

AUDITORS' REPORT

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BESTINVER GLOBAL, FONDO DE PENSIONES

Annual Financial Statements and Management Report

for year ended

31 December 2005

BESTINVER GLOBAL, FONDO DE PENSIONES

2005

BESTINVER GLOBAL, FONDO DE PENSIONES

2005

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BESTINVER GLOBAL, FONDO DE PENSIONES

Balance Sheet at 31 December 2005
for the year ended 31 December 2005 and 2004

ASSETS	Thousands of euros		LIABILITIES	Thousands of euros	
	2005	2004		2005	2004
FINANCIAL INVESTMENTS (note 5)			SHAREHOLDERS' EQUITY		
Shares and other shareholdings	37,057	671	Position of "Bestinver Global Plan de Pensiones" (Note 7)	43,366	1,610
Interest on fixed-income securities	-	-			
Appreciation of financial investments	3,872	4			
Provisions (to be deducted)	(889)	(3)			
	40,040	672			
ACCOUNTS RECEIVABLE			ACCOUNTS PAYABLE		
Accounts receivable on sale of securities	80	44	Management Company	145	-
Other accounts receivable	2	-	Accounts payable on purchase of securities	935	713
Public bodies	46	-	Public bodies	20	-
	128	44	Other debts	19	-
				1,119	713
CASH AND BANKS (note 6)					
Banks and credit institutions	1,616	257			
Money-market assets	2,700	1,350			
	4,316	1,607			
ACCRUALS	1	-			
TOTAL ASSETS	44,485	2,323	TOTAL LIABILITIES	44,485	2,323

Madrid, 16 March 2006

The Board of Directors of
BESTINVER PENSIONES, E.G.F.P., S.A.

BESTINVER GLOBAL, FONDO DE PENSIONES

Income Statement
for the year ended 31 December 2005 and 2004

EXPENSES	Thousands of euros		REVENUES	Thousands of euros	
	2005	2004		2005	2004
FEES AND OTHER EXPENSES			REVENUE FROM INVESTMENTS		
Management Company fees	352		Income from financial investments	308	-
Custodian fees	21	-	Interest on cash	30	-
External services	11	-	Gains on disposal of financial investments	1,388	3
	384	1		1,726	3
EXPENSES ON INVESTMENTS					
Expenses on financial investments	69	-			
Chg in provisions for financial investments	886	3			
Exchange losses	174	1			
	1,129	4			
PROFIT FOR THE YEAR	213	-	LOSS FOR THE YEAR	-	2
TOTAL	1,726	5	TOTAL	1,726	5

Madrid, 16 March 2006

The Board of Directors of
BESTINVER PENSIONES, E.G.F.P., S.A.

BESTINVER GLOBAL, FONDO DE PENSIONES

Notes to the financial statements for the year ended 31 December 2005

1. FUND ACTIVITY AND LEGAL FRAMEWORK

Bestinver Global, Fondo de Pensiones, was set up on 15 September 2004. The Entity was registered in the Madrid Mercantile Register on 23 September 2004 and in the Administrative Register for Pension Funds of the Spanish Directorate General of Insurance and Pension Fund on 26 October, with number F-1220. Its sole business purpose is to meet the commitments of the Pension Plans which comprise it, as specified in Article 2 of the Fund's working procedures.

The management and administration of the Fund is carried out by Bestinver Pensiones, Entidad Gestora de Fondos de Pensiones, S.A., registered with number G-0179 in the Special Administrative Register of the Spanish Directorate General of Insurance and Pension Funds of the Spanish Finance Ministry and with registered address at c/ Juan de Mena, 8 in Madrid.

The custodian for the Fund is Santander Investment Services, S.A., registered in the Special Administrative Register of the Spanish Directorate of Insurance and Pension Funds of the Spanish Finance Ministry with number D-0132, located at Boadilla del Monte (Madrid), Avda. De Cantabria, s/n.

