

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Annual Accounts and Directors' Report

31 December 2009

(With Auditors' Report Thereon)

(Free translation from the original in Spanish. In the event of
discrepancy, the Spanish-language version prevails.)

KPMG Auditores S.L.
Edificio Torre Europa
Paseo de la Castellana, 95
28046 Madrid

Auditors' Report on the Annual Accounts

(Translation from the original version in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Unit Holders of Bestinver Internacional, Fondo de Inversión
and Bestinver Gestión, S.A., Sociedad Gestora de Instituciones
de Inversión Colectiva (the "Fund Management Company")

We have audited the annual accounts of Bestinver Internacional, Fondo de Inversión (the "Fund"), which comprise the balance sheet at 31 December 2009, the income statement, the statement of changes in Fund assets for the year then ended and the notes thereto, the preparation of which is the responsibility of the Fund Management Company's Directors. Our responsibility is to express an opinion on the annual accounts taken as a whole, based on our audit which was conducted in accordance with generally accepted auditing standards in Spain, which require examining, on a test basis, evidence supporting the amounts and disclosures in the annual accounts and evaluating their overall presentation, as well as the appropriateness of the accounting principles used and the reasonableness of accounting estimates made.

In accordance with prevailing Spanish legislation, these annual accounts for 2009 also include, for each individual caption in the balance sheet, the income statement, the statement of changes in Fund assets and the notes thereto, comparative figures for the previous year. We express our opinion solely on the annual accounts for 2009. On 16 March 2009 we issued our unqualified audit report on the annual accounts for 2008.

As mentioned in note 2, the accompanying annual accounts for 2008 were the first the Directors of Bestinver Internacional, Fondo de Inversion Fund Management Company prepared applying Spanish National Securities Market Commission (CNMV) Circular 3/2008 of 11 September. The aforementioned Circular 3/2008 established the transition date as 31 December 2008 and therefore the income statement for 2008 was prepared in accordance with accounting criteria established in Spanish National Securities Market Commission Circular 7/1990 of 27 December, prevailing that year although it was presented in the format set forth in Circular 3/2008. Consequently, 2009 is the first year for which the income statement has been prepared applying the accounting criteria established in Circular 3/2008, and this fact should be taken into account for the purposes of comparison with the prior year.

In our opinion, the accompanying annual accounts for 2009 present fairly, in all material respects, the assets and financial position of Bestinver Internacional, Fondo de Inversión at 31 December 2009 and the results of its operations and changes in the Fund's assets for the year then ended, and contain sufficient information necessary for their adequate interpretation and understanding, in accordance with generally accepted accounting principles set forth in the applicable Spanish legislation and which, except for the change in the accounting criteria for the income statement described in the previous paragraph, with which we concur, are applied on a basis consistent with that of the preceding year.

The accompanying directors' report for 2009 contains such explanations as the Directors of the Bestinver Internacional, Fondo de Inversión Fund Management Company consider relevant to the situation of Bestinver Internacional, Fondo de Inversión, the evolution of its business and other matters, and is not an integral part of the annual accounts. We have verified that the accounting information contained therein is consistent with that disclosed in the annual accounts for 2009. Our work as auditors is limited to the verification of the directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of the Fund.

KPMG Auditores, S.L.

(Signed on the original in Spanish)

Pedro González Millán
Partner

21 April 2010

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Balance Sheets

31 December 2009 and 2008

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

(Expressed in Euros with two decimal places)

| | 2009 | 2008 |
|---|----------------|------------------|
| Current assets | | |
| Receivables (note 5) | 1,687,547.52 | 7,470,853.61 |
| Financial investments (note 6) | | |
| Internal portfolio | | |
| Debt securities | 34,000,000.00 | 17,000,000.00 |
| Equity instruments | - | 3,148,068.00 |
| | 34,000,000.00 | 20,148,068.00 |
| External portfolio | | |
| Equity instruments | 742,291,839.81 | 366,730,239.64 |
| Interest on the investment portfolio | 217.22 | 934.97 |
| Total financial investments | 776,292,057.03 | 386,879,242.61 |
| Cash in hand and at banks (note 7) | 12,669,156.79 | 2,682,225.14 |
| Total assets | 790,648,761.34 | 397,032,321.36 |
| Fund assets attributed to unit holders or shareholders (note 8) | | |
| Repayable funds attributed to unit holders or shareholders | | |
| Unit holders | 484,219,018.98 | 537,735,349.63 |
| Reserves | 5,941,977.26 | 5,882,557.49 |
| Retained earnings | - | 132,239,679.88 |
| Profit/(loss) for the year | 290,393,999.12 | (283,594,593.83) |
| | 780,554,995.36 | 392,262,993.17 |
| Current liabilities | | |
| Payables (note 9) | 10,093,765.98 | 4,769,328.19 |
| Total fund assets and liabilities | 790,648,761.34 | 397,032,321.36 |
| Other memorandum accounts | | |
| Tax loss carryforwards | 277,652,616.57 | - |
| Others | - | 235,836,372.06 |
| Total other memorandum accounts | 277,652,616.57 | 235,836,372.06 |

The accompanying notes form an integral part of the annual accounts for 2009.

