

Banco Sabadell



# Sale of Landscape



26<sup>th</sup> October 2006

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# Sale of Landscape - Rationale



- Created in 1998 to diversify investment and boost mortgage production

	1998	2006
BS Group Mortgages/Total Loans	29.5%	51.6%

- Positive momentum of real estate cycle
- Reinforces capital position of the group
- Consistent with ongoing non-core business divestment policy



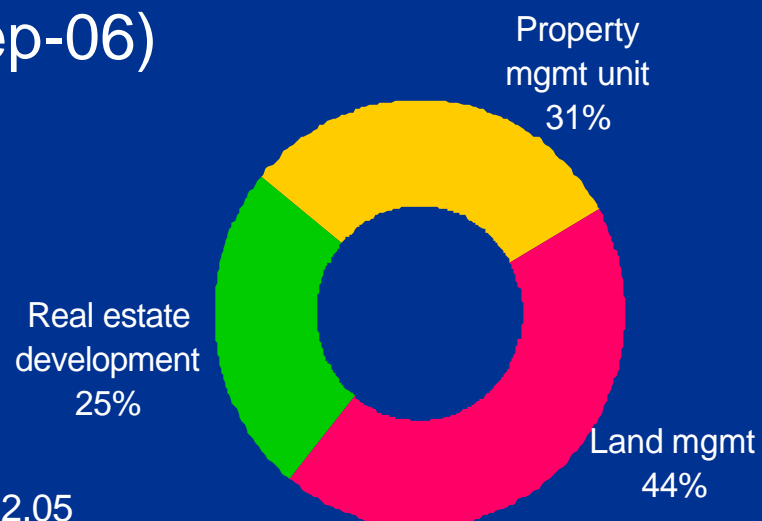
# Sale of Landscape - Financial Highlights

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Total Consideration	€993 m
Net Capital Gains	€624 m
Impact on Core Capital	+ 114 bp
Net Asset Value (NNAV*)	€575 m

