

Annual Report and Accounts

2007



This report contains economic, environmental and corporate (CSR) information and the financial report.



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# 1. About this Report

## Scope

Companies: Sanitas Seguros, Sanitas Residencial,

Sanitas Hospitales and Sanitas Diversification

Geographical: Spain

Period: 2003-2007

Activities: insurance policies, medical care, elderly care, health services and Fundación Sanitas

Frequency of this report: Annual.

Date of the most recent CSR report: 2006.

## Principles for the preparation of this report

**Materiality.** "The information in a report should cover topics and indicators that reflect the organisation's significant economic, environmental, and social impacts, or that would substantively influence the assessments and decisions of stakeholders."

The preparation of this CSR report has been coordinated by our Communications and Corporate Social Responsibility Manager, with the involvement and participation of the heads of the main business areas within Sanitas.

In order to define the structure and content of this report, Sanitas managers were trained in CSR and the preparation of sustainability reports. A workshop was then held to identify the main topics that characterise Sanitas' relationship with each of the stakeholders, as well as the most relevant indicators for analysis of these relationships.

The results of that workshop were used to create the outline for the report content.

Stakeholder Inclusiveness. "The reporting organisation should identify its stakeholders and explain in the report how it has responded to their reasonable expectations and interests."

The experts' workshop identified those stakeholders which are most important for Sanitas. Each of these stakeholders has been addressed in a separate chapter of this report.

The expectations and interests of each of these stakeholders were identified by Sanitas managers, based on their daily interactions with them, and on the results of some of the specific communication initiatives carried out by Sanitas - mainly customer and employee satisfaction surveys, processes for defining business targets with the shareholders, negotiation processes with local communities prior to the construction or expansion of installations, etc.

**Sustainability Context.** "The report should present the organization's performance in the wider context of sustainability."

Sanitas understands Sustainability to mean the capacity of an organisation to best respond to the concerns and interests for each of its stakeholders. To that end, the content of this report has addressed those issues.

**Completeness.** "Coverage of the material topics and Indicators and definition of the report boundary should be sufficient to reflect significant economic, environmental, and social impacts and enable stakeholders to assess the reporting organisation's performance in the reporting period."

The heads of the company's main business areas provided content guidelines, thus guaranteeing that the stakeholders' key concerns were taken into consideration as well as the impact Sanitas' activity has on them.

## Contact person

For more information on the company or on any of the issues set out herein, visit [www.sanitas.es](http://www.sanitas.es) or contact:

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## 2. Chief Executive's Statement



2007 was another extraordinary year for Grupo Sanitas. This year, two pillars of our strategy have merged into one of growth. We can thus openly state that we are a solid and committed company, in which profitability and social responsibility converge to offer our customers the best service in accordance with the strictest principles of sustainability.

Placing customers at the core of all initiatives has been the common factor of all efforts made in both areas of activity. Thanks to this strategy, we have been able to continue innovating in products and services, have developed and consolidated distribution channels, have expanded our network of medical centres and have carried out an evaluation in order to provide the best response to every need.

The excellent results obtained support this strategy. Grupo Sanitas closed 2007 with revenues of €1,119.4mn, representing growth of 15.2%, which far exceeds the figure for the prior year. Sanitas Seguros has obtained a net profit of €89mn, with a significant increase of 20.2%. Its premium revenues totalled €905.2mn, representing an increase of 12.5%, with 1.87 million policy holders.

Consolidating the double-digit growth rates accumulated since 2002 and raising them even further is undoubtedly a sign of the high levels of efficiency achieved throughout our entire organisation.

This efficiency has been at the root of our calling to lead not only in the health insurance line, but also in all activities related to health care and medical care. Consequently, Sanitas Residencial, specialised in care homes for the elderly, has seen a 78.2% jump in revenues after the incorporation of three new care homes and the acquisition of Euroresidencias Gestión.

Furthermore, in Sanitas Hospitales we have continued in our commitment to investing in our own centres, including new services such as Assisted Reproduction and Immediate Breast Reconstruction at Hospital Sanitas La Moraleja. We have also commenced the renovation of Hospital Sanitas La Zarzuela, with a forecast investment of €19.2mn. Finally, we have started up a programme to make all our medical centres accessible to persons with disabilities.

Sanitas Servicios de Salud, which includes, inter alia, aesthetic treatments or check ups, has obtained truly significant revenues of €15.7mn, representing growth of 65.2 % with regard to the prior year.

But, as I said at the beginning, all this activity and growth would not be of such significance if it had not been accompanied by compliance with the Principles of Corporate Social Responsibility. We believe firmly in those principles, not merely as a voluntary option, but as a true obligation that all companies should undertake vis-à-vis the society in which they operate. Consequently, for Grupo Sanitas, our commitment to the society we serve is part of our essential being and, as a result, this year we have looked to unify our reports into a single edition which gives a true image of what we are and what we want to be.

As a responsible company, we are aware that our objective in this regard can never really be attained. Grupo Sanitas is determined to continue advancing every day, in order to be able to uphold this unity between return and responsibility.

This report is a clear example of our objective and, accordingly, for the first time we are issuing it exclusively in digital format. It has been prepared following GRI G3 guidelines and reflects Sanitas' reality under the exhaustive perspective of sustainability.

We have had various success stories in 2007. Our company has the best reputation in the sector, according to the Merco Corporate Reputation Monitor. We have committed ourselves to the construction of sustainable buildings. Of our customers, 52.2% consider that the services offered by Sanitas are excellent or very good. We have made efforts to strike a balance in the personal and professional lives of our employees. In 2007 we created a policy specifically for people with Down's syndrome. We have opened a floor at Sanitas Residencial Mas Camarena for young people with disabilities. Through the Fundación Sanitas we have carried out a study on nutritional habits among children and are working to drive medical knowledge through the Sanitas Chair in New Technologies and Health and research studies. We are the Official Medical Provider for the Spanish Paralympics Team and have received an award from the Fundación Empresa y Sociedad for our Disability Programme.

We have come a long way. This report contains some of the footprints we have left along our path. Our aim is to stay true to our course of sustainability and solvency, to offer our customers the best possible services and a better society.

I would like to express my appreciation to all those who have made these achievements possible. The future of Grupo Sanitas depends on them. I am talking about our customers, the people who have placed their most valuable asset, their health, in our hands. I am also talking about our extraordinary, indispensable collaborators, the medical professionals, without whose work none of this would be possible. And, of course, I am talking about our employees, the members of this untiring and consistently excellent professional team.



Pablo Juantegui  
Chief Executive

### 3. A True Image of Ourselves

#### We ought, and want, to report on the capabilities that society has entrusted upon us

This Report represents a milestone in the history of Grupo Sanitas. For the first time, we are presenting a summary of the full situation of the company exclusively in digital format. We have done so because we think that any unnecessary impact to the environment should be avoided.

This is also the first annual report to contain and bring together what we are in a single volume. This report follows the Global Reporting Initiative (GRI) G3 guidelines and unifies our economic and financial situation, our directors' report and the principles of sustainability that drive our strategy.

The decision to make this change was motivated by the fact that ethical and social commitments form the core of Grupo Sanitas. Consequently, we think it is logical that the essence of our motivation be linked to the results obtained by the organisation.

The results for 2007 provide a true image of those objectives. We continue to be a profitable and efficient company, growing at a good rate, both in terms of revenues and profit and in number of customers. And we look to carry on that way, as leaders in our sector. But our corporate leadership would not be complete if it were not tied, as it is, to our firm commitment to serve all our stakeholders.

Accordingly, our work each day is focussed on people. And we do so by taking care of our customers, employees, collaborators, professionals, and environment. The key value which defines us lies in our responsible attitude within the society for which we work.

With this report, we once again comply with the objectives we proposed in 2007: to continue developing our steadfast commitment to transparency and responsibility to our stakeholders; to achieving more and better growth, and always on a sustainable basis.



Commitment to transparency

## 4. Reading guide

### Our contribution

Context	Response	Knowing more
<b>Demographic profile</b>		
Ageing of the population	Work to take care of dependent persons	<ul style="list-style-type: none"> <li>Elderly care services page 21</li> <li>Promotion of healthy lifestyle habits page 106</li> </ul>
Reduction of the active population	Contribute to ensuring the replacement level	<ul style="list-style-type: none"> <li>Fertility services page 24</li> <li>Measures for employee work-life balance page 38</li> </ul>
<b>Health patterns</b>		
Life styles (sedentary, diet, tobacco, alcohol) and work conditions have led to the appearance of new pathologies (arteriosclerosis, hypertension, heart problems, obesity, stress, rheumatism)	Preventive measures	<ul style="list-style-type: none"> <li>Check ups, vaccinations health education page 46</li> </ul>
	New coverage	<ul style="list-style-type: none"> <li>Complementary services (spas, aesthetics) page 24</li> </ul>
	Promotion of healthy habits among employees	<ul style="list-style-type: none"> <li>Employee health services (Gymnasium, promotion of sports, relaxation classes, healthy menus) page 48</li> </ul>
<b>Medical staff</b>		
Search out good, reliable professionals	Control and monitoring	<ul style="list-style-type: none"> <li>Target based remuneration Audits page 83</li> </ul>
	Motivation and retention	<ul style="list-style-type: none"> <li>Satisfaction studies page 83</li> <li>Forums, training, research, etc page 84</li> </ul>
	Training	
<b>The health market</b>		
Decentralisation of public health management	Co-management of hospitals	<ul style="list-style-type: none"> <li>Hospital de Manises page 102</li> </ul>
Competitors	Taking on the best professionals	<ul style="list-style-type: none"> <li>Motivation and retention of employees and collaborators page 35/83</li> <li>Satisfaction studies page 41/83</li> </ul>
	A differentiated offer (coverage and complementary services; proximity, quality and agility)	<ul style="list-style-type: none"> <li>Coverage of homeopathy and psychology, offer of medical care abroad page 15</li> <li>Defence Service for policy holders page 76</li> <li>Second opinion service page 73</li> <li>Agility in customer services page 73</li> <li>Reduction of waiting lists page 70</li> <li>Customer satisfaction surveys page 74</li> </ul>
<b>Environmental contamination   Health impacts</b>		
Health impacts	Coherence in management	<ul style="list-style-type: none"> <li>Construction of sustainable buildings page 103</li> <li>Efficiency in the consumption of resources page 104/105</li> </ul>

# 5. Organisation Profile

## 5.1 Mission and Values

## 5.2 Shareholders and Operating Structure

## 5.3 Organisation and Corporate Governance

## 5.4 Activities,

### Markets and Figures

#### 5.4.1 Grupo Sanitas

#### 5.4.2 Sanitas Seguros

#### 5.4.3 Sanitas Hospitales

#### 5.4.4 Sanitas Residencial

#### 5.4.5 Sanitas Servicios de Salud

## 5.5 Fundación Sanitas

### 5.5.1 Foundation Objectives

### 5.5.2 Board of Trustees

## 5.6 Good Governance

The objective of Grupo Sanitas is to be the leading private health company in Spain, caring for the health and well-being of our customers. Consequently, through Sanitas Seguros we offer our more than 1.87 million customers health products which meet their needs.