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Income Statements
for the years ended
31 December 2009 and 2008

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

(Expressed in Euros with two decimal places)

| | 2009 | 2008 |
|--|-----------------|------------------|
| Other operating expenses | | |
| Management fee (note 9) | (9,461,758.38) | (12,008,981.02) |
| Custody commission (note 9) | (216,268.74) | (311,865.87) |
| Others | (34,637.21) | 20,085.44 |
| Results from operating activities | (9,712,664.33) | (12,300,761.45) |
| Finance income | 9,866,823.82 | 29,176,754.55 |
| Finance expenses | (1,829,736.77) | (5,328,091.09) |
| Changes in the fair value of financial instruments | | |
| Internal portfolio transactions | 15,876.87 | (15,876.87) |
| External portfolio transactions | 377,833,731.86 | (282,317,544.52) |
| | 377,849,608.73 | (282,333,421.39) |
| Exchange losses | (301,878.00) | (1,027,224.13) |
| Impairment and gains/(losses) on disposal of financial instruments | | |
| Gains/(losses) on internal portfolio transactions | (225,155.21) | 6,031,487.74 |
| Losses on external portfolio transactions | (85,124,298.29) | (17,813,338.06) |
| | (85,349,453.50) | (11,781,850.32) |
| Net finance income/(expense) | 300,235,364.28 | (271,293,832.38) |
| Profit/(loss) before income tax | 290,522,699.95 | (283,594,593.83) |
| Income tax (note 10) | (128,700.83) | - |
| Profit/(loss) for the year | 290,393,999.12 | (283,594,593.83) |

The accompanying notes form an integral part of the annual accounts for 2009.

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Statement of Changes in Fund Assets for the year ended 31 December 2009

(Expressed in Euros with two decimal places)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

A) Statement of Recognised Income and Expense for the year ended 31 December 2009

| | 2009 |
|-------------------------------------|----------------|
| Profit for the year | 290,393,999.12 |
| Total recognised income and expense | 290,393,999.12 |

B) Statement of Total Changes in Fund Assets for the year ended 31 December 2009

| | Unit holders | Reserves | Retained earnings | Profit for the year | Total |
|--|------------------|--------------|-------------------|---------------------|-----------------|
| Adjusted balance at 31 December 2008 | 537,735,349.63 | 5,882,557.49 | 132,239,679.88 | (283,594,593.83) | 392,262,993.17 |
| Recognised income and expense | - | - | - | 290,393,999.12 | 290,393,999.12 |
| Transactions with unit holders | | | | | |
| Subscriptions | 176,816,135.55 | - | - | - | 176,250,353.95 |
| Redemptions | (78,977,552.25) | - | - | - | (78,411,770.65) |
| Application of loss for the prior year | (283,594,593.83) | - | - | 283,594,593.83 | - |
| Other movements | 132,239,679.88 | 59,419.77 | (132,239,679.88) | - | 59,419.77 |
| Balance at 31 December 2009 | 484,219,018.98 | 5,941,977.26 | - | 290,393,999.12 | 780,554,995.36 |

The accompanying notes form an integral part of the annual accounts for 2009.

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Statement of Changes in Fund Assets for the year ended 31 December 2008

(Expressed in Euros with two decimal places)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

A) Statement of Recognised Income and Expense for the year ended 31 December 2008

| | 2008 |
|-------------------------------------|------------------|
| Loss for the year | (283,594,593.83) |
| Total recognised income and expense | (283,594,593.83) |

B) Statement of Total Changes in Fund Assets for the year ended 31 December 2008

| | Unit holders | Reserves | Retained earnings | Loss for the year | Total |
|--|------------------|--------------|-------------------|-------------------|------------------|
| Balance at 31 December 2007 | 788,824,734.41 | - | 131,983,801.36 | 255,878.52 | 921,064,414.29 |
| Adjustments for changes in criteria 2007 and prior years | - | - | - | - | - |
| Adjustments for errors 2007 and prior years | - | - | - | - | - |
| Adjusted balance at 1 January 2008 | 788,824,734.41 | - | 131,983,801.36 | 255,878.52 | 921,064,414.29 |
| Recognised income and expense | - | - | - | (283,594,593.83) | (283,594,593.83) |
| Transactions with unit holders | | | | | |
| Subscriptions | 110,146,325.59 | - | - | - | 110,146,325.59 |
| Redemptions | (361,235,710.37) | - | - | - | (361,235,710.37) |
| Distribution of profit for the prior year | - | - | 28,246,592.47 | (28,246,592.47) | - |
| First-time application adjustments | - | 5,882,557.49 | - | - | 5,882,557.49 |
| Balance at 31 December 2008 | 537,735,349.63 | 5,882,557.49 | 132,239,679.88 | (283,594,593.83) | 392,262,993.17 |

The accompanying notes form an integral part of the annual accounts for 2009.