## Assets by type (Sep-06)

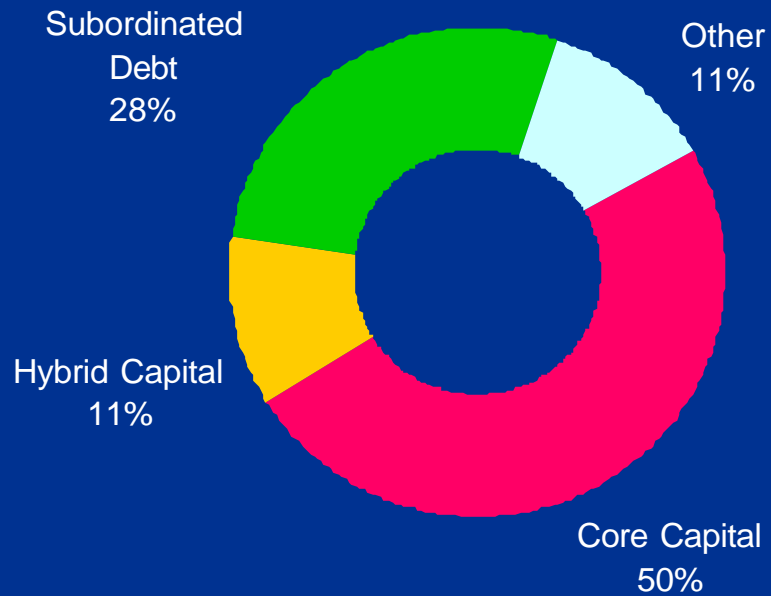


\* Net asset value post- tax as of 31.12.05

# Sale of Landscape - Impact on Capital

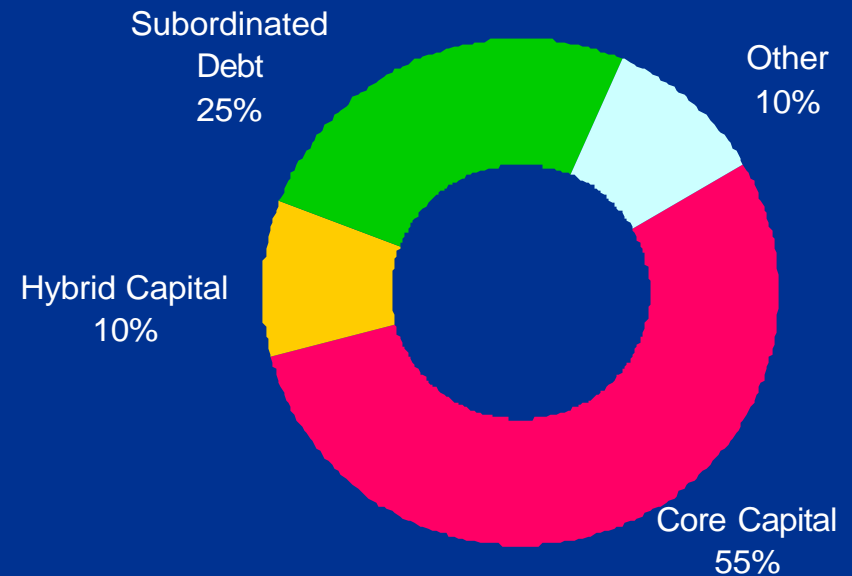


## Capital Structure Sep-06



Core Capital	5.3%
Tier I Capital	6.6%
Total Capital	10.8%

## Proforma excluding Landscape



Core Capital	6.5%
Tier I Capital	7.7%
Total Capital	11.9%



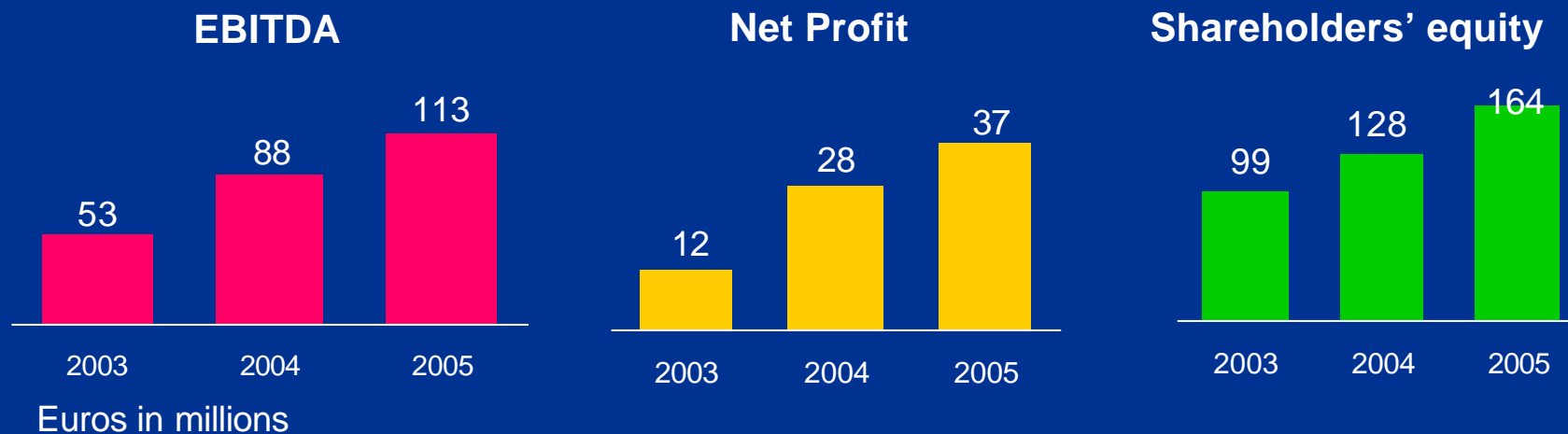
**The proceeds from the sale of Landscape will be utilised to support the strong levels of organic growth of the group in both commercial and SME banking**

# Landscape - Main Financial Highlights



	Dec-03	Dec-04	Dec-05	% Var. 04-05	% Var. 03-05
EBITDA	53.2	88.3	113.2	28%	113%
Net profit	11.7	28.3	36.8	30%	214%
Shareholders' equity	99.3	127.6	164.4	29%	66%
Financial Debt	851.3	999.7	1,176.8	18%	38%
Real estate assets	1,019.7	1,168.3	1,416.2	21%	39%
Gross asset value	1,315.9	1,517.1	1,929.6	27%	47%
Unrealised capital gains	0.3	0.3	0.5	47%	73%
NAV pre-tax	425.0	517.0	740.3	43%	74%
NAV post-tax	329.4	402.2	575.4	43%	75%
Financial debt/ Gross asset value	0.65	0.66	0.61	-7%	-6%

