



Vallehermoso

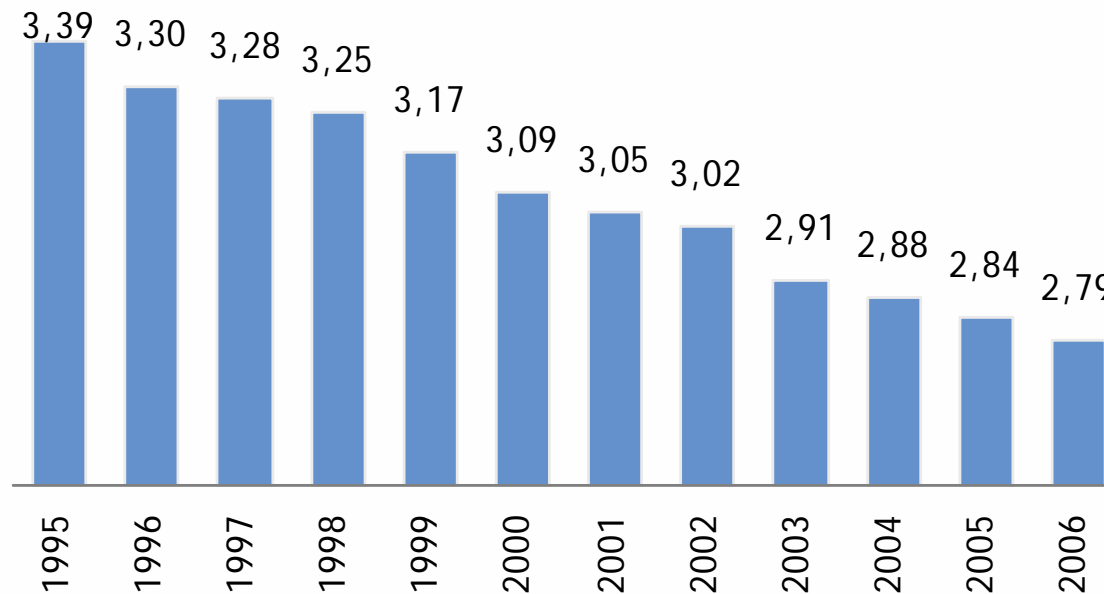
Testa

Real Estate Sector of the SyV Group 2006 Results

- Market Situation
- 2006 Results
- Asset Valuation

Market Situation: Residential Development

People per house

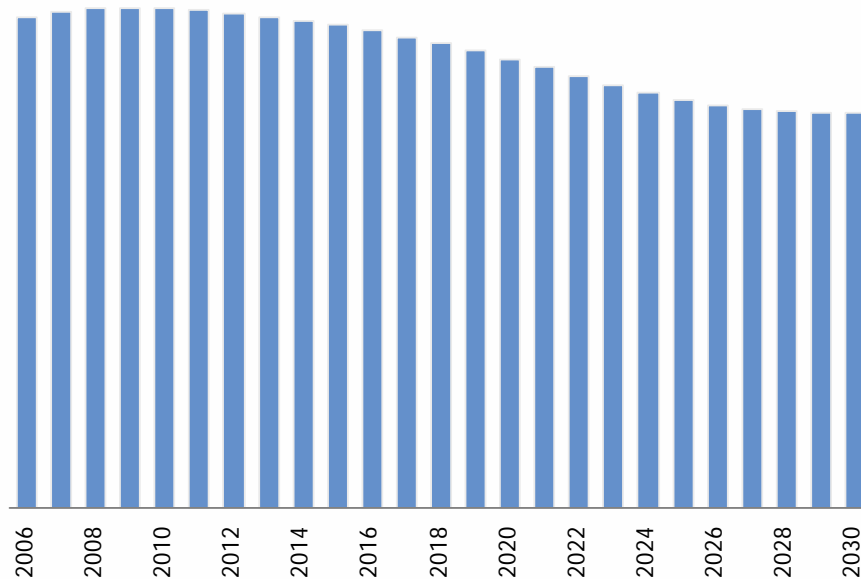


Source: INE

The average number of people per house continues to fall...

Population between the ages of 25 - 44 until the year 2030

Source: INE



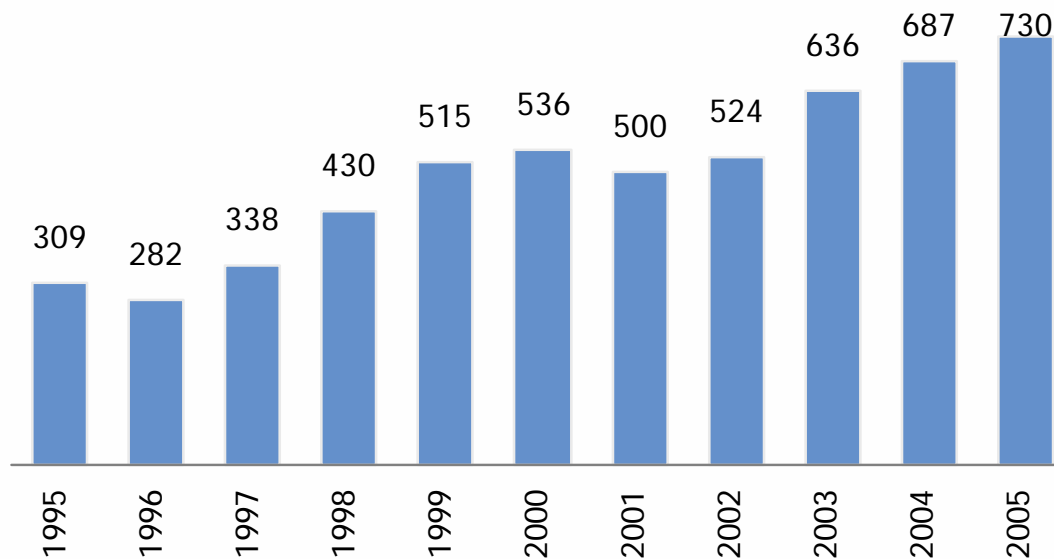
Yearly Average	Units	%
First Residence	300,250	62.1%
Residents	218,459	72.8%
Immigrants	81,791	27.2%
Second Residence	177,746	36.8%
National	149,597	48.2%
Foreign	72,164	51.8%
Other	77,433	15.8%
TOTAL	483,537	100%

Source: Asprima-AFI-Planner

... the population and the changes in the structures of Spanish demography indicate a sustainable level of activity of between 450,000 - 500,000 units per year.