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Notes to the Annual Accounts

31 December 2009

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

(1) Nature and Principal Activities

Bestinver Internacional, Fondo de Inversión (hereinafter the Fund) was incorporated in Spain on 8 October 1997 under the name of Bestinver Internacional, Fondo de Inversión Mobiliaria. On 5 February 2004 the Fund changed its name to the current one, in accordance with the third additional provision of Law 35 of 4 November 2003.

The Fund is regulated by Law 35 of 4 November 2003, which came into force on 5 February 2004, Royal Decree 1309 of 4 November 2005, governing collective investment undertakings (CIUs), Law 44 of 22 November 2002, Law 26 of 17 July 2003, Royal Decree 1564/1989, which approves the Revised Spanish Companies Act, Law 3 of 3 April 2009 on structural changes to trading companies, and the circulars issued by the Spanish National Securities Market Commission (CNMV) which, together with additional standards, regulate collective investment undertakings. These regulations govern the following, inter alia:

- Maintenance of minimum fund assets of Euros 3,000,000.
- Maintenance of at least 3% of assets in cash, deposits or demand deposits at the custodian bank, or a credit institution if the custodian bank does not have this status, or in 1-day public debt repurchase agreements. Equity not invested in assets included in the aforementioned liquidity ratio must be invested in the eligible financial assets or instruments foreseen by Article 36 of the Regulation implementing Law 35 of 4 November 2003.
- Investments in derivatives are regulated by Ministerial Order EHA/888/2008 of 27 March 2008, Circular 3/1998 and Royal Decree 1309 of 4 November 2005, which sets forth and develops certain limitations on the use of these instruments. The CNMV is authorised to modify the limitations specified in the abovementioned Order where market circumstances so dictate.
- Establishment of maximum percentages of investment concentration and indebtedness.
- The securities portfolio must be entrusted to the custodian.
- Requirement to file the financial statements reflecting the prior month's performance with the CNMV on the last calendar day of the month following that referred to in the financial statements.

The Fund was entered into the pertinent CNMV administrative register under number 1,230.

(Continued)

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Notes to the Annual Accounts

The sole statutory activity of the Fund consists of raising funds, assets or rights from the public, to manage and invest these in assets, rights, securities and other financial instruments, provided that the return for the investor is based on the overall performance of the Fund.

The Fund is managed by Bestinver Gestión, S.A., Sociedad Gestora de Instituciones de Inversión Colectiva. The securities are deposited with Santander Investment, S.A., the Fund's depository.

(2) Basis of Presentation

(a) Fair view

These financial statements have been prepared by the directors of Bestinver Gestión, S.A., Sociedad Gestora de Instituciones de Inversión Colectiva to present fairly the Fund assets and the financial position of the Fund at 31 December 2009 and the results of its operations and changes in Fund assets during the year then ended.

As required by prevailing accounting legislation, the balance sheet, income statement, statement of changes in fund assets, statement of recognised income and expense, and the notes thereto for 2009 include comparative figures for the previous year, which formed part of the 2008 annual accounts approved by the Fund Management Company on 25 March 2009. The annual accounts for 2008 were the first that the Fund Management Company of Bestinver Internacional, Fondo de Inversión prepared applying Spanish National Securities Market Commission (CNMV) Circular 3/2008 of 11 September 2008. They were therefore considered as opening annual accounts. As Circular 3/2008 established the transition date as 31 December 2008, the income statement for the year then ended was prepared applying the prevailing accounting principles set forth in CNMV Circular 7/1990 of 27 December 1990, although it was presented using the model foreseen in Circular 3/2008. As a result, the income statement for 2009 is the first that the Fund Management Company has prepared applying the accounting principles set forth in Circular 3/2008. Any comparison between the two years should, therefore, take this circumstance into consideration.

These annual accounts have been prepared on the basis of the auxiliary accounting records of the Fund, in accordance with the classification and presentation standards set forth in Circular 3/2008 of 11 September 2008 and other CNMV circulars.

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Notes to the Annual Accounts

(b) Functional and presentation currency

The figures disclosed in the annual accounts are expressed in Euros with two decimal places, the Fund's functional and presentation currency.

(c) Judgements and estimates used

In 2009 there has been no change in the judgements and accounting estimates used by the Fund.

(3) Distribution of Profit/Application of Losses

The directors of the Fund Management Company will propose to the board of directors that the profit for the year ended 31 December 2009 be passed on to the unit holders.

On 25 March 2009 the board of directors of the Fund Management Company agreed to pass the loss for the year ended 31 December 2008 on to unit holders.

(4) Significant Accounting Principles

The accompanying annual accounts have been prepared in accordance with the accounting principles set forth in Circular 3/2008 of 11 September 2008 and other CNMV circulars.

The main accounting principles applied in the preparation of the annual accounts are as follows:

(a) Income and expenses

Income and expenses are recognised on an accruals basis.

In accordance with these criteria, and for the purpose of calculating the net asset value, income and expenses are accrued on a daily basis, as follows:

- Financial assets and financial liabilities accrue interest at the effective interest rate.
- The above-mentioned principle does not apply to interest on investments that are doubtful, past-due or in litigation, which is recognised in the income statement upon collection.