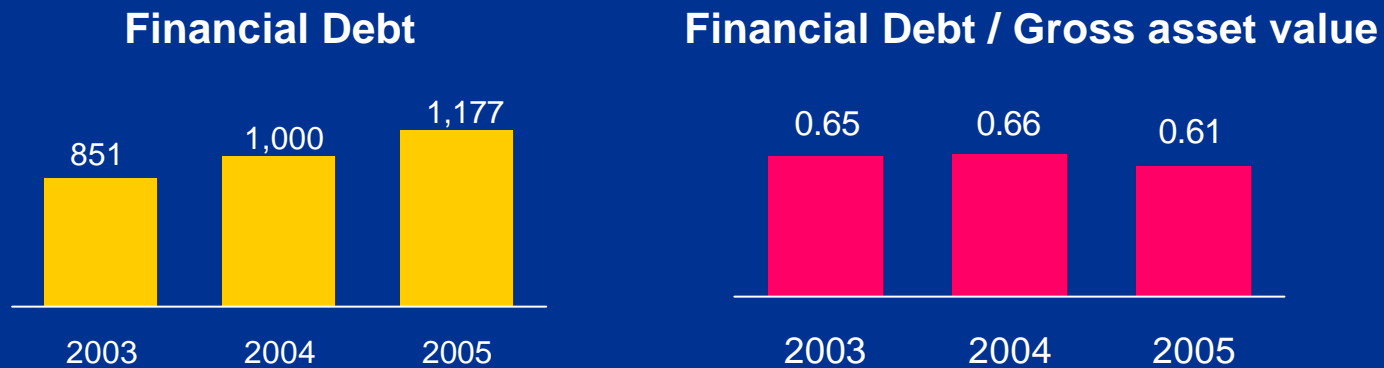
## Growth evolution



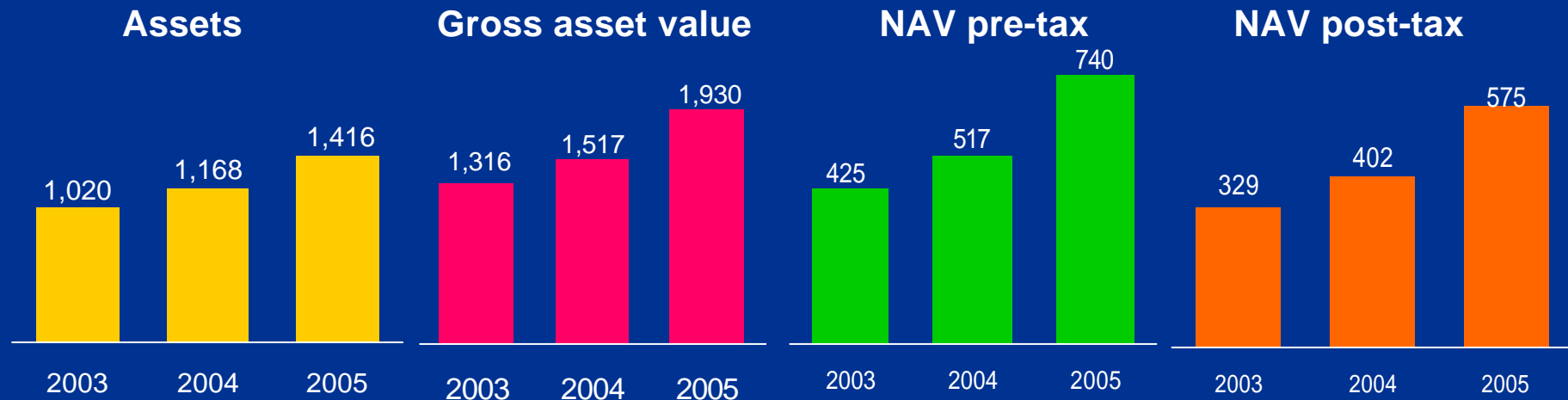
# Landscape - Main Financial Highlights



## Debt evolution



## Assets evolution and value creation



Euros in millions



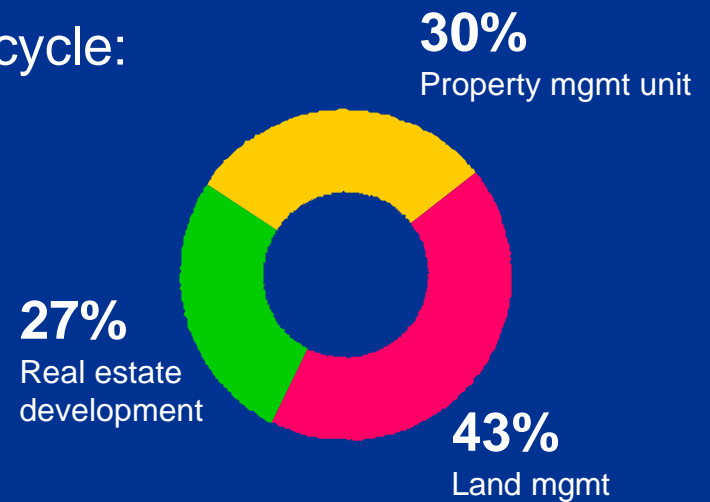
# Landscape - Business Model



Real estate company with a proprietary business model

Our 3 activities cover the entire real estate cycle:

- Land management unit
- Real estate development unit
- Property management unit



## Mission

- Sustained shareholder value creation from a real estate perspective
- Consolidation as a developer of reference in the domestic market
- Contribute to BS banking business (mortgage subrogation)

# Landscape - Land Management Unit

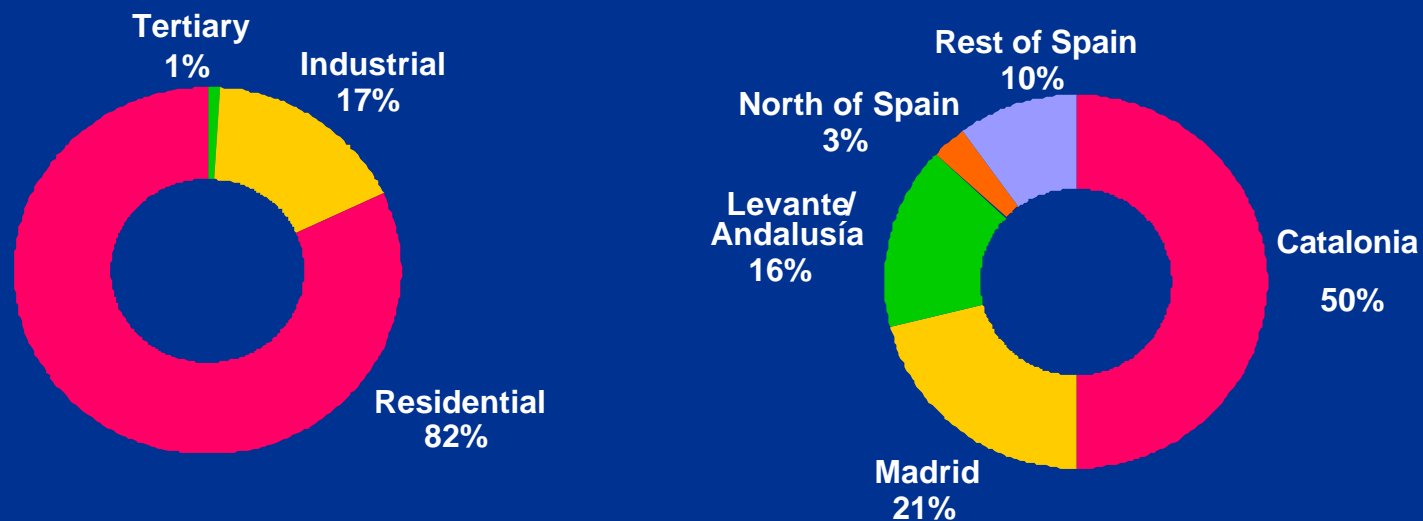


Land acquisition to develop into urban area. The main destination for this land being development of real estate projects.

## Key figures 2005

- Assets €613m
- Gross asset value €894m
- 52 Projects underway 1,7 million sqm building land