In Sanitas Hospitales we ensure quality care with more than 29,800 health professionals and specialists and a network of 495 clinics and medical centres, of which 40 are Sanitas-owned.

With a network of 36 care homes, Sanitas Residencial caters to the needs of the elderly.

Sanitas Servicios de Salud\* provides services to satisfy society's new demands with regards prevention and treatments.

\* Products commercialised by Sanitas S.L. de Diversificación.

## Who are we?

From birth, on through all the stages of life, we take care of the most important thing: your health.



## 5.1. Mission and Values


### Mission

Grupo Sanitas holds the foundation for its customers' health in its hands. We are a health specialist that can and must care for the well-being of people throughout their lives: from birth and childhood to full maturity, in the workplace and in their family life, even when we are older and need help from others.

### Values

Our values define us as a company; they make up the way that we are perceived and reflect how we carry out our activities:

- **Care:** we care for the health and well-being of people throughout their lives. That is why care is our leading ethical principle.
- **Humanity:** we move in a world of human values and individual emotions. In this scenario, we make all efforts to respect the individual, to protect privacy and to defend the dignity of persons, and we do so by being accessible and by showing a warm and friendly attitude.
- **Trust:** we work non-stop to transmit trust, to project credibility and to continue being the most valued brand in the sector. We achieve this objective thanks to our values, the high level of qualification of our professionals and our on-going search for quality in all our services and processes. The interests of our customers, and of society as a whole, come first.
- **Commitment:** our commitment is to know our customers, to listen to their demands and to make the right products available to them to satisfy their needs.
- **Responsibility:** each of us, within our possibilities, has the capacity and the will to contribute to the well-being and health of our customers. Consequently, we are all responsible for our actions. This sense of responsibility allows us to differentiate ourselves and to make an impression on our customers.



Our values  
make us better

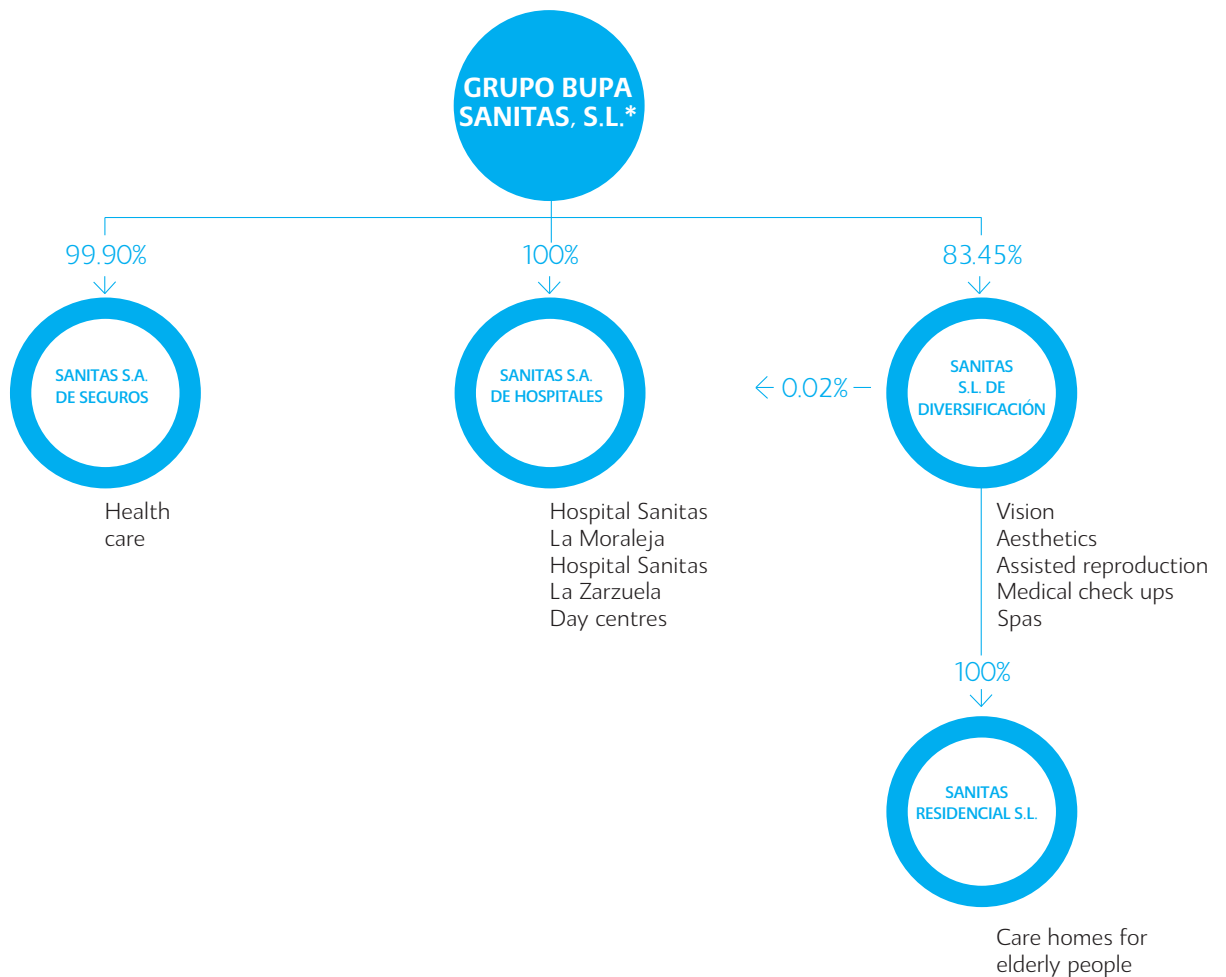
## 5.2. Shareholders and Operating Structure

### Part of the International Bupa Group

In 1989, Sanitas became part of the British group Bupa (British United Provident Association). Bupa is the leading private health company in the United Kingdom, Spain, Australia, Thailand and Saudi Arabia. It has more than 8 million customers in 190 countries and employs nearly 46,000 people.

Its main activities are health insurance, health care for the elderly and young people with disabilities, occupational risk prevention and children's nursery services. The profits deriving from Bupa's business activities are reinvested in full towards improving services.

More information on Bupa at:  
<http://www.bupa.co.uk> and [www.sanitas.es](http://www.sanitas.es)



\* At 26 February 2008

## 5.3. Organisation and Corporate Governance

### Board of directors for Sanitas\*

Position	Name	Status
Non-Executive Chairman	John de Zulueta Greenebaum (in representation of Point Lobos, S.L.)	External
Chief Executive Managing Director	Pablo Juantegui Azpilicueta	Executive
Managing Director	José Ramón Álvarez-Rendueles (in representation of Alvarvil, S.A.)	External
Managing Director	Valerie Gooding	Executive
Managing Director	Dean Holden	Executive
Managing Director	Raymond King	Executive
Managing Director	Antonio Valdés Morales	Executive
Non Managing Director Secretary	Mónica Paramés García-Astigarraga	

\*At 26 February 2008

## 5. Organisation Profile

### Group Executive Committee

#### Chief Executive

Pablo Juantegui Azpilicueta

#### Care Delivery Director

Gabriel Beláustegui Alonso

#### Director of Sanitas Residencial

Domènec Crosas López

#### Director of Customers, Marketing and Communication

Iñaki Ereño Iribarren

#### Human Resources Director

Coral González Manteca

#### IT Director

Miguel Larrucea Camporro

#### Sales Director

José Manuel Sánchez Ruiz

#### Chief Financial Officer

Antonio Valdés Morales



Chief Executive



Care Delivery Director

Pablo Juantegui Azpilicueta

Gabriel Beláustegui Alonso



Director of Sanitas Residencial



Director of Customers, Marketing and Communication

Domènec Crosas López

Iñaki Ereño Iribarren



Human Resources Director



IT Director

Coral González Manteca

Miguel Larrucea Camporro



Sales Director



Chief Financial Officer

José Manuel Sánchez Ruiz

Antonio Valdés Morales

## 5.4. Activities, Markets and Figures

### 5.4.1 Grupo Sanitas

Grupo Sanitas is a business group dedicated to providing health care and well-being services. The group has three areas of activity: preventing disease, safeguarding health and improving the body/mind balance. Additionally, Sanitas has implemented an active and ambitious corporate responsibility policy.

Sanitas, as a private entity, forms part of the national health system, and has undertaken the commitment to collaborate in public health with a view to providing integral care for all citizens. An important part of its activity is aimed at better understanding customer demands and, consequently, creating customised products and services to meet those needs. Simultaneously, Grupo Sanitas also works to make its operations as efficient as possible and to manage its resources in a manner that contributes to excellent medical care.