The Fund pays the Management Company a management fee of 1.75% per annum of the Fund's asset value and pays Santander Investment Services, S.A. as custodian bank, a daily fee as follows:

	Annual fee on the Fund's asset value
For assets up to €30,050,605	0.125 %
For assets from €30,050,605 to €60,101,210	0.0625%
For assets over €60,101,210	0.05%

As the volume of assets managed up to November did not exceed €30,050,605, the percentage paid in fees to the custodian bank amounted to 0.125% up to that month and was 0.0625% for the rest of the year.

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Notes to the 2005 financial statements

The fund is governed, inter alia other applicable legislation, by Royal Decree 1/2002, of 29 November, which approves the Revised Pension Plans and Funds Regulation, and by Royal Decree 304/2004, of 20 February, which approves said law, as well as the Private Insurance Arrangement and Supervision Act 30/1995 of 8 November. The following obligations, inter alia, are set out in this law:

- (a) 70% of the Fund's assets must be invested in financial assets bought on officially recognised organised markets which are open to the public or, at least, from financial institutions through bank deposits, mortgage loans or real estate. Holdings in mutual funds considered marketable securities can also be included in this percentage.

Stakes and/or investments in stocks, fixed-income securities or financial derivative instruments which are not traded on regulated markets may not exceed 30% of the pension fund's assets.

- (b) Investment in securities issued or guaranteed by the same Entity, plus the loans granted or guaranteed by said Entity, may not exceed 5% of the pension plan's assets.

However, this limit will be 10% for each issuing company, lender or guarantor, provided the fund does not invest more than 40% of its assets in companies which make up more than 5% of the fund's assets.

The fund may invest in various companies belonging to the same group provided the total investment in the group does not exceed 10% of the funds assets.

No pension fund may invest more than 2% of its assets in securities or assets which are not traded on regulated markets or guaranteed by the same entity. No pension fund may invest more than 4% of its assets in securities or assets which are not traded on regulated markets or guaranteed by companies belonging to the same group.

Investment in a single mutual fund whose units are considered as listed securities may represent up to 20% of the fund's assets.

- (c) Investment by pension funds in shares or securities issued or guaranteed by the same entity may not exceed 5% of the total nominal value of the outstanding shares or securities issued by the entity.

In the case of stocks or holdings issued by companies or venture capital firms authorised to trade in Spain, this limit is 20%.

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Notes to the 2005 financial statements

The limits set out above may not be applied to assets issued or guaranteed by the State or its autonomous institutions, regional governments, local corporations or by equivalent State public administrations belonging to the OECD, or international institutions or organisations of which Spain is a member or those for which Spain may assume an international commitment, provided that the investment in assets of one issue is not higher than 10% of its nominal balance.

- (d) Third-party obligations may in no case be greater than 5% of the fund's assets. Liabilities related to the acquisition of assets during the period until the total settlement of the transaction will not be taken into account nor will those existing to beneficiaries until the moment the related consideration is paid, nor shall the unitholders' consolidated rights be considered.
- (e) The maximum annual amounts paid into the pension plans are established as follows:
 - (1) Maximum payments made by unitholders of pension plans, excluding company payments in favour of the unitholder, may not exceed the general limits established and depend on the age at the end of this period.
 - (2) The limits expressed in point 1 above will be applied independently and individually to each member in a family.

The total number of payments made in a year may not exceed €8,000 per unitholder. However, in the case of unitholders aged over 52, this limit will increase by an additional €1,250 for each year the unitholder is over 52, with a ceiling of €4,250 for unitholder aged 65 or over.

- (f) No pension plan may accept annual payments from the same unitholder, either directly or indirectly, for an amount above those listed above, without prejudice to the special regime of rebalanced plans for services rendered and the special regime for handicapped persons.
- (g) Excess contributions above the permitted maximum can be withdrawn before 30 June of the following year without incurring the penalty laid down by law.

