

INFORMATION NOTE

Orihuela, 15th of May, 2008

The companies **San José Inversiones y Proyectos Urbanísticos S.A.** and **Herrada del Tollo S.L** have applied for Voluntary Administration proceedings before the Mercantile Court of Alicante, last Friday (9-05-2008).

The purpose of this procedure is to:

- a. Protect the assets of San Jose.
- b. Protect the clients' deposits.
- c. To ensure the continuation of the Projects (El Pinet and Santa Ana del Monte)

The above action was required to ensure that we the company are able to continue with these two ongoing projects. The well reported "credit crunch" in the finance industry and its effect on the construction business has affected our cash flow which has restricted progress on these two projects.

As a consequence Voluntary Administration proceedings were considered as the best financial alternative to overcome the present situation and guarantee the future of both companies.

Both Companies can confirm that the down payments paid by each client are fully recognised by the courts; they acquire the conditions of creditor and are protected under the law. The court will send a personal communication to each client in order to confirm the down payments made.

The board of directors of San Jose convey their deepest apologies for any inconvenience which this action might have caused and **will continue to work with all parties to reach a solution as soon as possible.**

We will be informing all concerned how the procedure progresses and any subsequent changes to the schedule for the projects.

The Board of Directors
San José Inversiones y Proyectos Urbanísticos S.A.
Herrada del Tollo S.L.