(Continued)

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Notes to the Annual Accounts

- Dividend income is recognised in the income statement when entitlement to the dividend becomes effective.
- The remaining income and expenses relating to a specific period are accrued on a straight-line basis over the period.

(b) Recognition, measurement and classification of financial instruments

Financial assets and financial liabilities are recognised when the Fund becomes party to a contract or legal business, under the terms thereof.

Investments in foreign currency are translated at the spot exchange rate at the transaction date.

Collective investment undertakings generally derecognise the whole or part of a financial asset when that asset expires or the contractual rights over the cash flows have been transferred, and when the risks and rewards of ownership have been substantially transferred. A financial liability is derecognised when the obligation is extinguished.

Financial instruments are measured and classified as follows:

- Receivables
 - Financial assets included in this category are initially measured at fair value, which, in the absence of evidence to the contrary, is the transaction price, i.e. the fair value of the consideration given plus costs directly attributable to the transaction.
 - Financial assets considered as receivables are subsequently measured at amortised cost. Accrued interest is accounted for in the income statement using the effective interest method. However, items that are expected to be collected within one year can be measured at their nominal amount, provided that the effect of not discounting the cash flows is not significant.
 - Impairment losses on receivables are determined based on estimated future cash flows, discounted at the effective interest rate calculated on recognition. Impairment valuation allowances and reversal of allowances are recognised as an expense or income in the income statement.

(Continued)

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Notes to the Annual Accounts

- Financial assets at fair value through profit or loss
 - Financial assets in the collective investment undertakings portfolio are initially measured at fair value. In the absence of evidence to the contrary, fair value is the transaction price, i.e. the fair value of the consideration, including explicit costs directly attributable to the transaction. Initial measurement does not include interest on deferred payments, which is considered to accrue even when not expressly stated in the contract, at a market rate of interest.
 - On initial measurement of assets, explicit interest receivable accrued since the last settlement is recognised in interest on the investment portfolio under assets in the balance sheet, and cancelled when the interest falls due.
 - Any pre-emptive or similar rights acquired are included in the initial valuation and deducted from the value of the assets upon their sale.
 - These assets are subsequently measured at fair value, without deducting any transaction costs incurred on their disposal. Any changes in the fair value are recognised in the income statement.
 - The fair value of financial assets is calculated as follows:
 - (1) Listed equity instruments: fair value is the market value, which is considered to be the amount resulting from applying the official closing exchange rate at the reference date, where this is available, or the immediately preceding business day. Where no official closing price is available, the weighted average exchange rate is used. The portfolio assets are measured in the most representative market in terms of trading volume. If the instrument ceases to be listed, the last established exchange rate or another irrefutable price is used.
 - (2) Listed debt securities: fair value is a listed price in a market, provided that the market in question is active and the prices are obtained consistently. Where listed prices are not available, the fair value is the most recent transaction price, provided that there have been no significant changes in economic circumstances since that transaction took place. Where significant variations have occurred, the fair value should reflect the change in conditions using current prices or interest rates and risk premiums for similar instruments as a reference. If the most recent transaction price relates to a forced transaction or involuntary liquidation, the price should be adjusted.

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Notes to the Annual Accounts

Where there is no active market for the debt instrument, valuation techniques are applied, including prices supplied by intermediaries, issuers or information sources; use of recent market transactions carried out on an arm's length basis between knowledgeable, willing parties, where available; present fair value of another substantially similar instrument; and discounted cash flow and option pricing models, as applicable.

- (3) Securities as yet unlisted: fair value is estimated based on changes associated with similar listed securities from previous issues of the same entity, taking into consideration any differences in profit-sharing rights.
- (4) Unlisted securities: fair value is calculated using the measurement criteria included in rules 6, 7 and 8 of CNMV Circular 4/1997 of 26 November 1997.
- (5) Deposits with credit institutions in accordance with letters e) and j).6 of article 36.1 of the CIU regulation and repurchase agreements: fair value is calculated in line with the price equivalent to the internal rate of return on the investment based on prevailing market rates at any given time, without prejudice to other considerations, such as early termination conditions or credit risk of the entity.
- (6) Shares of other collective investment undertakings: where a net asset value at the reference date is calculated, the shares are measured at this amount. Where no net asset value is calculated at the reference date, either because the publication date of the net asset value of the CIU is not a business day or because the net asset value calculation frequency differs, the last available net asset value is used. However, in the case of CIUs traded in a market or multilateral trading facility, the shares are measured at their listed price at the reference date, provided that this price is representative.

In the particular case of investments in hedge funds, funds of hedge funds and similar foreign CIUs as per letter j) of article 36.1 of the CIU regulation, estimated net asset values may be used for both preliminary calculations of the final net asset value and for mid-range values within the range of final net asset values or values not subject to recalculation or confirmation.

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Notes to the Annual Accounts

(7) Derivative financial instruments: fair value is the market value, which is considered to be the amount resulting from applying the official closing exchange rate. If the market is not sufficiently liquid or the derivative is not traded on a regulated market or multilateral trading facility, fair value is determined by applying recognised measurement methods or models established in the regulations of collective investment undertaking in relation to derivative instruments.

