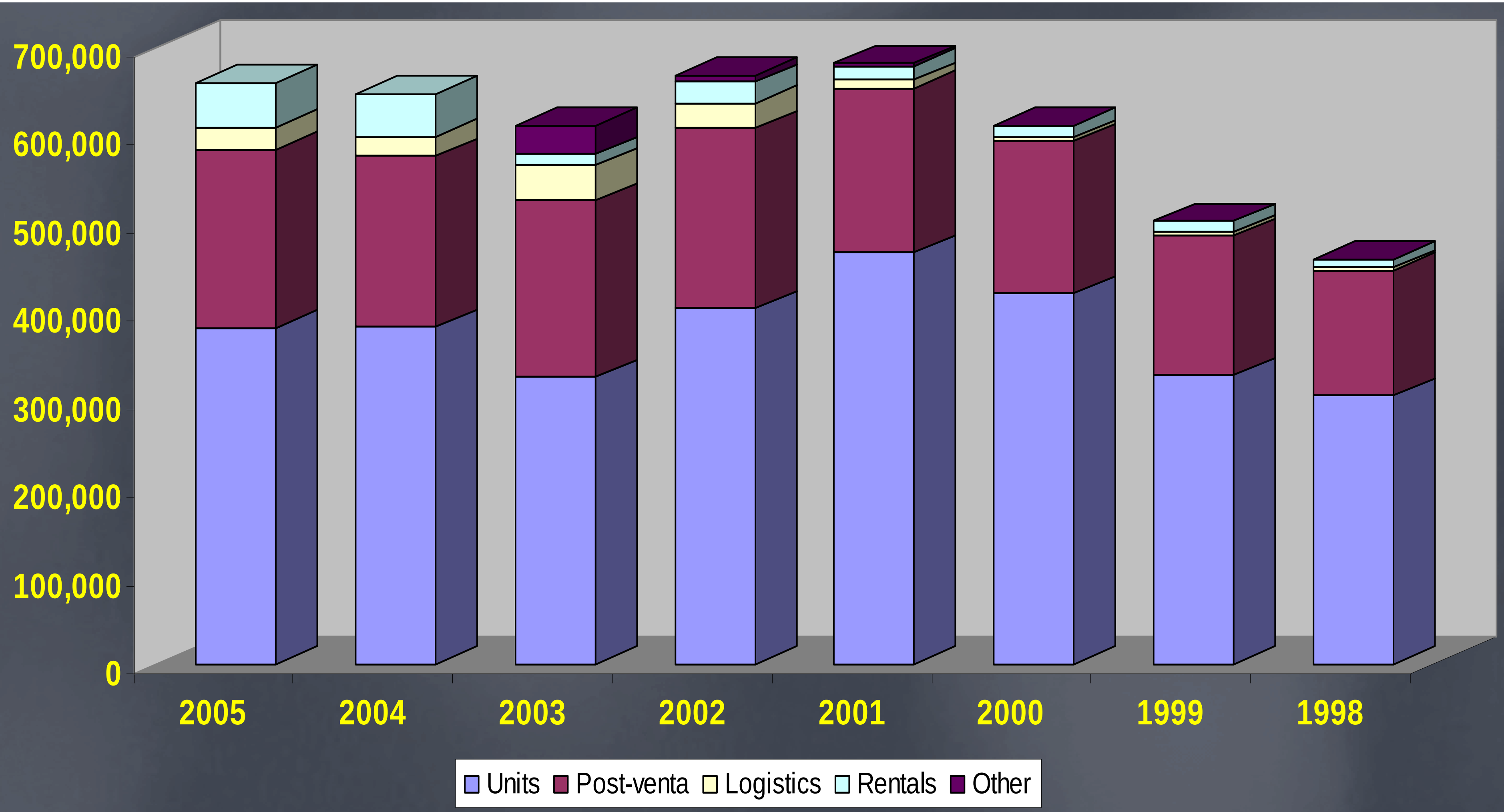
ANALYSTS SITE VISIT

6 July 2006

Barloworld
Leading brands

REVENUE



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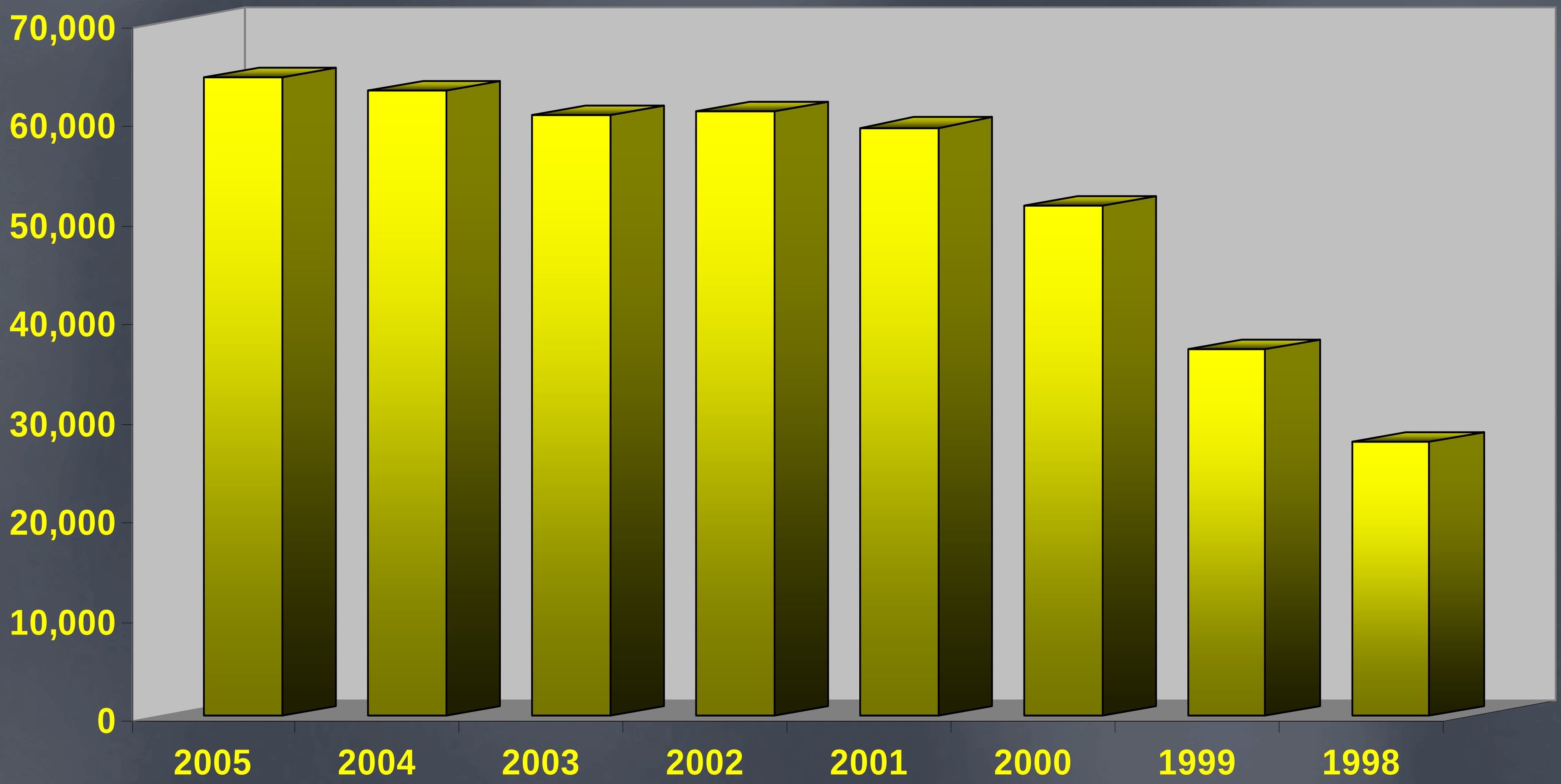
OPERATING PROFIT



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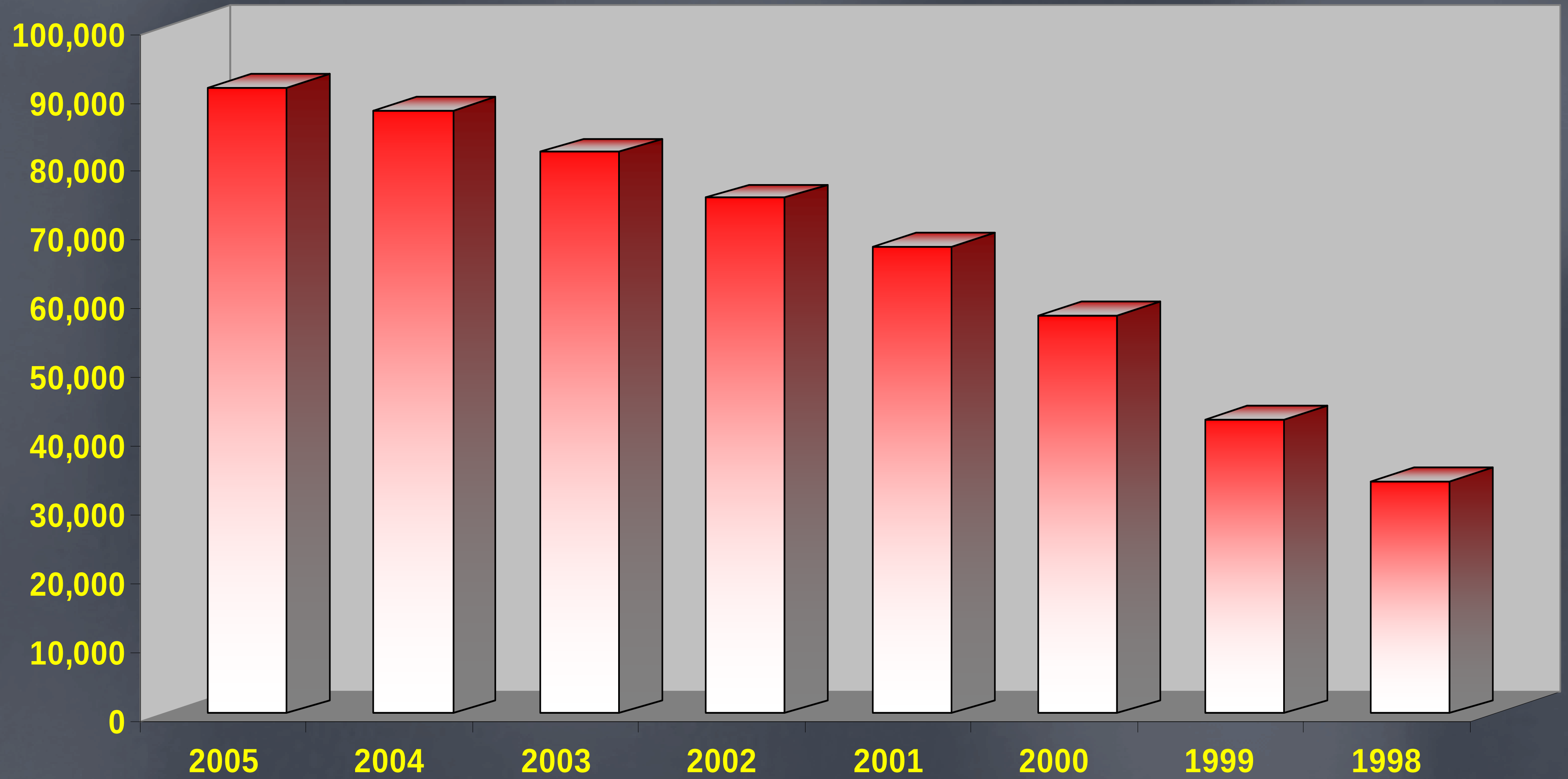
E.B.I.T.D.A.



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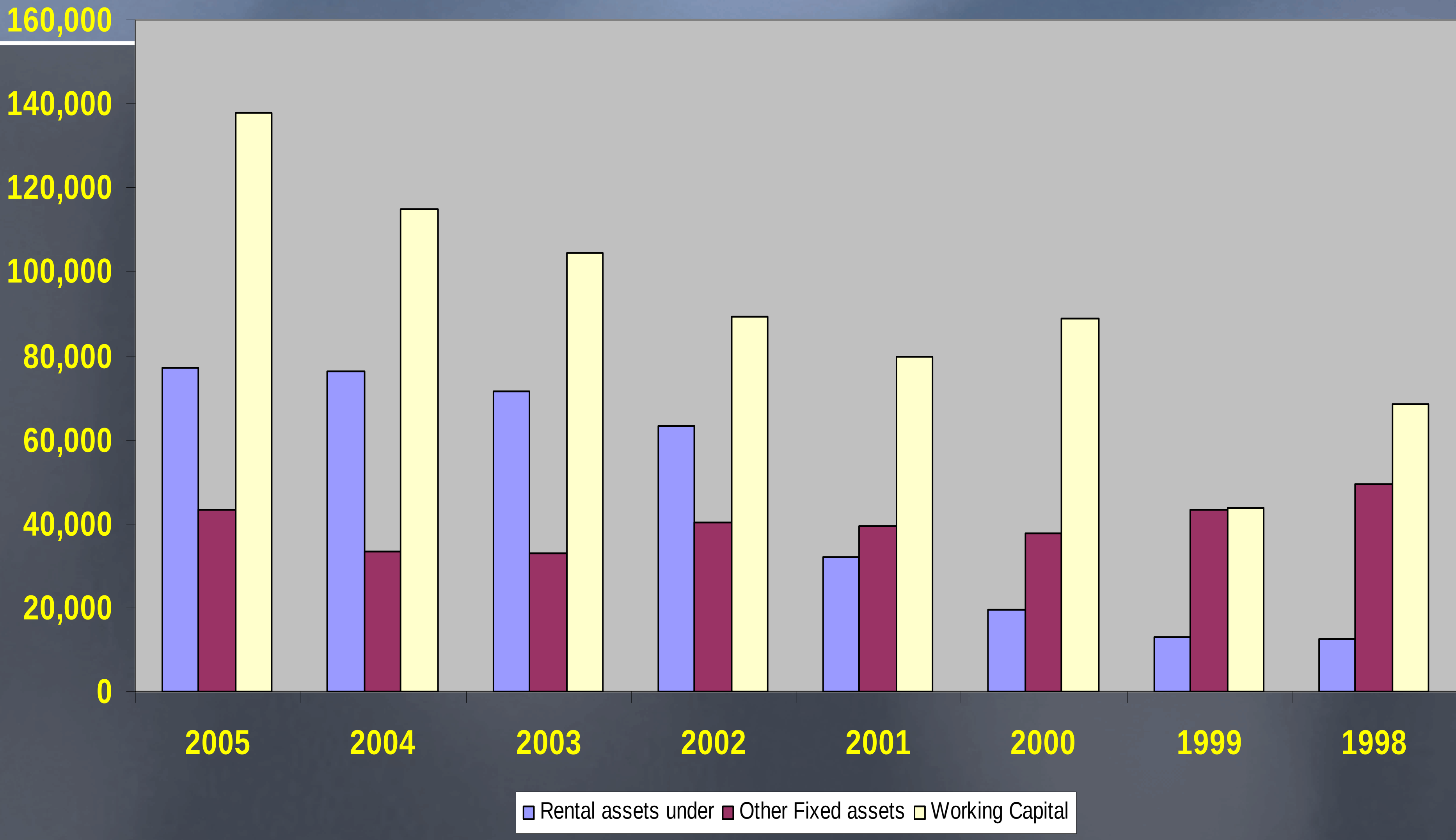
BALANCE



SOURCE: SEOPAN 50 ANIVERSARIO

I.- The construction industry in the domestic economy (I)

