and costs control** and **establishing new income streams** that maximize Renta 4's resources. The Company expects an operating costs reduction around 10% for 2009.

As well, **Renta 4 made in 2008 a considerable effort in order to get rid the elements that could add too much volatility to its consolidated statement of income**, as the BME's stake.

Consolidated Balance Sheet

	Dec. 2008	Dec. 2007
Intangible assets	9,994	10,735
Property and equipment	30,804	30,435
Available-for-sale-financial-assets	20,326	107,921
Deferred tax assets	987	1,680
Loans and receivables	12,646	2,216
Other assets	0	0
NON-CURRENT ASSETS	74,757	152,987
Other assets	1,666	2,266
Current tax assets	4,509	3,758
Loans and receivables	322,913	360,248
Financial assets held for trading	3,329	6,937
Cash and cash equivalents	132,658	191,786
CURRENT ASSETS	465,075	564,995
TOTAL ASSETS	539,832	717,982

	Dec. 2008	Dec. 2007
Minority interest	1,126	1,099
Valuation adjustments	-2,295	40,545
Equity	79,335	122,851
EQUITY	78,166	164,495
Financial liabilities	36,115	77,144
Deferred tax liabilities	1,021	19,078
NON-CURRENT LIABILITIES	37,136	96,222
Financial liabilities held for trading	860	486
Financial liabilities	421,944	452,082
Provisions	266	120
Current tax liabilities	1,173	3,446
Accrued expenses and deferred income	287	1,131
CURRENT LIABILITIES	424,530	457,265
TOTAL EQUITY AND LIABILITIES	539,832	717,982

The main differences in the balance sheet appear under "Available-for-sale financial assets" where was recorded the valuation of Renta 4's stake in Bolsas y Mercados (BME), that went from representing 2.5% of equity to being a marginal item. This decision was taken in the extraordinary shareholders meeting held on 4 December 2008 and took immediate effect.

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