



FIRST QUARTER RESULTS 2010

Highlights

- **Renta 4** had a good performance during the first quarter of 2010, where **assets under management and custody exceeded the €5 billion mark** for the first time in its history.
- **Total revenue climbed 3.3%, while net profit for the first quarter rose by 2.3% year-on-year to €2.1 million.**
- **Income from Ordinary Activity** (net commissions less operating expenses, including depreciation and amortisation) **amounted to €1.8 million, in line with last year's figure.**
- **Operating data** posted another healthy performance. **Total assets under management and custody** at the quarter-close stood at €5.018 billion, growth of 3.4% on year-end 2009. **Net money inflows** through March stood at **€131 million.**
- Specifically, in the mutual fund segment, **Renta 4 Gestora reached the biggest growth among the top 40 biggest fund manager companies in Spain** by assets under management, growing 7.7% in the quarter.
- **Number of own network accounts surpassed 45,000** while the total number of accounts, including third party networks, reached 148,044.
- **Fee and commission income** rose 10.7%, boosted primarily by the asset management business, whose contribution jumped 45.7%.
- **Operating expenses** performed in line with the Company's cost-control targets, rising a slim 0.6% year-on-year to €7.1 million.

Main Figures

Operating Data	Mar. 10	Mar. 09	%
Customers	148,044	124,218	19.2%
<i>Renta 4 network</i>	45,388	42,961	5.6%
<i>Third party</i>	102,656	81,257	26.3%
Executed orders	690,454	718,266	-3.9%
Total assets under custody (€ mill.)	5,018	3,255	54.2%
<i>Stocks</i>	3,088	1,862	65.8%
<i>Funds (mutual, pension and third party)</i>	1,177	650	81.1%
<i>SICAVs</i>	500	463	8.0%
<i>Others</i>	253	280	-9.6%
Online Channel (retail)			
% Revenues	70.0%	78.0%	- 8.0 p.p
% Orders	84.0%	82.0%	2.0 p.p
% International markets	41.9%	52.1%	- 10.2 p.p
Earnings Data (€ thousand)			
Commission income	13,382	12,089	10.7%
Net interest income	241	561	-57.0%
Net financials operations	718	308	133.1%
Operating expenses	7,093	7,054	0.6%
Income from ordinary activity	1,834	1,856	-1.2%
Net operating income	2,793	2,725	2.5%
Net profit	2,092	2,045	2.3%
EPS (€ cents)	0.05	0.05	2.3%
Earnings Ratios			
% Commissions / Total income	89.7%	83.7%	4.0 p.p
% Net finc. operations / Total income	4.8%	2.1%	2.7 p.p
% Net profit / Total income	14.0%	14.2%	- 0.2 p.p
Cost/income ratio	66.4	66.5	-0.1 p.p
Employees			
Average number employees at Mar. 10	278	279	-0.4%
<i>Commercial network</i>	160	157	1.9%
<i>Headquarters</i>	118	122	-3.3%
Number of branches	57	57	0.0%
Share			
RIC (Reuters/Bloomberg/ Adrs)	RTA4.MA	R4.SM	RSVXY
Price at 03.31.10 (euros)	5.14	4.39	17.1%
Market Capitalization at 03.31.10 (euros)	209,163,063	178,643,161	17.1%
Number of shares issued	40,693,203	40,693,203	

Consolidated Statement of Income

Q1 10	Q1 09	%
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€ Thousand

Total Revenues	14,921	14,451	3.3%
Fee and commission income	13,382	12,089	10.7%
Fee and commission expenses	-4,455	-3,179	40.1%
Net fee and commissions income	8,927	8,910	0.2%
Interest and similar income	821	2,054	-60.0%
Interest and similar expenses	-580	-1,493	-61.2%
Net interest income	241	561	-57.0%
Net financial operations	718	308	133.1%

Net Income	9,886	9,779	1.1%
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Operating Expenses	-7,093	-7,054	0.6%
Personnel	-3,697	-3,568	3.6%
Other general administrative expenses	-2,854	-2,932	-2.7%
Depreciation and amortization	-542	-554	-2.2%
INCOME FROM ORDINARY ACTIVITY (1)	1,834	1,856	-1.2%
NET OPERATING INCOME (2)	2,793	2,725	2.5%
Other income and expenses	-83	-60	38.3%
Profit before Tax	2,710	2,665	1.7%
Income tax expenses	-618	-620	-0.3%
NET PROFIT	2,092	2,045	2.3%

(1) Net Commissions – Operating Expenses

(2) Net Income – Operating Expenses

Operating Data

Renta 4's **assets under management and custody** at 31 march 2010 stood at €5.018 billion, up 3.4% quarter-on-quarter and by 54.2% year-on-year. This is the Company's highest level ever reached, surpassing the €5 billion threshold for the first time. Of the growth registered during the first quarter, €131 million is the result of net money inflows, while €34 million reflects market gains.

According to data released by Inverco, assets under management by **Renta 4's mutual fund management** business rose 7.7% during the first quarter to €777 million. This year-to-date growth, which is the highest recorded by any of the 40 largest fund managers in Spain by assets managed, is framed by a declining market. The overall segment contracted by 1.7% in first quarter 2010. This drove Renta 4's market share to 0.48%, year-on-year growth of 75%.

As for **SICAVs**, the number of these managed by Renta 4 stood at 57 at the close end of March, compared to 60 at year-end. Despite the reduction, partially the result of mergers between some of these entities, assets managed by Renta 4 inched 1.6% higher during the quarter to €509 million, for a market share of 1.98%, marking another first for the Company in this business segment.

