Summary

- **The company has reached to an agreement to refinance in a long-term debt basis all its debt . This new situation provides the company with more stability. The debt will be reduced, approximately, by 50% with sales of assets, including the Head Office, to the financial institutions for over € 338M. This new scenario completely changes the year end 2008 situation (explained in this report). (Post refinancing situation is detailed in "future perspective" section).**
- **The company final result has been negative by 111.5 M € for the 2008 period. As a consequence of:**
  - **Drop in sales and prices due to the real estate and financial crisis which affected all the markets in which the company operates.**
  - **Extraordinary adjustments in order to adapt the company to the new market scenario and to meet the refinancing terms.**
- **To properly understand the results we must consider:**
  - **Inclusion of €64 M of provisions in inventory**
  - **Organisational restructuring costs**
  - **Sharp decrease of the company investment rights portfolio leading to a €22.8 M expense.**

Consolidated profit and loss summary *(€M)*	**FY08**	**FY07**	***% var.***
Sales	244.1	529.1	*-54%*
Other Revenues	19.7	15.8	*25%*
Total revenues	263.9	544.9	*-52%*
Gross sales margin (1)	-68.3	96.5	
EBITDA	-120.2	57.3	
EBIT	-125.7	56.0	
Net profit	-111.5	35.4	

Gross margin includes a provisions on inventory of €64 M to reflect the loss on the assets valuation

Consolidated balance sheet summary *(€M)*	**FY08**	**FY07**	***dif.***
Total assets	848.2	1,078.0	*-229.8*
Current assets	711.6	995.4	*-283.8*
Equity	90.8	220.6	*-129.8*
Debt	662.6	741.4	*-78.8*

€79 M reduction in gross debt and €101 M in net debt during 2008. Gross debt will be reduced by 50% once the agreement with the financial institutions is signed

Consolidated operating figures *(€M)*	**FY08**	**FY07**	***dif.***
Total investment	130.0	569.6	*-439.6*
Inventory + Investment rights (Pipeline)	716.2	1,365.6	*-649.4*
Inventory	642.7	858.9	*-216.2*
Investment rights	73.6	506.7 [2]	*-433.2*
Net debt	635.3	736.2	*-100.9*

Selective policy on investing and executing rights premiums. The company gives priority to the transformation process

(1) Gross margin is equal to Sales less Cost of sales

(2) Year 2007 excludes the head office

Market Situation

- The financial crisis, with clear signal from August 2007, has finally spread throughout the economy. Nowadays the global economy is in recession. There is a drop of activity, risk aversion and a lack of liquidity and solvency with no indication of the length or the end of the crisis.
- The crisis in the domestic and international real estate sector has worsened during 2008 due to the crumbling financial market.
- The shrinkage of the real estate business has affected all markets and products.
- The main marketplaces where Renta Corporación operates and which have always been characterised by large numbers of transactions, have all registered a dramatic and alarming drop in business, though with different features in each business unit.
    - The residential market appeals to portfolio investors looking for attractively priced in residential properties. The difficulty lies in discriminating due to market oversupply and the uncertain value of assets in the short term.
    - The office market is focus towards assets that can provide a guaranteed income in the medium and long term, with tenants with strong solvency demonstrated in previos periods and requiring high yields.
    - The land market continues to be freezed, due a to very low demand.