- Financial liabilities at fair value through profit or loss

Financial liabilities in this category are initially and subsequently measured applying the criteria described for financial assets at fair value through profit or loss.

- Debts and payables

Financial liabilities in this category are initially measured at fair value, which, in the absence of evidence to the contrary, is the transaction price, i.e. the fair value of the consideration received, adjusted to take into account any costs directly attributable to the transaction. These liabilities are subsequently measured at amortised cost. Accrued interest is accounted for in the income statement using the effective interest method. However, items that are expected to be settled within one year can be measured at their nominal amount, provided that the effect of not discounting the cash flows is not significant.

Investments in foreign currency are translated at the spot exchange rate at the measurement date or, where this is not available, at the rate prevailing on the last business day preceding the measurement date.

All financial investments are recognised under current assets, although certain investments may be held for more than one year.

(c) Cash sale and purchase of securities

Cash sale and purchase transactions are recognised on the transaction date, which is generally the day on which derivatives and equity instruments are contracted and debt securities and currency market transactions are settled. In the latter two cases, the period of time between contracting and settlement is accounted for using the criteria described in section d) below.

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Notes to the Annual Accounts

However, for the sale and purchase of collective investment undertakings, the completion date is considered to be the date the transaction is confirmed, even when the number of units or shares to be allocated is not known. The transaction is not measured until the units or shares are allocated. Amounts delivered prior to the completion date are recognised in subscription requests pending allocation of units under receivables in the balance sheet. Acquisitions are debited from the relevant asset account at fair value, in accordance with the criteria described in section b) above. Gains or losses on sales transactions are recognised in the income statement at the order completion date.

(d) Acquisition and sale of assets with a resale or repurchase agreement

Assets purchased with a resale agreement are recognised under assets in the balance sheet at the amount disbursed, irrespective of the nature of the underlying instruments. The difference between this amount and the resale price is deferred using the effective interest rate.

In accordance with section (b) point (5) above, differences in fair value arising on assets acquired with a resale agreement are recognised in changes in the fair value of financial instruments in the income statement. In the event the asset acquired with a resale agreement is transferred outright, the criteria described in section (b) above for the recognition and measurement of financial liabilities are applicable.

(e) Foreign currency

Balances receivable and payable in foreign currency are measured at the spot exchange rate at the measurement date or, where this is not available, at the rate prevailing on the last business day preceding the measurement date. Exchange differences are recognised as follows:

- Exchange gains and losses arising on the financial instruments portfolio are recognised together with valuation gains and losses (see note 4 (b)).
- Exchange gains and losses arising on debits, credits or cash balances are recognised under exchange differences in the income statement.

(f) Underlying value of units

The net asset value of Fund units is calculated daily by dividing the Fund assets by the number of units at the calculation date, in accordance with CNMV Circular 6/2008 of 26 November 2008.

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Notes to the Annual Accounts

(g) Income tax

Income taxes are calculated based on profit reported for accounting purposes, adjusted for permanent differences with fiscal criteria and taking into consideration any applicable credits and deductions. The effects of timing differences, where applicable, are included in deferred tax assets or liabilities.

Provision for income tax is made on a daily basis for the purposes of calculating the net asset value of each unit.

(5) Receivables

Details at 31 December 2009 and 2008 are as follows:

| | Euros | |
|--|--------------|--------------|
| | 2009 | 2008 |
| Taxation authorities | | |
| Withholdings and payments on account (note 10) | 1,530,419.38 | 5,248,094.07 |
| Others | 157,128.14 | 2,222,759.54 |
| | 1,687,547.52 | 7,470,853.61 |

Other receivables mainly comprise balances receivable on the sale of securities, which were settled in early 2010.

In 2009 and 2008 the Fund has not acquired any resale rights relating to commissions on investments in hedge funds.

All receivables are expressed in Euros at 31 December 2009 and 2008.

At 31 December 2009 and 2008 receivables fall due within one year.

(6) Financial Investments

Details of the investment portfolio at 31 December 2009 and 2008 are attached as Appendix I, which forms an integral part of this note.

The fair value of financial assets is calculated based on listed market prices.

(Continued)

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Notes to the Annual Accounts

(a) Maturity of financial assets

All debt securities held by the Fund at 31 December 2009 and 2008 mature within one year.

(b) Amounts expressed in foreign currency

• At 31 December 2009

Details of financial monetary assets denominated in foreign currencies are as follows:

| | Euros | | |
|--------------------|---------------------|-----------------------|--------------------------|
| | US Dollars (USD) | Swiss Francs (CHF) | Pounds Sterling (GBP) |
| Equity instruments | 28,917,994.25 | 151,202,775.43 | 47,303,139.13 |

• At 31 December 2008

Details of financial monetary assets denominated in foreign currencies are as follows:

| | Euros | | |
|--------------------|---------------------|-----------------------|--------------------------|
| | US Dollars (USD) | Swiss Francs (CHF) | Pounds Sterling (GBP) |
| Equity instruments | 18,975,195.98 | 73,209,641.57 | 16,866,793.01 |

Securities positions with the depositary amount to Euros 34,000,217.22 at 31 December 2009 (Euros 17,000,934.97 at 31 December 2008).