#### Key figures

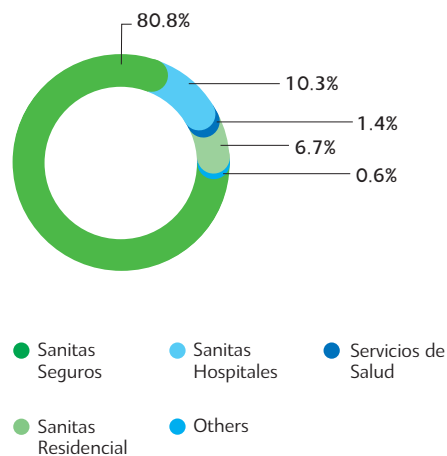
Grupo Sanitas has recorded significant increases in all areas of activity in 2007. Its commitment to differentiation and to designing the best possible product for each customer has paid off, with growth in mature sectors, like insurance, and in developing sectors like health services or care for the elderly.

### Sales by type of activity (million of euro)

	2005	2006	2007
Sanitas Seguros	726.1	804.8	905.2
Sanitas Hospitales	83.0	95.2	116.0
Servicios de Salud	8.0	9.5	15.7
Sanitas Residencial	37.7	42.2	75.2 *

\*Includes Sanitas Residencial S.L. and Euroresidenciasas

### Distribution of the business by type of activity



### 5.4.2 Sanitas Seguros

#### Key figures

With more than 1.87 million policy holders, in 2007 Sanitas Seguros obtained premium revenues of €905.2mn. The 12.5% growth in sales has been accompanied by a significant 20.2% rise in profit, which confirms the high rate of efficiency shown by the 953 employees.

#### Key Figures for the Sanitas Seguros business

	2005	2006	2007
Number of customers (million)	1.55	1.70	1.87
Number of employees	741	882	953
Premium revenues (million of euro )	726.1	804.8	905.2
Profit (million of euro)	64	74	89
Medical expenses (million of euro)	542	596	678
Shareholders' equity (million of euro)	270,877	170,741	184,560
Reserves (thousands of euro)	245,207	138,091	153,410
Capital (thousands of euro)	17,331	17,331	17,331
Debt (thousands of euro)	78,380	90,693	84,222
Material and financial investments (thousands of euro)	379,514	427,084	442,324

Revenues for  
Sanitas Seguros  
have grown  
**12.5%**  
in 2007

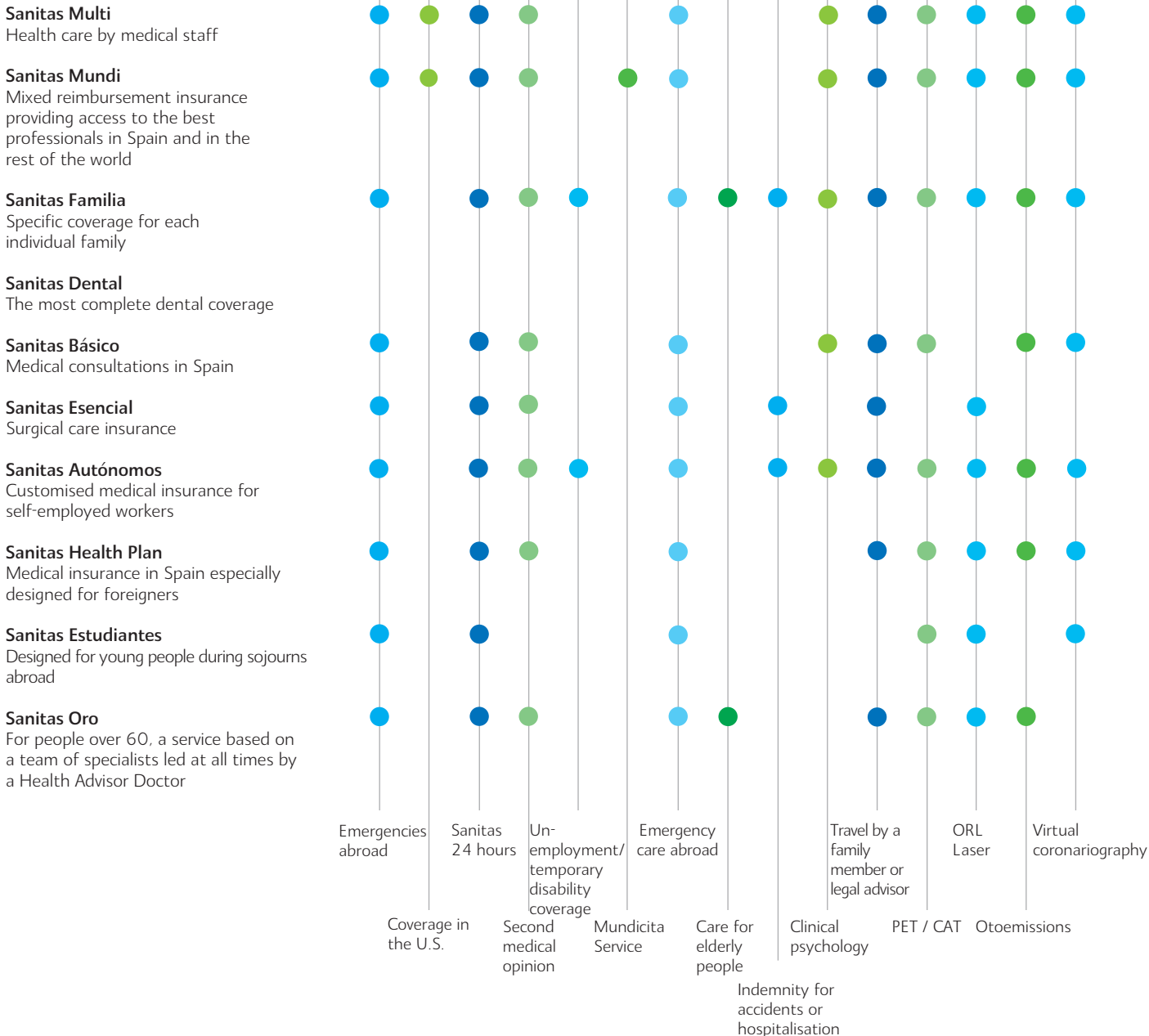


## Main products and services

### Health insurance

#### Product

#### Main coverage



#### Sanitas Servicios de Salud (\*)

- Excimer lasers: solutions for problems with eyesight
- Aesthetic solutions: surgery and treatments by accredited professionals
- Assisted reproduction: the latest techniques in infertility treatments
- Monitoring control for diabetics: telemedicine service for diabetics through mobile phones and Internet.
- Spas: leisure and health alternative for the entire family.
- (\*) Commercialised by Sanitas S.L. de Diversificación

#### Other insurance

- Sanitas Accesible. Health insurance in all specialities for people with acquired spinal injuries.
- Sanitas Dependencia. Covers the basic day-to-day needs of people who could find themselves in a situation of dependence in the future.
- Sanitas Estudios. Support for the education of children under 25 in the case of accidental death of the policy-holder.
- Sanitas Accidentes. Conceived to provide families with peace of mind
- Sanitas Renta. Help for non-hospital related expenses
- Sanitas Accesible Síndrome de Down. Covers the daily medical needs of people with Down's syndrome

### Geographical presence

Sanitas Seguros provides its services through its network of 192 offices staffed by 2,500 commercial agents for administrative procedures or customer queries.

### Number of offices in each Territorial Administration





## 5. Organisation Profile

### Territorial Administration 1

<b>Aragón</b>	<b>Catalonia</b>	<b>c</b> Barcelona (3), Cornellá, Sabadell, Girona	<b>Castilla y León</b>
<b>a</b> Teruel	<b>a</b> Girona, Lleida, Reus, Sabadell (2), Badalona, Mollet del Vallès	<b>d</b> Mataró, Sabadell, Cornellá, Barcelona (3), Tarragona	<b>a</b> Soria
<b>b</b> Huesca	<b>b</b> Sant Cugat del Vallès (2), Barcelona Les Corts, Hospitalet, El Vendrell		
<b>c</b> Zaragoza (2)			
<b>d</b> Zaragoza			

### Territorial Administration 2

<b>Andalusia</b>	<b>d</b> Sevilla, Cordoba, Málaga, Marbella	<b>Galicia</b>	<b>Castilla y León</b>
<b>a</b> Almería, Cadiz, Algeciras, Ceuta, Jerez de la Frontera, Granada, Huelva, Jaén, Estepona, Fuengirola, Melilla, Torremolinos, Dos Hermanas	<b>Extremadura</b>	<b>a</b> Ferrol, Santiago de Compostela, Lugo, Orense, Pontevedra	<b>a</b> León, Salamanca, Zamora
<b>c</b> Jerez de la Frontera, Algeciras, Cadiz (2), Córdoba, Granada (2), Huelva, Linares, Jaén, Málaga (2), Marbella, Mijas, Sevilla (5)	<b>a</b> Badajoz, Cáceres	<b>c</b> La Coruña, Santiago de Compostela, Vigo	<b>b</b> Salamanca
	<b>b</b> Plasencia	<b>d</b> La Coruña, Vigo	<b>c</b> León, Valladolid
	<b>c</b> Badajoz		<b>d</b> Valladolid
		<b>Asturias</b>	
		<b>a</b> Oviedo, Gijón	
		<b>c</b> Gijón, Oviedo, Avilés	

### Territorial Administration 4

<b>Cantabria</b>	<b>Basque Country</b>	<b>Region of Madrid</b>	<b>Castilla y León</b>
<b>a</b> Santander	<b>a</b> San Sebastián	<b>a</b> Móstoles, Leganés, Madrid (3), Torrejón de Ardoz, Tres Cantos, Getafe, Fuenlabrada, Rivas Vaciamadrid, Boadilla del Monte, Torreloa, Collado Villalba	<b>a</b> Avila, Segovia
<b>c</b> Santander	<b>c</b> Bilbao, Vitoria	<b>b</b> Madrid (2), Pinto	<b>Castilla-La Mancha</b>
	<b>d</b> Bilbao (2), Vitoria	<b>c</b> Pozuelo de Alarcón, Madrid (10), Alcorcón, Leganés (2), Alcalá de Henares, Getafe	<b>a</b> Ciudad Real, Tomelloso, Puertollano, Cuenca, Guadalajara, Talavera de la Reina
<b>Navarre</b>	<b>Castilla y León</b>	<b>d</b> Madrid (3), Alcalá de Henares, Majadahonda, Alcobendas, Alcorcón, Pozuelo de Alarcón	<b>c</b> Guadalajara
<b>a</b> Pamplona	<b>a</b> Burgos, Aranda de Duero		<b>d</b> Toledo
<b>c</b> Pamplona	<b>c</b> Burgos		