Consolidated Profit and Loss Account

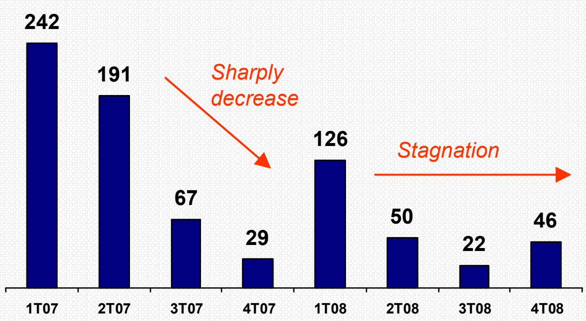
(€M)	FY08	% Sales	FY07	% Sales
Sales	244.1	*100%*	529.1	*100%*
Other revenues	19.7	*8%*	15.8	*3%*
TOTAL INCOME	**263.9**	***108%***	**544.9**	***103%***
Cost of sales	-312.4	*128%*	-432.6	*82%*
GROSS MARGIN [1]	**-68.3**	***-28%***	**96.5**	***18%***
Sales, admin and payroll expenses	-71.7	*29%*	-54.9	*10%*
EBITDA	**-120.2**	***-49%***	**57.3**	***11%***
Depreciation and Provisions	-5.5	*2%*	-1.3	*0%*
EBIT	**-125.7**	***-51%***	**56.0**	***11%***
Net financial income	-44.0	*18%*	-15.5	*3%*
Equity accounting and others	18.5	*8%*	9.0	*2%*
PROFIT BEFORE TAX	**-151.2**	***-62%***	**49.5**	***9%***
Taxes	39.6	*-16%*	-14.1	*3%*
NET PROFIT	**-111.5**	***-46%***	**35.4**	***7%***

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

Notes on the results

1- REVENUES

- The company closed 2008 with revenues of €263.9 M, significantly lower than in 2007.
  - Sales stood at €244.1 M, almost 54% lower than year 2007. Sales have stagnated because of the 2008 financial and real estate crisis.



Sales evolution shows the real state prosperity of the first half of 2007. There was a sharp decrease in the second half of that year followed by a period of stagnation in sales due to the financial and real state crisis.

First quarter of 2008 shows an increase in sales because of the delay in the signing of 2007 sales.

  - 2008 has been characterised by a clear and progressive hardening of the conditions of access to credit for buyers, who once again have had to forego operations, sometimes at the very moment of signing the deed.
  - Income from rents and others stood at €19.7 M, an increase of 25% over the €15.8 M in year 2007. It is not possible to forecast that same scenario for 2009 because some of the assets with good rents will be sold in the refinancing process.
- By region, 83% of sales were concentrated in the domestic Spanish market. International sales centred on Paris.

2- GROSS MARGIN

- Gross margin on sales stood at €-68.3 M. To interpret this margin properly, we must consider a dual effect:
  - "Ordinary" gross margin of €-4.5 M on operations completed during 2008. This margin of -1.8% on the cost of sales reflects the deterioration in inventory prices acquired prior to the real estate and financial crisis.
  - "Other" gross margin of €-63.8 M due to provisions on certain inventory in the current portfolio. This figure is explained by the new market values as well as the acquisitions ones used by the financial institutions within the new refinancing deal.

3- SELLING, G&A AND PERSONNEL EXPENSES

- The Group's combined variable selling, general and personnel expenses came to €71.7 M which included extraordinary expenses for €29.5 M (lost options and related expenses €24.5 M, restructuring costs €5.0 M) to adapt the company to the new market situation. Excluding that impact, ordinary expenses came to €42.2 M, €7.9 M down from 2007.

(€M)	**FY08**	***% Sales***	**FY07**	***% Sales***	**dif.**	**var.**
Sales	**244.1**		**529.1**		**-285.0**	
Sales, G&A, personnel expenses	**71.7**	***29.4%***	**54.9**	***10.4%***	**16.8**	**19.0pp**
Excluding extraordinary expenses	**42.2**	***17.3%***	**50.0**	***9.4%***	**-7.8**	**7.8pp**
Variable selling expenses	40.8	*16.7%*	23.7	*4.5%*	17.1	12.2pp
G&A	10.0	*4.1%*	12.6	*2.4%*	-2.6	1.7pp
Personnel	20.9	*8.6%*	18.6	*3.5%*	2.3	5.0pp

- Variable selling expenses stood at €40.8 M, €17.1 M up from 2007. A significant part of this item is attributable to investment rights that the company decided not to execute. In 2008, not executed investment rights and related costs amounted to €24.5 M (€22.8 M and €1.7 M respectively) vs €4.7M in 2007. The difference is due to the Company's much more selective and conservative strategy for executing investment rights.