In 2009 the Fund carried out securities purchase and sale transactions with the depositary amounting to Euros 6,408,336,055.13 and Euros 6,377,500,000.00, respectively (Euros 5,348,000,000.00 and Euros 5,335,000,000.00, respectively in 2008).

(7) Cash

Details at 31 December 2009 and 2008 are as follows:

| | Euros | |
|------------------|---------------|--------------|
| | 2009 | 2008 |
| Custody accounts | 12,669,156.79 | 2,682,225.14 |

(Continued)

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Notes to the Annual Accounts

Custody accounts and other cash accounts include interest accrued at 31 December 2009 and 2008 and yield interest at market rates.

At 31 December 2009 and 2008 all cash in hand and at banks is available for use.

In 2008 finance income of Euros 127,177.72 has been accrued with the depositary in respect of interest on asset acquisition (see note 6) and other interest on accounts with the depositary (Euros 1,173,887.70 in 2008).

All balances are expressed in Euros at 31 December 2009 and 2008.

At 31 December 2009 and 2008 all cash balances fall due within one year.

(8) Fund Assets

Details of Fund assets for 2009 and 2008 and movement are disclosed in the statement of changes in fund assets.

Details of movement in unit holders during the years ended 31 December 2009 and 2008 are as follows:

| | <u>Number of units</u> | <u>Euros</u> |
|--|-----------------------------|------------------------------|
| At 1 January 2008 | 53,989,412.41 | 788,824,734.41 |
| Subscriptions | 6,943,074.87 | 110,146,325.59 |
| Redemptions | <u>(23,483,722.97)</u> | <u>(361,235,710.37)</u> |
| At 31 December 2008 | 37,448,764.31 | 537,735,349.63 |
| Transfer from profit/(loss) for the year | - | (283,594,593.83) |
| Transfer from prior years' profit/(loss) | - | 132,239,679.88 |
| Subscriptions | 11,620,601.12 | 176,816,135.55 |
| Redemptions | <u>5,705,703.13</u> | <u>(78,977,552.25)</u> |
| At 31 December 2009 | <u><u>43,363,662.30</u></u> | <u><u>484,219,018.98</u></u> |

All units are represented by certificates with no nominal value, which confer upon the unit holders the right of ownership to the Fund.

(Continued)

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Notes to the Annual Accounts

The number of units is unlimited and their subscription or redemption depends on supply and demand. The subscription or redemption price is established daily in line with the net asset value of the unit, calculated on the basis of the Fund's assets in accordance with CNMV Circular 6/2008 of 26 November 2008.

At 31 December 2009 the net asset value amounts to Euros 18.00 per unit (Euros 10.47 in 2008), obtained by dividing the Fund assets by the number of units at that date.

At 31 December 2009 and 2008 none of the Fund's unit holders have a significant number of units.

(9) Trade payables

Details at 31 December 2009 and 2008 are as follows:

| | Euros | |
|--|----------------------|---------------------|
| | 2009 | 2008 |
| Taxation authorities | | |
| Income tax (note 10) | 128,700.83 | - |
| Others | - | 59,419.77 |
| Other payables | | |
| Payables for acquisition of securities | 6,626,907.89 | 2,676,924.23 |
| Fees and commissions | 3,305,160.97 | 2,012,906.49 |
| Others | 18,291.80 | 10,624.24 |
| Others | 14,704.49 | 9,453.46 |
| | <u>10,093,765.98</u> | <u>4,769,328.19</u> |

Details of fees and commissions payable at 31 December 2009 and 2008 and accrued during the years then ended are as follows:

| | Euros | | | |
|------------|---------------------|---------------------|---------------------|----------------------|
| | 2009 | | 2008 | |
| | Payable | Total accrued | Payable | Total accrued |
| Management | 3,172,528.30 | 9,461,758.38 | 1,967,925.31 | 12,008,981.02 |
| Custody | 132,632.67 | 216,268.74 | 44,981.18 | 311,865.87 |
| | <u>3,305,160.97</u> | <u>9,678,027.12</u> | <u>2,012,906.49</u> | <u>12,320,846.89</u> |

(Continued)

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Notes to the Annual Accounts

Payables for acquisition of securities were settled in the opening months of 2010.

As mentioned in note 1, the Fund is managed by Bestinver Gestión, S.A., Sociedad Gestora de Instituciones de Inversión Colectiva. The Fund pays an annual management fee for this service of 1.75% of the Fund's assets, calculated on a daily basis.

The daily calculation of this depositary commission is as follows:

| Fund assets | Commission |
|---|------------|
| From Euros 0 to Euros 30,050,605.00 | 0.125% |
| From Euros 30,050,605.00 to Euros 60,101,210.00 | 0.0625% |
| More than Euros 60,101,210.00 | 0.040% |

All balances are expressed in Euros at 31 December 2009 and 2008.

At 31 December 2009 and 2008 payables fall due within one year.

(10) Taxation

The Fund is taxed at a rate of 1%, in accordance with the fiscal regime provided for in Royal Decree 4 of 5 March 2004 governing corporate income tax, as well as other applicable tax regulations.