Spain. Units under way (Thousands of Units)

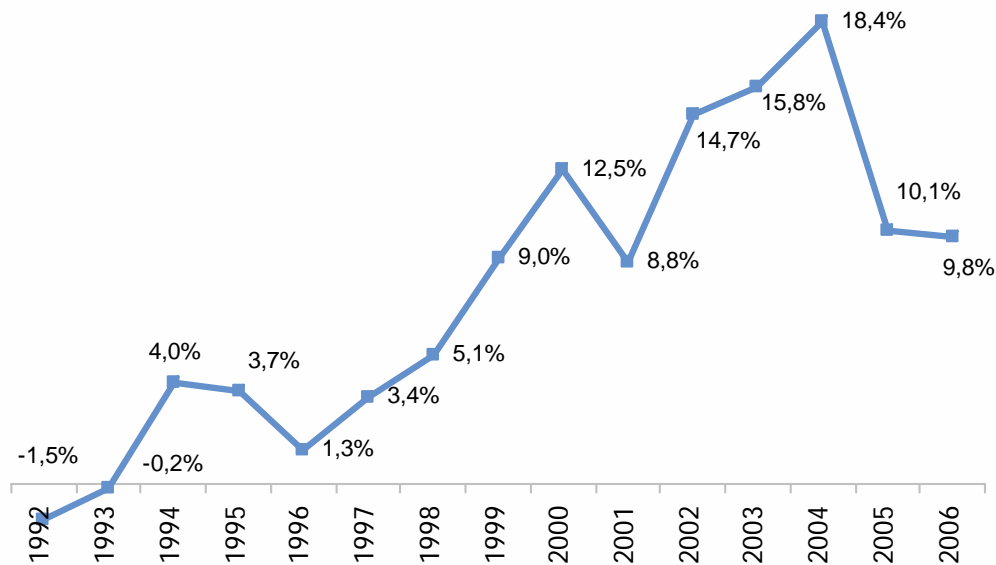
Source: Department for New Work Permits . Ministry of Public Works



- Permits for new works have increased in the second half of 2006, but the introduction of the new Technical Building Code has been a major influence in this.
- It is foreseeable that the level of supply will reduce gradually

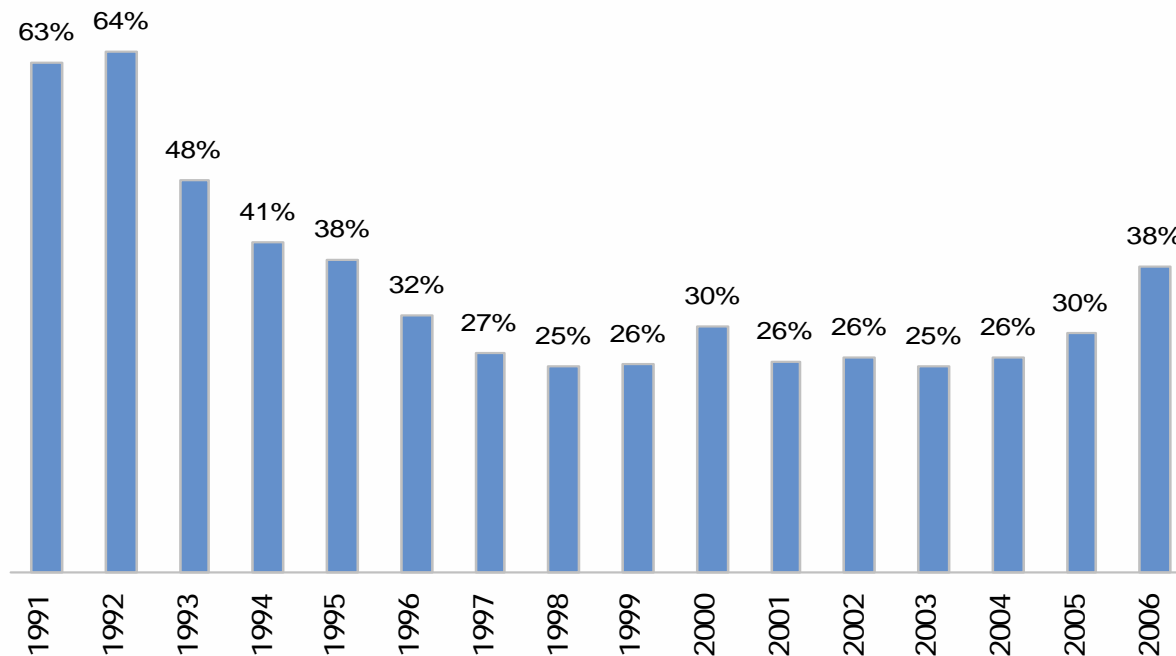
Var. of price per m2 of housing

Source: Ministry of Housing



The prices have gradually started to decelerate in 2006, which we believe will continue in the next years, without there being any sharp falls.

Accessibility Ratio: Average Salary/Average Wage per Mortgage (%)