## Total assets by use and location



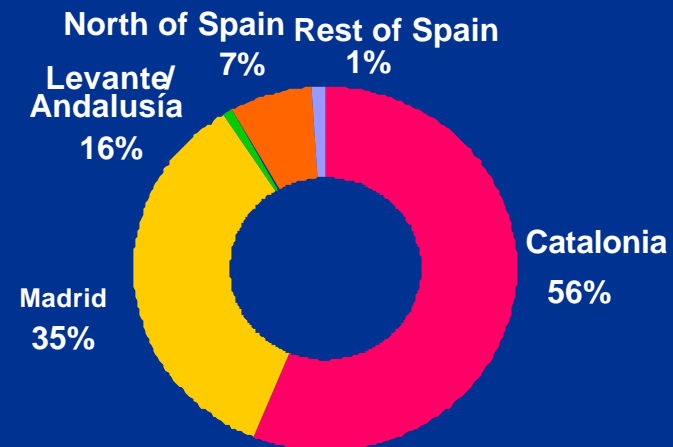
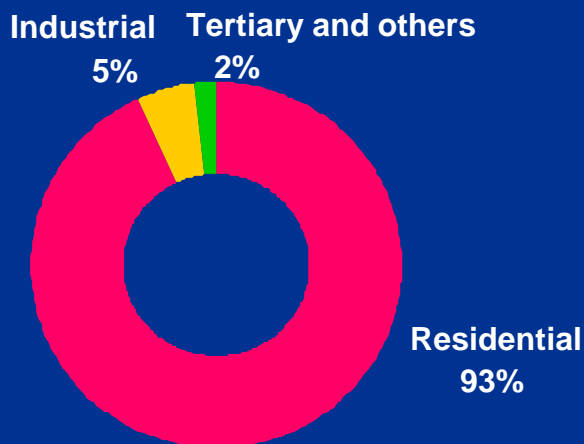


Development of real estate projects through Landscape's subsidiaries and 16 highly rated development partners  
Focus on residential property (1st residence) and industrial in main Spanish cities

Key figures 2005 (relates to Landscape's stake) :

- Assets €382m
- Gross asset value €521m
- 45 projects underway 320,000 sqm building land

## Total assets by use and location



# Landscape - Property Unit

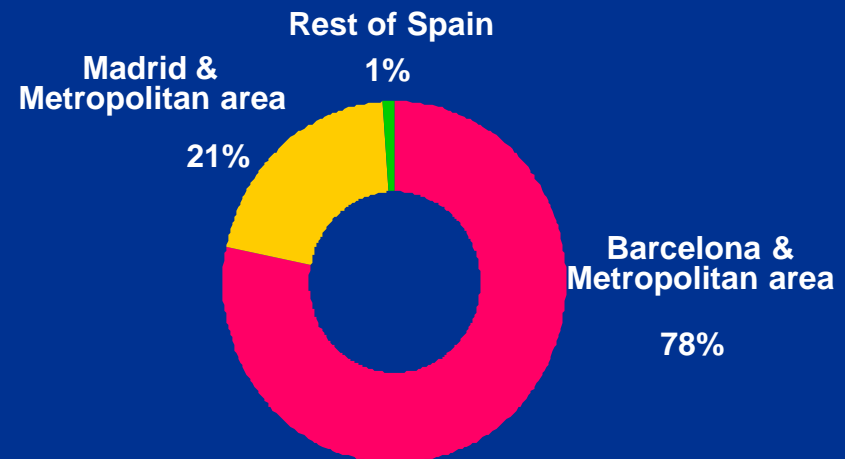
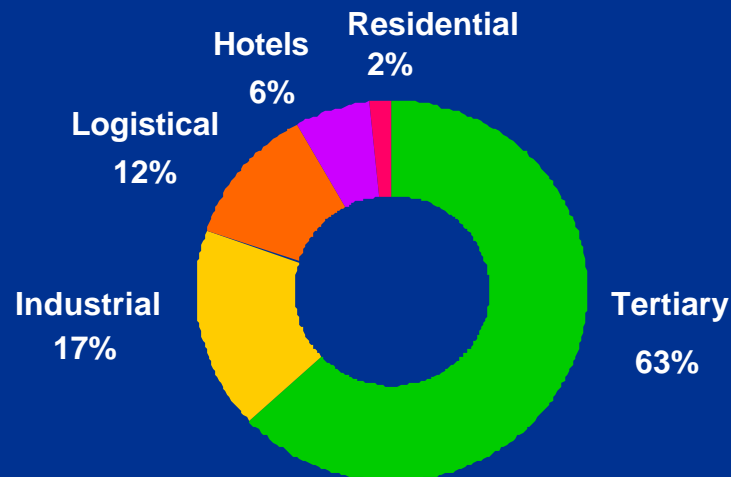


Acquisition, letting, management and sale of property in excellent locations, mainly in Barcelona, Madrid and surrounding areas

Key figures 2005:

- Assets € 421m
- Gross asset value € 514m
- 33 Buildings being rented 305,000 sqm for letting
- 8 Projects underway 230,000 sqm for letting

## Total assets by use and location



# Landscape - Operational Area

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- Catalonia 60%
  - Madrid Community 25%
  - Levante / Balearic Islands 3%
  - Andalusia 4%
  - North of Spain 3%
  - Rest of Spain 5%
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