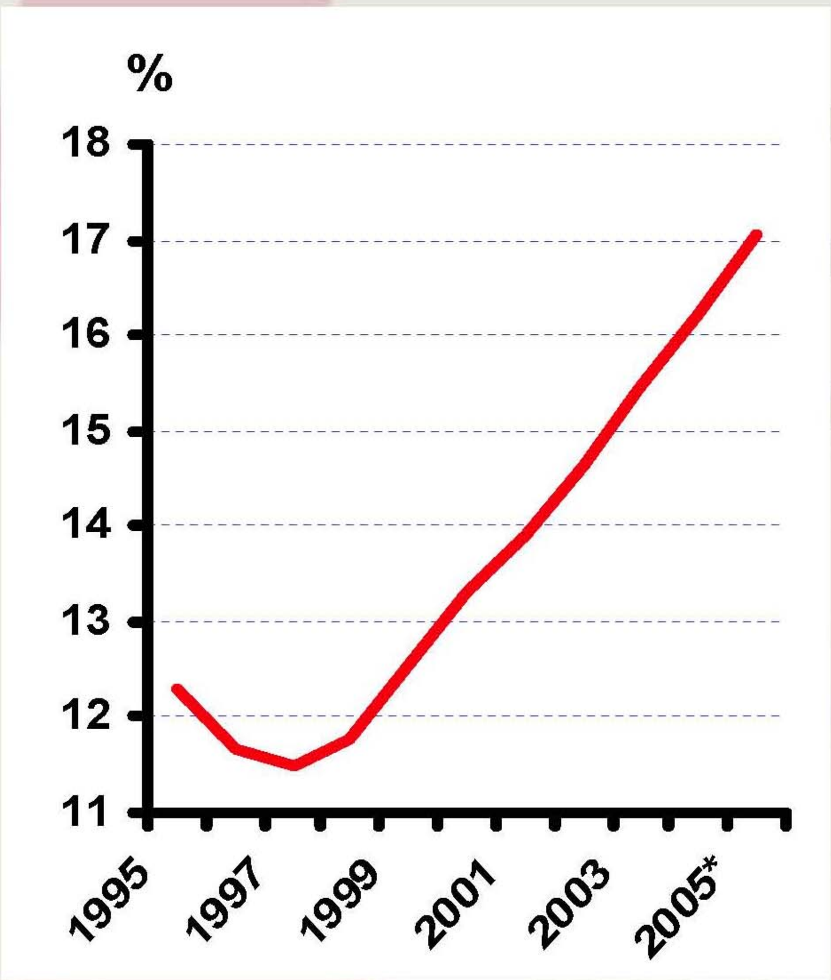
	2005	2004	05/04	
✓ Production (millions of euros)	165.160	144.665	+6%	(real change)
✓ Construction investment/total investment	58,5%	58,2%	+0,3 p.p.	
✓ Construction members	2.187.000	2.014.000	+8,6%	
✓ Construction members/total members	12,3%	11,8%	+0,5 p.p.	

- For yet another year it was the most dynamic sector of the Spanish economy
- Growth was more than 6% on the previous year, around 2.6% more than the domestic economy as a whole .
- The knock-on effect of the construction sector benefited the whole economy
- During 2005 the sector occupied – in terms of employees – 2 187 000 people creating 173 000 jobs. This figure represents 23% of new registrations.
- The normalisation process of foreign workers added nearly 117000 people. With this the number of foreigners enrolled onto the general social security regime of the construction branch(in December 2005) is close to 300 000.

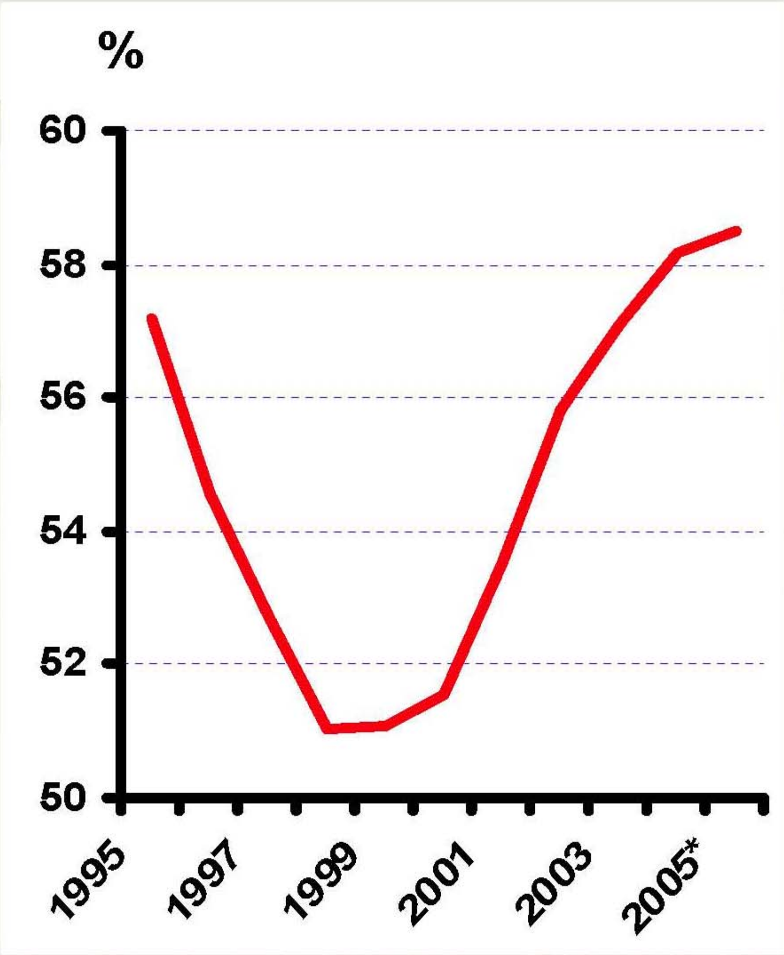
SOURCE:

Share of the sector in the domestic economy

Construction investment as % of GDP



Construction investment as % of total investment

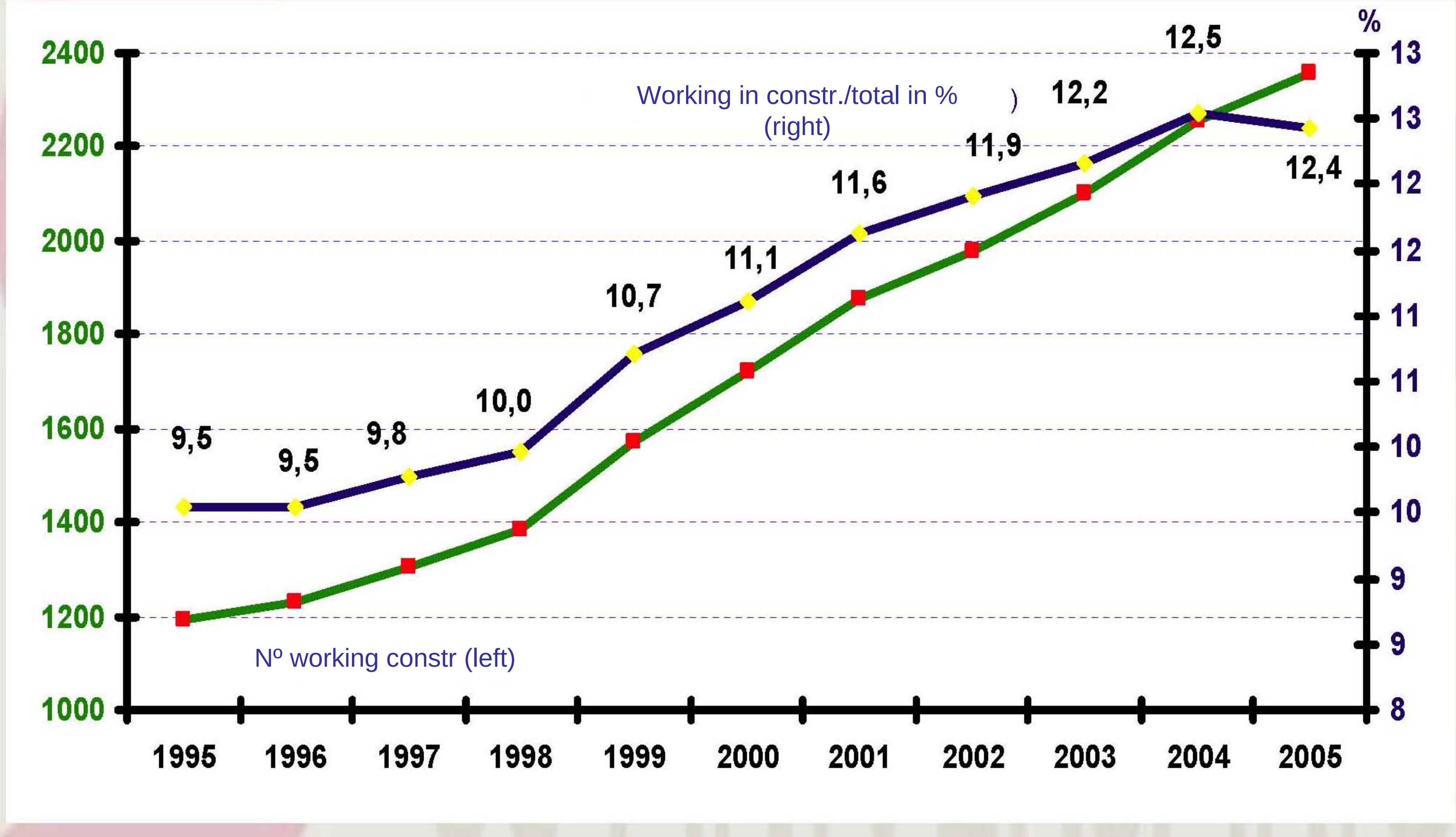


Fuente: CNTR (INE) Until III quarter 2005

SOURCE:

Share of the sector in the domestic economy

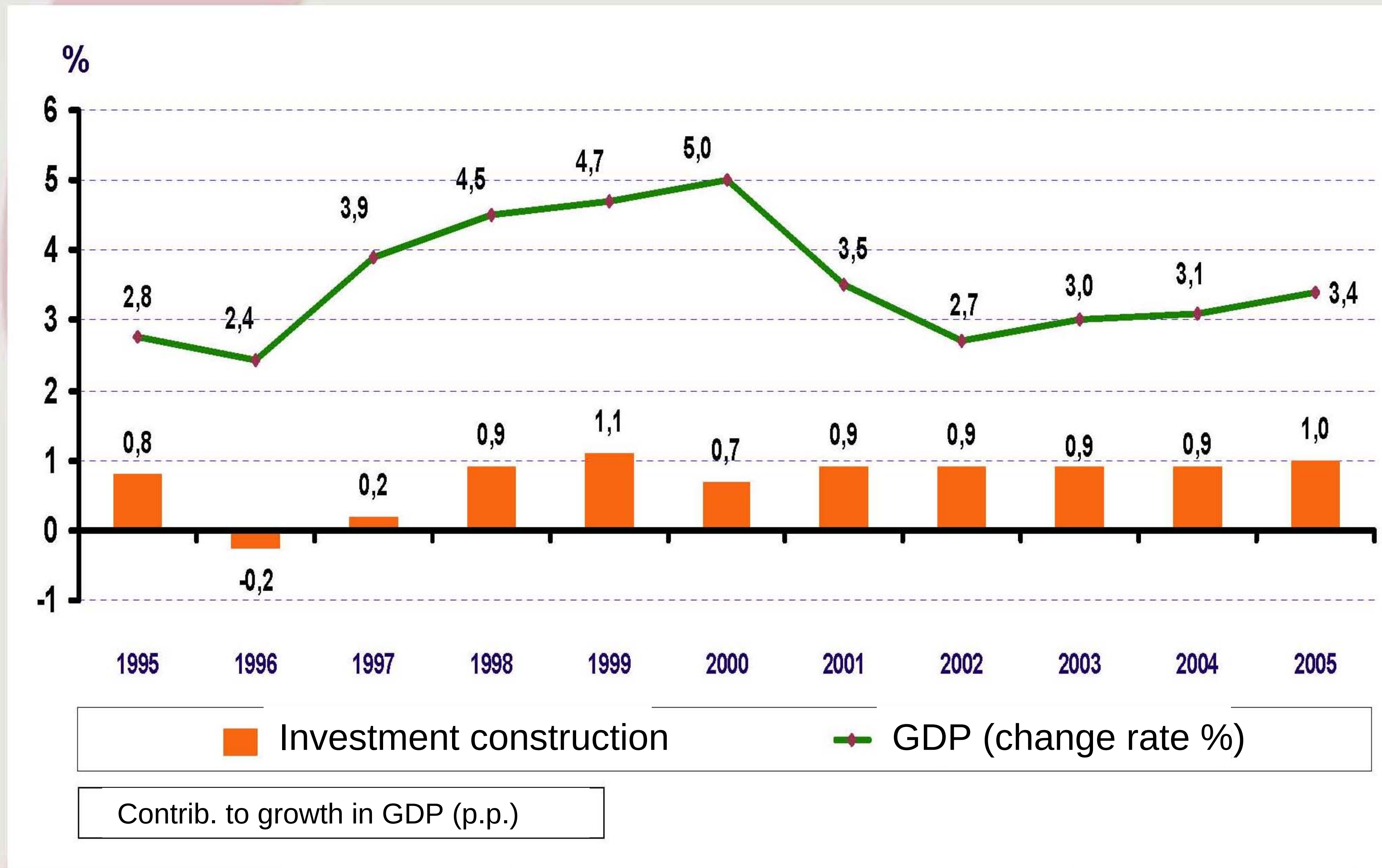
Evolution of working population and importance within total working



Fuente: EPA (INE).