### Territorial Administration 6

<b>Valencia and Murcia</b>	<b>Castilla-La Mancha</b>	<b>Territorial Administration 7</b>	<b>Territorial Administration 8</b>
<b>a</b> Castellón, Cartagena, Lorca	<b>a</b> Albacete	<b>Balearic Islands</b>	<b>Canary Islands</b>
<b>b</b> Molina de Segura (Murcia), Valencia (2), Alaquas (Valencia)		<b>a</b> Ibiza, Mahón, Ciudadela	<b>a</b> Playa del Inglés (Las Palmas), Playa de las Américas (Tenerife), Adeje (Tenerife)
<b>c</b> Alicante, Elche, Castellón, Murcia, Cartagena, Valencia (5)		<b>c</b> Palma de Mallorca	<b>b</b> Los Cristianos-Arona (Tenerife)
<b>d</b> Valencia, Alicante, Murcia (2)		<b>d</b> Palma de Mallorca	<b>c</b> Las Palmas (2), Tenerife
			<b>d</b> Las Palmas, Santa Cruz de Tenerife

#### Type of centre

**a** Collaborating office   **b** Point of sale   **c** El Corte Inglés/Hipercor   **d** Sanitas office

### 5.4.3 Sanitas Hospitales

#### Key figures

Sanitas Hospitales revenues of €116mn represent a 21.8% year-on-year growth and 10.3% of total sales for the group. The two Sanitas-owned hospitals, Hospital Sanitas La Moraleja and Hospital Sanitas La Zarzuela have handled 480,422 visits, 14,450 admissions and 159,693 emergency cases.

#### Main products and services

Sanitas offers its customers excellent quality care thanks to the services of a network comprising more than 29,800 health professionals and specialists and 495 clinics and medical centres, of which 40 are Sanitas preferential centres, including the two Sanitas-owned hospitals: Hospital Sanitas La Zarzuela and Hospital Sanitas La Moraleja, both in Madrid. In the Milenium centres, a rigorous selection of professionals guarantee quality care for company customers. Additionally, Sanitas hospitals and medical centres are characterised by their accessible locations, the possibility of carrying out consultations and diagnostic testing at the same centre and the reduced waiting times involved.



#### Key Figures for Sanitas Hospitales

	2005	2006	2007
Hospital beds (number)	248	248	241
Employees (number)	862	1,013	1,124
Revenues (million euro)	83.0	95.2	116.0
Profit (million euro)	-2.5	-7.0	-5.9
Medical expenses (million euro)	35.3	33.4	45.0
Shareholders' equity (thousand euro)	19,133	21,635	6,241
Reserves (thousand euro)	2,724	2,735	-1,368
Capital (thousand euro)	13,484	13,484	13,484
Debt (thousand euro)	77,448	87,599	101,592
Material and financial investments (thousand euro)	28,971	8,594	76,690

### Distribution of hospitals, medical centres and dental centres in 2007



Type of centre  
● Milenium multi-speciality centres    ● Milenium dental centres    ● Hospitals    ● Rehabilitation centres

## 5. Organisation Profile

### Territorial Administration 1

#### Barcelona

##### Milenium multi-speciality centres

Milenium Medical centre  
Balmes; Centre Mèdic  
Sanitas Robresa

**Milenium dental centres**  
Milenium Dental Centre  
Balmes; Milenium Dental  
Centre Santa Eulàlia

**Rehabilitation Centres**  
Centre Rehabilitació Balmes

### Territorial Administration 2

#### Sevilla

##### Milenium Multi-speciality centres

Milenium Medical Centre La  
Buhaira

#### Córdoba

##### Milenium Multi-speciality centres

Milenium Medical Centre  
Cordoba

#### Málaga

##### Milenium dental centres

Milenium Dental Centre  
Jovellanos

##### Milenium dental centres

Milenium Dental Centre  
Aljarafe

### Territorial Administration 4

#### Vizcaya

##### Milenium multi-speciality centres

Milenium Medical Centre  
Artaza

##### Milenium dental centres

Milenium Dental Centre  
Indautxu

### Territorial Administration 5

#### Madrid

##### Hospitals

Hospital Sanitas  
La Moraleja (I),(A)  
Hospital Sanitas  
La Zarzuela (I),(A)

##### Milenium multi-speciality centres

Milenium Medical Centre  
Costa Rica (I), (A)  
Milenium Women's  
Centre Health  
Milenium Centre  
Conde Duque  
Milenium Medical Centre  
Nicasio Gallego

##### Milenium dental centres

Milenium Dental  
Centre Isaac Peral  
Milenium Dental  
Centre Santa Hortensia  
Milenium Dental Centre  
Alcobendas  
Milenium Dental  
Centre Las Rosas  
Milenium Dental  
Centre Tres Cantos  
Milenium Dental  
Centre Majadahonda  
Milenium Dental  
Centre Alcorcón  
Milenium Dental Centre  
Pozuelo de Alarcón (I), (A)  
Milenium Dental  
Centre Castelló (A)  
Milenium Dental Centre  
Avda. Mediterráneo (A)  
Milenium Dental Centre

Sanchinarro (I), (A)  
Milenium Dental  
Centre Avda. de San Luis (A)  
Milenium Dental  
Centre Monforte de Lemos  
Milenium Dental  
Centre Avda. de la Alcarria  
Milenium Dental  
Centre Ferrocarril  
Milenium Dental  
Centre Colombia (A)  
Milenium Dental Centre  
Las Rozas (A)  
Milenium Dental Centre  
Avda. de Moratalaz  
Milenium Dental Centre  
Avda. de los Deportes  
Milenium Dental Centre  
Boadilla del Monte  
Milenium Dental  
Centre Alcalá

### Territorial Administration 6

#### Valencia

##### Milenium multi-speciality centres

Milenium Medical Centre  
Valencia  
Murcia

#### Murcia

##### Milenium multi-speciality centres

Milenium Medical Centre  
Murcia

#### Type of centre

- Milenium multi-speciality centres
- Milenium dental centres
- Hospitals
- Rehabilitation centres

I: Centres with ISO 14001 in environmental management

A: Centres accessible by people with disabilities

### 5.4.4 Sanitas Residencial

#### Key figures

Sanitas Residencial, Grupo Sanitas' company dedicated to the management of care homes for elderly people, virtually doubled in size and in turnover in 2007 after the acquisition of Euroresidencias. Accordingly, Sanitas Residencial saw its revenues grow by 78.2% over 2006, to €75.2mn. The company closed the year with 2,716 employees, 84.2% more than in the prior year.

Thanks to those figures, at the year end Sanitas Residencial was second in the ranking of national operators in number of beds, only surpassed by Ballezol.

Other significant milestones in 2007 were the opening of a home with 125 beds in the town of Mirasierra in Madrid, Euroresidencias Mirasierra; a residential centre with 116 beds in Aravaca, Sanitas Residencial La Florida, also in Madrid; and the acquisition of Altanova, a home with 95 beds located in Barcelona, Sanitas Residencial Altanova.

Additionally, in January 2008 Sanitas Residencial inaugurated Sanitas Residencial Txindoki, in Lazkao (Guipúzcoa). This opening derived from the award of a public tender carried out by the Local Government of Guipúzcoa for the construction, equipment, operation and maintenance of a gerontological centre for dependent elderly people in that municipality.

Sanitas Residencial closed 2007 with 43 care homes (36 in operation and 7 under construction) and 4,544 beds for the elderly (+78.2% vs. 2006) in Catalonia, the Basque Country, Castilla y León, Aragón, Navarre, Madrid, Andalusia, Galicia, Cantabria and Valencia.

#### Key Figures for Sanitas Residencial

	2005	2006	2007
Beds in Sanitas Residencial (number)	2,408	2,549	4,544
Employees (number)	1,410	1,474	2,716
Revenues (million of euros)	37.7	42.2	75.2
Profit (million of euros)	0.8	1.04	1.6
Market share (percentage)	5.8	5.9	12.5
Shareholders' equity (thousands of euros)	7,186	8,223	18,972
Reserves (thousands of euros)	3,678	886	5,534
Capital (thousands of euros)	6,300	6,300	11,821
Debt (thousands of euros)	41,755	49,629	69,292
Material and financial investments (thousands of euros)	41,006	47,424	58,677

### Distribution of care homes for elderly people in 2007



## 5. Organisation Profile

### Andalusia

#### Jaén

Euroresidencias Marqueses de Linares

### Aragón

#### Zaragoza

Euroresidencias Zaragoza

### Cantabria

#### Santander

Euroresidencias Santander

### Castilla y León

#### Valladolid

Sanitas Residencial Valladolid (Mojados) (I)

### Catalonia

#### Barcelona

Sanitas Residencial Altanova  
Sanitas Residencial Bonaire (I)  
Sanitas Residencial Iradier (I)  
Sanitas Residencial Mossén Vidal and Aunós (I)  
Sanitas Residencial Provença (I)

Sanitas Residencial Jaume Nualart (Cornellà de Llobregat)  
Sanitas Residencial Sant Cugat (Sant Cugat del Vallés)  
Euroresidencias Les Corts  
Euroresidencias Sagrada Familia

#### Lérida

Sanitas Residencial Ilerda (I)  
Sanitas Residencial Les Garrigues (Les Borges Blanques)

#### Gerona

Sanitas Residencial Gerunda (I)

### Community of Madrid

#### Madrid

Sanitas Residencial Henares (Alcalá de Henares) (I)  
Sanitas Residencial Almenara (Colmenar del Arroyo) (I)  
Sanitas Residencial Las Rozas (Las Rozas) (I)  
Sanitas Residencial Arturo Soria (I)  
Sanitas Residencial La Florida

Euroresidencias Puerta de Hierro  
Euroresidencias Getafe (Getafe)  
Euroresidencias La Moraleja (Alcobendas)  
Euroresidencias El Viso  
Euroresidencias Mirasierra

### Valencia

#### Valencia

Sanitas Residencial Mas Camarena (Bétera) (I)

#### Alicante

Euroresidencias Alicante

### Galicia

#### La Coruña

Euroresidencias La Coruña

#### Pontevedra

Euroresidencias Vigo

### Navarre

#### Pamplona

Sanitas Residencial El Mirador (I)

#### Estella

Sanitas Residencial Luz de Estella (I)

### Basque Country

#### Vizcaya

Sanitas Residencial Barakaldo (Barakaldo) (I)  
Sanitas Residencial Loramendi (Erandio) (I)

#### Guipúzcoa

Sanitas Residencial Miramón (San Sebastián) (I)  
Sanitas Residencial Txindoki (Lazkao)

I: Centres with ISO 9001:2000 for the Integral Care Management System in care homes for the elderly.