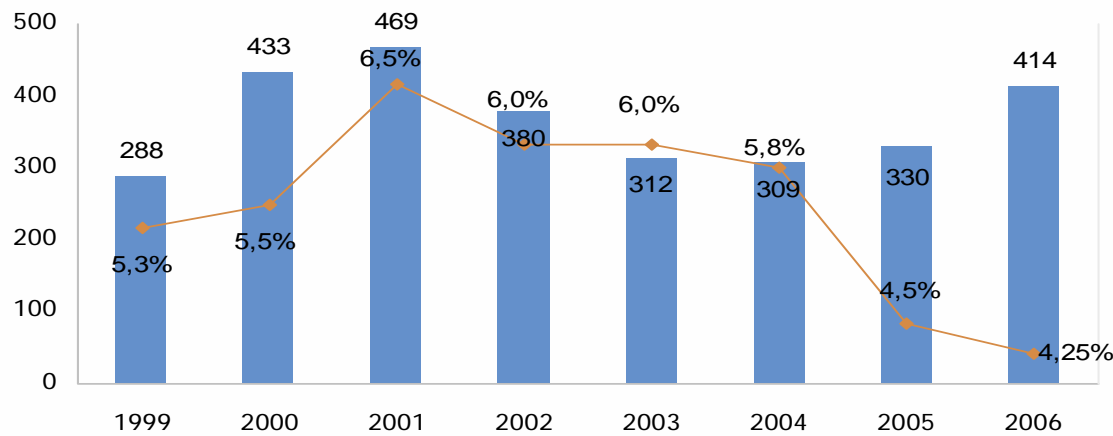
Source: INE, AHE, own figures

The rise in interest rates has increased the accessibility ratio to 1995 levels. However, the fall in inflation, tax reduction and employment stability help maintain the support for disposable income in the homes.

- The conditions are less favourable today than in previous years. There is a consolidation process of gradual adjustment coming into effect, which has been sounded for some years without it ever materialising.
- The demand for houses will maintain the tendency for moderation which has been started. For the most part, this is due to the increase in the level of "effort", whilst the fall in inflation, tax reduction and employment stability is helping to maintain the support for disposable income in the homes.
- The cooling down of activity, with lesser demand and a foreseeable decrease in activity, will make prices continue to slow down but at a slighter pace.

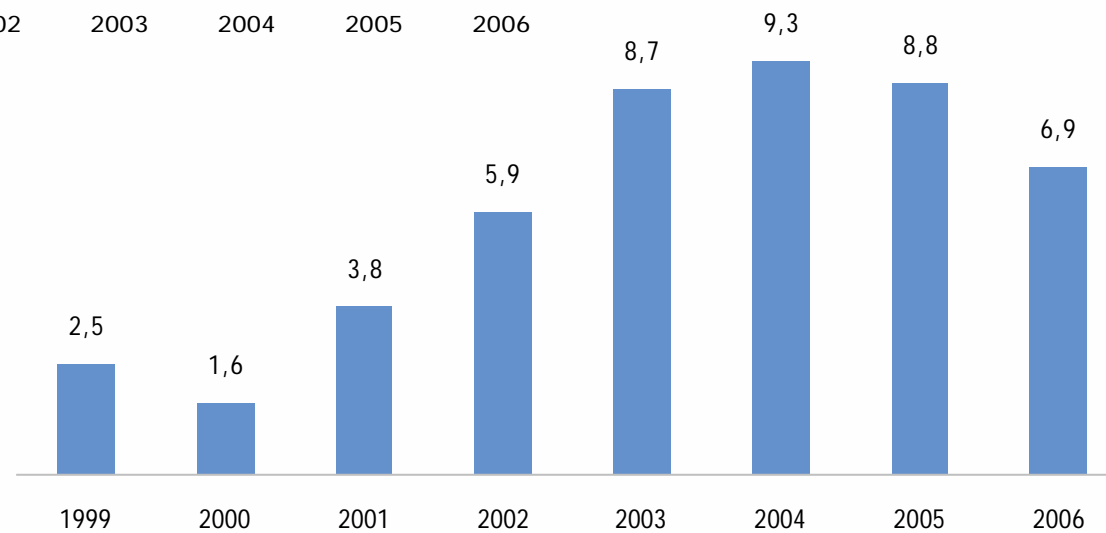
Market situation: Rental Property

Rentals (€/m2/year) and Yields (%)

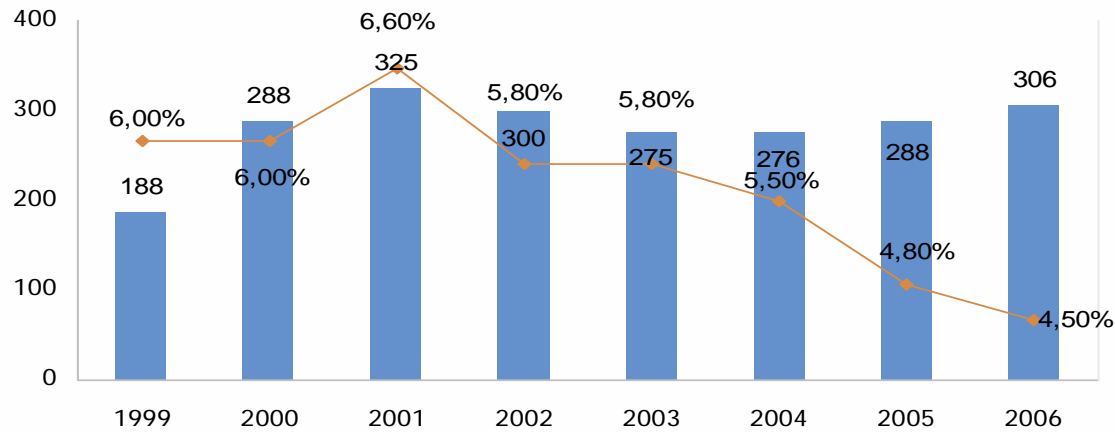


Source: CB Richard Ellis

Empty Property Rate (%)

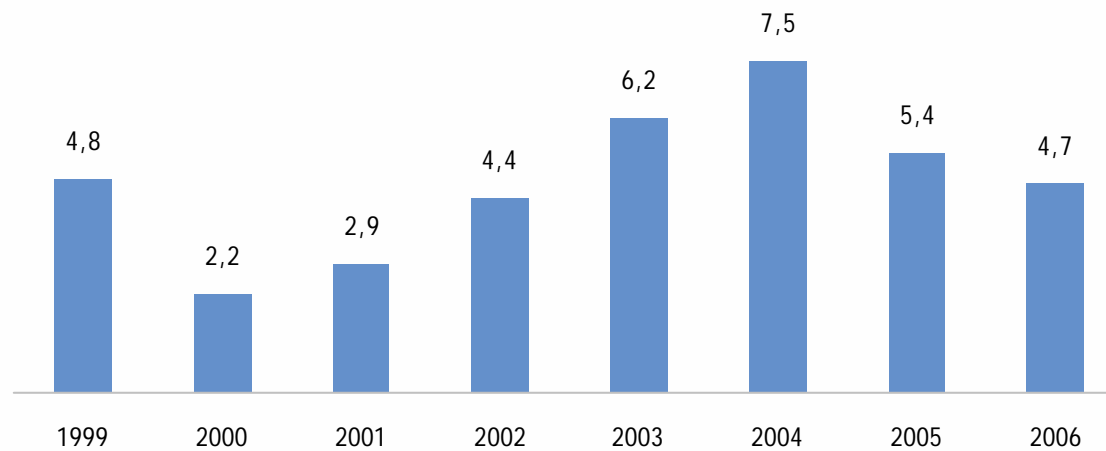


Rentals (€/m2/year) and Yields (%)