SOURCE: SEOPAN 50 ANIVERSARIO

Contribution of investment in construction to growth in GDP

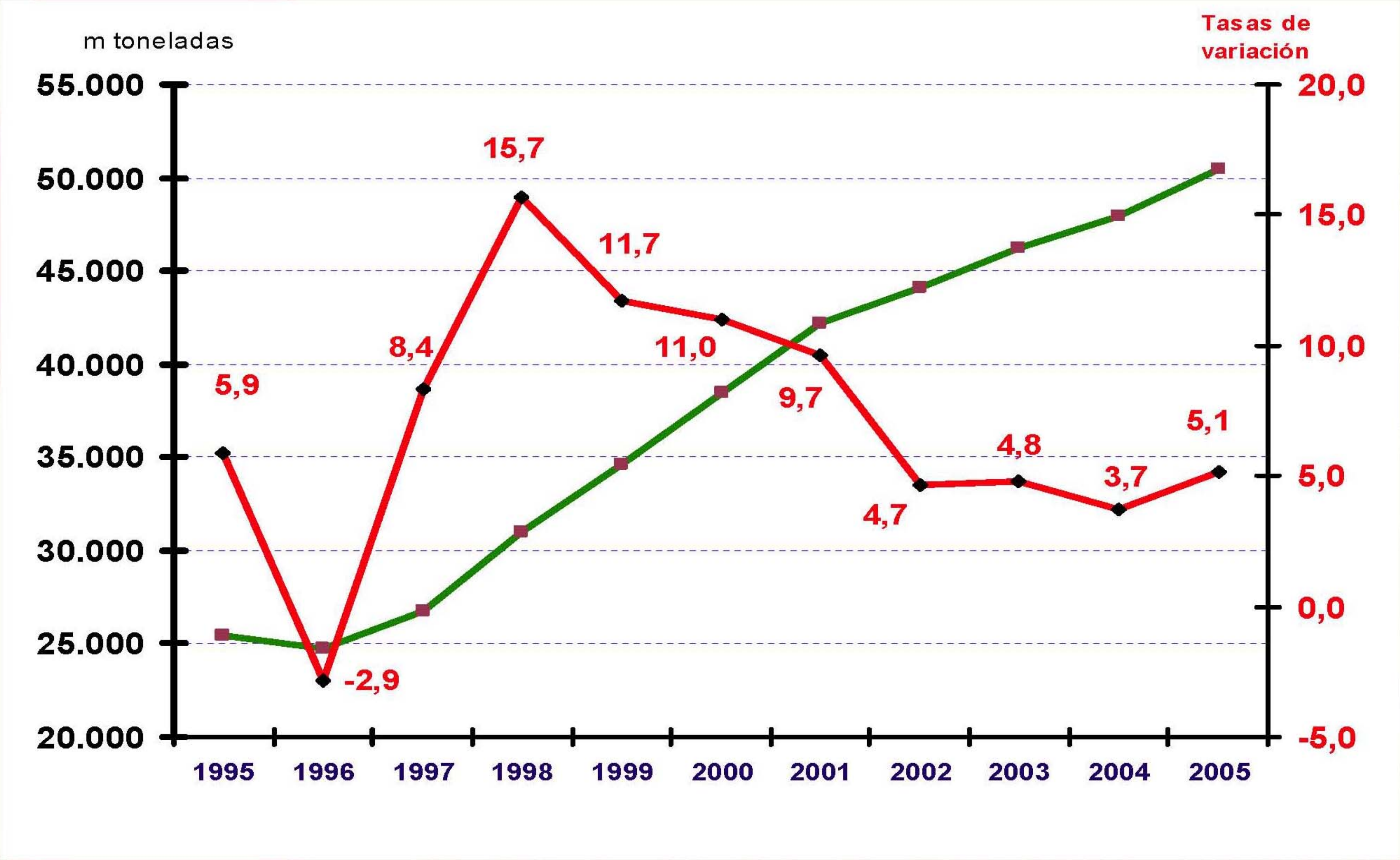


Fuente: INE Mº Economía y Hacienda

SOURCE:

Evolution of apparent consumption of cement

(Thousands of tons and rates of change %)



Fuente: Oficemen

SOURCE: SEOPAN 50 ANIVERSARIO

III. – Analysis of the sector in 2005 (II)

Evolution of the production by subsector :

	Distribution	Var. 05/04
Residential building	35 %	9 %
Non-residential building	17 %	-1 %
Renovation and maintenance	24 %	4 %
Total Building	76 %	5 %
Civil works	24 %	8,5 %
TOTAL:	100 %	6 %

III. – ANALYSIS OF THE SECTOR IN 2005 (III)

•Evolution of the production by subsectors:

•Residential building:

High growth due to the increase in licensed projects in the last two years, a trend which has intensified in 2005 with an increase of 5%.

•Non residential building:

As a consequence of the reduction in private demand a slight fall in activity is estimated for 2005. However an evident recuperation is seen during the exercise.

III. – Analysis of the sector in 2005 (IV)

•Evolution of the production by subsectors:

Renovation and maintenance:

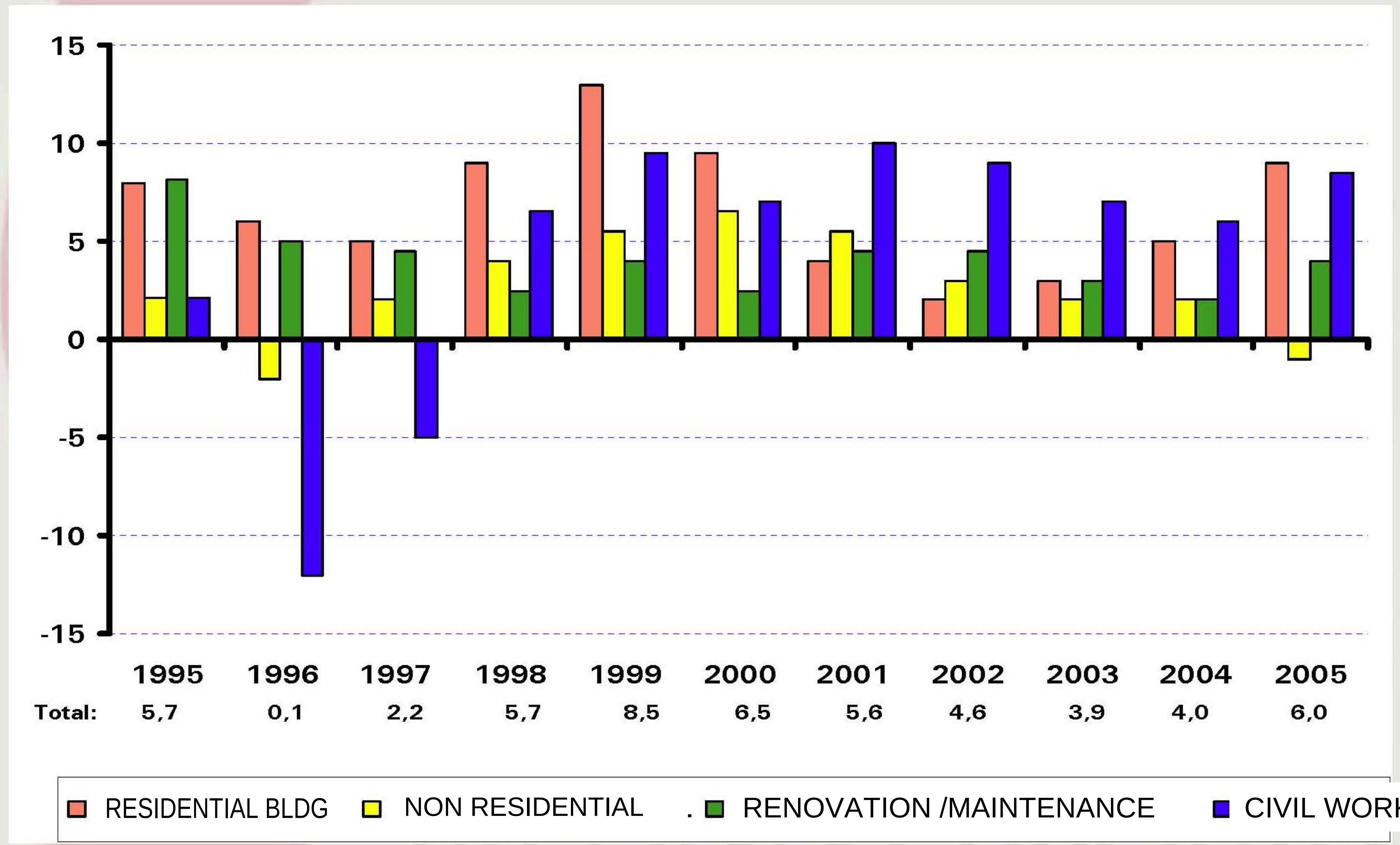
The impossibility of meeting housing needs through new construction and the revaluation of the real estate market along with easy access to financing has maintained the demand in this segment.

•Civil works:
Remains highly dynamic, the role of the regional administrations being prominent

SOURCE: SEOPAN 50 ANIVERSARIO

Change in construction activity by subsectors

(% change in real terms)

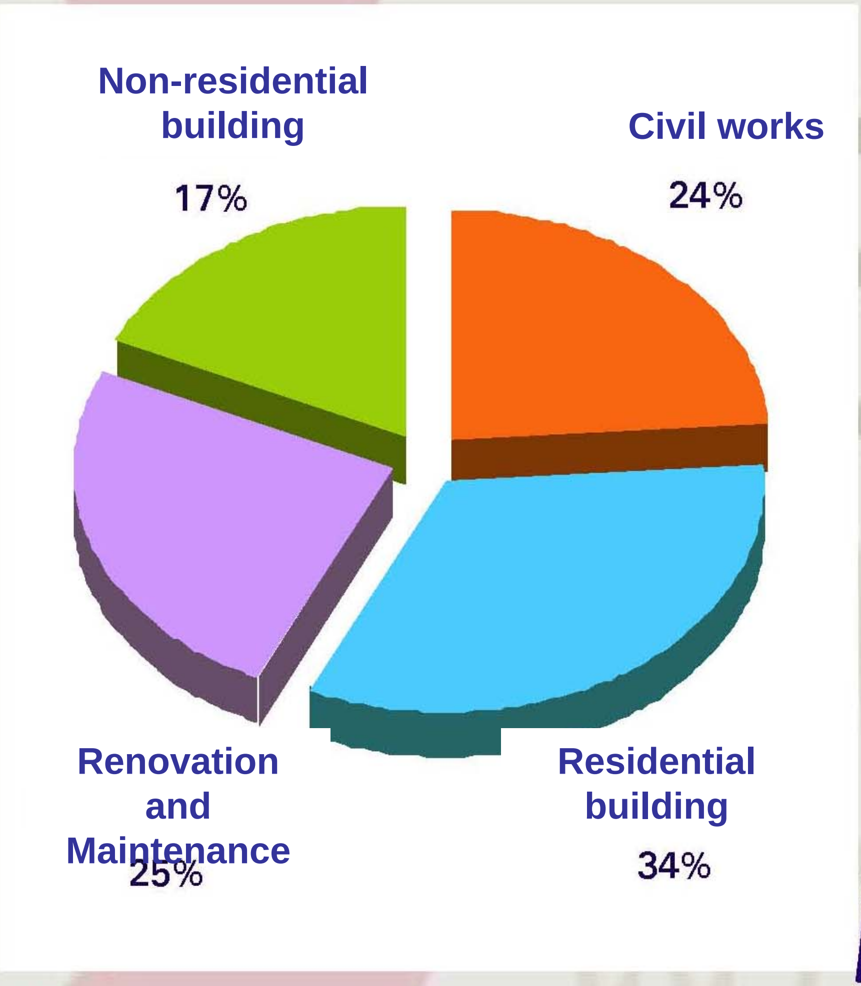


Fuente: SEOPAN

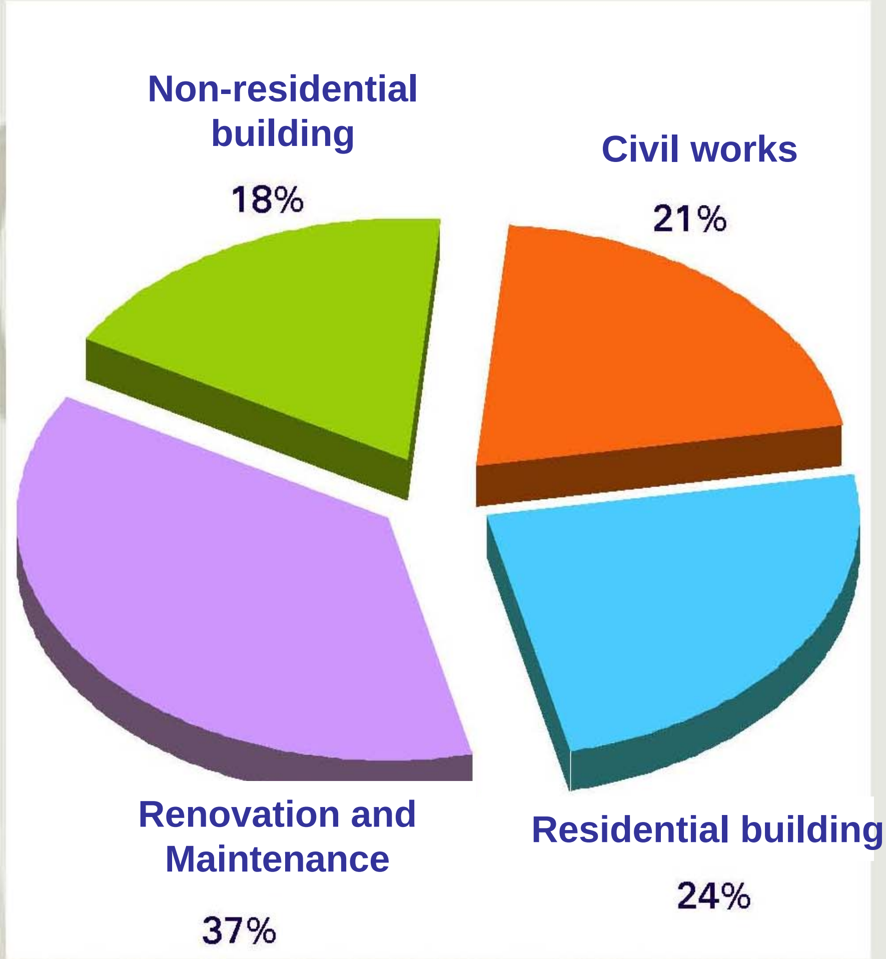
SOURCE: SEOPAN 50 ANIVERSARIO

Percentage breakdown of production in construction sector in Spain and UE-15 2005

SPAIN



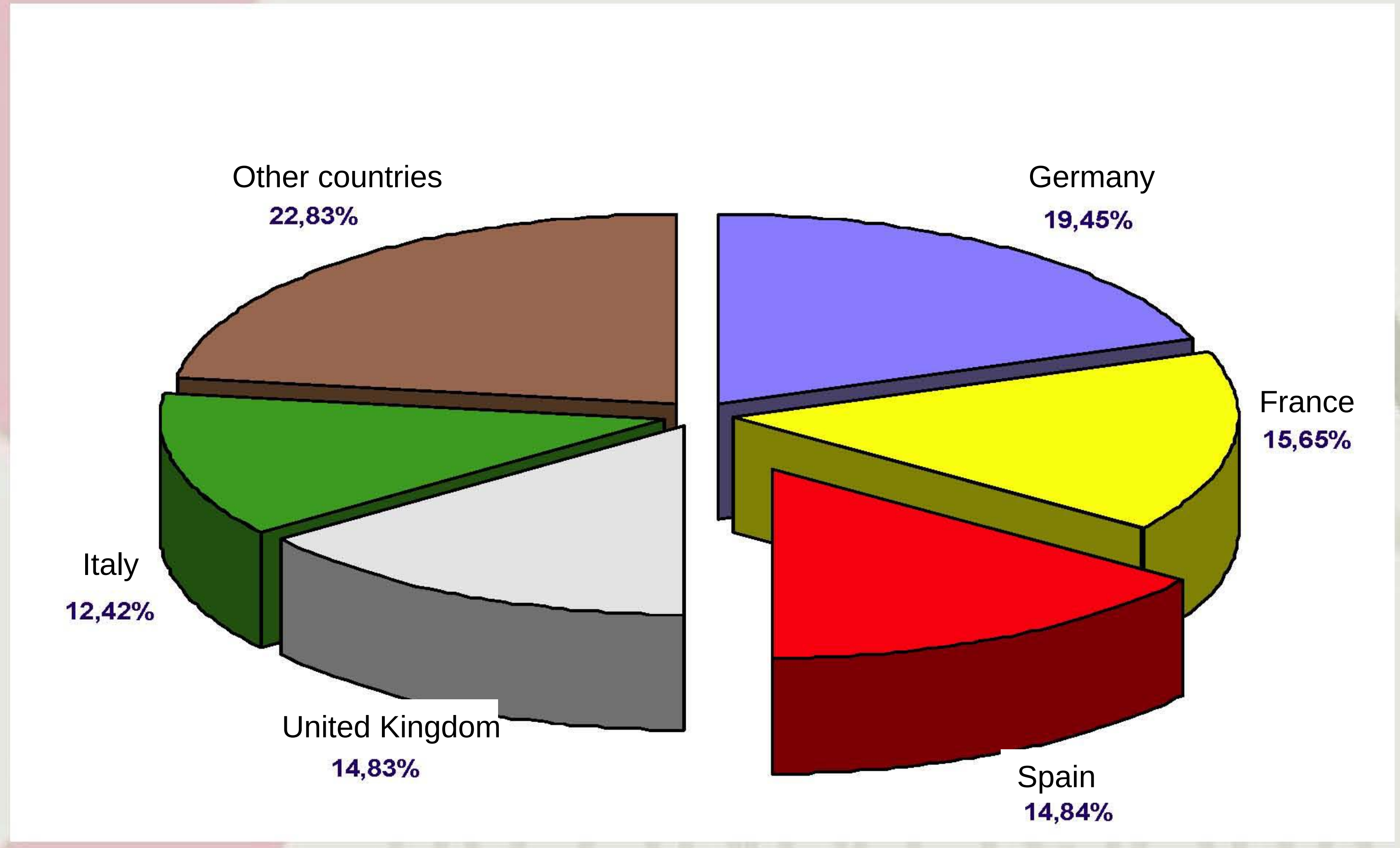
UNION EUROPEAN



Fuente: SEOPAN y Euroconstruc

SOURCE:

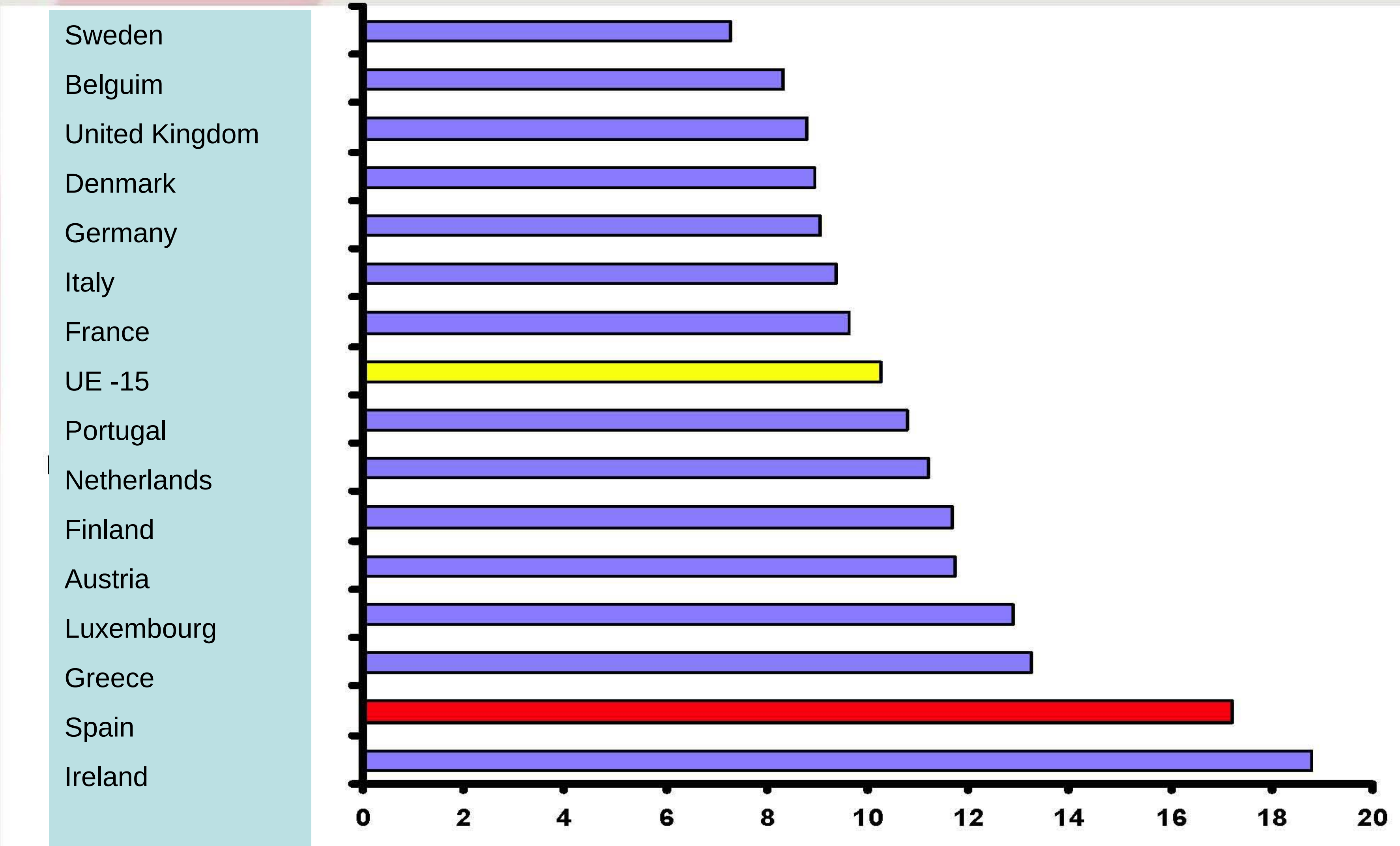
Breakdown of investment in construction in UE -15 2005



SOURCE:

W

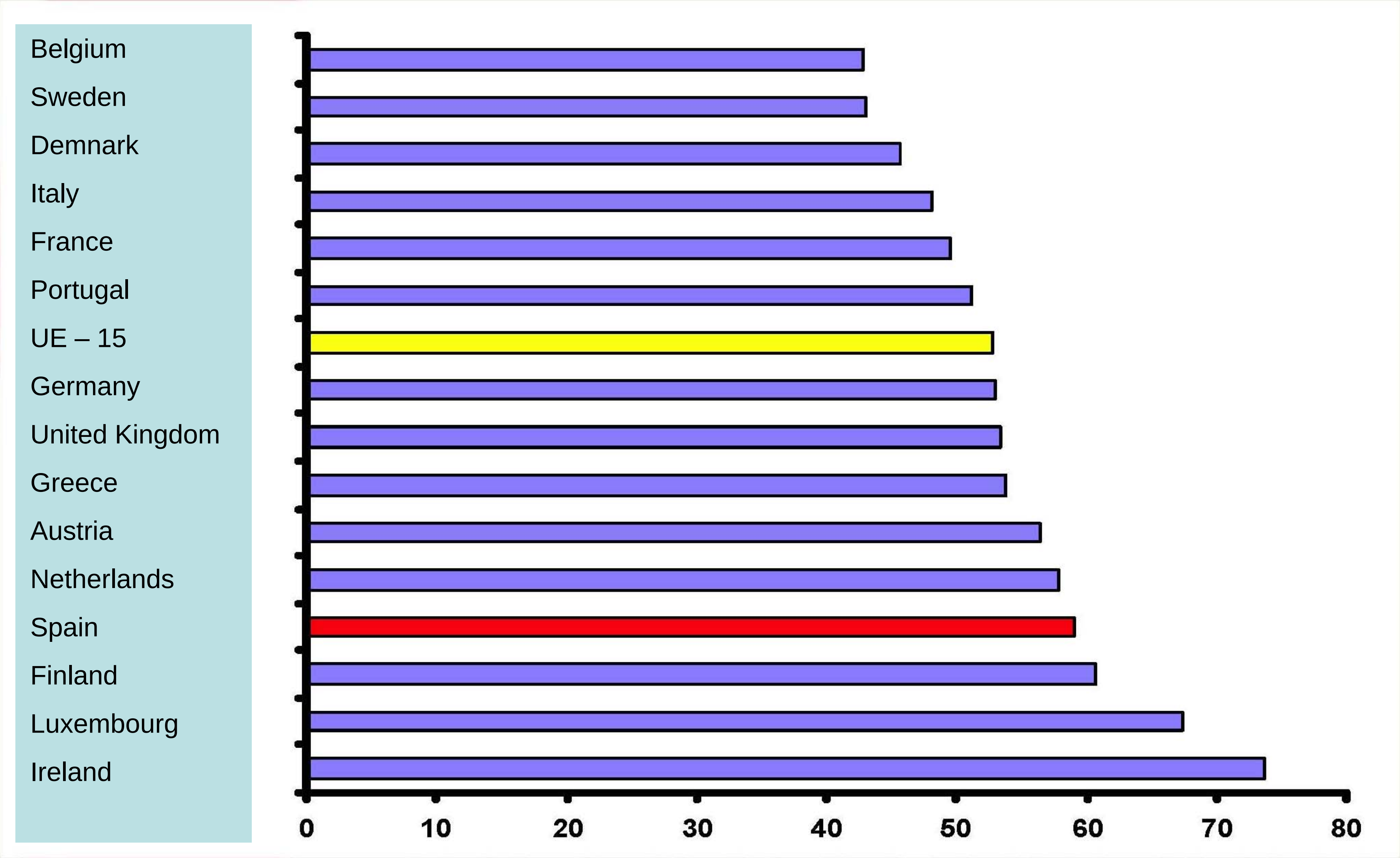
Importance of construction investment as percentage of GDP in 2005 (%)



Fuente: AMECO. Comisión Europea.

SOURCE: SEOPAN 50 ANIVERSARIO

Importance of construction investment as percentage of Total Investment in 2005 (%)



Fuente: AMECO. Comisión Europea.

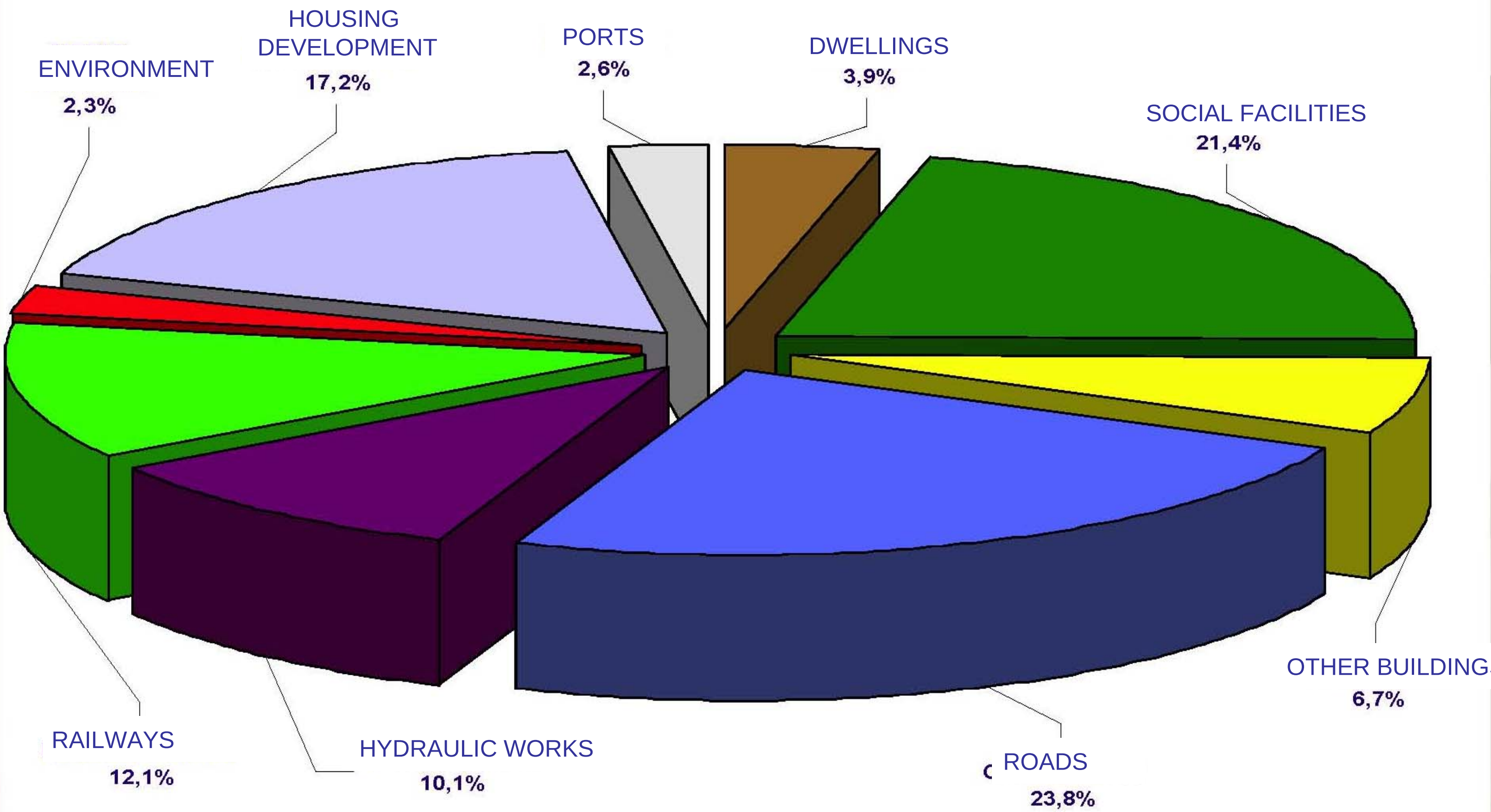
V. Public tenders in 2005 (I)

SOURCE: SEOPAN 50 ANIVERSARIO

✓ Public tender by announcement date:

39 489 million Euros
+ 24.9 % than 2004

TYPE OF WORKS



SOURCE: SEOPAN 50 ANIVERSARIO

Tenders by announcement date in Official Gazette and organisations

Central Adminstration. January – December (Thousands of euros)

	2004	2005	% / Total	VAR. 05/04
GENERAL ADMINISTRATION				
D.G. de Carreteras	1.861.190	3.852.882	9,76 %	107,01 %
D.G. Ferrocarriles	324.926	589.467	1,49 %	81,42 %
Resto Ministerio	56.313	40.490	0,10 %	-28,10 %
Otros Organismos	278.605	94.344	0,24 %	-66,14 %
Entes Públicos y Sociedades Estatales				
AENA	1.676.696	925.329	2,34 %	-44,81 %
Autoridades Portuarias	1.957.309	948.651	2,40 %	-51,53 %
FEVE	10.463	67.233	0,17 %	542,57 %
ADIF	2.229.270	3.085.261	7,81 %	38,40 %
TOTAL MINISTERY OF PUBLIC WORKS	**8.394.773**	**9.603.657**	**24,32 %**	**14,40 %**
D.G. del Agua	245.198	307.389	0,78 %	25,36 %
D.G. de Costas	102.590	64.709	0,16 %	-36,92 %
D.G. de Calidad y Eval. Ambiental	6.528	0	0,00 %	-100,00 %
Resto Ministerio	6.690	25.724	0,07 %	284,51 %
OO. AA. (Confederaciones Hidrog.)	313.177	518.151	1,31 %	65,45 %
Sociedades Estatales del Agua	220.194	275.236	0,70 %	25,00%
TOTAL MINISTERY ENVIRONMENT	**894.378**	**1.191.209**	**3,02 %**	**33,19 %**
OTHER MINISTERIES	**1.310.485**	**1.226.408**	**3,11 %**	**-6,42 %**
TOTAL GENERAL ADMINISTRATION	**10.599.636**	**12.021.274**	**30,44 %**	**13,41 %**