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Notes to the 2005 financial statements

Any sums that are contributed illegitimately shall be returned subject to the following conditions:

- (1) The amount returned shall be equivalent to the actual excess payment, charged against the unitholder's accrued rights. Any income attributable to the excess contribution shall be added to the pension fund's assets and any loss shall be borne by the unitholder. If the accrued rights are insufficient for a refund, and the unitholder has contributed to other pension plans during the year in which the excess contribution was made, the excess will be refunded under the terms of the accrued rights of those plans where the rights were used should this be the case.

The terms of the above paragraphs are to be understood without prejudice to the case where the excess contributions resulted from incorrect calculation or collection procedures and any liabilities arising therefrom.

- (h) Ownership of the assets of each fund correspond to the unitholders and beneficiaries.

Each pension plan will involve contributions and services provided in accordance with the system and method applied to the plan and in accordance with the conditions established in the contract.

Subscriptions to a pension plan are irrevocable from the moment these are allowed according to the prescriptions, regardless of the cash amount paid out.

- (i) In accordance with the payments made by each unitholder, either directly or indirectly, and the payments established and the financial-actuarial regime which has been established in the pension plan, the accrued rights of the corresponding unitholder will be quantified.

The correlation between contributions and payments of the beneficiaries will be as per the conditions established in the contract and the results of the capitalisation system used.

- (j) Accrued rights may only be made effective when payment or a transfer to another pension plan is made, except in the case where the circumstances established by law are fulfilled concerning the early payment of retirement benefits and for reasons of liquidity.

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Notes to the 2005 financial statements

2. BASIS OF PRESENTATION

a) True and fair view

The annual financial statements, drawn up by the Directors of the Fund Management Entity, have been prepared based on the accounting records of the Fund Management Entity in conformity with prevailing accounting legislation to show a true and fair view of the assets, the financial position and of the results obtained by the Fund.

b) Preparation of the Financial Statements

The balance sheet and income statements have been prepared in accordance with the rules established in the accounting-statistics information which must be provided by the Pension Fund Management Entities, as established in the Ministerial Order dated 12 March 1996.

The annual accounts for 2005 are expressed in thousands of euros.

c) Accounting principles

The pension plan is governed by the terms and conditions set out in Royal Decree 304/2004, of 20 February approving the Pension Plans and Funds Regulation as established by Royal Decree 1/2002, of 29 November, approving the Revised Pension Plans and Funds Regulation. As well as those included in instructions from the Spanish Directorate of Insurance and Pension Funds for the preparation of the statistical-accounting information and the rules set out in the Circular dated 29 March 1995, published by the same, concerning the valuation criteria for fixed-income securities on the balance sheet of Pension Funds. The rules contained in the Spanish General Chart of Accounts have also been applied.

d) Comparison of information

There have been no changes in the structure of the balance sheet or the income statement that would preclude comparisons between the accounts for 2005 and those of the previous year.

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Notes to the 2005 financial statements

3. VALUATION CRITERIA

The main accounting principles and valuation criteria applied are:

a) Financial investments

Accounting

These are stated at acquisition cost, adjusted daily to their realisable value, which is the following acquisition cost:

- Equity securities are recorded at the cash amount paid for their acquisition plus related expenses.

Valuation adjustments

The realisation value of the different kinds of financial investment is as follows:

- Equity securities listed on a regulated market: the price at close of trading on the day it has been valued, or, the most recent price published or the average weighted price if there is no official closing price. When these have been traded in more than one market, the share price or corresponding price will be taken from the day in which the largest trading volume took place.
- Equity securities which are not listed on a regulated market or, when traded the trading price if not sufficiently represented, the value will be calculated taking the net book value of the stake appearing in the company's latest set of approved financial statements.
- Deposits at banks and other deposit entities. The price of the last day provided by the custodian bank on which the amount is paid plus the interests accrued to the valuation date.