5.4.5 Sanitas Servicios de Salud\*

Key figures

Activities for Sanitas Servicios de Salud, which include treatments, therapies and surgeries not covered by insurance products, have risen spectacularly by 65.2% in 2007. The quality of services, as well as constant innovation, has permitted a 32% increase in the number of customers to 15,500.

Main products and services

This business area, which involves operations for the correction of nearsightedness through laser surgery, aesthetic treatments, assisted reproduction treatments and medical check ups, inter alia, showed strong growth again this year.

Sanitas selects the best specialists, the most prestigious medical centres and the latest technological advances to ensure that our customers and non-customers alike have access to these services with full peace of mind and confidence.

These are the main lines of activity:

**Excimer laser.** One of the steps towards improving our quality of life is saying good-bye to glasses and contact lenses thanks to the Excimer laser, which corrects the problems of nearsightedness, farsightedness and astigmatism.

**Aesthetic solutions.** When it comes to taking care of our image, services of utmost quality and professional advice are key.

**Assisted reproduction.** Treatments that include the most up to date techniques adapted to the individual needs of our customers.

**Health check ups.** Complete health examinations through consultations with specialists and diagnostic tests aimed at obtaining general information about the customer's health status. The results are issued in the same day, whenever the nature of the tests so permits.

**Spas.** Leisure and health alternative for the whole family.

In 2007, these services have been expanded to include:

**Storage of umbilical cord blood.** At the vanguard of research and services to our customers, we have reached an agreement with Vidacord (the first private umbilical cord blood bank) to offer this service at the Hospital Sanitas La Moraleja and the Hospital Sanitas La Zarzuela.

**Corporate health check ups.** We are working to increase awareness among our corporate customers about the value and advantages of preventive medicine within their business culture.

**Sanitas and BBVA Salud, working together.** In 2007 the agreement between BBVA Salud and Sanitas Servicios de Salud allowed us to access a distribution channel traditionally used for financial products and which is moving firmly towards the commercialisation of services. Within its new strategy, BBVA has selected Sanitas as its health partner, following our guidelines as regards products to be commercialised, optimisation of procedures, etc.

**Medical laser hair removal.** In the area of treatments, we have included medical laser hair removal, to offer our customers all the guarantees necessary for this delicate dermatological service.

Main business figures for Sanitas Servicios de Salud

	2005	2006	2007
Revenues (million euro)	8.0	9.5	15.7
Profit (million of euro)	0.4	1.6	2.7
Customers (number)	9,266	11,738	15,500

\* Products commercialised by Sanitas S.L. de Diversificación.



## 5.5. Fundación Sanitas

### 5.5.1 Foundation Objectives

The main purpose of the foundation is to promote medical and health research and teaching in its broadest sense.

The foundation also carries out activities of general interest relating to health and quality of life in the areas of education, development of the information society and new technologies, the environment, dependence and the promotion of social initiatives.

The charitable activity of the foundation is carried out through donations, grants, awards, scholarships and aid for research projects. Similarly, the foundation organises seminars, conferences, congresses and the edition of publications.

### 5.5.2 Board of Trustees

The board of trustees of Fundación Sanitas is made up of Sanitas executives and eminent figures in the health field.

The composition of our board of trustees is:

#### **Chairman of Fundación Sanitas**

Iñaki Ereño Iribarren, Director for Customers, Marketing and Communication for Sanitas

#### **Vice-Chairman of the Sanitas Foundation**

John de Zulueta Greenebaum,  
Non-executive chairman for Sanitas

#### **Director of Fundación Sanitas**

Yolanda Erburu Arbizu,  
Head of Communications and CSR for Sanitas

#### **Trustees**

Val Gooding, Chief Executive for Bupa

Dean Holden, Managing Director of International Businesses for Bupa

Raymond King, Group Finance Director for Bupa

Pablo Juantegui Azpilicueta, Chief Executive of Sanitas

Antonio Valdés Morales, Chief Financial Officer for Sanitas

Gabriel Beláustegui Alonso, Care Delivery Director for Sanitas

José Manuel Sánchez Ruiz, Sales Director for Sanitas

José Ramón Álvarez Rendueles, CEO of Arcelor Mittal España

Eduardo Rodríguez Rovira, CEO of Laboratorios Indas

Alfonso Moreno González, Chairman of the National Board for Health Science Specialities

Hipólito Durán Sacristán, ex Chairman of the Royal Academy of Medicine

Leandro Plaza Celemín, Head of Cardiology for the Conde Duque Milenium Centre

Jesús Sánchez Martos, professor of Health Education at the Universidad Complutense of Madrid

Ignacio Tremiño Gómez, General Manager for subsidiaries of Fundosa

Carlos López Barrio, professor of Electronic Technology at the Polytechnic University of Madrid

## 5.6. Good Governance

In Grupo Sanitas we are concerned about continuously advancing in matters of good corporate governance. Accordingly, all employees in positions of responsibility and members of the board of directors must fill out statements about any incompatibilities which could arise between the services they render to Sanitas and their stake in the equity of other entities with the same or similar activities; and about any positions held in those entities or the realisation of other activities by employees or directors which could compromise their independence.

Additionally, Grupo Sanitas belongs to various associations and regularly informs different public associations.

### Main associations to which the Grupo Sanitas belongs

- Asociación Cántabra Empresarial de Servicios a personas dependientes (ACESDE)
- Asociación Catalana de Recursos Asistenciales (ACRA)
- Asociación de Centros de Asistencia y Servicios Sociales de Aragón (ACASSA)
- Asociación Empresarial de Residencias y Servicios a Personas Dependientes de la Comunidad Valenciana (AERTE)
- Asociación Española para el Fomento de la Seguridad de la Información (ISMS Forum)
- Asociación Española de Fundaciones
- Asociación Estatal de Servicios Residenciales para la Tercera Edad (AESTE)
- Asociación Gallega de Residencias de la Tercera Edad (AGARTE)
- Asociación Madrileña de Residencias de Tercera Edad y Centros de Día (AMRTE)
- Asociación Navarra Entidades Residenciales (ANEA)
- Asociación para el Progreso de la Dirección (APD)
- Asociación Residencias Tercera Edad Guipúzcoa (Asociación empresarios de Guipúzcoa (ADEGI))
- Asociación de Residencias Tercera Edad de Valladolid (AVARTE)
- Asociación de Residencias de Tercera Edad de Vizcaya
- Círculo de Empresarios
- Club Excelencia en Gestión
- Edad & Vida
- Federación Castellano Leonesa de residencias de la tercera edad (ACALERTE)
- Forética
- Fundación Empresa y Sociedad
- Fundación Integra
- Investigación Cooperativa entre Entidades Aseguradoras (ICEA)
- Personal asistencial de Sanitas Residencial forma parte asimismo de la Societat Catalano-Balear de Geriatria y Gerontología y de la Sociedad Española de Geriatria y Gerontología
- Unión Catalana de Hospitales (UCH- La Unió)
- Unión Española de Entidades Aseguradoras y Reaseguradoras (UNESPA)

### Public entities which Sanitas informs regularly

- Regional Tax Authorities
- State Tax Authorities
- Bank of Spain
- Regional Ministries for Health and Social Well-being
- Directorate General for Foreign Transactions
- Directorate General for Insurance and Pension Funds
- National Institute of Statistics
- Ministry of the Treasury
- Ministry of Industry and Energy
- Companies' Register

# 6. Human Resources: Mutual Trust

- 6.1. Introduction
  - 6.1.1 Profile
  - 6.1.2 Reading Guide
- 6.2 Management Approach
- 6.3 Motivation
  - 6.3.1 Professional Stability
  - 6.3.2 Remuneration and Benefits
  - 6.3.3 Work-life Balance
  - 6.3.4 Oportunities for All
  - 6.3.5 Company / Employee Relations
- 6.4 Professional Development
  - 6.4.1 Training
  - 6.4.2 Performance Evaluation
  - 6.4.3 Promotion
- 6.5 Safety and Occupational Health

The motivation and degree of involvement and commitment shown by our employees are key factors to ensuring excellent management. Given Grupo Sanitas' drive to constantly innovate and improve, the management of human resources foments equal opportunities, a work-life balance, professional and personal stability, on-going training, promotion and risk prevention. We take all measures to create an ideal work environment to enable each of our employees to fully develop their capacities; because they are our true asset.

## How do we manage our staff?

Only a global vision of the person, where professional and personal development go hand in hand, can guarantee the success of a company.

## 6.1. Introduction

### 6.1.1 Profile

Grupo Sanitas ended 2007 with a total of 4,793 employees, which is 34.7% more than in the prior year. Excluding the employees of Euroresidencias Gestión, net generation of employment has been 375 new jobs.