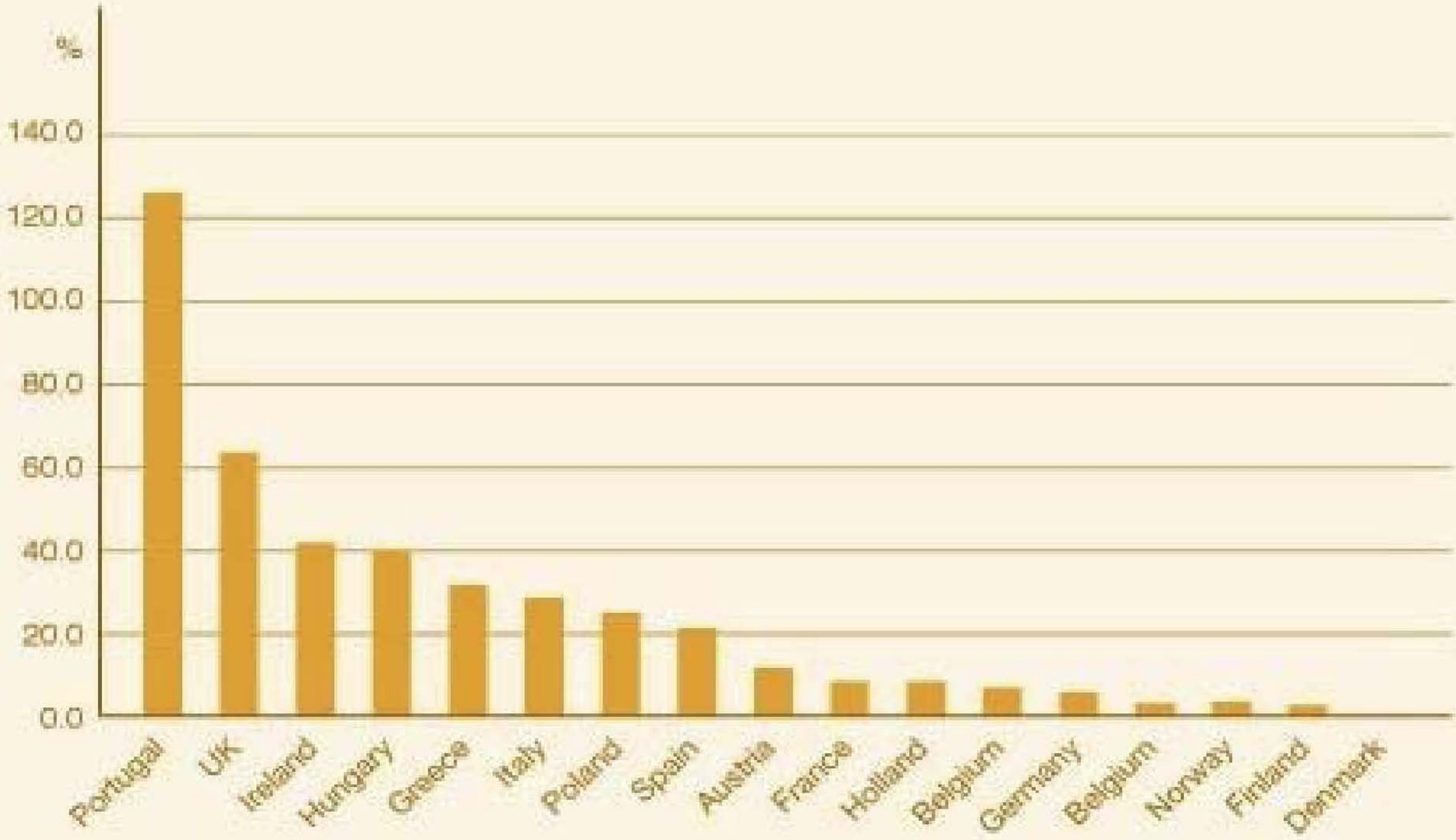
SOURCE: SEOPAN 50 ANIVERSARIO

Forecasts for 2006

✓ Growth of activity	between	+5,5 y +6,5
✓ Residential building	between	+6,0 y +7,0
✓ Non residential building	between	+2,0 y +4,0
✓ Building renovation	between	+3,5 y +4,5
✓ Civil works	between	+6,5 y +7,5

Volume of financing through CPP
(Period of 2000-05 as % of GDP)

SOURCE: SEOPAN 50 ANIVERSARIO



Source: PwC data; includes deals in procurement. Figures represent investment value, not annual payment.

SOURCE:

VII: Conclusions

2006 SHOULD BE FOR THE CONSTRUCTION SECTOR A YEAR IN WHICH THE EXPANSI
PHASE CONTINUES BOTH IN CIVIL WORKS AND IN BUILDING

In the field of transport infrastructures the success of the exercise will fundamentally depend on the contracting of those already announced works by the Ministry of Public Works to be financed through the budgets as well as urgently starting those to be put out for tender through public-private collaboration or through private financing especially those new motorways with direct or shadow tolls.

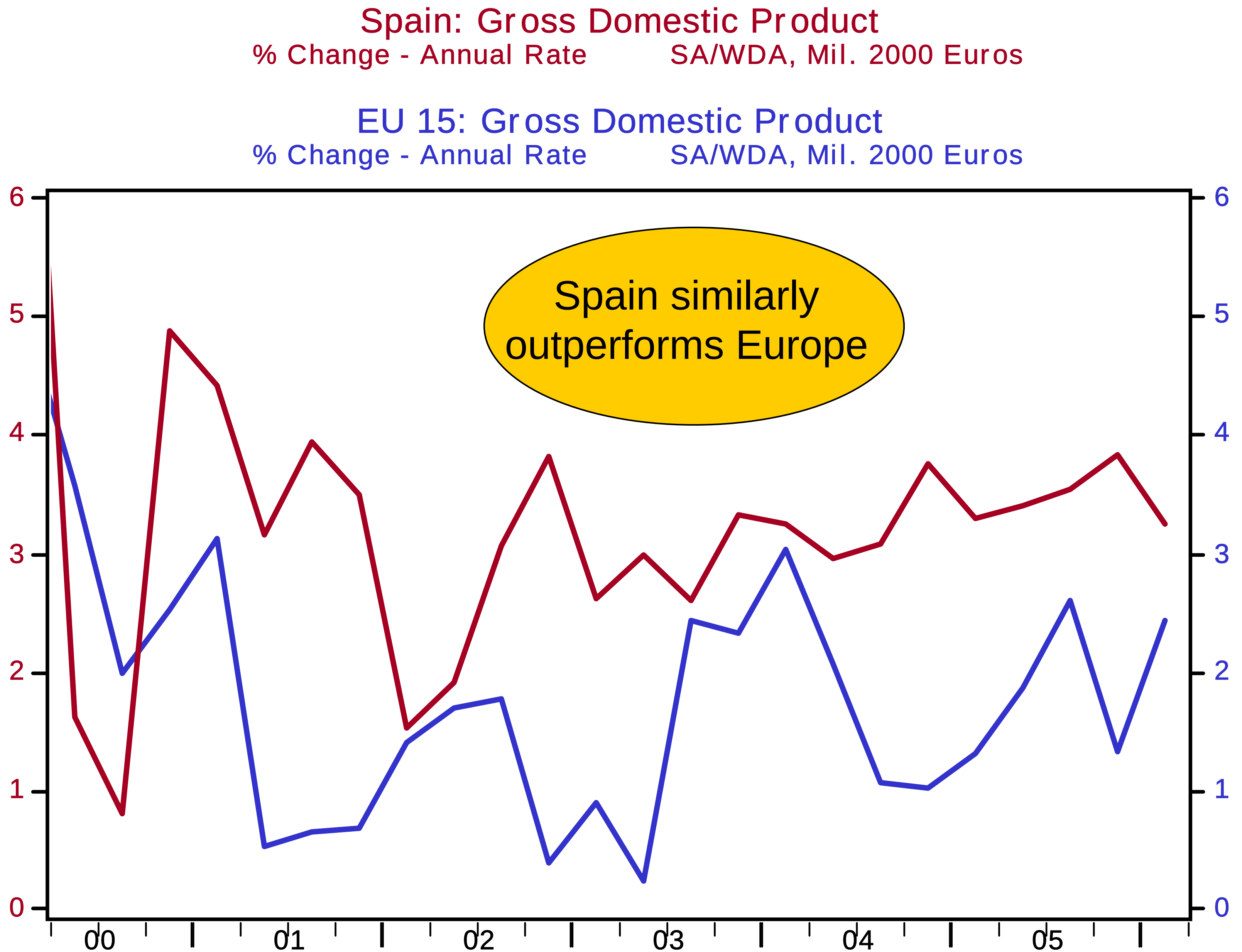
In the sector of hydraulic infrastructures the programmes for the construction of desalinisation plants planned by the Water Plan should immediately and effectively be set into motion.

As regards dwellings, continuing success will fundamentally depend on maintaining economic growth and the creation of new jobs.

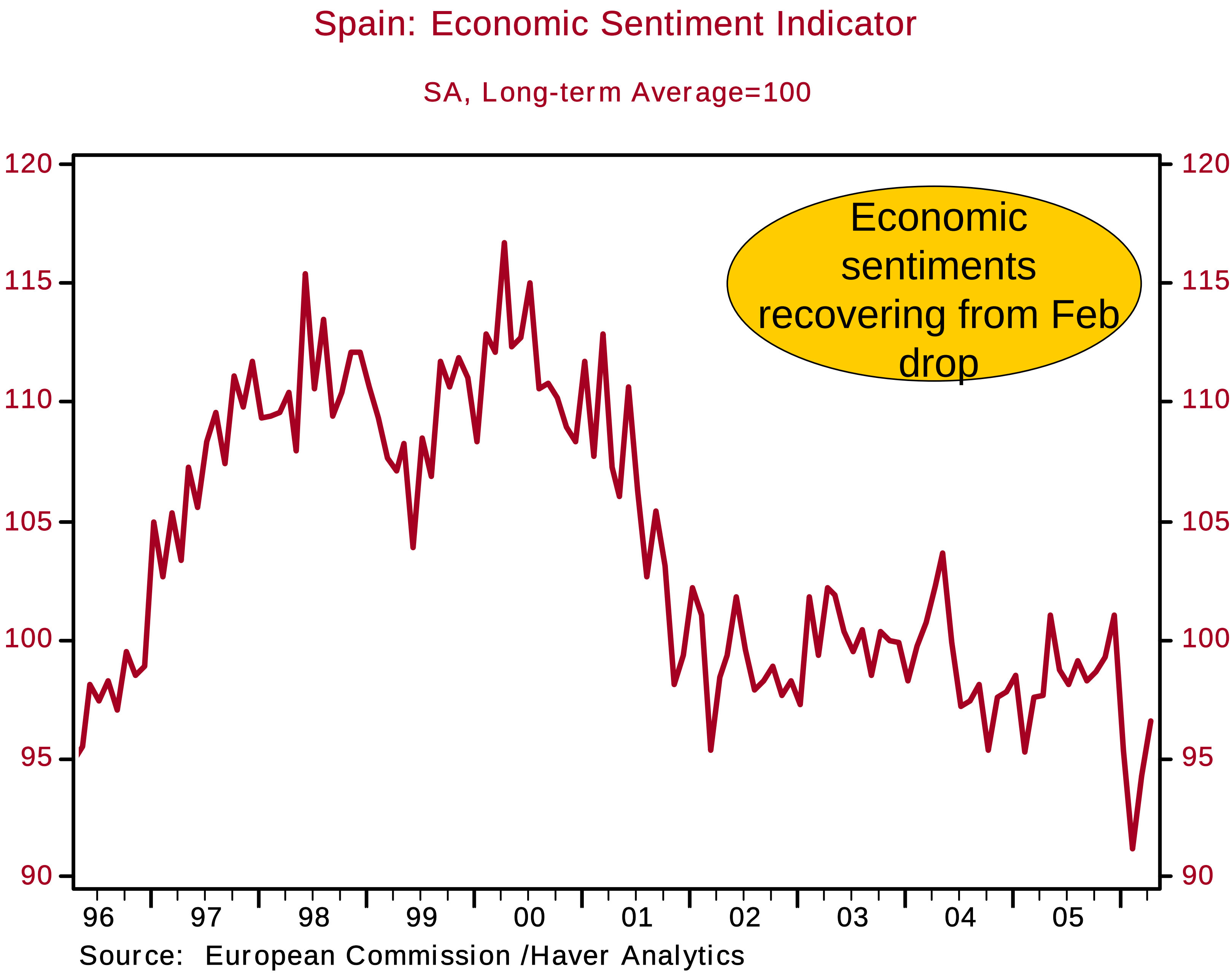
The only shadows on the immediate horizon during 2006 are :

•The bill for Public Sector contracts
•The project for the Law for Subcontracting
•The accounting treatment of concessions within the NIC.

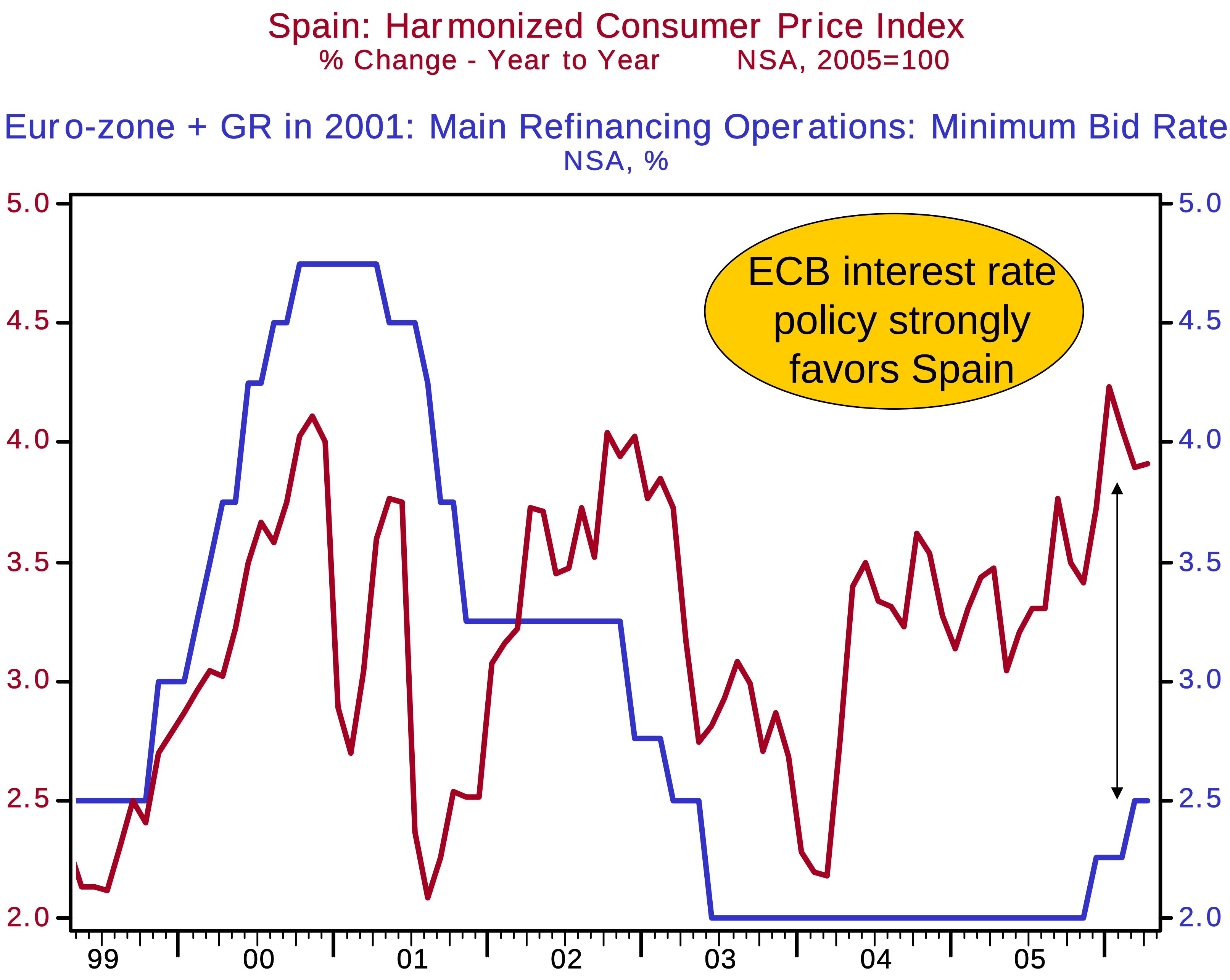
If these issues are favourably resolved then 2006 will be a positive year for the sector.