  By business unit, total lost options in buildings accounts for 67% and the remaining 33% was land. Geographically, 55% of that amount was concentrated in the domestic Spanish market, and 45% in the international market. Excluding this effect, variable selling expenses stood at €16.3 M, €2.7 M down from 2007. Ordinary variable expenses increased by 3.1 p.p due to the decrease in sales and the inventory stagnation.

	FY08	***% Sales***	**FY07**	***% Sales***	**dif.**	**var.**
- Operating variable expenses	16.3	*6.7%*	19.0	*3.6%*	-2.7	3.1pp
- Not executed invest. rights & other related costs	24.5	*10.0%*	4.7	*0.9%*	19.8	9.1pp
Variable sales expenses	40.8	*16.7%*	23.7	*4.5%*	17.1	12.2pp

- G&A expenses for the period stood at €10.0 M, €2.6M down from 2007. The second half of 2007 saw the adoption of a series of rationalisation and cost reduction policies aimed at reducing the Group's structure. The company has worked in this direction during 2008 and will continue doing so in 2009.

	FY08	***% Sales***	**FY07**	***% Sales***	**dif.**	**var.**
G&A expenses	10.0	*4.1%*	12.6	*2.4%*	-2.6	1.7pp

- Personnel expenses amounted to €20.9 M although once again these figures must be considered from a dual perspective. Ordinary personnel expenses stood at €15.9 M, €2.6 M down on previous year and in line with the reduction of overall staff, which went from 139 people at the close of 2007 to 89 after organisational changes. This process restructuring of which the company is carrying out has incurred extraordinary expenses of €5.0 M, and will entail annualised savings of around €5.0 M in 2009.

	FY08	*% Sales*	FY07	*% Sales*	dif.	var.
- Ordinary personnel expenses	15.9	*6.5%*	18.4	*3.5%*	-2.6	3.0pp
- Organisational reestructuring costs	5.0	*2.1%*	0.2	*0.0%*	4.9	2.0pp
Personnel	20.9	*8.6%*	18.6	*3.5%*	2.3	5.0pp

4- FINANCIAL RESULT

- Net financial profit stood at €44.0 M, versus €15.5 M in 2007.
- Financial expenses went up from €33.2M in 2007 to €39.5 M in 2008 as a result of:
  - Higher average net debt level in 2008 than in 2007 (€661 M and €596 M respectively), despite the gradual decrease during the second half of the year.
  - “All in” interest rate higher than 2007 (6.17% versus 5.45%).
  - Acrued comissions corresponding to the previous €500 M syndicated loan have been decapitalised due to the refinancing process. That impact amounts to €4.3 M.
  - Lower interest capitalisation (€16.4 M in 2008 vs €23.8 M in 2007)
- The strong devaluation suffered by sterling and dollar, specially in the last months, has led to €8.3 M in forex financial expenses.
- Also due to the aforementioned refinancing process, the value coming from the 3 hedging interest rate products have been decapitalised with a total impact of €6.3 M.

(€M)	dec-08	dec-08	Dif.
Ordinary interest expenses	-39,5	-33,2	-6,3
Ordinary interest incomes	1,6	1,9	-0,3
Capitalised interests	16,4	23,8	-7,4
Ordinary net financial result	-21,5	-7,5	-14,0
Forex exchange hedging results	-8,3	-4,0	-4,3
Interest rate hedging instruments	-6,3	0,0	-6,3
Commissions	-6,1	-1,5	-4,6
Other interests	-1,9	-2,5	0,6
Net financial result	**-44,0**	**-15,5**	**-28,5**

5- NET PROFIT

- The net profit for the period was €-111.5 M.
- To interpret this result correctly, four pertinent before-tax items should be pointed out:
  - Provisions on inventory of €63.8 M
  - Non executed investment rights and other related expenses of €24.5 M, to adjust the Company portfolio to new market conditions
  - Extraordinary expenses of €5.0 M due to organizational restructuring
  - Extraordinary income of €18.5 M, mainly coming from the sale of 11.6% of the Company's holding in Mixta Africa, S.A.