For 2008, the company will continue with its plans for growth, with a forecast 1,000 new jobs in Sanitas Residencial. To which we would add another 235 new positions in Sanitas Seguros (60) and Sanitas Hospitales (175).

Together with job creation, the group is committed to consolidation. Accordingly, of the 132 total companies analysed, Sanitas is number one in the ranking of "The best companies to work for", prepared by the magazine Actualidad Económica in 2007, as regards the management of talent, evidence of our ability to attract, promote and retain talent in our organisation.

In fact, the annual rate of rotation for Sanitas Seguros and Sanitas Hospitales is below the average for their respective sectors. In Sanitas Seguros it is 7.44%, one percentage point lower than last year, while in Sanitas Hospitales it is 14.15%. In the case of Sanitas Residencial, that rate is considerably higher (32%), explained by the different nature of the activities carried out. In any case, Sanitas Residencial is determined to reduce that level of rotation.



**4,793**  
employees in  
Grupo Sanitas

### Grupo Sanitas

	2005	2006	2007
Employees (number)	3,238	3,558	4,793
Index of satisfaction	67.7%	71.9%	72.9%

### Sanitas Seguros

	2005	2006	2007
Employees (number)	741	882	953
Productivity (revenues in thousands of euros / employee)	980	904	949.8
Economic impact: personnel costs (thousands of euros)	43,635	48,129	52,883
Generation of net employment (number)	59	141	71
Annual rate of rotation (percentage)	4.7%	8.3%	7.4%*
Rate of absenteeism (percentage)	2.8%	3.1%	3.2%

\* Comprising: Sanitas Seguros, Inversiones, Diversificación and the Grupo Bupa Sanitas.

### Sanitas Residencial

	2005	2006	2007
Employees (number)	1,410	1,474	2,716
Productivity (revenues in thousands of euros / employee)	29.3	27.6	30.5
Economic impact: personnel costs (thousands of euros)	20,193	22,840	39,890
Generation of net employment (number)	259	64	193*
Annual rate of rotation (percentage)	n.d.	32%	32%
Rate of absenteeism (percentage)	6.2%	6.7%	6.0%
Index of satisfaction (percentage)	72.5%	72.5%	72.1%

\*Generation of net employment considering staff for Sanitas Residencial excluding Euroresidencias employees.

### Sanitas Hospitales

	2005	2006	2007
Employees (number)	862	1,013	1,124
Productivity (revenues in thousands of euros / employee)	96.1	94.0	103.2
Economic impact: personnel costs (thousands of euros)	21,425	30,585	35,984
Generation of net employment (number)	157	151	111
Annual rate of rotation (percentage)	n.d.	n.d.	14.1%
Rate of absenteeism (percentage)	6.7%	5.0%	4.8%
Índice de satisfacción (en porcentaje)	n.d.	60.8%	64.8%

## 6.1.2. Reading Guide

Employee concerns	Response from Sanitas in 2007	Future commitments
Professional stability Pages 35	Permanent staff <ul style="list-style-type: none"> <li>• Sanitas Seguros: 96.4%</li> <li>• Sanitas Residencial: 77.3%</li> <li>• Sanitas Hospitales: 93.7%</li> </ul>	Creation of 1,235 jobs: Sanitas Seguros: 60 Sanitas Residencial: 1,000 Sanitas Hospitales: 175
Remuneration and benefits Pages 36	Target-based remuneration: <ul style="list-style-type: none"> <li>• Sanitas Seguros: 91% of employees</li> <li>• Sanitas Residencial: 2.5% of employees</li> <li>• Sanitas Hospitales: 10% of employees</li> </ul> Pension plan: <ul style="list-style-type: none"> <li>• Sanitas Seguros: benefits 100% of staff</li> </ul>	Gradual extension of the variable remuneration scheme to other groups.
Work-life balance Pages 38	37 employees (3.8% of total) with reduced work schedules in Sanitas Seguros 31 employees for Sanitas Hospitales with reduced work schedules Incorporation into the Network of Companies for Work-life balance Sanitas Seguros, a family-responsible company	
Opportunities for all Pages 38 and 39	Women in executive positions: <ul style="list-style-type: none"> <li>• Directors and executive positions within the Group: 17.6%</li> <li>• Board of directors: 25%</li> </ul> Grupo Sanitas collaborates with Fundación Integra	<b>Sanitas Residencial</b> Facilitate integration into the workplace by foreigners and people with disabilities  <b>Sanitas Seguros and Hospitales</b> Plan for Equality between Men and Women
Company / employee relations Pages 39, 40 and 41	<b>Sanitas Seguros and Hospitales</b> 600 employees in the Juntos Programme.  <b>Sanitas Residencial</b> HR Plan for each work centre.	Continue with the Juntos Programme Volunteer Programme  The preferred employer in our sector.
Professional development Pages 42 and 43	Employees promoted: <ul style="list-style-type: none"> <li>• Sanitas Seguros: 7.5%</li> <li>• Sanitas Residencial: 0.6%</li> <li>• Sanitas Hospitales: 1%</li> </ul> First in the ranking of "The best companies to work for" as regards talent management, according to the magazine Actualidad Económica. Training <ul style="list-style-type: none"> <li>• Sanitas Seguros: 25.56 hours/employee</li> <li>• Sanitas Residencial: 4.39 hours/employee</li> <li>• Sanitas Hospitales: 32.85 hours/employee</li> </ul> Efficiency in management: Sanitas Residencial: quality management system in accordance with ISO 9001:2000 criteria Implementation of integral management software for care homes at all centres of Euroresidencias Gestión, S.A	
Safety and occupational health Pages 44-48	Satisfactory result from the audit for Occupational Risk Prevention in Sanitas Residencial	<b>Sanitas Seguros and Hospitales</b> Increase involvement throughout the organisation <b>Sanitas Residencial</b> Expand the culture of prevention

## 6.2 Management Approach

The success of Grupo Sanitas is the result of the work and efforts of all our employees. Their motivation and degree of commitment are key factors in guaranteeing appropriate management of the business and the constant search for growth opportunities..

To that end, the company actively manages all aspects related to its employees through the Human Resources department.

Grupo Sanitas looks to reinforce team spirit and the feeling of belonging, offering its employees the best conditions in which to carry out their work. Consequently, the company promotes permanent contracts, applies a competitive salary policy, offer its employees significant social benefits, implements measures to improve the work-life balance, supports equality, rejects job discrimination and offers on-going training, among other initiatives.

Management areas	Policies	Distribution of responsibilities	Control and monitoring	Related information
Professional stability	Sanitas promotes permanent contracts for its employees and offers them long-term stability and professional development.	General HR Management <a href="#">Sanitas Hospitales:</a> HR Management <a href="#">Sanitas Residencial:</a> HR Management and Operations Management	Workplace climate survey	Percentage of employees with permanent contracts: <a href="#">96.4% Sanitas Seguros</a> <a href="#">93.8% Sanitas Hospitales</a> <a href="#">77.3% Sanitas Residencial</a>
Remuneration and benefits	<p>The strategy for Sanitas consists of having market-oriented salary structures which permit recognition of the performance level of each person and the value that each job contributes to the organisation.</p> <p>The weight of variable remuneration is considerable and growing. Such remuneration is linked to meeting targets and to obtaining results, including those related to the satisfaction of our customers.</p> <p>The Executive Committee also has objectives related to the Strategic Plan for Sanitas.</p>	General HR Management <a href="#">Sanitas Seguros:</a> Compensation and Benefits <a href="#">Sanitas Hospitales:</a> HR Management <a href="#">Sanitas Residencial:</a> HR Management and Operations Management	Performance evaluation	<p>Percentage of employees with target-based variable remuneration: <a href="#">91% Sanitas Seguros</a> <a href="#">10% Sanitas Hospitales</a> <a href="#">2.5% Sanitas Residencial</a></p> <p>Implementation in 2007 of the Retriflex variable remuneration system</p>

## 6. Human Resources: Mutual Trust

Management areas	Policies	Distribution of Responsibilities	Control and monitoring	Related information
Work-life balance	<p>The company improves upon the conditions regulated by the collective bargaining agreement, granting various social benefits</p> <p>The establishment of policies promoting flexibility, the granting of special leave for family issues and leaves of absence in the summer, promoting telecommuting, reduced workdays or part-time contracts are the main initiatives taken in this area.</p>	<p>General HR Management  <a href="#">Sanitas Hospitales:</a>            HR Management  <a href="#">Sanitas Residencial:</a>            HR Management and            Operations Management</p>		<p>Sanitas Seguros, a Family-Friendly Company</p> <p>In 2007 Sanitas Seguros joined the Madrid Municipal Government's Network of Companies for</p> <p>Work-life balance flexibility measures.            Sanitas Hospitales.</p>
Opportunities for all	<p>Our company rejects job discrimination in the strongest of terms, be it for reasons of gender, race, age or any other factor of that nature. This principle is at the core to our hiring and employee relations policies.</p> <p>Grupo Sanitas has an active policy of collaborating with various associations that provide assistance to persons who are at a disadvantage, are dependent or have disabilities to facilitate their integration into the work force.</p>	<p>General HR Management  <a href="#">Sanitas Hospitales:</a>            HR Management  <a href="#">Sanitas Residencial:</a>            HR Management and            Operations Management</p>		<p>Since 1995 Sanitas has participated in the Óptima Programme of the Ministry of Labour.</p> <p>Grupo Sanitas indirectly generates jobs for people with disabilities by contracting the services of Special Employment Centres run by the ONCE and others.</p> <p>Grupo Sanitas collaborates with the Integra Foundation to promote incorporation into the work force of people at risk of social exclusion.</p>
Company/employee relations	<p>Sanitas works to achieve coherence between our message and our values, and involving our employees in management is a transcendental objective.</p> <p>Professional code of conduct            Scope: 100% of the Group's staff</p>	<p>General HR Management  <a href="#">Sanitas Hospitales:</a>            HR Management  <a href="#">Sanitas Residencial:</a>            HR Management and            Operations Management</p>	<p>Monitoring committee for the Professional code of conduct, made up of directors from the areas of Human Resources, Legal Consultancy, Finance, Hospital Management and Sanitas Residencial. The functions of this committee include deciding on measures to be taken in respect of actions in violation of the Code as regards personal integrity or resolving conflicts of interest.</p>	<p>The Monitoring committee advances measures to increase employee sensitivity towards ethical attitudes.</p> <p>The fight against corruption is another of the basic elements in our professional conduct. In addition to the Code of conduct, employees are also periodically required to sign a statement of possible conflicts of interest with the company.</p>