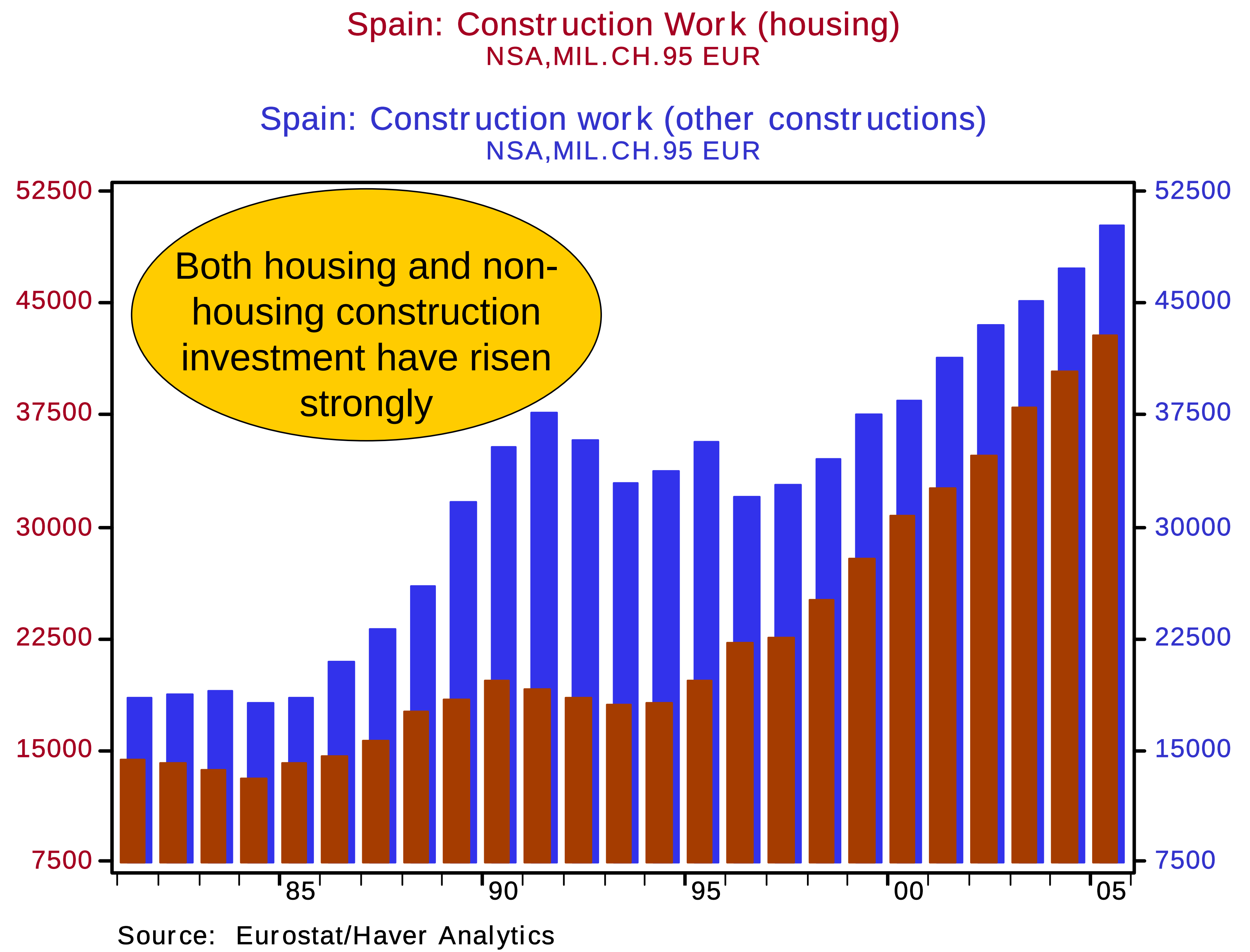
Sources: SPENE, Eurostat /Haver



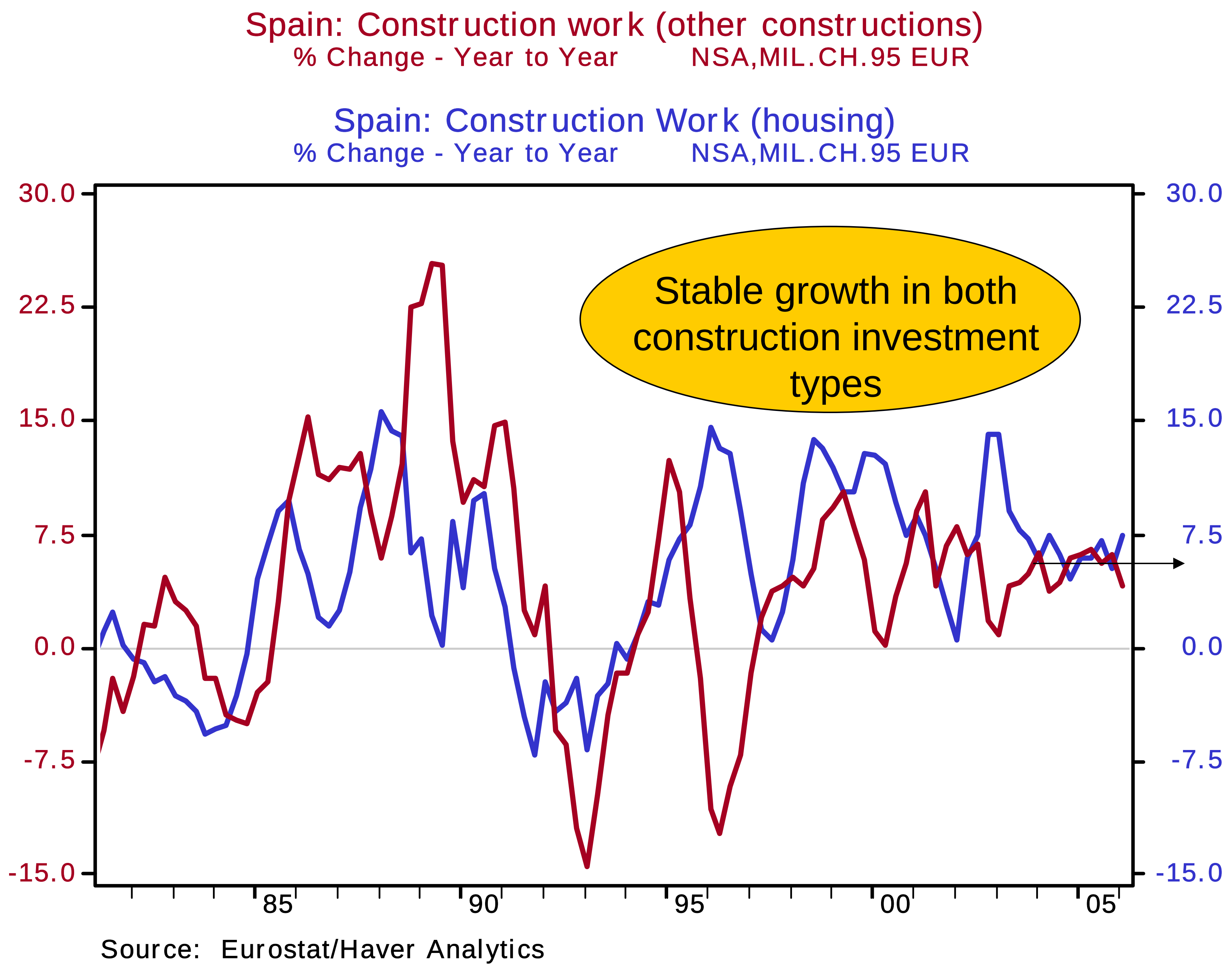
Spain: Economic Sentiment Indicator
SA, Long-term Average=100
120
115
110
105
100
95
90
Economic sentiments recovering from Feb drop
96
97
98
99
00
01
02
03
04
05
Source: European Commission /Haver Analytics



Sources: Eurostat, ECB /Haver

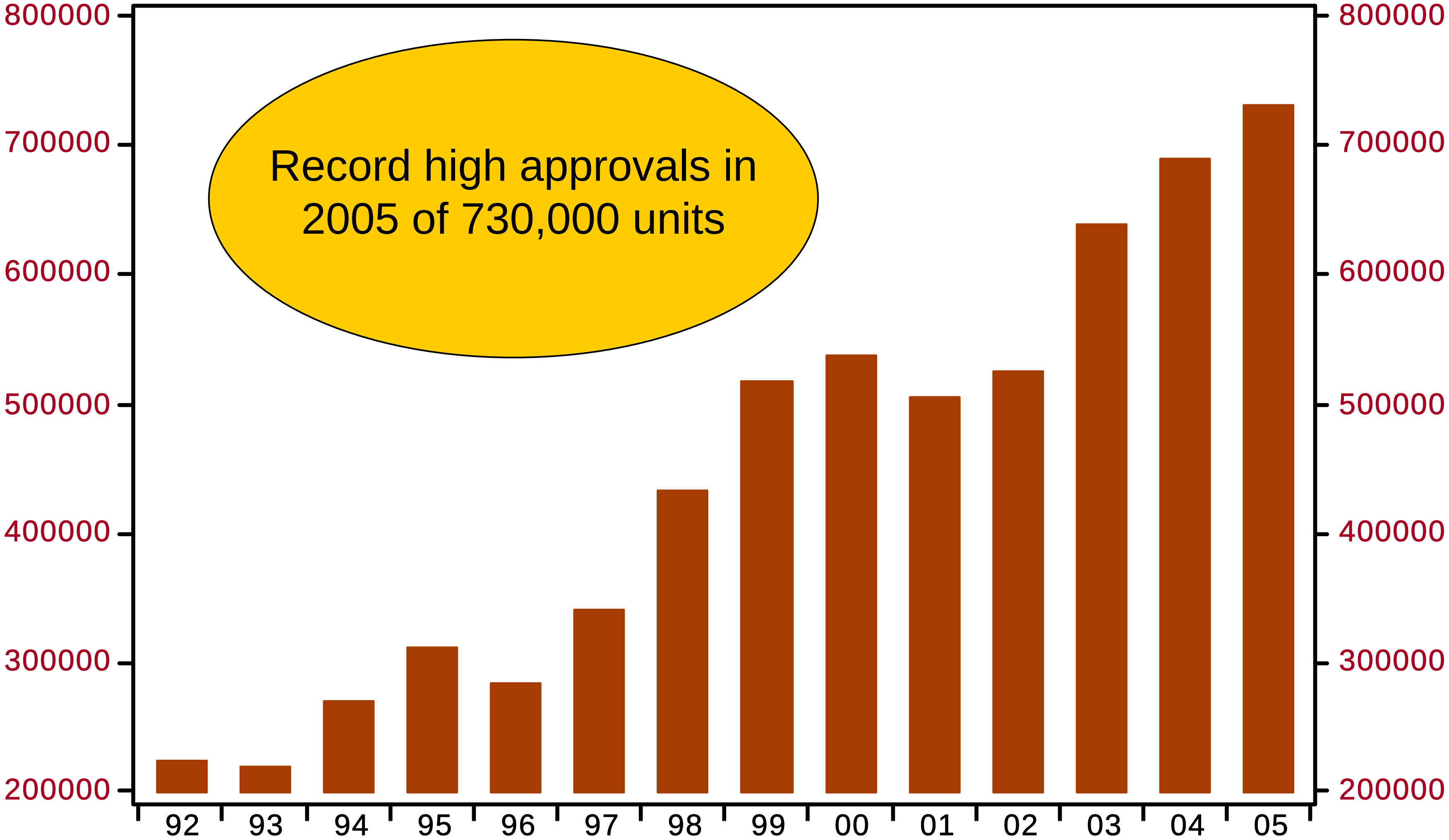


Spain: Construction Work (housing)
NSA,MIL.CH.95 EUR
Spain: Construction work (other constructions)
NSA,MIL.CH.95 EUR
Both housing and non-housing construction investment have risen strongly
52500
45000
37500
30000
22500
15000
7500
85
90
95
00
05
Source: Eurostat/Haver Analytics


Spain: Construction work (other constructions)
% Change - Year to Year NSA,MIL.CH.95 EUR
Spain: Construction Work (housing)
% Change - Year to Year NSA,MIL.CH.95 EUR
Stable growth in both construction investment types
30.0
22.5
15.0
7.5
0.0
-7.5
-15.0
85
90
95
00
05
Source: Eurostat/Haver Analytics