Source: CB Richard Ellis

Empty Property Rate (%)



- The rentals market is enjoying a very favourable moment. It has a good evolution in income, decrease in the empty property rate and, despite the rise in interest rates, the yields have not suffered any variations. This increases the value of rental properties.

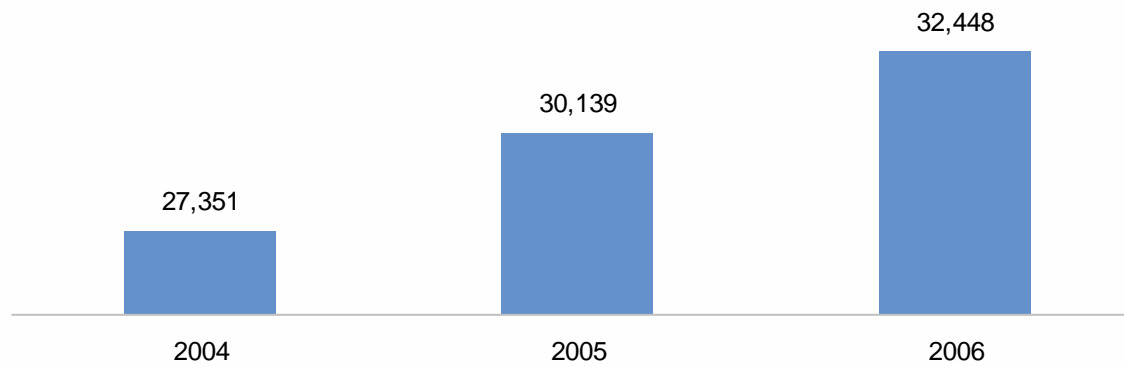


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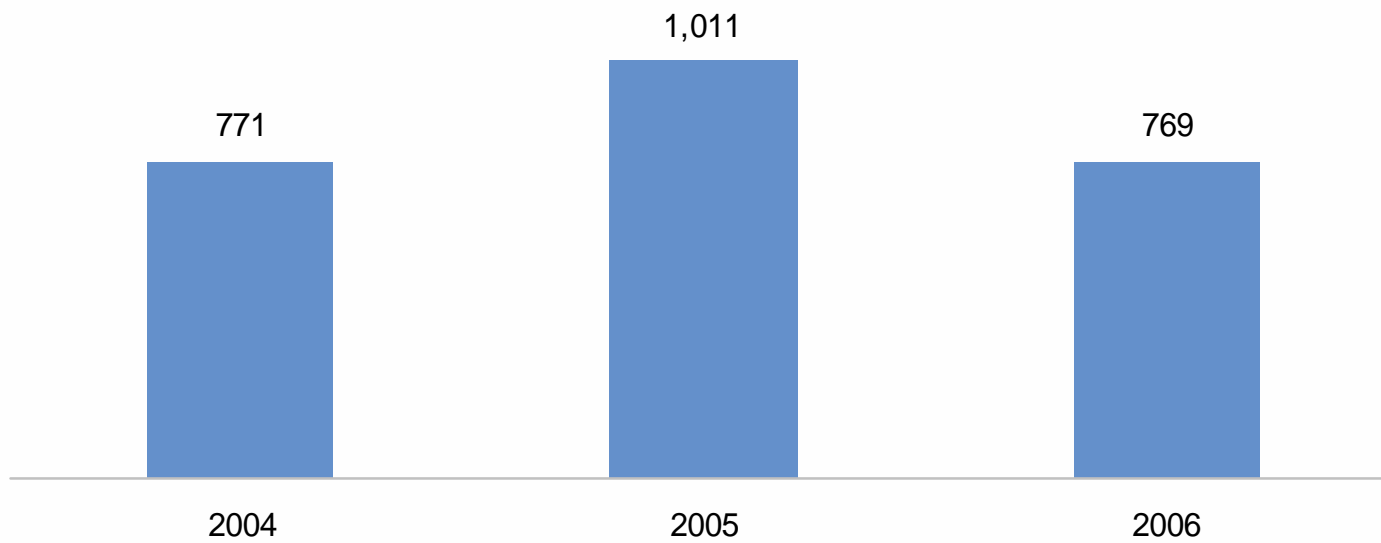
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2006 Results: Residential Development