## 6. Human Resources: Mutual Trust

Management areas	Policies	Distribution of Responsibilities	Control and Monitoring	Related information
	<p>Sanitas works to create a climate which facilitates the free expression of ideas and opinions and the emotional involvement of employees with the company.</p> <p>In 2007 the index of satisfaction among Grupo Sanitas employees was 72.9%.</p>	<p>General HR Management  <a href="#">Sanitas Hospitales:</a>            HR Management  <a href="#">Sanitas Residencial:</a>            HR Management and Operations Management</p>	<p>Mechanisms to ensure the effectiveness of communications</p> <p>Annual satisfaction survey</p>	<p>Work sessions with the Executive Committee, meetings of the Operating Group.</p> <p>The satisfaction index among employees of Sanitas Hospitales was 64.8% and in Sanitas Residencial it was 72.1%.</p>
Professional development	<p>Sanitas provides its employees with on-going training in order to help them excel each day and better their performance in an ever more competitive environment. The induction of recently hired employees is also a priority, with specific courses for that group.</p> <p>Sanitas constantly evaluates its employees with a view to measuring their performance and offering them information on possible areas for improvement in the performance of their functions.</p> <p>When a vacancy arises or a need is identified, the priority is to look for internal candidates with the capacity to carry out the new functions before turning to a search for talent outside our company.</p>	<p>General HR Management  <a href="#">Sanitas Seguros:</a>            Development, Training and Selection Management  <a href="#">Sanitas Hospitales:</a>            HR Management  <a href="#">Sanitas Residencial:</a>            HR Management and Operations Management</p> <p>General HR Management  <a href="#">Sanitas Seguros:</a>            Executive Organisation Management  <a href="#">Sanitas Hospitales:</a>            HR Management  <a href="#">Sanitas Residencial:</a>            HR Management and Operations Management</p> <p>General HR Management  <a href="#">Sanitas Seguros:</a>            Development, Training and Selection Management  <a href="#">Sanitas Hospitales:</a>            HR Management  <a href="#">Sanitas Residencial:</a>            HR Management and Operations Management</p>	<p>Training programmes</p> <p>Performance evaluation</p>	<p>Training activities in 2007 included the following programmes:            Sanitas DNA, Following the Trail, We are Sanitas.</p> <p>Percentage of employees receiving regular evaluations of their performance and their professional development:  <a href="#">100% Sanitas Seguros</a>  <a href="#">8.8% Sanitas Hospitales</a>  <a href="#">3.2% Sanitas Residencial</a></p>

Management areas	Policies	Distribution of Responsibilities	Control and monitoring	Related information
Safety and occupational health	<p>Sanitas periodically plans activities in accordance with the requirements of the Occupational Risk Prevention Act, the Regulation for Prevention Services and other prevailing legislation.</p> <p>Periodic monitoring of employees' health is carried out in accordance with the risk inherent in each job, at all times respecting the person's right to privacy and dignity.</p>	<p>General HR Management</p> <p><b>Sanitas Seguros:</b> Labour Relations and Occupational Health Management</p> <p><b>Sanitas Hospitales:</b> HR Management</p> <p><b>Sanitas Residencial:</b> HR Management and Operations Management</p>	<p><b>Sanitas Seguros</b> Safety and occupational health committee, providing coverage to 100% of staff and with the participation of 4 company representatives and 4 legal representatives of employees. This committee guarantees the on-going analysis of risks, attention to suggestions, the implementation of measures and the monitoring and control of preventive planning</p> <p><b>Sanitas Hospitales</b> - Safety and occupational health committee at the Hospital Sanitas La Moraleja and Milenium Medical Centre Nicasio Gallego: 3 company representatives and 3 employee.</p> <p>- Safety and occupational health committee at Hospital Sanitas La Zarzuela: 3 company representatives and 3 employee representatives.</p> <p>- Projected: inter-centre committee</p> <p><b>Sanitas Residencial:</b> Safety and occupational health committee at each care home.</p>	<p>Indicators for the prevention of occupational risks in Grupo Sanitas</p>

## 6.3 Motivation

### 6.3.1 Professional Stability

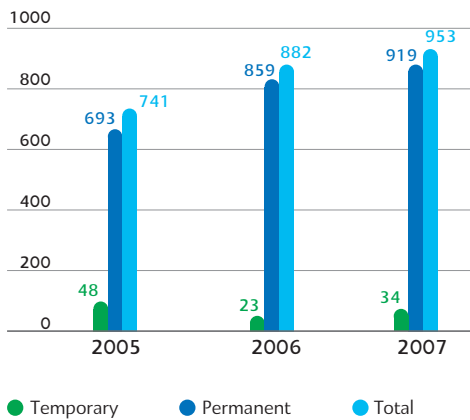
Sanitas' success derives from the work and efforts of our employees. Their motivation and degree of commitment are key factors in guaranteeing appropriate management of the business and the constant search for growth opportunities.

From this perspective, the company actively manages all aspects related to its employees through the Human Resources department. Sanitas takes steps to reinforce team spirit and ensure against discrimination: incorporating social benefits, establishing measures in favour of work-life balance, reducing the percentage of temporary contracts and implementing an externally competitive and internally equitable salary policy, among other initiatives. Grupo Sanitas promotes permanent contracts, offering employees a long-term outlook of stability and professional development.

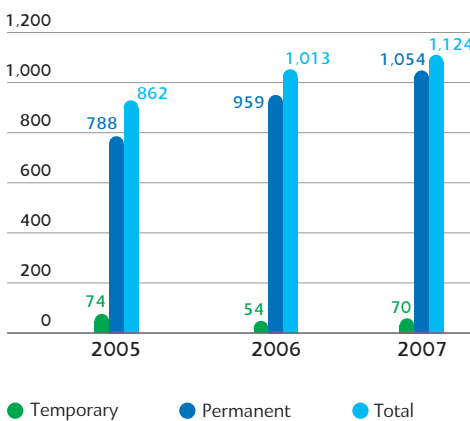
In Sanitas Seguros, 96.4% of employees have permanent contracts. In Sanitas Hospitales, the percentage of permanent employees is 93.8% and in Sanitas Residencial that figure is 77.3%.

Sanitas is committed to creating quality jobs. In the coming years it contemplates the creation of 1,000 positions in Sanitas Residencial. It also plans to create 60 new jobs in Sanitas Seguros and more than 170 in Sanitas Hospitales.

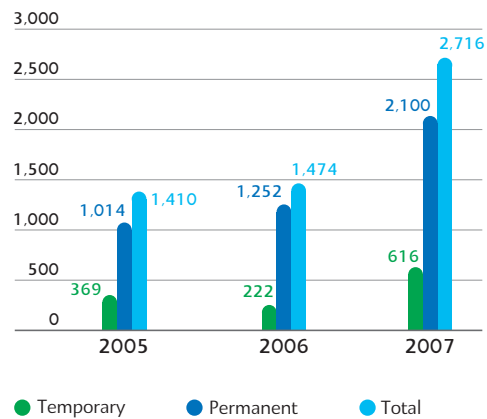
**Sanitas Seguros staff by type of contract.** (Number of employees)



**Sanitas Hospitales staff by type of contract.** (Number of employees)



**Sanitas Residencial staff by type of contract.** (Number of employees)



### 6.3.2 Remuneration and Benefits

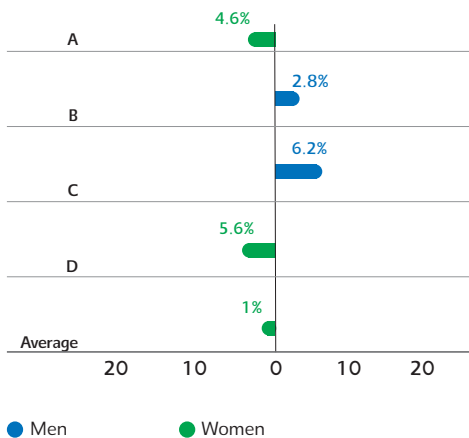
The strategy of Grupo Sanitas regarding remuneration consists of having market-oriented structures which permit recognition of the value of each employee. Accordingly, in 2007 91% of Sanitas Seguros employees received a part of their remuneration on the basis of the individual results obtained, compared to 82% in 2006. In Sanitas Hospitales 10% of employees had target-based remuneration in 2007.

Sanitas Residencial implemented a target-based remuneration policy in 2005. In 2007, that new model was in place for 2.5% of staff, including the Executive Committee, which shares global company objectives and, like at other levels of management, has individual objectives to determine performance.

The group's intention is to gradually extend this variable remuneration scheme to other groups.

Additionally, the Retriflex variable remuneration system was implemented for all Grupo Sanitas employees throughout the year, affording tax advantages for expenses such as acquisition of IT equipment, nursery vouchers, rent, etc..

#### Relation between salaries for male and female executives in Sanitas Seguros\*



\* The letters correspond to professional levels (A is the lowest level executive and D is the highest) for those positions which are occupied by men and women. The numbers indicate the percentage in which the salaries for persons of one gender exceed those of the other.

Within the strategy for promoting equality, a comparison of the average salaries for male and female executives is favourable to women.

Sanitas Seguros' entire staff is included under the collective bargaining agreement for the insurance sector. The company improves upon the conditions regulated by the agreement by granting various social benefits and applying work-life balance programmes.