A comparison between the acquisition price and the net book value, calculated in accordance with that set out in the above mentioned rules, will be used to determine the unrealised capital gains or losses. Capital gains are included in "Appreciation of financial instruments", under "Financial investments", and are paid into the Plan's position. Provisions are recorded for capital losses with a charge to the income statement.

For stocks denominated in foreign currency, the average exchange rate of the day on which the transaction took place is applied.

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Notes to the 2005 financial statements

b) Money-market assets

These are fixed-income securities with an agreed resale price and fixed-income securities with a maturity of less than three months. Money-market assets are valued at the acquisition or subscription price, including the expenses inherent in each transaction.

The returns obtained on these investments are recorded daily in accordance with their payment from the purchase date until maturity in the income statement, including interest accrued and not payable for these securities in the balance sheet under "Interests for fixed-income securities".

c) Position

The value of the pension plans' position in the fund must be calculated daily. The calculation of the position of each plan comprising the pension fund will be obtained applying the valuation criteria used for the abovementioned investments, along with the general accounting standards, or, those which are specifically applied to the pension funds.

Also included in this account are the payments made by unitholders, the accrued rights transferred from other plans, the profits of the Fund included in the Plan and the variations in the capital gains of the assets.

This account is used, inter alia, to pay the Plan's benefits, transfer accrued rights to other Plans and losses incurred by the Plan's Fund.

d) Management and custody fees

Payments to the Management Company and the Custodian are included in this item, and are determined based on the percentages established and applied daily on the position of the account's position to which they should be charged.

Under no circumstances may the fee accrued by the management company be higher than 2% of the value of the accounts to be charged. This limit will be applied to each integrated pension plan and fund as a whole, and individually to each unitholder and beneficiary.

The pension plans' custodian company will receive a fee from the pension funds of a maximum of 0.5% per year of the value of the accounts position to be charged. This limit will be applied to each integrated pension plan and fund as a whole, and individually to each unitholder and beneficiary.

BESTINVER GLOBAL, FONDO DE PENSIONES

Notes to the 2005 financial statements

e) Corporate income tax

Pension Funds are subject to Corporate income tax at a corporate rate of zero, bearing in mind, the right to return any withholdings made on income from financial investments. However, the liabilities under the general regime must comply with the formal obligations of the Corporate income tax.

The Fund is open to inspection of all applicable taxes for the last four years.

f) Revenue and expenses

Revenues and expenses are accounted for following the accrual principles; i.e. regardless of the moment in which the related monetary or financial flow takes place.

All revenues and expenses are accrued daily in order to know the value of the Fund's asset value and the amount of the consolidated right of each subscriber.

g) Foreign-currency transactions and balances

Conversion to euros is carried out applying the exchange rate ruling at the time the corresponding transaction is carried out and measured daily in accordance with the exchange rate ruling at the end of each day. Exchange-rate differences are treated the same as the valuation adjustments of financial investments.

4. APPROPRIATION OF RESULTS

In accordance with the legal management and valuation procedure for pension plans and funds, the results obtained, which give a profit of €13 thousand, are paid fully to the subscribers and beneficiaries of the integrated plan in the fund, in proportion with the weighted assets contributed by the same.

BESTINVER GLOBAL, FONDO DE PENSIONES

Notes to the 2005 financial statements

5. FINANCIAL INVESTMENTS

The detail of this heading at 31 December 2005 (in thousands of euros) is as follows:

	Acquisition cost
	Thousands of euros
<u>Shares and other shareholdings</u>	
Barry Callebaut AG	570
Koninklijke Ahold NV	250
Alexon Group Plc	541
Alpha Airports Group Plc	403
Also Holding AG	295
American National Insurance	423
Bacou Dalloz	239
Bell Holding AG	267
Bayerische Motoren Werke AG	189
Boewe Systec AG	889
Bonduelle S.C.A.	391
Brantano	427
Bricorama SA	222
Bucher Industries AG	562
Buhrmann NV	260
Camaieu	287
Ciments Francais	118
Clariant AG	401
Clinton Cards Plc	280
Colruyt SA	200
Corticeira Amorim SA	246
Groupe Crit	156
D'ieteren SA	154
Dassault Aviation SA	294
Delhaize Group	313
Devro plc	420
Dolmen Computer Applications	167
Econocom Group	382
Engineering Ingegneria Informatica SpA	245
Escada AG	1107
Esprinet SpA	303
Etam Developpement SA	110
Fairfax Financial Holdings Ltd	833
Faiveley SA	257
Finlay Enterprises Inc	181
Fleury Michon SA	319
Fuchs Petrolub AG	783
Gerard Perrier Electric	71
GIFI	606
Hagemeyer NV	743

BESTINVER GLOBAL, FONDO DE PENSIONES

Notes to the 2005 financial statements

	Acquisition cost Thousands of euros
Kindy	73
Kinepolis	678
Kverneland Gruppen A/S	163
Lafuma SA	189
LDC	384
Le Belier	224
Macintosh Retail Group NV	542
Matalan Plc	184
Metall Zug AG	708
MGI Coutier	266
Mitiska	192
Mobilezone Holding AG	401
M-real Oyj	165
Neochimiki LV Lavrentiadis SA	391
Next PLC	169
Nipponkoa Insurance Co Ltd	85
Norbert Dentressangle	345
Nutreco Holding NV	861
OCE NV	688
OENEO	198
OPG Groep NV	194
Outokumpu OYJ	501
Panariagroup Industrie Ceramiche SpA	477
Pasta	173
Pierre & Vacances	135
Playboy Enterprises Inc	205
Regent Inns Plc	199
Rhodia SA	265
Rite Aid Corp	630
Roularta Media Group NV	691
RSDB NV	526
Sadia	85
Sasa Industrie	191
Schindler Holding AG	805
Schlott Gruppe AG	610
Signaux Girod	296
Smoby SA	245
Sogefi SpA	319
STEF-TFE	525
Stefanel	715
Southern Energy Homes Inc	201
Takihyo Co Ltd	113
Takihyo Co N-1 WI	84
ThyssenKrupp AG	788
Tommy Hilfiger Corp	185
Tonnellerie Francois Freres	346

BESTINVER GLOBAL, FONDO DE PENSIONES

Notes to the 2005 financial statements

	Acquisition cost Thousands of euros
Trinity Mirror Plc	445
Usinas Siderurgicas de Minas Gerais SA	309
Varsity Group Inc/DC	261
Vet' Affaires	320
Vetropack Holding AG	411
Sa des Ciments Vicat	143
Vilmorin et Compagnie	226
VM Materiaux SA	48
Charles Voegelé Holding AG	308
Wegener NV	1245
Wolters Kluwer NV	276
Zapf Creation AG	215
Zehnder Group AG	650
Total shares and other shareholdings	37,057
Interest on fixed-income securities	-
Appreciation of financial investments	3,872
Provisions	(889)
TOTAL FINANCIAL INVESTMENTS	40,040

The total of purchases, sales and redemptions of securities in the portfolio was (thousands of euros):

	Purchases	Sales
Shares and other shareholdings	44,907	(8,521)

All the securities are deposited with Santander Investment Services, S.A., the legal entity charged with their custody, and are not pledged nor transferred as guarantee in other transactions.

BESTINVER GLOBAL, FONDO DE PENSIONES

Notes to the 2005 financial statements

At 31 December 2005 the Share portfolio and other holdings of the Fund by currency was:

Currency	Thousands of euros
Euros	24,991
US dollars	2,282
Pound sterling	2,640
Canadian dollars	833
Swiss francs	5,866
Japanese yen	282
Norwegian crowns	163
	37.057

Movements in “Provisions” during 2005 were as follows:

	Thousands of euros
Beginning balance	3
Allocations	984
Recoveries	(98)
Balance at 31 December 2005	889

6. CASH AND BANKS

The detail of this heading at 31 December 2005 is as follows:

	Thousands of euros
Banks and credit institutions	1,616
Money-market assets	2,700

Money-market assets include a public debt instrument acquired with a resale agreement maturing 2 January 2006 and paying a 1.6% return.