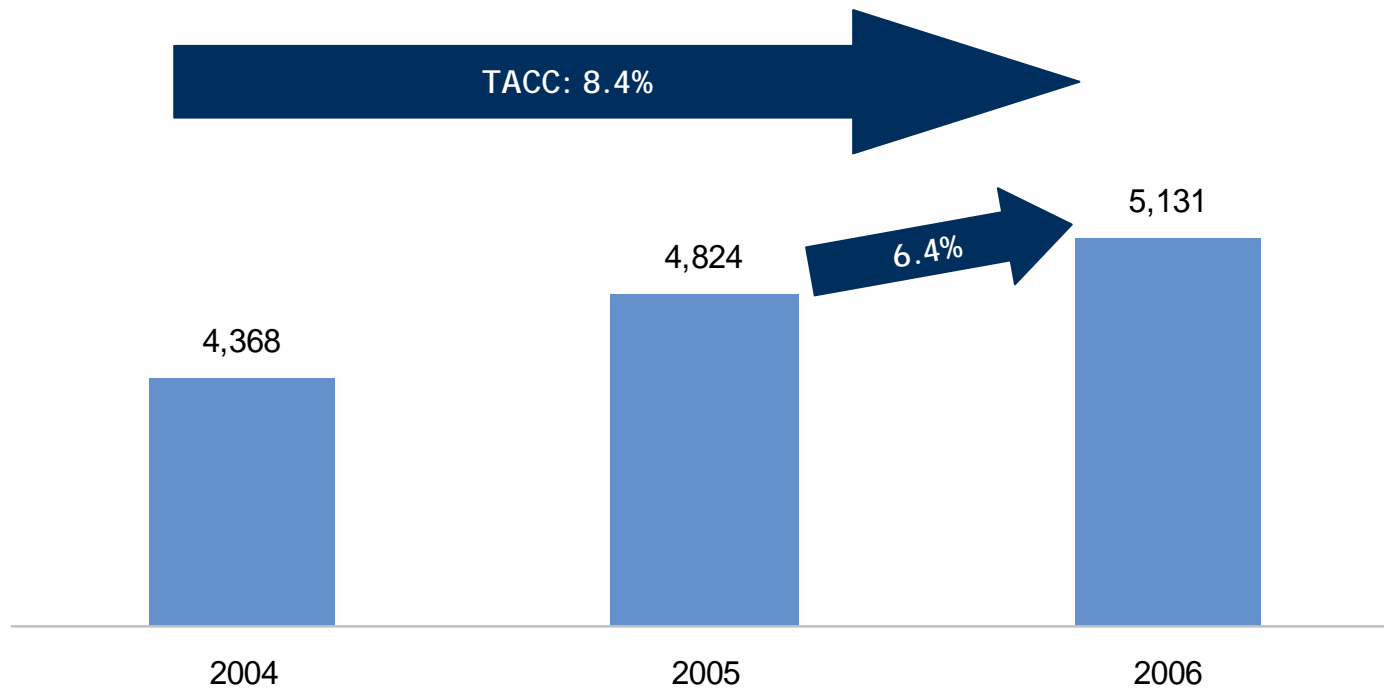
Land bank in number of houses

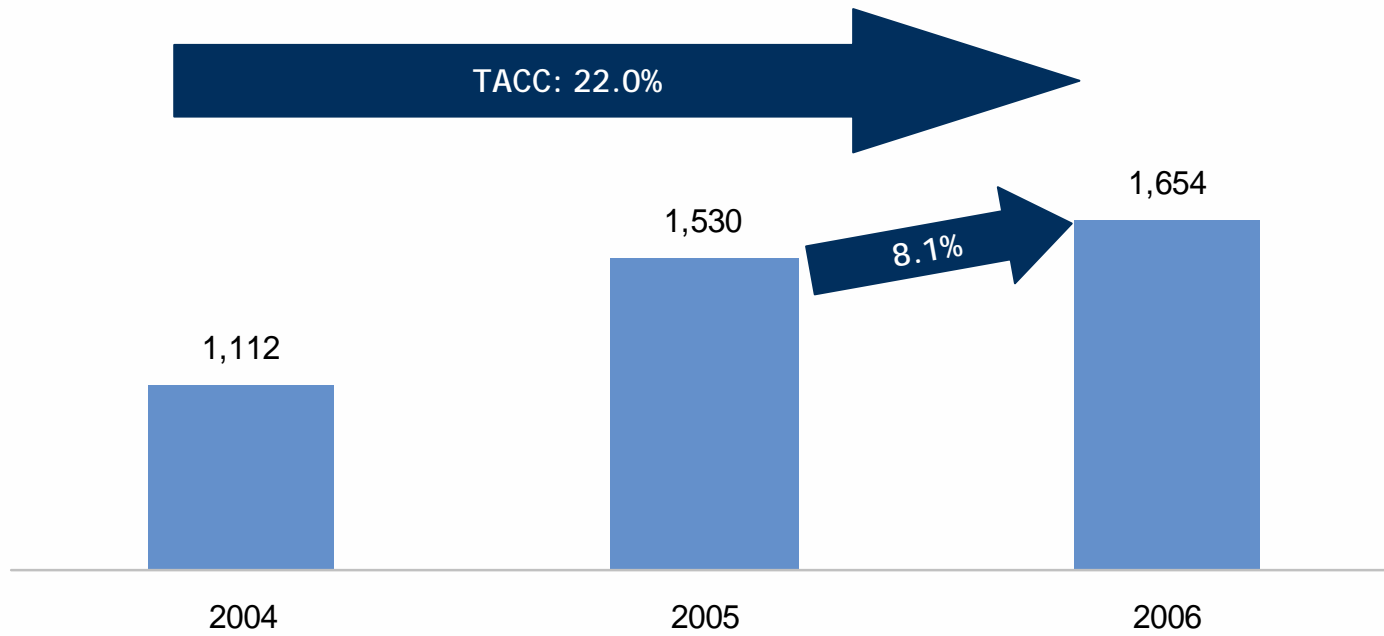


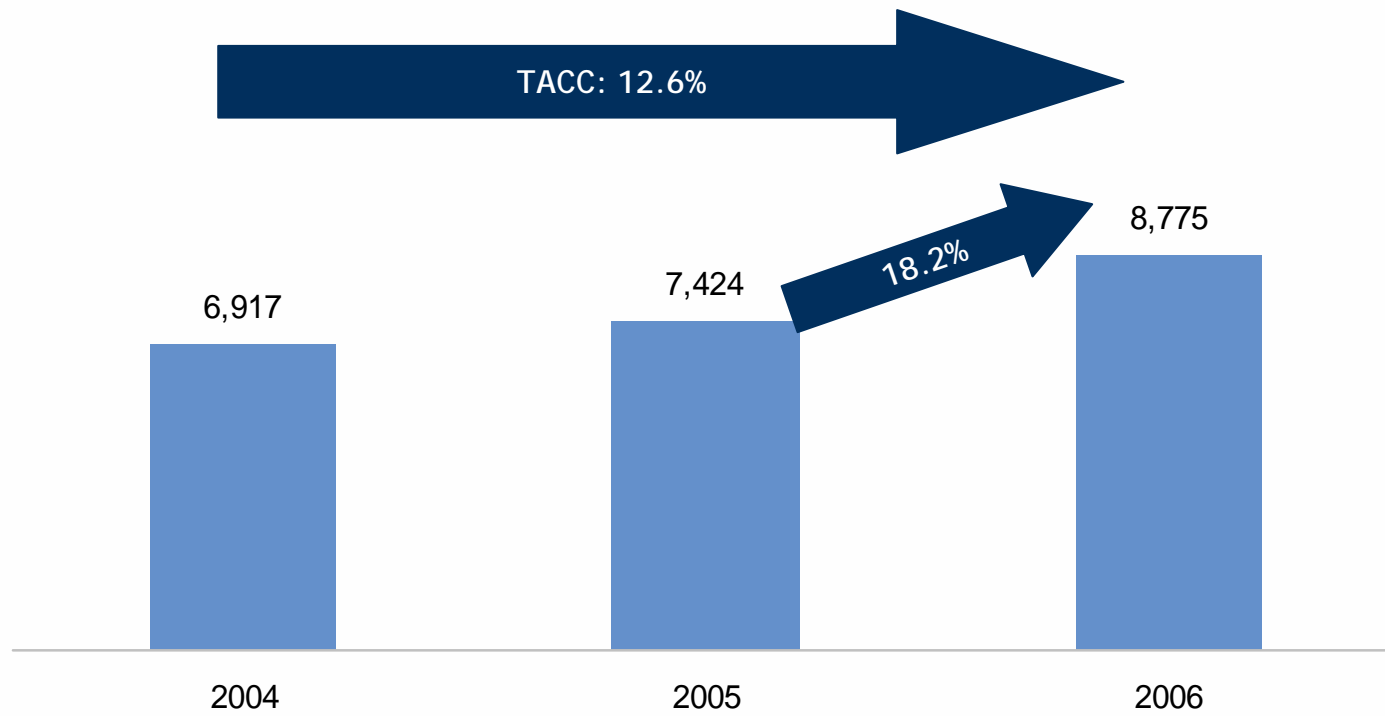
Annual Investment in Land Assigned in € millions

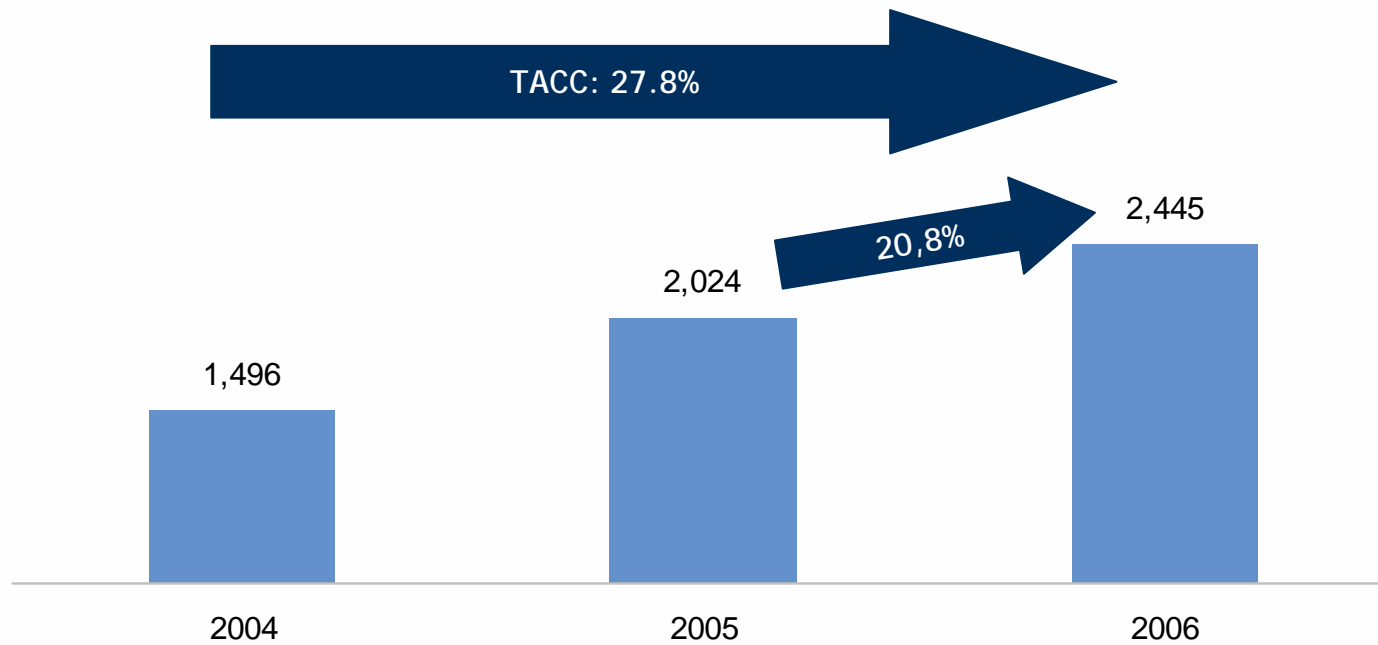


Contractual Sales (Houses)







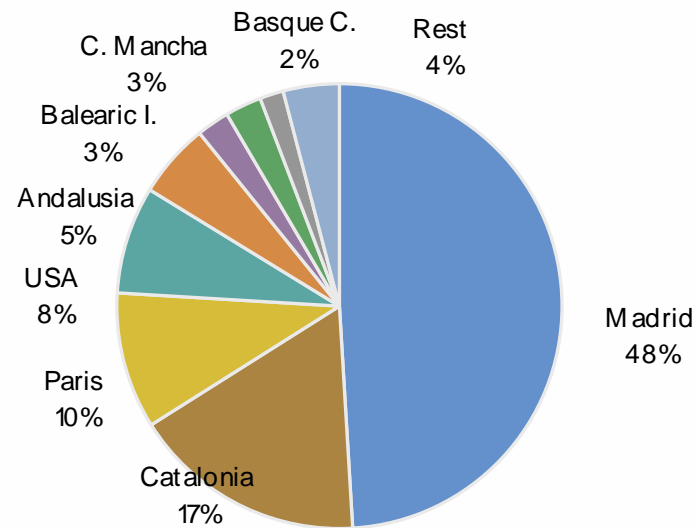


In € Millions	As of 31 of December		% Variat. 06/05
	2006	2005	
Residential Development VALLEHERMOSO			
Revenues	1,246.7	1,246.5	0.0%
EBITDA	330.4	276.7	19.4%
<i>EBITDA/Revenues</i>	26.6%	22.2%	4.3
NET PROFIT	214.7	148.5	44.6%
<i>NET PROFIT/Revenues</i>	17.2%	11.9%	5.3
CASH FLOW	196.8	179.9	9.4