Spain: Construction Approvals for New Homes

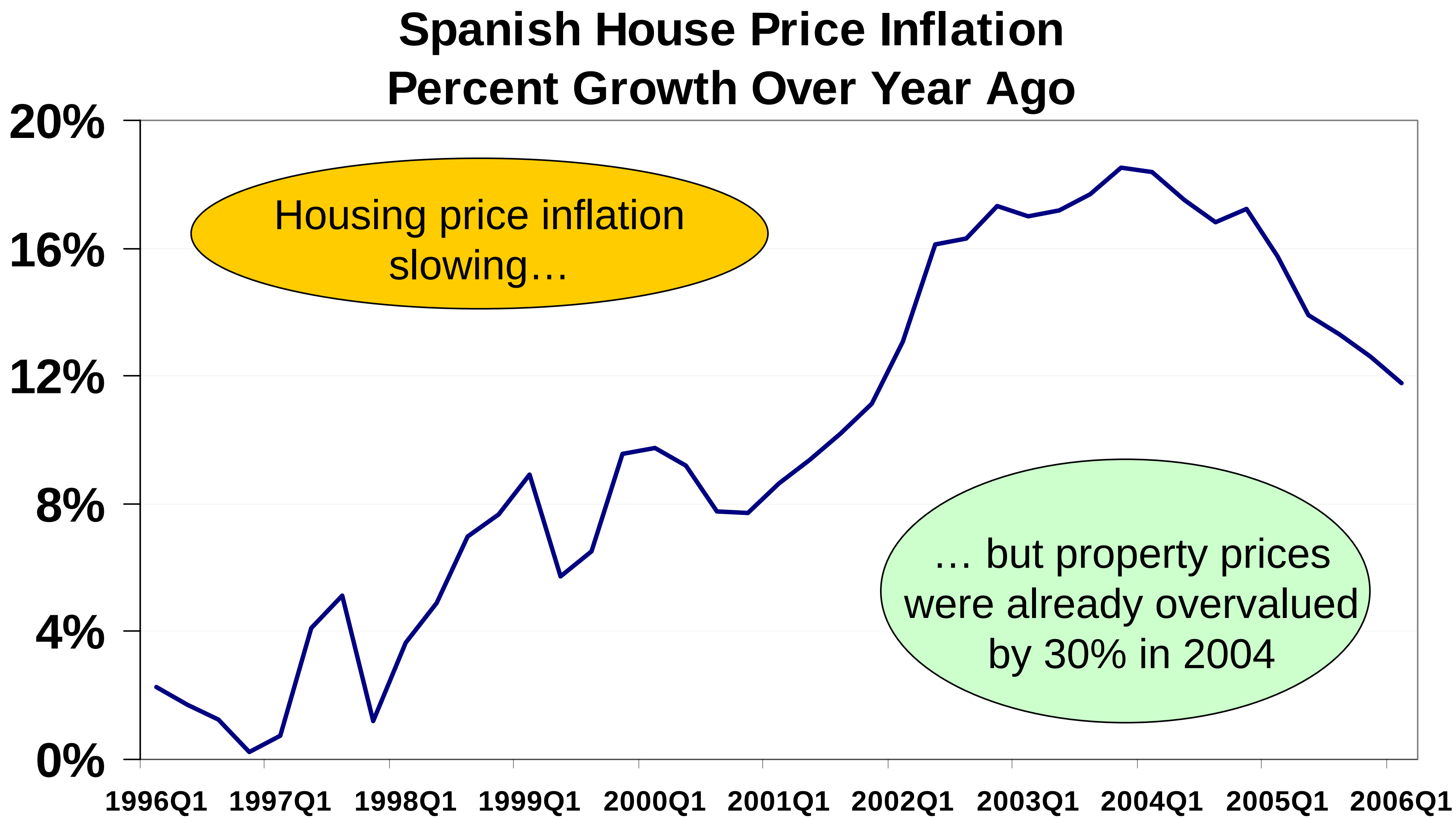
SA, Units

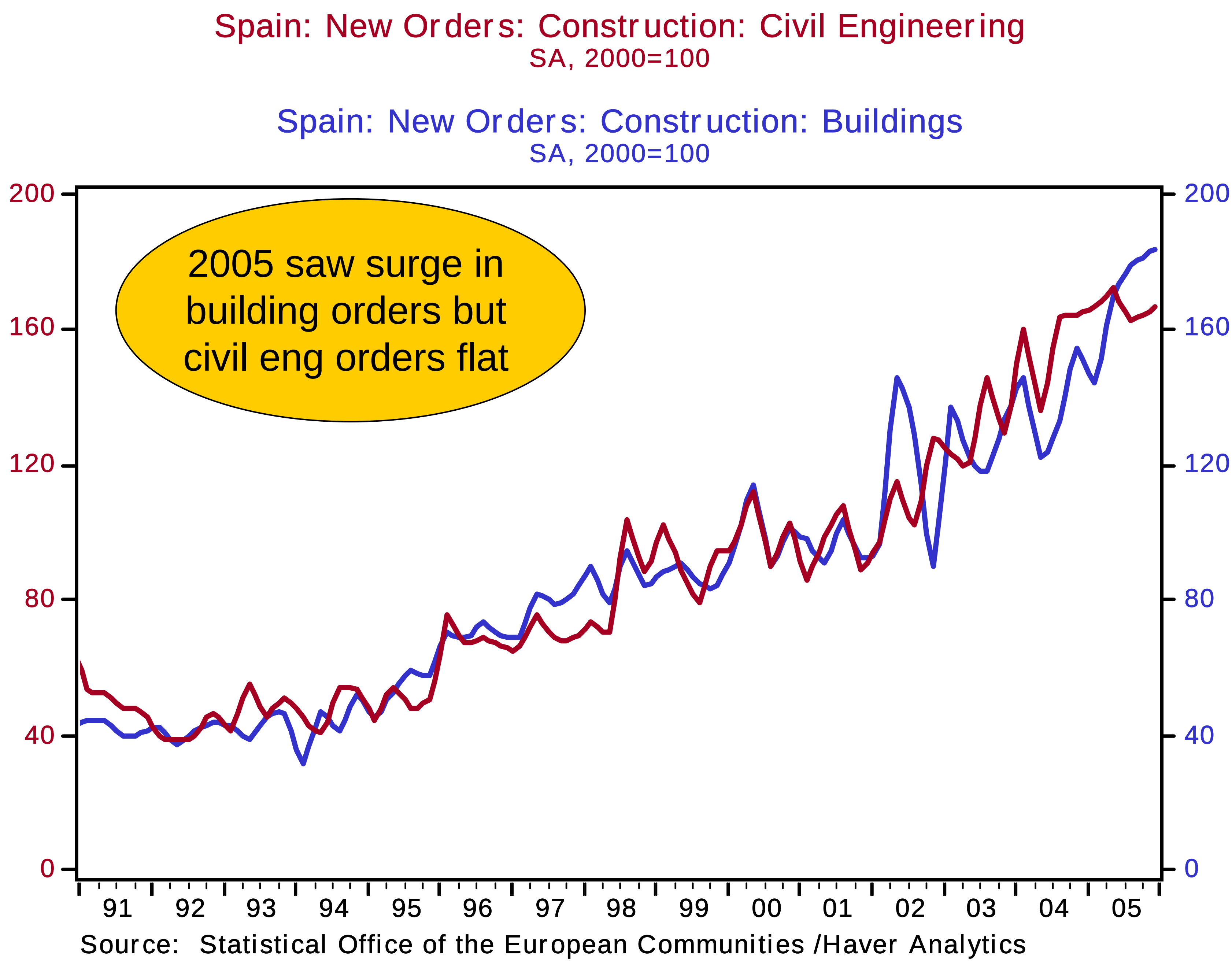


Source: Banco de España/Inst. Nacional de Estadistica/Haver

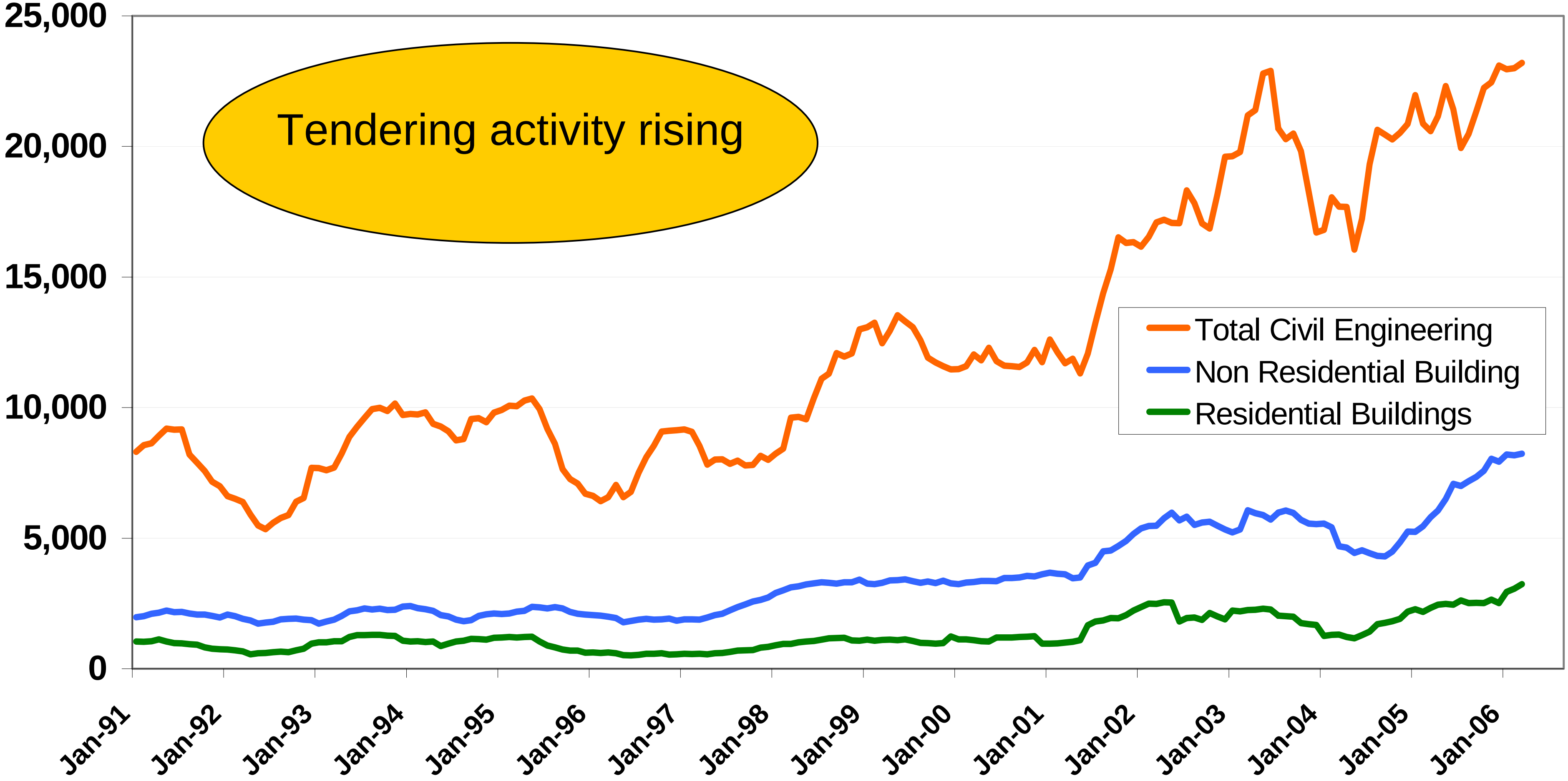
Drivers for the housing boom

- Structural factors
  - Sharp rise in population aged 25-39 and 40-59 years groups in the mid-1990s
  - Shrinking household size, higher rate of household formation
  - Immigrants and foreign investors
  - Small rental market
- Economic/financial factors
  - High economic and employment growth
  - Falling real interest rates
  - Longer mortgage loan periods
  - Push from stock market decline


Spanish House Price Inflation
Percent Growth Over Year Ago
20%
16%
12%
8%
4%
0%
1996Q1
1997Q1
1998Q1
1999Q1
2000Q1
2001Q1
2002Q1
2003Q1
2004Q1
2005Q1
2006Q1
Housing price inflation slowing…
… but property prices were already overvalued by 30% in 2004


Spain: New Orders: Construction: Civil Engineering
SA, 2000=100
Spain: New Orders: Construction: Buildings
SA, 2000=100
2005 saw surge in building orders but civil eng orders flat
200
160
120
80
40
0
91
92
93
94
95
96
97
98
99
00
01
02
03
04
05
Source: Statistical Office of the European Communities /Haver Analytics

Value of Public Work Tendered
Rolling 12 Month Sum, Million Euros



Construction Growth Forecasts, YoY

	Revised Forecasts		
	2006E	2007E	2008E
Austria	2.5%	2.0%	1.8%
Belgium	6.4%	-0.5%	0.8%
Denmark	1.5%	1.3%	2.1%
Finland	3.6%	0.4%	-0.9%
France	**3.7%**	**1.2%**	**0.3%**
Germany	**1.2%**	**0.9%**	**1.8%**
Ireland	5.7%	3.4%	1.3%
Italy	**-0.3%**	**-0.1%**	**0.2%**
Netherlands	4.0%	2.7%	2.1%
Norway	5.4%	2.6%	0.1%
Portugal	-4.2%	-2.6%	0.1%
Spain	**4.4%**	**2.7%**	**1.7%**
Sweden	6.8%	4.4%	1.4%
Switzerland	1.7%	-1.0%	1.5%
United Kingdom	**1.5%**	**2.8%**	**3.6%**
Central & Eastern Europe	7.0%	6.7%	8.1%
All Countries	**2.6%**	**1.7%**	**1.8%**

Source: Euroconstruct

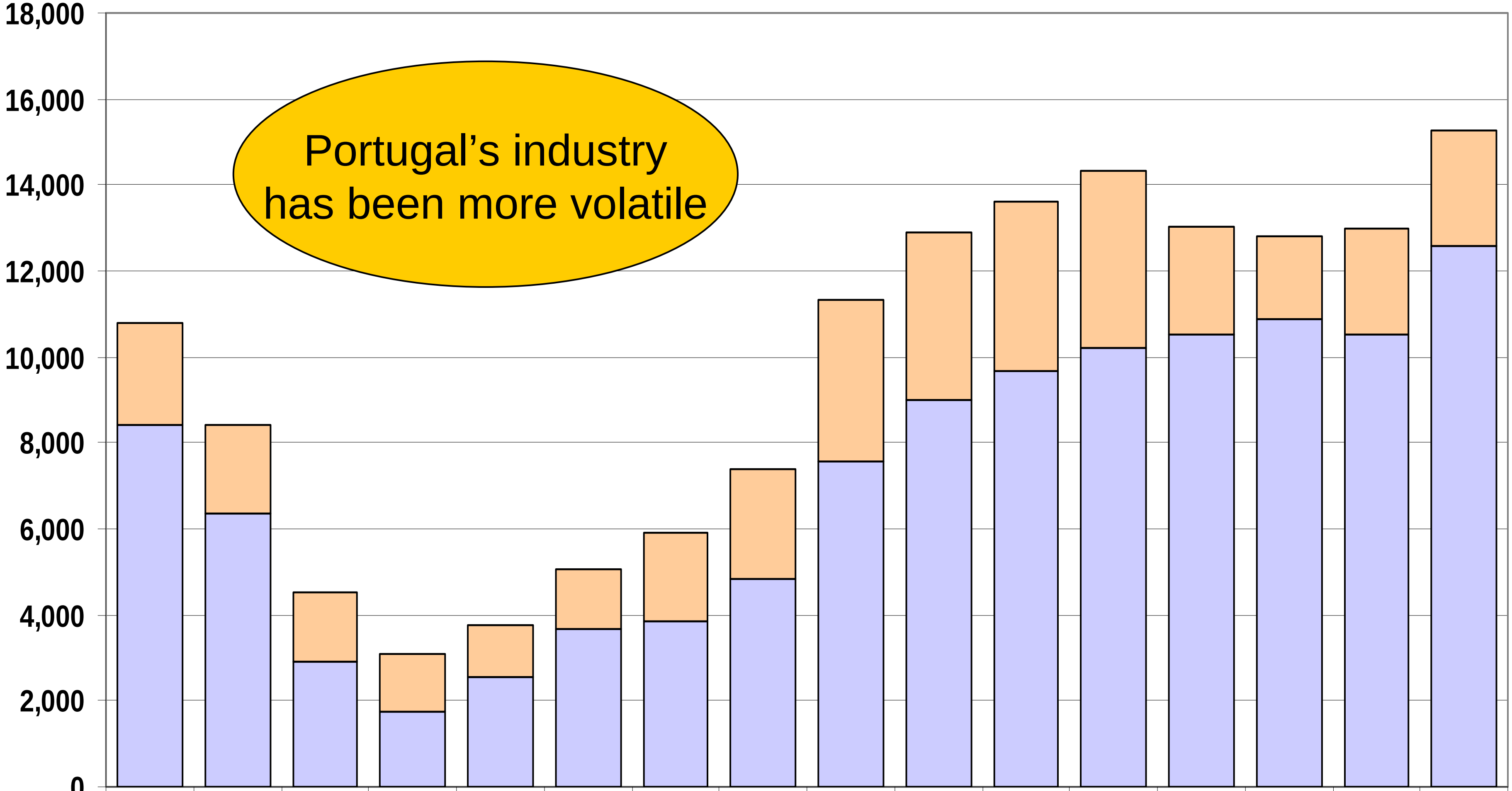
Forecasts for Spain, 2002-08E (%)

	2002	2003	2004	2005	2006E	2007E	2008E
New Residential	3.0%	3.5%	4.5%	6.4%	3.8%	0.5%	-1.4%
Residential R&M	5.0%	4.0%	4.1%	4.5%	5.0%	4.5%	4.0%
New Non-Residential	3.5%	1.8%	2.5%	2.1%	1.9%	1.0%	1.0%
Non-Residential R&M	6.0%	3.5%	3.0%	2.4%	2.2%	2.0%	2.0%
New Civil Engineering	8.3%	6.9%	6.6%	9.0%	7.3%	5.5%	4.2%
Civil Engineering R&M	4.4%	3.8%	3.9%	4.4%	4.5%	3.8%	3.5%
Total	**4.8%**	**4.1%**	**4.4%**	**5.6%**	**4.4%**	**2.7%**	**1.7%**