Consolidated Balance Sheet

Assets (€M)	dec-08	dec-07
Long term assets	**136.6**	**82.5**
Inventory	642.7	858.9
Debtors	41.3	130.8
Cash	2.3	2.7
Other current assets	25.3	3.0
Current assets	**711.6**	**995.4**
Total Assets	**848.2**	**1,078.0**

Equity and Liabilities (€M)	dec-08	dec-07
Capital and company-held shares	99.4	99.9
Reserves	102.9	85.4
Period profit	-111.5	35.4
Total Equity	**90.8**	**220.6**
Financial debt (long term)	**0.0**	**548.6**
Long term creditors	**14.9**	**25.1**
Financial debt (short term)	**662.6(*)**	**192.8**
Short term creditors	**79.9**	**90.9**
Equity and liabilities	**848.2**	**1,078.0**

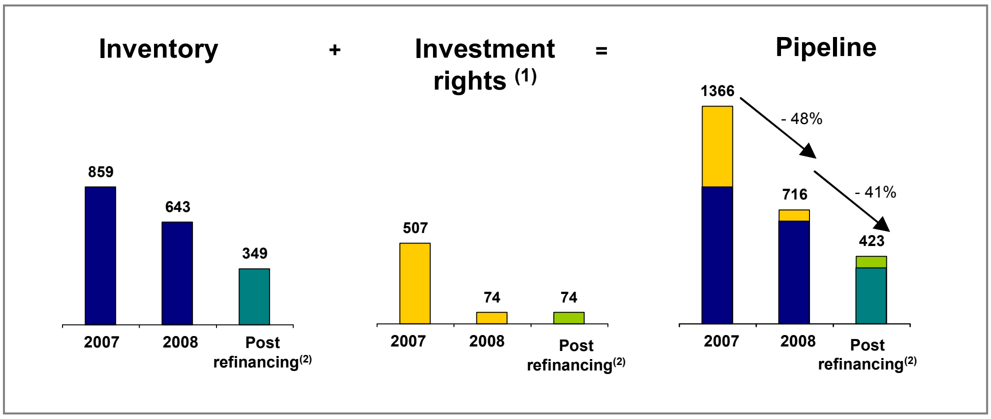
(*) Long- term debt has been classified as short-term debt due to the refinancing process. With the new Syndicate loan the debt will be once again considered as long term debt.

Notes on the Balance Sheet

Assets

INVESTMENT AND PORTFOLIO

- Investment in 2008 stood at €130.0 M, four times lower than 2007, which was €569.6 M. The reduction in investment is due to the strategic decision to be very selective in the acquisition of new product and to devote the greatest effort to the improvement and transformation of buildings currently in the portfolio.
- The portfolio (inventory and investment rights) amounted to €716.2 M, €649.4M down from year-end 2007.
    - Inventory is valued at €642.7 M, €216.2 M less than in 2007. In spite of the reduction in inventory, the value continues to be high because turnover is much slower due to the current unfavorable market conditions. This situation will radically change by the sale of assets to the financial institutions as part of the new refinancing deal. The total of inventory will stand at near €350 M.
    - Investment rights reduced to €73.6 M, being €506.7 M at previous year. At the end of 2007 the company decided not to take up premiums on investment rights which did not fit in with market realities, during 2008 it has applied the same policy. As a result, premiums worth €22.8 M have been abandoned, which equals €454.9 M in investment rights.



(1) Investment rights include option premiums detailed under inventory

(2) Post refinancing situation shows estimated figures after the asset sales to the financial institutions

- Regarding the portfolio make-up, 53% of inventory was concentrated in buildings, which were mostly offices.
- The amount of land has increased over 2007, as a result of transformation costs and the purchase of small plots, needed in order to complete the town planning processes currently in process.