2006 Results: Rental Property

In € Millions	31 December				
	PRODUCT	2006	2005	Var 06/05	M ²
Offices	159.3	125.3	27.0%	582,460	98.9%
Shopping Centres	37.9	36.6	3.6%	140,014	91.8%
Hotels	19.7	18.5	6.4%	80,629	100.0%
Industrial premises	10.6	10.3	2.9%	210,430	99.0%
Houses	10.7	10.0	6.1%	104,803	96.1%
Homes for the Elderly	6.5	3.8	70.5%	52,463	100.0%
Garages	0.9	0.8	10.6%	371,990	100.0%
RENTALS	245.5	205.3	19.6%	1,542,789	97.9%
Services	5.7	4.7	23.4%		
Revenues	251.2	210.0	19.7%		

Revenues by Geographical Region



Project	M2 s/r	Invest.	Year Incorp.
Miami	38.100	163,5	
Josefa Valcárcel, 48	19.892	63,1	2007
Torre SyV	20.946	151,3	2009
Palacio Congresos Vigo	21.997	24,9	2009
San Cugat II	10.008	17,9	2009
Offices	110.943	420,7	
Torre SyV	37.259	184,9	2009
Palacio Congresos Vigo	4.124	4,7	2009
Hotels	41.383	189,6	
Consejo de Ciento	5.304	14,0	2008
Homes for the Elderly	5.304	14,0	
Parla	53.000	84,5	2008
Coslada	56.000	93,4	2008
Hospitals	109.000	177,9	
Torrejón - Madrid	41.394	59,1	2009
Móstoles - Madrid	6.599	10,0	2009
Paracuellos - Madrid	8.000	12,2	2009
Houses	55.993	81,3	
TOTAL	322.623	883,5	

In total, 322.623 m², an investment of 883 million euros and an expected income of 72,5 million euros. A Profitability of 8,2%.

Of these investments, at close of business for 2006, there already amounted a figure of 387.1 million euros.

In € Millions	As of 31 of December		Variat. 06/05
	2006	2005	
Property TESTA			
Revenues	251,2	210,0	19,6%
EBITDA	190,8	165,2	15,5%
<i>EBITDA/Revenues</i>	76,0%	78,7%	-2,7
NET PROFIT	65,6	60,7	8,1%
<i>NET PROFIT/Revenues</i>	26,1%	28,9%	-2,8
CASH FLOW	103,8	83,0	25,2%

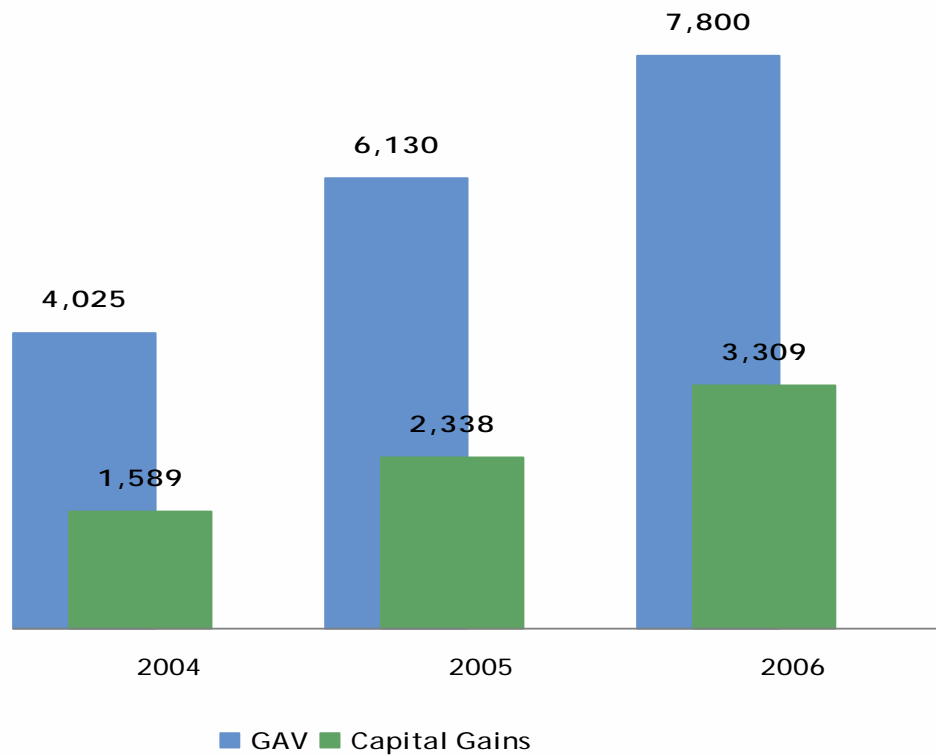
Real Estate Sector Results

In € Millions	As of 31 of December		Variat. 06/05
	2006	2005	
REAL ESTATE SECTOR: VALLEHERMOSO+TESTA			
Revenues	1.497,9	1.456,5	2,8%
EBITDA	521,2	441,9	17,9%
<i>EBITDA/Revenues</i>	34,8%	30,3%	4,5
NET PROFIT	280,3	209,2	34,0%
<i>NET PROFIT/Revenues</i>	18,7%	14,4%	4,3
CASH FLOW	300,6	262,9	14,3%