BESTINVER GLOBAL, FONDO DE PENSIONES

Notes to the 2005 financial statements

7. SHAREHOLDERS' EQUITY

Movements during 2005 to the Fund's Integrated Plan position were as follows:

<u>Position of Individual Plan of Pensiones Bestinver Global</u>	Thousands of euros
A) Beginning balance	1,610
B) Increases	43,340
Contributions	
- Contributions from unitholders	9,625
- Rights from another Plan	29,634
Result of Plan's Fund	
Return on financial investments	3,868
- Profits of Plan's Fund	213
C) Decreases	(1,584)
- Benefits paid	(250)
- Transfers to another plan	(1,334)
D) Ending balance (A+B+C)	43,366

The assets of Bestinver Global, Fondo de Pensiones at 31 December 2005 correspond to a sole Pension Plan called "Bestinver Global Plan de Pensiones", whose assets consist of commitments and benefits established in the Plan.

The "Bestinver Global Plan de Pensiones" Pension Plan was set up on 22 December 2004 as a defined contribution Individual System Pension Plan in accordance with the Pension Plan's regulations.

The Fund's assets are divided into units of equal characteristics with no nominal value. The value of the units (the base used to calculate the accrued rights of the unitholders) is the result of dividing the Plan's assets by the number of unitholders or account units outstanding. At 31 December 2005, the Fund comprised 3,421,153.144049 units.

8. ACCOUNTS PAYABLE

The balance of this heading includes €35 thousand relating to purchases of securities made at year-end and which are settled three days after they are formalised

BESTINVER GLOBAL, FONDO DE PENSIONES

Notes to the 2005 financial statements

9. TAX MATTERS

In accordance with note 3. e), Pension Funds are subject to Corporate income tax at a corporate rate of zero, bearing in mind, the right to return any retentions made on the income on financial investments. However, the liabilities under the general regime must comply with the formal obligations of this tax.

The management services are exempt from Value Added Tax and the constitution, modification and dissolution of increases or decreases of the pension funds are exempt of Property Transfer Tax and the tax on Documented Legal Acts.

10. AUDITORS' FEES

Auditor fees for the audit of the 2005 annual accounts totalled €3,000.

11. ENVIRONMENTAL MATTERS

Given its activity, the Fund has not carried out any investments of an environmental nature, nor has it incurred any expenses in this regard. The directors therefore consider that no provisions for liabilities and expenses be recorded as there are no contingencies related to the protection and improvement of the environment.

12. SUBSEQUENT EVENTS

There have been no significant events between 31 December 2005 and the approval of these annual accounts by the Custodian's Board of Directors that could significantly affect the information contained herein.

BESTINVER GLOBAL
FONDO DE PENSIONES

2005 Management report

In 2005 the NAV of Bestinver Global, F.P. rose 26.67% to €12.6759 outperforming the MSCI World Index which rose 8.29%.

The Fund's total assets increased 2,593.54% to €43,366 thousand, while the number of unit holders grew 1,237, 80% to 2,796.

The Fund does not invest in either derivatives or unlisted securities.

DILIGENCE used to confirm that the board members of BESTINVER PENSIONES, E.G.F.P., S.A. are aware of the full contents of the 2005 Annual Accounts for BESTINVER GLOBAL, F.P., presented to the Board of Directors on 16 March 2005, comprising 17 printed pages of the Balance Sheet, Income Statement, Notes to the Financial Statements and Management Report.

The full Board of Directors is in agreement and has signed these accounts in Madrid on 16 March 2006.

Mr. Valentín Montoya Moya
Chairman

Mr. Alfredo Muñoz Díaz
Advisor

Mr. Juan Gallardo Cruces
Secretary