A reconciliation of accounting profit/(loss) for 2009 and 2008 with the taxable income/tax loss the Fund expects to declare after the annual accounts have been duly approved is as follows:

| | Euros | |
|--|------------------|------------------|
| | 2009 | 2008 |
| Accounting profit/(loss) for the year before tax | 290,522,699.95 | (283,594,593.83) |
| Offset of tax loss carryforwards | (277,652,616.57) | - |
| Taxable income | 12,870,083.38 | |
| Tax at 1% and income tax expense (note 9) | 128,700.83 | - |
| Withholdings and payments on account (note 5) | (1,530,419.38) | (5,248,094.07) |
| Recoverable income tax | (1,401,718.55) | (5,248,094.07) |

(Continued)

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Notes to the Annual Accounts

In accordance with current legislation, taxes cannot be considered definitive until they have been inspected by the taxation authorities or before the inspection period of four years has elapsed. At 31 December 2009 the Fund has open to inspection by the taxation authorities all applicable taxes since its incorporation. The directors of the Fund Management Company do not expect that significant additional liabilities would arise in the event of an inspection.

(11) Risk Management Policy

Financial risk factors

The Fund's activities are exposed to various financial risks: market risk (including currency risk, interest rate risk in fair value and price risk), credit risk, liquidity risk and interest rate risk in cash flows. The Fund Management Company's global risk management programme with regard to the Fund focuses on uncertainty in the financial markets and aims to minimise potential adverse effects on the Fund's profits.

The measurement and analysis of financial risks allows the Management Company to identify, assess and mitigate them in close collaboration with its operational units.

The Fund Management Company's risk management is based on the nature of the risk assumed by the Fund, which is in turn determined by its strategic investment policy. The most significant characteristics during the year have been as follows:

- Interest rate risk: Interest rate risks arise from variation in interest rates and the resulting impact on the Fund's assets. The Management Company manages interest rate risk by varying the duration of investments.
- Exchange rate risk: Exposure to exchange rate risk is moderate. In 2009 exposure to foreign currencies was consistent with the Fund's risk profile. This risk is reduced by the fact that this exposure was to top-tier currencies (CHF, GBP and USD).
- Sector concentration risk: the Fund is particularly diversified in terms of sectors and there is therefore no sector concentration. Issuer concentration risk: concentration of individual issuers is reasonable. The Fund complies with diversification, dispersal and congruence restrictions on investments.
- Credit risk: Spot transactions are only contracted with financial institutions with a high credit rating, with investment grade level. The Management Company has policies to limit the amount of risk with any one financial institution. The most objective information used to measure risk fluctuations is obtained by monitoring the credit rating of the country, issuer, issue, etc. on the basis of data provided by external agencies.

(Continued)

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Notes to the Annual Accounts

- Market risk The absolute risk to which the Fund is exposed at year end, measured in terms of VaR, generally falls within reasonable limits. However, the Fund's VaR followed an upward trend until September because the annual sample used reflected the moments of greatest uncertainty in the financial markets during 2008 and 2009. From September onwards, volatility fell significantly as the greater stability of markets from June 2009 onwards was increasingly reflected in the sample. At 2009 year end volatility is similar to the level recorded at 2007 year end.
- Liquidity risk and market depth: Liquidity risk of the Fund's exposure to fixed income is minimal. Liquidity of variable-income securities has improved during the course of the year. Market depth has been measured using ILLIQ. This measure has brought to light the progressive market liquidity. All fixed-income asset references agree with fair value specifications. Investments in fixed-income assets have materialised through repos and government bonds and a market price is therefore available for each one.

(12) Environmental Issues

The directors of the Fund Management Company consider that the environmental risks deriving from the Fund's activity are minimal, adequately covered and that no additional liabilities will arise therefrom. The Fund has not incurred any expenses or received any environment-related grants during the years ended 31 December 2009 and 2008.

(13) Auditors' Fees

The auditors of the annual accounts of the Fund are KPMG Auditores, S.L. Audit fees have amounted to Euros 6,600.00 for the years ended 31 December 2009 and 2008, irrespective of the invoice date.

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Details of Investment Fund Portfolio

31 December 2009

(Expressed in Euros with two decimal places)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

| | <u>Initial measurement</u> | <u>Fair value</u> | <u>Interest</u> | <u>Accumulated losses/gains</u> |
|--------------------|--------------------------------|------------------------------|----------------------|-------------------------------------|
| Internal portfolio | | | | |
| Debt securities | 34,000,000.00 | 34,000,000.00 | 217.22 | - |
| External portfolio | | | | |
| Equity instruments | <u>860,054,593.85</u> | <u>742,291,839.81</u> | <u>-</u> | <u>(117,762,754.04)</u> |
| Total | <u><u>894,054,593.85</u></u> | <u><u>776,291,839.81</u></u> | <u><u>217.22</u></u> | <u><u>(117,762,754.04)</u></u> |

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Details of Investment Fund Portfolio