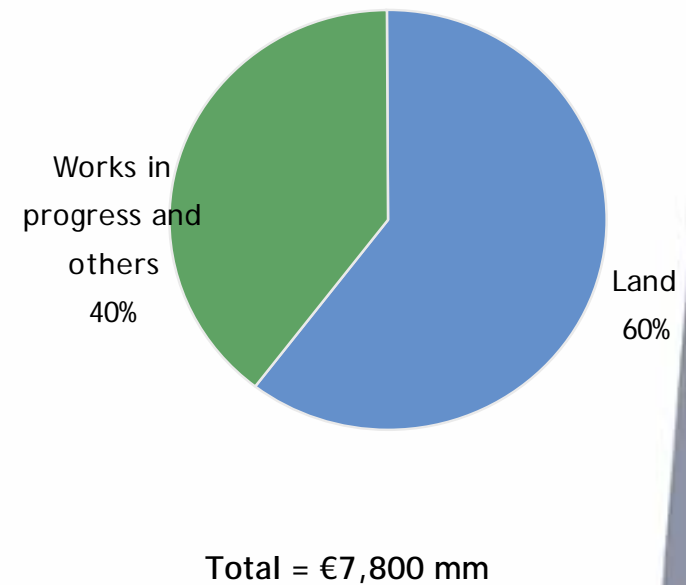
Asset Valuation

ASSET VALUATION	2006	2005	Variat. 06/05	Variat. 06/05
Land	4,704	3,387	1,317	38.9%
Work in progress & other	3,096	2,743	350	12.9%
TOTAL	7,800	6,130	1,667	27.2%
UNREALIZED CAPITAL GAINS	3,309	2,338	971	41.5%

Asset Market Value (€mm)

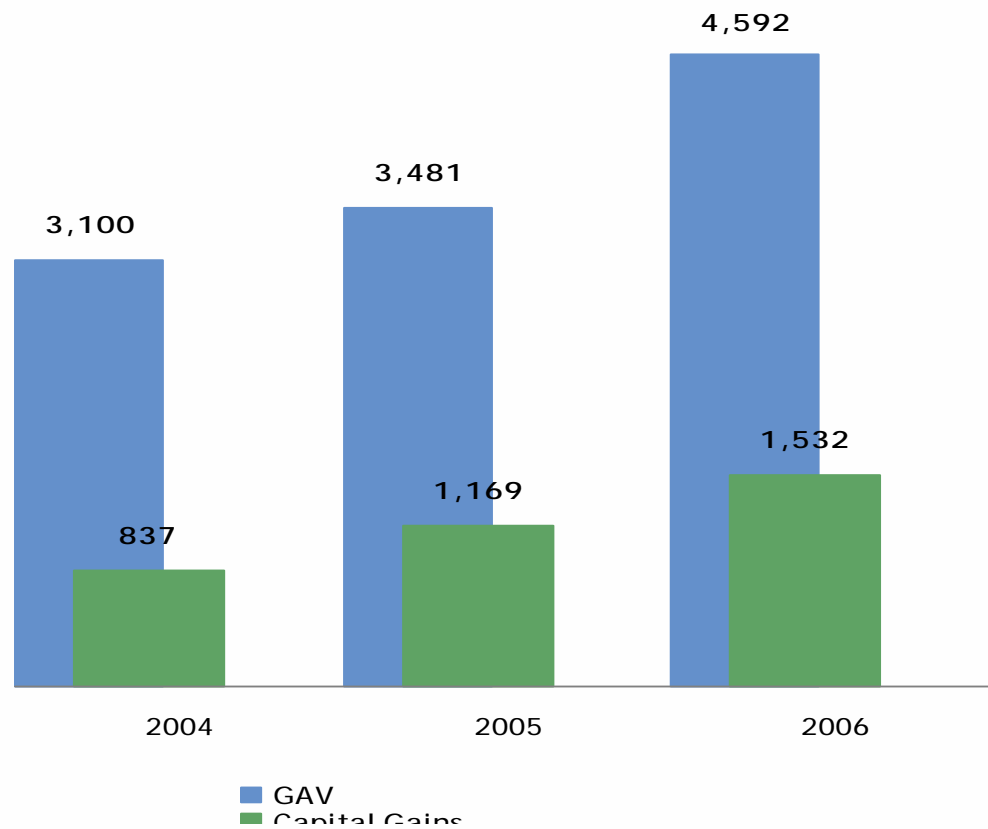


GAV by product

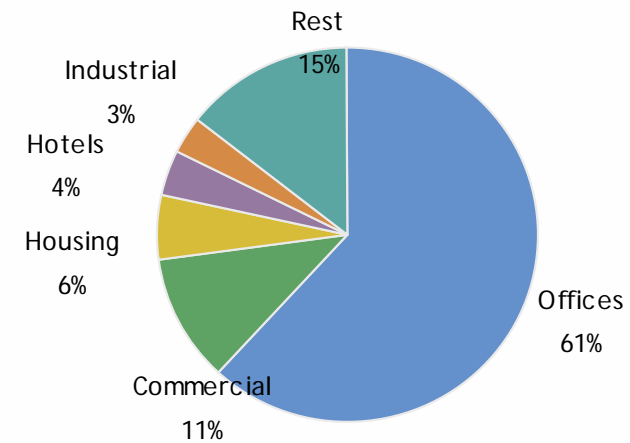


ASSET VALUATION	2006	2005	Variat. 06/05	Variat. 06/05
Offices	2,762	1,931	832	43.1%
Shopping Centres	503	470	32	6.8%
Housing for rental	255	217	38	17.5%
Hotels	169	163	6	3.9%
Industrial Premises	145	127	18	14.4%
Homes for the Elderly	105	77	28	36.3%
Other	26	23	2	9.5%
Work in progress, land and affiliates	627	472	155	32.8%
TOTAL	4,592	3,480	1,112	31.9%
UNREALIZED CAPITAL GAINS	1,532	1,169	363	31.1%

Asset Market Value (€mm)



GAV by product



Total = €4,592 mm

ASSET VALUATION	2006	2005	Variat. 06/05	Variat. 06/05
Residential Development	7,800	6,130	1,670	27.2%
Rental Property	4,592	3,480	1,112	31.9%
TOTAL	12,392	9,610	2,782	28.9%
UNREALIZED CAPITAL GAINS	4,841	3,507	1,334	38.0%



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