Strategic Plan for Infrastructure

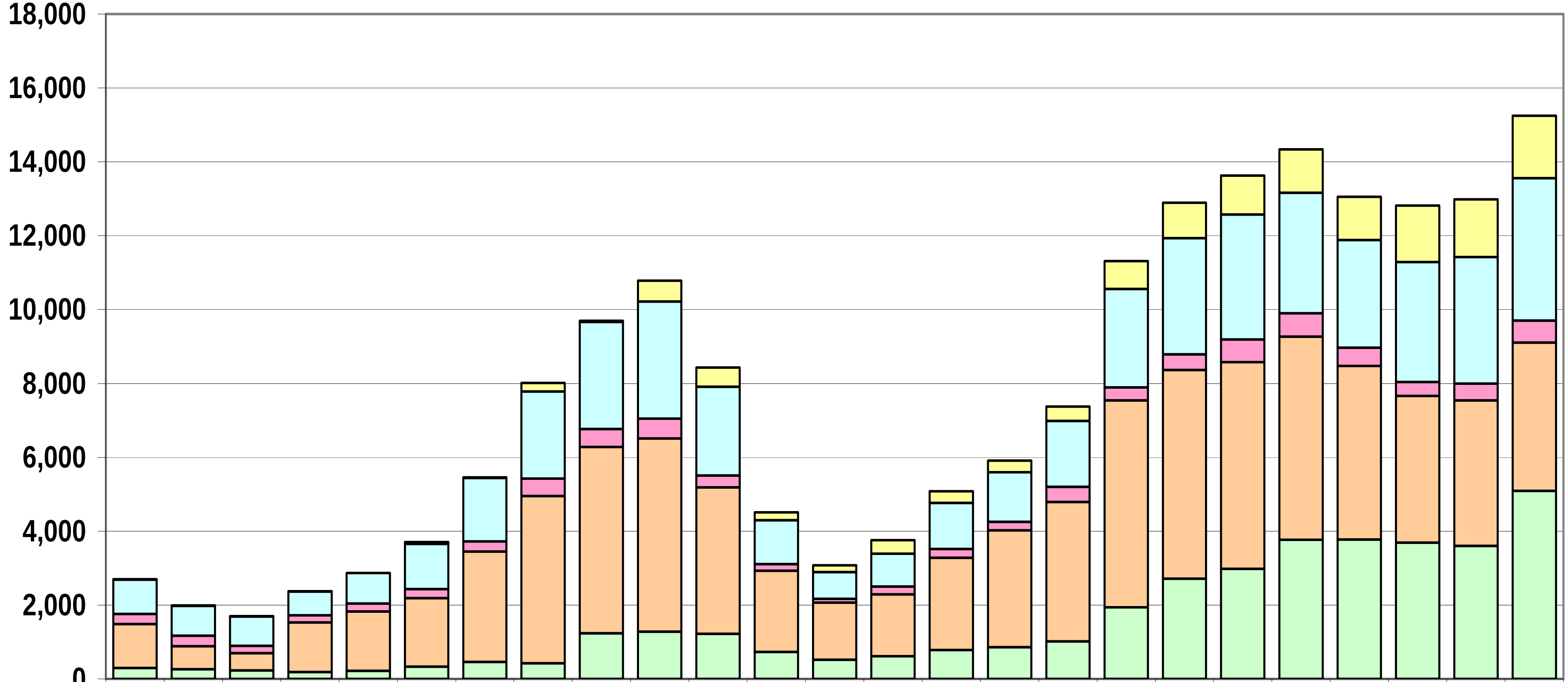
- Aims to generate investment worth 248 billion euros between 2005 and 2020.
- Created SEITT, the State Owned Company for Land Transport Infrastructure
- Overall, tenders worth 302.5 million EUR have been approved by the Council of Ministers for three railway lines and two being road and other works

Iberia Machine Industry, Units



	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Portugal	2,382	2,053	1,612	1,316	1,207	1,414	2,048	2,545	3,754	3,892	3,955	4,117	2,539	1,943	2,480	2,651
Spain	8,399	6,380	2,895	1,760	2,551	3,666	3,860	4,827	7,558	8,998	9,672	10,220	10,512	10,875	10,502	12,599

Iberia Machine Industry, Units



	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Specialty	9	7	6	5	1	52	21	225	36	564	519	210	181	364	312	313	384	755	952	1,055	1,175	1,169	1,533	1,558	1,694
Core	938	818	790	642	827	1,222	1,714	2,359	2,897	3,173	2,404	1,189	725	889	1,248	1,344	1,786	2,664	3,151	3,384	3,260	2,914	3,246	3,431	3,848
Large	270	276	199	194	214	243	269	470	484	538	325	175	105	215	241	223	406	352	420	611	635	492	380	452	598
BCP CORE	1,186	623	474	1,345	1,607	1,853	2,996	4,532	5,038	5,225	3,965	2,199	1,541	1,674	2,494	3,161	3,778	5,605	5,650	5,594	5,498	4,698	3,966	3,936	4,019
CCE	300	269	227	185	221	336	459	424	1,241	1,281	1,220	734	524	616	785	867	1,018	1,936	2,717	2,983	3,769	3,778	3,693	3,605	5,091

The energy markets

- The World's primary energy consumption increased 4.9%, in spite of the considerable rise of fossil fuel prices, which satisfy 87% of the World consumption.

- Nuclear energy accounts for approximately 20% of the World's Electricity generation: currently over 20 reactors under construction.

- Great increase of the construction of new combined cycle plants; these units account for 17.4% of electricity production and 27% of the installed capacity in the OECD countries.

- Coal represents 20% of OECD primary energy consumption, mostly devoted to electricity production.

- But also:
  - more extended use of renewable energies
  - reduction of reserve margins
  - greater efficiency of energy processes

Energy in Spain

•In the year 2004, primary energy consumption in Spain reached 141.95 million of toe, representing approximately 1.5% of the World and 9.4% of the EU-15 consumption.

•Oil represents approximately 50% of the total consumption in Spain, almost 10 points above EU-15 average.

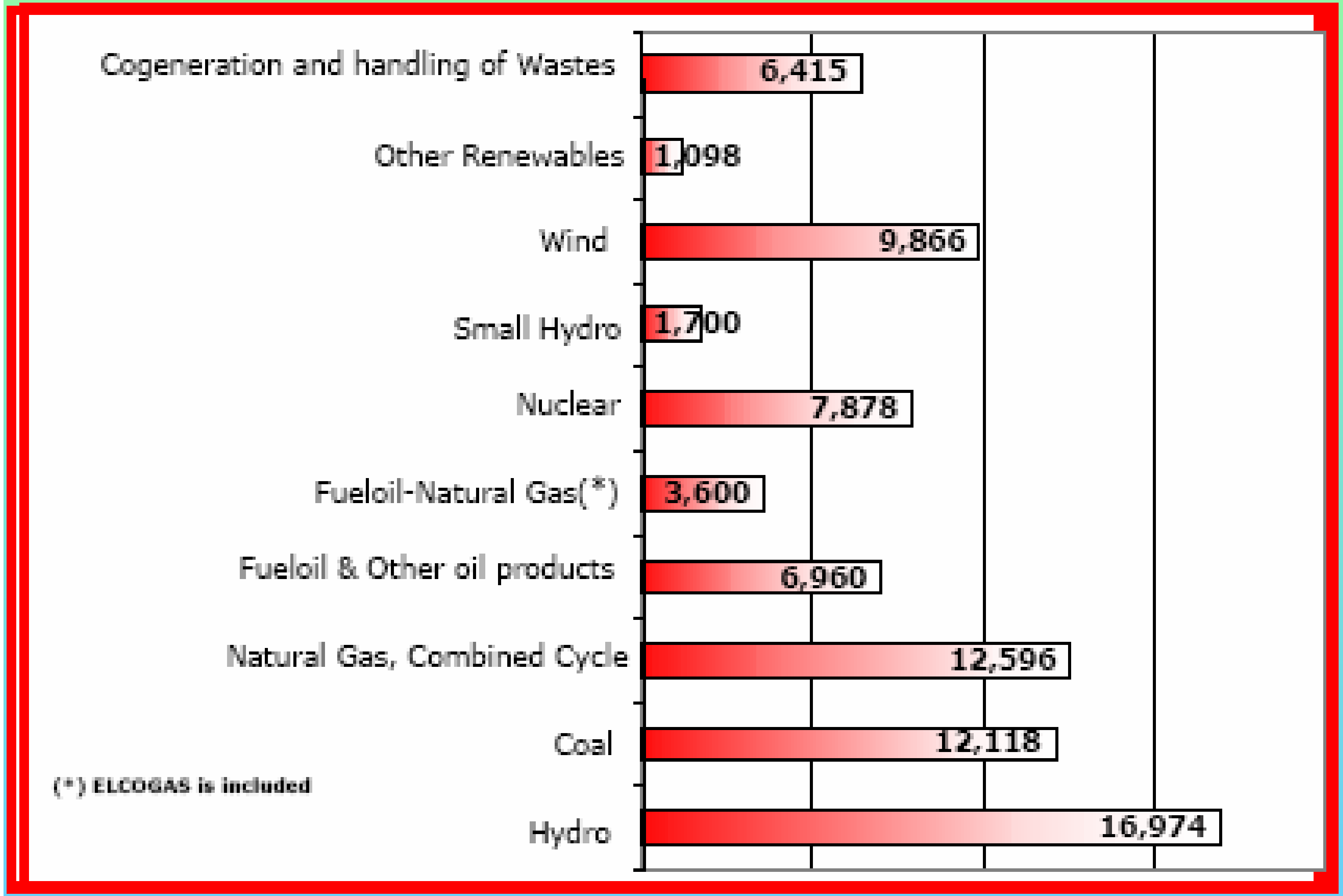
•Domestic energy rate in Spain is low: 23.2% of total consumption.

•The growth rates in 2005 were 4.2% for electricity, and it is foreseen to be 2.4% for primary energy.

•Last year, major initiatives were set:

- 2005-2010 Renewable Energies Plan.
- Planning of the Electricity and Gas Sectors: Development of the 2002-2001Transport Systems.
- The Spanish Strategy for Energy Saving and Efficiency. 2005-2007 Action Plan

Installed Capacity (in MW)



Electricty balance (in Million kWh)

	2004	2005	Variation
GROSS PRODUCTION	**280,849**	**292,920**	**4.3**
"Régimen Ordinario"			
Hydro	29,778	19,442	-34.7
Fossil fuels	127,023	150,393	18.4
Nuclear thermal	63,606	57,539	-9.5
Total "Régimen Ordinario"	**220,407**	**227,374**	**3.2**
"Régimen Especial"			
Renewable and Wastes	25,285	29,288	15.8
Cogeneration and handling of Waste	34,583	36,219	4.7
Total "Regimen Especial"	**59,868**	**65,507**	**9.4**
Auxiliary Comsumptions	12,184	13,123	7.7
NET PRODUCTION	**268,665**	**279,797**	**4.1**
Pumped consumption	4,605	6,467	40.4
International exchanges	-3,027	-1,378	--
ENERGY AVAILABE FOR THE MARKET	261,033	271,952	4.2
Trnasmission and Distribution losses	20,275	20,969	3.4
NET CONSUMPTION	**240,758**	**250,983**	**4.2**

Total Generation (in MW)

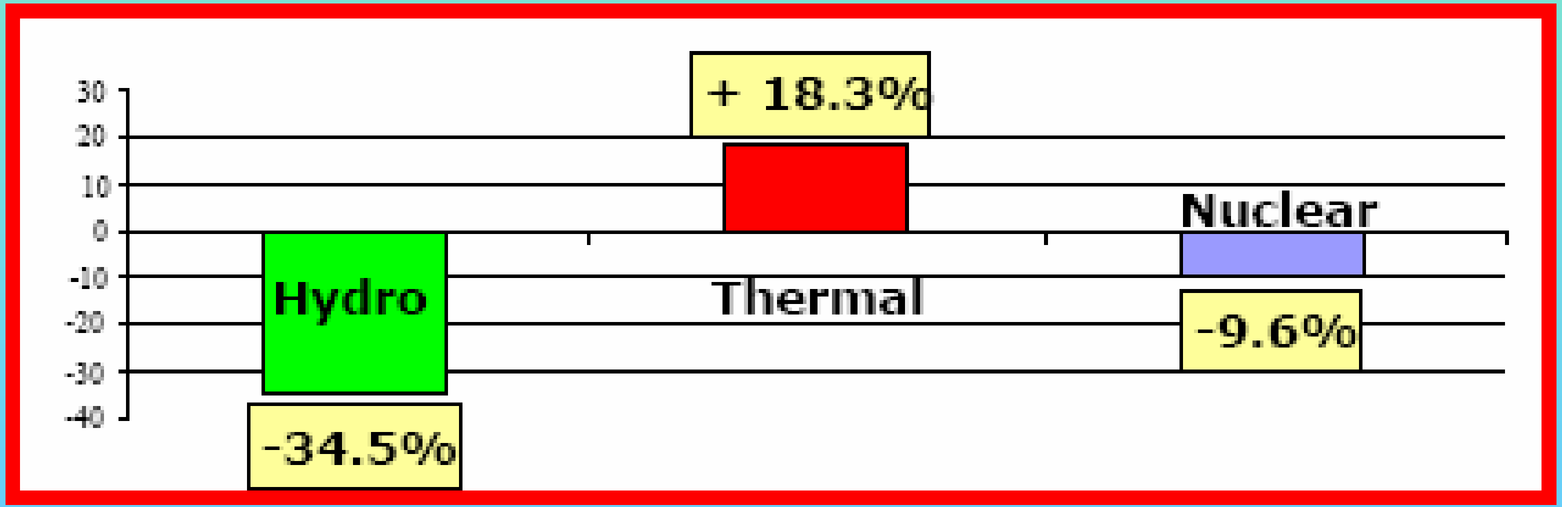
"Régimen Ordinario":

Total production: 292,920 MWh
Growth rate: + 4.3%
UNESA associated companies: 73.0%

Spain has a competitive generation mix

"Régimen especial":

Total/Overall production: 65,577 MWh
Growth rate: + 8.6%



2006 Horizon

- Quality and security of supply.
- 2005-2010 Renewable Energies Plan.
- Nuclear Energy.
- Research and Development Programmes.
- 2005-2011 New Energy Planning.
- 2005-2007 Action Plan for the Energy Saving and Efficiency Strategy.
- "Mercado Ibérico de Electricidad".

The regulatory frame

Regulatory changes have been numerous and of a certain relevance.

Important change in the Production Market management: transfer to the System Operator of competences regarding economic liquidation of all the operations, except for the daily market ones.

Implementation of the greenhouse effect emissions rights market.

Postponing of the High Voltage tariffs up to 2009, when it was previously planned to finish at the end of 2006.

First quarter 2006

Energy Balance at 15th March 2006	Mill. kWh		%
	2005	2006	Variation
Gross electricity production for the peninsular companies of "Régimen Ordinario" system			
Hydro	4,126	4,029	-2.4
Conventional Thermal	28,909	31,823	10.1
Nuclear	13,501	13,591	0.7
Total Gross Production	46,536	49,443	6.2
Auxiliary consumption	2,003	2,026	1.1
Pumped consumption	1,259	1,348	7.1
Market supply from electricity generated by electricity companies	43,273	46,069	6.5
Balance of international exchanges	639	-1,519	--
Electricity bought by the companies to the "Régimen Especial" system	10,847	10,803	-0.4
Total Peninsular Demand	**54,760**	**55,352**	**1.1**

Source: REE and own means