(€M)	dec-08	dec-07	dif.	Post- (2) refinanc.	dif. vs dec-08
Land and Buildings	**633.8**	**829.5**	**-195.7**	**340.1**	**-293.7**
By geography					
National	425.1	577.3	-152.2	307.8	-117.3
International	208.7	252.2	-43.5	32.3	-176.4
By business unit					
Residential and offices	338.3	554.7	-216.4	142.9	-195.4
Land	295.5	274.8	20.7	197.3	-98.2
Purchase option premiums	6.3	26.4	-20.1	6.3	0.0
Work in progress and other	2.5	2.9	-0.4	2.5	0.0
TOTAL Inventory	**642.7**	**858.9**	**-216.2**	**349.0**	**-293.7**
Investment rights(1)	**73.6**	**506.7**	**-433.2**	**73.6**	**0.0**
Total Inventory + Investment rights	**716.2**	**1,365.6**	**-649.4**	**422.6**	**-293.7**

DEBTORS

- The breakdown of debtors is as follows:

(€M)	dec-08	dec-07	dif.
Trade debtors & receivables	31.3	85.5	-54.2
Accrued Taxes	4.9	29.3	-24.4
Other debtors	5.1	16.1	-11.0
Debtors	**41.3**	**130.8**	**-89.5**

- At the end of 2008 the balance of trade creditors stood at €31.3 M, €54.2 M lower than at the close of 2007, due to the collection of deferred payments on various properties as well as a reclassification of €21M into long term debtors.
- Accrued taxes decrease €24.4 M by corporate tax.

Equity

- Equity stands at €90.8 M mainly due to negative result of 2008. It is worth pointing out the equity decrease due to the portfolio adjustment to market prices amounting to €63.8 M.

(€M)	dec-08	dec-07	dif.
Capital and company-held shares	99.4	99.9	-0.4
Reserves	102.9	85.4	17.5
Period profit	-111.5	35.4	-146.9
Equity	**90.8**	**220.6**	**-129.8**

Liabilities

CREDITORS

- Short term creditors, €79.9 M at year-end 2008 (€11.0 M down vs 2007), are made up as follows:

(€M)	dec-08	dec-07	dif.
Accrued Taxes	1.0	1.9	-0.9
Suppliers	50.2	57.0	-6.8
Deposits on pre-sales	18.1	27.0	-9.0
Other Creditors	10.7	5.0	5.7
Short term creditors	**79.9**	**90.9**	**-11.0**

- Suppliers stood at €50.2 M, €6.8 M lower than 2007, due to a minor investment volume.
- Deposits on pre-sales stood at €18.1 M at year-end 2008. It should be noted that at publication of this document some sales will be signed and this amount will decrease by €15 M.

FINANCIAL DEBT

- Net debt stood at €635.3 M at year-end, down €100.9 M. Leverage ratio was 87% higher than at the close of last year due to a reduction in net equity which was proportionally greater than the reduction in debt. After the refinancing process, net debt will be near €320 M.
- The table shows changes over the period, by headings:

(€M)	dec-08	dec-07	Dif.	Post-refinancing
Syndicated loan	500.0	496.0	4.0	253.9
Operations with mortgage guarantee	71.7	97.7	-26.1	62.5
Mortgage on Registered Office	53.2	53.4	-0.2	0.0
Credit facilities and other financial debt	37.8	94.3	-56.5	-
Liquidity facility	-	-	-	22.0
Cash and short term deposits	-27.3	-5.2	-22.1	-18.8
Total Net Debt	**635.3**	**736.2**	**-100.9**	**319.6**
Net debt / (Net debt + Equity)	87%	77%	+11pp	

- The net average debt balance at year end 2008 was €661.1 M, compared to €596.4 M in 2007.
- By the end of 2008, the company was close to reaching an agreement with the financial institutions which comprise the syndicated loan. At publication of this document the new refinancing deal has been signed. The key issues are:
  - Refinancing of the long term debt with new conditions and terms adapted to the current market situation.
  - Sales asset agreement which allows the company to reduce debt approximately by €380 M.
- The new refinancing deal consists of:
  - New syndicated loan of €253.9 M with 17 financial entities.
  - Financing of the loan over a 7 year period and pay off terms as follows:
    - 2009-2010 grace period
    - 2011-2015 increasing annual repayment
  - €62.5 M as financial mortgage
  - Agreement to contribute with €22 M liquidity, €18.5 M will be as a credit line over 3 years.