31 December 2008

(Expressed in Euros with two decimal places)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

| | <u>Initial measurement</u> | <u>Fair value</u> | <u>Interest</u> | <u>Accumulated losses/gains</u> |
|--------------------|--------------------------------|------------------------------|----------------------|-------------------------------------|
| Internal portfolio | | | | |
| Debt securities | 17,000,000.00 | 17,000,000.00 | 934.97 | - |
| Equity instruments | 3,163,944.87 | 3,148,068.00 | - | (15,876.87) |
| External portfolio | | | | |
| Equity instruments | <u>862,326,725.55</u> | <u>366,730,239.64</u> | <u>-</u> | <u>(495,596,485.91)</u> |
| Total | <u><u>882,490,670.42</u></u> | <u><u>386,878,307.64</u></u> | <u><u>934.97</u></u> | <u><u>(495,612,362.78)</u></u> |

BESTINVER INTERNACIONAL,
FONDO DE INVERSIÓN

Directors' Report

2009

In 2009 Bestinver Internacional F.I. increased by 71.85%, reaching a net asset value of Euros 18. In the same period, the MSCI World Index grew by 23.02%.

The Fund's assets grew 99% during the year to Euros 780.55 million and the number of unit holders increased by 9.69% to 8,328.

We are now able to confirm something we had been anticipating for some time: the data and results from the different countries and international companies represented on our portfolio show a completely different cycle, with much less damage to the economy than that suffered by countries affected by the bursting of the "property bubble" – the United States, United Kingdom and Spain – where the need for deleverage will make recovery a slow process.

However, the United States has a dynamic economy and this adjustment will be quick. In fact, there are already signs of recovery, after a sharp decline (between 30% and 40%) in the property sector, corrections that could mark the turning point for the American economy.

We have taken advantage of great opportunities offered by the market due to the recognised lack of liquidity among the other investors in our companies and by studying various markets and securities to select the best options.

It should be noted that our portfolio will continue to focus mainly on European variable-income investments, regardless of where recovery from the crisis begins. This market is currently teeming with investment opportunities, with the security of being able to invest in nearby companies and all the advantages that this brings (better monitoring of management teams, proximity, language, idiosyncrasies, less monitoring by analysts, etc.). Investment beyond this scope would be totally unnecessary in the present circumstances to achieve our target yields.

Furthermore, our companies' global nature continues to be their predominant feature, allowing us to take advantage of the growth in demand from emerging or developing countries.

Despite the fund's excellent performance and the slight improvement in the economic outlook for 2010, we continue to be prudent in our valuations. The fund's valuation dropped towards the end of the year, mainly because, given the uncertain macroeconomic climate and the funds' great potential for growth, we preferred to prioritise the quality of the companies in selecting securities, even to the detriment of maximising their potential. It could be said that we have sacrificed a little potential growth in favour of increasing security.

When the stock markets hit historical lows and our funds were "dragged down" by pessimism and forced sales, the decline in the share prices of our investments was highly exaggerated, providing an unprecedented opportunity for investment. In effect, the international fund has risen 99.45% since hitting a trough in March, performing much better than its reference index.

This performance shows that our strategy for selecting securities is correct, and that, over the long term, the market recognises the value of these companies.

The performance of our portfolio compared to the market corroborates the stance that we have taken throughout the stock market slump: that even if the market has not discriminated until now, sooner or later it will start to do so. The market may be inefficient in the short term, but it tends to be efficient in the long term. This is the main premise on which our investment strategy is based.

At year end and after various quarters in which we reduced the valuation of the fund by giving even greater priority to the quality of companies than usual to take on a more defensive stance – even, to a certain extent, to the detriment of potential – in the fourth quarter we were back on course and creating value. Furthermore, we have achieved this despite continuing with our policy of prioritising quality.

An example of this policy is the Dutch multi-national services company Wolters Kluwer, which is currently one of the most significant investments in the international portfolio. Wolters Kluwer leads most of the businesses in which it operates, the majority of which are subscription-related, meaning that the firm is largely unaffected by changes in cycle. It generates significant returns on the capital employed due to very high barriers to entry. On the other hand, we have also taken advantage of increases in share price to sell companies generating less return on the capital employed and with lower barriers to entry, such as the German automotive sector company Leoni, in which we no longer hold an interest since its share price rose to Euros 17 per share from a minimum of Euros 7.

One of the most notable events this year was the public offering to purchase shares in one of our investments, the printing equipment company Océ, which is also based in Holland. The offer was received from the Japanese company Canon, which valued Océ at Euros 8.6 per share, over 70% above the listed price published immediately prior to the offer, and not far off our valuation of Euros 9.4. This is yet another example of why our valuations are, allowing for a small margin for error, correct, although it should be noted we had reduced our valuation of Océ throughout the year.

OTHER SIGNIFICANT EVENTS

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

Related-party transactions duly authorised by the supervisory body have been carried out, in compliance with the established control procedures.

During 2009, Bestinver Gestión, S.A., S.G.I.I.C. exercised its right to attend and vote at the general shareholders' meetings of the Spanish companies in which its managed funds have held an interest exceeding 1% of share capital for over one year. At all of these meetings, the vote has been to adopt the proposals of each company's board of directors.