Pension fund assets soared 30% to €247 million at 31 March 2010. The growth in assets registered to March was equivalent to 75% of the entire increase registered in all the year 2009.

The **total number of accounts** ended March at 148,044, up 19.2% year-on-year from 124,218. Of the total, 45,388 belonged to the Renta 4 network and 102,656 to the third-party network.

Number of executed orders narrowed 3.9% year-on-year to 690,454 trades, driven primarily by lower trading in derivatives and registered fixed-income securities. Worth highlighting is the fact that trading volumes in these instruments registered record levels in March and April of 2009 due to the spike in market volatility. This drove an exceptional increase in the weight of derivative and fixed-income trades in total trading volume. Meanwhile, **turnover** for the quarter fell 25.5%. In line with the factors before mentioned, turnover contracted 29.3% in fixed-income trading, whereas equity trading turnover rose 5.1%.

The **online channel** continued to increase its penetration of the retail trading segment; its contribution to trading volumes rose by 2 percentage points. The revenue generated by this channel accounted for 70% of the retail segment total.

Revenues

- **First Quarter 2010 (January-March)**

Total revenue amounted to €14.9 million, 3.3% higher than the €14.4 million obtained in first quarter 2009.

“Fee and commission income”, including exchange rate gains, rose 10.7% in the quarter to €13.4 million against the €12.1 million recorded in the same period of last year. Net commissions rose just 0.2%, due to the 40.1% year-on-year rise in fees and commissions paid to third parties.

By business line, **“Brokerage fees”** rose 0.7% year-on-year, curtailed by the 3.9% drop in executed orders in the period. By product type, equity trading commissions advanced 11.2%, while derivatives trading commissions narrowed 22.4%, driven by reduced volatility relative to first quarter 2009.

“Asset management fees” rose 55.3% year-on-year to €3.8 million at March 2010, driven primarily by the 48% jump in average assets under management compared with the same period of last year.

Lastly, **“Revenue from corporate services”** was 8.4% higher in the quarter, thanks mainly to the income generated by the Corporate division, which accounted for roughly 25% of the €1.3 million of revenue recognised under this heading (this compares with a contribution of virtually zero in first quarter 2009).

“Interest and similar income” narrowed 60% as a result of lower market interest rates compared to last year. This marks a slowing pace of contraction. As a result, net interest income decreased by 57.0% to €0.2 million. Looking ahead to coming quarters, the pace of decline should continue to ease, as interest rates peaked in the autumn of 2008 before beginning to trend downward, making for easier comparisons as the year progresses.

“Net financial operations” amounted €0.7 million, a increase of 133,1% compared with the €0.3 million recorded in the same quarter of 2009.

Costs

- **First Quarter 2010 (January-March)**

Operating expenses totalled €7.1 during the quarter, scant year-on-year growth of 0.6%.

By cost heading, **Personnel expenses** rose 3.6% to €3.7 million, driven above all by certain bonus payments. The average headcount was broadly flat, going from 279 to 278.

General administrative expenses narrowed 2.7% to €2.9 million, driven primarily by expenditure on communication services (-7.1%) and office supplies (-15.8%).

Lastly, **Depreciation and amortisation** remained broadly flat year-on-year, falling 2.2% to €0.5 million.

Income from Ordinary Activity and Net Operating Income

Income from Ordinary Activity (net commissions less operating expenses, including depreciation and amortisation) amounted to €1.8 million, very much in line with last year's performance.

First-quarter operating income amounted to €2.8 million, up 2.5% on the €2.7 million recorded in the same quarter of 2009.

Lastly, **Net profit** for the quarter climbed 2.3% to €2.1 million, which translates into earnings per share of €0.05.

Market Situation and Outlook

Business conditions remain extremely challenging and warrant the utmost management discipline. Renta 4, thanks to its business model, is well-positioned to continue to post healthy growth despite anticipated ongoing market turbulence.

The pace of fund inflows is encouraging, prompting the **Company to reiterate its guidance for significant growth in net fee and commission income in 2010.** Barring a drastic shift in market conditions, we reiterate our stated target of posting growth in this heading of at least 15% this year.

Underpinned by this growth, **Renta 4 expects to be able to improve its cost-income ratio in 2010,** despite plans for new office openings and the start-up of new business lines, in turn fuelling **further growth in core operating income** (net commissions less operating expenses) this year.

Consolidated Balance Sheet

€ Thousand	Mar. 2010	Dec. 2009
Intangible assets	9,870	9,699
Property and equipment	29,468	29,604
Available-for-sale-financial-assets	32,777	33,116
Participations	96	0
Deferred tax assets	1,009	777
Loans and receivables	4,406	4,409
Other assets	0	0
NON-CURRENT ASSETS	77,626	77,605
Other assets	2,181	2,099
Current tax assets	1,335	1,219
Loans and receivables	280,216	323,206
Financial assets held for trading	4,384	265
Cash and cash equivalents	81,792	103,612
CURRENT ASSETS	369,908	430,401
TOTAL ASSETS	447,534	508,006

€ Thousand	Mar. 2010	Dec. 2009
Minority interest	1,104	1,091
Valuation adjustments	-2,328	-1,690
Equity	64,422	64,565
EQUITY	63,198	63,966
Financial liabilities	39,184	35,837
Deferred tax liabilities	1,128	1,082
NON-CURRENT LIABILITIES	40,312	36,919
Financial liabilities held for trading	823	355
Financial liabilities	339,272	402,544
Provisions	516	995
Current tax liabilities	2,454	2,815
Accrued expenses and deferred income	959	412
CURRENT LIABILITIES	344,024	407,121
TOTAL EQUITY AND LIABILITIES	447,534	508,006

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