
Grupo Lábaro
Press Dossier

1.- Grupo Lábaro

Grupo Lábaro is one of the main real estate companies in Spain. It has over twenty years' experience in the market, the company is specialised in the promotion of houses, land management and rented property.

From its establishment, after the construction of the first promotion of 400 houses in Villalbilla (Madrid), the company has had several names. At the start, a number of companies were created in order to reinforce the structure of the group. During this period, The company opted for diversification, but without abandoning the promotion of houses. Parallel to this, it began to work in the management of town planning and cooperatives.

During this development process the year 2000 is an emblematic date for the Grupo Lábaro as it supposed its creation as such, when all the companies united and its internal structure was consolidated, which has enabled it to grow steadily during recent years. Since then, Grupo Lábaro has managed or promoted more than 1,200 houses and is present in Madrid, Castile-La Mancha, Andalusia, Catalonia, Galicia, Murcia, the Autonomous Community of Valencia, Aragon, Canary Islands and La Rioja.

One of the reasons which have enabled Grupo Lábaro to obtain substantial growth levels is its strong commitment to quality, innovation and service. As a result of this concern, in 2004 the company obtained the AENOR certification, which endorses quality in each of the projects it develops.

Within its strategic plan for the next few years, Grupo Lábaro has also undergone a strong process of international expansion which has led it to develop projects in Germany, Hungary, Bulgaria, Lithuania, Poland, Portugal, Croatia, Rumania, Morocco and Turkey.

2.- Business Areas

The company does business, fundamentally, in five business areas:

- National Promotion

Grupo Lábaro works in all the chain of value of the promotion of real estate. From the identification of an opportunity to buy land to the design and management of the house, therefore, innovation and the search for alternatives in construction are part of the internal culture of the Group. This philosophy serves to provide its clients with high quality projects with a price which is in line with the market price, which is the current challenge to be addressed by the companies in this sector.

The company carries out its real estate business in the centre and on the coast of Spain, and 55% of the real estate promotions made are for the first residence and 45% for a second home.

Within this section, land management is a very important area as this is fundamental for structuring a quality offer, as well as an important method for achieving recurrent earnings for the Profit & Loss Account. As result of this conviction, the management of the Grupo Lábaro wish to increase the current land portfolio (estimated at 50 million square metres), as they have been doing for several years.

- Protected Housing

Achieving protected housing with qualities higher than the present ones and, keeping the prices attractive, are among the fundamental objectives of the Grupo Lábaro, therefore, this division endeavours to achieve the maximum development of an area with substantial growth potential. Thus, the company works in the creation of a number of alternatives in collaboration with other financial associates, which will enable substantial progress in this area.

This division would be developed both at national and international level as the Grupo Lábaro considers that its technique is exportable to other parts of the world. In addition, the business model would not only be for houses for sale, but

rental would form an very important part of the model in the future, as well as new modalities, formulas and proposals on which work is being done.

- International Division

The development of the company at international level is one of the fundamental objectives of the Strategic Plan of the Grupo Lábaro, which considers that this must become an important channel for earnings in the future.

At the present time, Grupo Lábaro is present in Germany, Hungary, Bulgaria, Lithuania, Poland, Portugal, Croatia, Rumania, Morocco and Turkey. However, the company is not restricted only to these countries, but is open to any opportunity which might appear in other parts of the world and which offer attractive growth possibilities.

As in the division of National Promotion, land management will occupy an outstanding place in the development of international business. In fact, Grupo Lábaro has experts throughout the world who search the market for attractive possibilities, which make it possible to increase the available land portfolio.

- Assets - Rental

The company also acquires properties to be subsequently rented out to third parties. Thus, the amount and value of the assets of the Grupo Lábaro have grown in recent years, and it has also increased recurrent earnings.

This business area traditionally represented less than 10% of the company turnover. However, the intention of the Grupo Lábaro is to increase this activity up to 30% of the business in the next few financial years. The logistic, industrial, office, residential, commercial and hotel uses are some of the possibilities the company is considering in order to promote this activity over the next few years.

- Other Activities

Grupo Lábaro carries out diversification activities which may entail substantial earnings in the future. At the present time, this area of the company still constitutes a very small part of the Profit & Loss Account, but it is planned to increase this in the next few years.

The promotion of leisure centres (like the one being built in Costa Galera, in Málaga) and the management of administrative concessions, are options being considered by the company management, although it continues to study possible financing alternatives in order to ensure the future and not depend on one activity. Renewable energies, health care and educational equipment are some of the more attractive possibilities considered in the Strategic Plan of the company for the next few years.