Outlook for the future

- The future still looks with no clear signs of a turning point and recovery of demand or the reestablishment of credit facilities for potential real estate buyers.
- With this scenario it is difficult to project and predict future market movements
- Nevertheless with the signing of the new Syndicated Loan, the Company is now in an entirely new situation compared to 2008. The renegotiation of the debt and the sale of assets, give the company the stability and the balance needed to face today's complex environment.
- The Company is now, at publication of this document, entering a whole new phase adapted to the current market scenario.
  - Debt after refinancing process of €338 M (€662.6 M in year-end 2008)
  - Liquidity facility of €22 M
  - Inventory level around €350 M (50% decrease vs 2008)
  - Good quality investment rights on assets
  - Overall staff adapted to new market conditions that will entail annualized savings of around €5 M
  - The Company is carrying out a series of rationalisation and cost reduction policies that already led to a 21% decrease vs 2007 G&A expenses will also experience a €3 M annualised decrease in 2009.
- This new situation will allow the Company to focus on the transformation and sale of our current portfolio and improve our profit margin by concentrating resources and efforts to the application of our business model.

Other information

1- MAIN MATERIAL EVENTS AND OTHER COMMUNICATIONS

- Of all material events reported to the Spanish Securities and Investment Board since January 2008 until now, the following are worth highlighting:
  - 30/12/2008 The Company communicates the reaching of an initial agreement to renegotiate the financial debt with 68.8% of the financial entities that form the Syndicated Loan
  - 03/10/2008 The Company communicates the revision of the waiver terms granted by the financial institutions of the Syndicated Loan.
  - 30/09/2008 Sale of 11.6% of the Company's holding in Mixta Africa, S.A.

- 08/08/2008 The Company has been granted a waiver by the majority of the financial institutions taking part in the Syndicated Credit agreement entered into on 15 February 2007
- 11/07/2008 Organisational changes in the Renta Corporación group and estimated principal figures for the first half year.
- 11/06/2008 Appointment of a new Director representing substantial shareholders.
- 06/05/2008 The Company announces the dividend payment on 7 May 2008.
- 25/04/2008 Approval of resolutions by the General Meeting of Shareholders.
- 21/02/2008 Resolutions of the Board of Directors.
- 15/01/2008 Overview of the 2008-2010 Strategic Plan.
- 07/01/2008 2008-2010 Strategic Plan / Estimate of principal figures for FY2007.

2- CHANGES IN THE BOARD OF DIRECTORS

- April 2008:
    - Reclassification of Enric Venancio Fillat as Other External Director.
    - Reclassification of Esther Giménez Arribas as Executive Director.
    - Appointment of Ramchand Wadhumal Bhavnani as member of the Board as a Director representing substantial shareholders, for a six-year term.
- June 2008:
    - Resignation of Enric Venancio Fillat as a member of the Board of Directors of the Company.
    - Co-opting of Blas Herrero Fernández as member of the Board as a Director representing substantial shareholders. This appointment must be ratified at the next General Meeting of Shareholders.
- July 2008:
    - Resignation of Anna M. Birulés Bertrán and César Bardají Vivancos as members of the Board of Directors of the Company.
    - Co-opting of David Vila Balta as Vice-Chairman of the Board of Directors as Executive Director.
    - Co-opting of Juan Velayos Lluis as CEO of the Company as Executive Director.
    - Appointment of Javier Carrasco Brugada as Secretary, but not member, of the Board of Directors of the Company.

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