3.- Main Figures

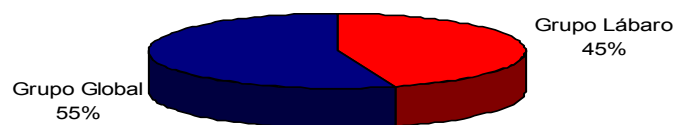
During twenty years doing business, Grupo Lábaro has shown strong growth in all the indicators, and today it has become one of the ten leading companies in the real estate sector by assets.

In 2000 Grupo Lábaro was constituted as it is known at the present time, when all the companies were unified and its internal structure was consolidated. From that time on, the history of the company has been full of successes and in the next few years, growth of around 100% is expected.

	2005	2006	%
Income	81 million	95 million	+17%
Profit after tax	9 million	9.7 m	+8%

In recent years, Grupo Lábaro has accumulated more than 50 million square metres of land and, forecasts the construction of 17,000 houses in the next three years.

Current shareholdings:



4.- Team

One of the basic pillars of the of the business of the Grupo Lábaro is its human resources. The company is ware that it is necessary to combine the experience and knowledge of its professionals with the vitality of new employees.

Guaranteeing the satisfaction of the professionals is a fundamental objective for the managers of the Grupo Lábaro, therefore, the company has attractive career plans adapted to the profile of each professional so that they can carry out their activity in an environment which is as comfortable as possible. Thus, Grupo Lábaro seeks to incorporate the best candidates as these are the ones who make a difference.

All those who work in Grupo Lábaro are aware of the importance of a number of values transmitted through the common business philosophy which place the client at the centre of its activity and is established on four fundamental pillars: unity, solidarity, equality and quality.

The Grupo Lábaro has made substantial efforts to increase it staff and cover all the necessities. At the present time, the company has 170 professionals from different areas of knowledge within the real estate sector, with an average age of 32.

5.- Future Strategy

The Grupo Lábaro is involved in developing its 2007-2010 Strategic Plan, based on a portfolio of land which is approximately 50 million square metres with annual growth expectations for the next few years of nearly 100%. In recent times, Grupo Lábaro has focused on increasing its land portfolio for promotion in order to develop new model in which quality housing at accessible prices will be the hallmark of the company.

The forecasts of the Grupo Lábaro as regards achieving this growth figure include the sale of 17,000 houses between 2007 and 2010, which would leave a substantial amount of land in order to continue building, to which should be added the land which will be acquired over the next few years for future development. This model guarantees promotional activity over the next few years as growth plans have been drafted in a prudent, structured fashion.

Besides the promotion of real estate, the Grupo Lábaro is diversifying its activities towards other areas so that earnings do not come only from this area. The objective is that in 2010 more than 30% of revenue will come from the management of property rentals and other areas we are working in.

International Activity

The Strategic Plan of the Grupo Lábaro considers the internationalisation of the Group to be an important channel for the achievement of earnings.

At the present time, the most emblematic project of the Grupo Lábaro abroad is being carried out in the city of Gdansk, in Poland, where it has a substantial amount of land for the development of several town planning projects

6.- Corporate Social Responsibility

The Grupo Lábaro is one of the real estate companies which are pioneers in the development of Corporate Social Responsibility programmes.

This aspect is basic for the Grupo Lábaro as it is aware of its duty to society and the underprivileged. The action carried out by the company in the area of Corporate Social Responsibility involves both the financial support of the company and the efforts and participation of the professionals of the Grupo Lábaro.

The following are among the activities carried out by the company in this area:

- **Fundación O'Belén.** Grupo Lábaro contributes and supports this association established in 1990 in order to help minors who are socially unprotected as these are at a greater risk of undergoing behavioural disorders.
- **Action Against Hunger.** The company collaborates with this organisation on the World Food Day, by helping to make people aware that there are people in the world with nothing to eat. Grupo Lábaro makes a financial contribution and carries out a campaign to find members of Action Against Hunger among its employees. Last Christmas, the Grupo Lábaro also

organised the campaign "Your smile is worth more than ever. Give your best as a gift, give a smile". The total amount collected was allocated to the project "Access to drinking water for underprivileged populations in Gao and Timbuktu and Mali".

- **Culture.** The conservation of the art and culture of peoples is vital for the Grupo Lábaro, which considers that this is a fundamental aspect for the development of societies in the future without their having to lose the true features of their identity. Thus, the company participates actively in these activities, and is the sponsor of the Religious Music Concert and the International Theatre Festival in Girona.

- **Sport.** Aware of the importance of sport as vehicle for social structuring and an expression of health in society, Grupo Lábaro participates as a sponsor in the following initiatives:
 - Dani Sordo, rally driver
 - The Spanish National Basketball Team
 - The "Grupo Lábaro Toledo" handball Team.
 - The "Lábaro Estepona" Basketball Team.
 - Unión Club Cee
 - The Muxia Surf Championship
 - The Estepona Beach Volleyball Championship