Similarly, Sanitas Hospitales' entire staff is included under the collective bargaining agreement for the hospital sector, depending on the province where the centre is registered.

Sanitas Residencial influences the framework of labour relations through collective negotiating processes, promoting the inclusion of aspects relating to equality, gender violence and the treatment of mothers in the workplace. Additionally, 98% of the staff of Sanitas Residencial is adhered to the collective bargaining agreement applicable to each centre.

In all areas of Sanitas, the employees' right to associate and to adhere to collective bargaining agreements is guaranteed.



## Social benefits for employees

Benefit	Description	% of beneficiaries
Health insurance policy	<p><a href="#">Sanitas Seguros</a></p> <ul style="list-style-type: none"> <li>• Sanitas Multi for employee, spouse and children under 21.</li> <li>• Policy for relatives of employees with significant discounts.</li> </ul> <p><a href="#">Sanitas Hospitales</a></p> <ul style="list-style-type: none"> <li>• As of 2008, health care policy for permanent employees who have been with the company at least one year.</li> </ul>	100%
Meal tickets	<p><a href="#">Sanitas Seguros y Sanitas Hospitales</a></p> <ul style="list-style-type: none"> <li>• Aid given per working day in the form of restaurant vouchers or through the biometric system implemented in 2007 at Sanitas head offices.</li> </ul> <p><a href="#">Sanitas Residencial</a></p> <ul style="list-style-type: none"> <li>• Subsidised prices at the employee canteen in Sanitas Residencial Les Corts.</li> <li>• Meals at the care homes for employees of Sanitas Residencial Sant Cugat and Sanitas Residencial Altanova</li> </ul>	100% of employees with split shifts
Life insurance	<p><a href="#">Sanitas Seguros</a></p> <ul style="list-style-type: none"> <li>• Coverage in the event of death or disability.</li> </ul>	100%
Complement in Temporary Disability	<p><a href="#">Sanitas Seguros</a></p> <ul style="list-style-type: none"> <li>• Benefit consisting of 100% of fixed remuneration in cases of Temporary Disability.</li> </ul> <p><a href="#">Sanitas Hospitales</a></p> <ul style="list-style-type: none"> <li>• Benefit consisting of 100% of fixed remuneration in cases of Temporary Disability for employees at centres outside Madrid.</li> <li>• In Madrid, benefit consisting of 100% of fixed remuneration in cases of on the job accidents and 100% of fixed remuneration for the first month in the case of hospitalisation or surgery.</li> </ul>	100% of employees with 12 hour shifts at Sanitas Residencial Sant Cugat and some employees at Sanitas Residencial Altanova
Pension plans	<p><a href="#">Sanitas Seguros</a></p> <ul style="list-style-type: none"> <li>• Eligible for all employees who have been with the company at least one year. Sanitas contributes €319.50 if the employee contributes €31.95.</li> </ul>	100%
Others	<p><a href="#">Sanitas Seguros, Sanitas Hospitales and Sanitas Residencial</a></p> <ul style="list-style-type: none"> <li>• Flexible remuneration system (Retriflex) for all Group employees with significant tax advantages on the rental of a residence, nursery vouchers, IT materials and training.</li> </ul>	100%

### 6.3.3 Work-life Balance

Supporting measures that promote work-life balance is a basic pillar to ensure the professional and personal development of employees. Therefore, Grupo Sanitas has developed and implemented various alternatives in response to different needs.

Sanitas Seguros and Sanitas Hospitales encourage telecommuting through the Sanitas Mobility Programme, a project aimed at integrating this format into the organisation of the company. The objective is three-fold: to promote a balance between the professional and personal lives of employees, to improve productivity and quality of work, and to evolve towards greater flexibility with regards to organisational models.

In 2007, 12 employees participated in the programme. Their work days were divided between Sanitas installations (three days a week with the standard schedule) and their homes (two days a week). The company provided the equipment necessary to work from home (laptop, telephone, headset with microphone, ADSL connection, etc).

The idea is to extend the reality of Sanitas Mobility to more and more employees each year.

In other areas related to the work-life balance, Sanitas has a policy of protecting mothers, some aspects of which form part of the collective negotiating processes.

In 2007, 37 employees of Sanitas Seguros and 31 of Sanitas Hospitales benefited from reduced work days in order to be able to care for their children.

These initiatives have led Sanitas to obtain one of the first twelve certifications granted in Spain in recognition of Family-Friendly Companies. That accreditation was received from the Fundación+Familia in recognition of companies that have implemented an integral management system for Internal Social Responsibility, especially in the area of work-life balance.

In February 2007 Sanitas Seguros joined the new Network of Companies for Work-life balance, an initiative backed by the Madrid Municipal Government Council on Employment and Citizen Services.

This new agreement has been developed by the Madrid town hall to encourage good business practices which permit a balance between professional and personal life, with companies in the Network serving as an example for other Madrid organisations planning to implement work-life balance programmes

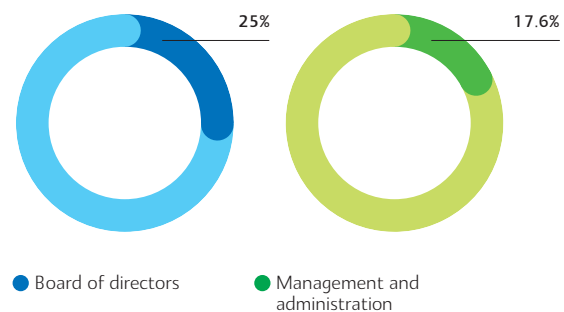
The obligations for Sanitas as a company collaborating in the Network of Companies for Work-life balance include the following: designation of a person in charge of monitoring actions that favour work-life balance, health care in debate and discussion forums called by the Madrid Municipal Government and participation in the awarding of "Cronos, Companies for an equitable distribution of time" emblems, created by the Municipal Government to recognise the efforts of those companies which have implemented work-life balance measures.

In Sanitas Hospitales measures have been taken in 2007 to promote flexibility, as well as the possibility of choosing schedules and choosing work centres.

### 6.3.4 Opportunities for All

A core element of Grupo Sanitas' labour policy is to promote equal opportunities, rejecting discrimination of any kind and supporting internal fairness. Since 1995 Sanitas has participated in the Óptima Programme of the Ministry of Labour and Social Issues, the objective of which is to make advances in the area of equal opportunities for men and women in the workplace. Accordingly, in 2007, 25% of the board of directors (comprising eight members) and 17.6% of directors and executives of Grupo Sanitas were women. In Sanitas Seguros women represent 64.7% of the workforce.

#### Representation of women in the Grupo Sanitas' governance bodies. In percentage



Together with gender-based equality, Grupo Sanitas also has an active policy regarding the hiring of people of other nationalities and with disabilities. As a result, the percentage of Sanitas Seguros employees with a disability was 0.5%, while people of nationalities other than Spanish represented 3.4% of staff in 2007.

Additionally, we would highlight that people of 24 different nationalities work in Sanitas Seguros.

In Sanitas Residencial workers with disabilities represented 0.9% of the total, while employees from other countries rose to 24.4%. Sanitas Residencial is also collaborating with the Ministry of Labour to hire a new quota of employees of other nationalities.

Employees in Sanitas Hospitales make up 16 different nationalities and 5.7% of workers come from other countries. Like in Sanitas Residencial, this business division is also negotiating further contracting with the Ministry of Labour.

Together with the direct creation of jobs for people with disabilities (41 in 2007), Sanitas also promotes the indirect generation of jobs for that group through the alternative measures proposed in the LISMI (Social Integration of People with Disabilities Act) regarding purchases from specialised employment centres. In this regard, we would highlight the telephone appointment service that Sanitas has started up at the Hospital Sanitas La Zarzuela in Madrid, and the Milenium centres in Barcelona and Valencia. In 2007 this contract with SERTEL, forming part of the Fundosa Group, was extended to include information, authorisations, appointments with Sanitas centres and distribution agreements, inter alia. This service involves 276 people, of which 36% have some type of disability.

Similarly, Sanitas Hospitales works with various organisations in the hiring of employees with disabilities. At the Hospital Sanitas La Moraleja the collection of hazardous sanitary waste is carried out by Sistemas Integrales Sanitarios, a company belonging to the ONCE Group. Furthermore, our two Sanitas-run hospitals have Galenas shops, belonging to Fundosa.

Sanitas Residencial also indirectly generates jobs for people with disabilities. In 2007 the company expanded its contracts with FLISA, forming part of Fundosa, which is dedicated to industrial laundering and ironing. In 2007, FLISA provided services the 36 centres making up Sanitas Residencial. Additionally, in November 2007 an agreement was signed with SERTEL (also part of Fundosa) for the Call Centre service.

FUCODA, also part of the Fundosa Group, is responsible for the recording and digitalisation of data for Sanitas Seguros and general customer service call centre activities are carried out by SERTEL.

Grupo Sanitas also collaborates actively with organisations like the Fundación Integra, which promotes incorporation into the work force of people at risk of social exclusion. Sanitas collaborates with the Foundation in two ways: through an annual fee and by hiring people from exclusion groups originating from the Integra Foundation.

From 2001 to 2007, Sanitas has hired 11 people and the company will continue to work with the Integra Foundation on this socio-labour programme to increase the number of people taken on.

### 6.3.5 Company / Employee Relations

In Grupo Sanitas we are aware that all our employees, given their close contact with customers, transmit our image and represent a decisive factor for improving the business.

Therefore, guaranteeing coherence between our message and our values and involving employees in management are transcendental objectives. For Sanitas, it is not only what we do that is important, but also how we do it.

**Code of professional conduct.** In 2007, we have continued to develop the Code of professional conduct, which represents the materialisation in behaviours and guidelines for action of the ethical principles we consider key to the activity of our professionals. Consequently, all professionals must subscribe to this Code. The main points are:

- Relations with customers
- Relations with health collaborators
- Relations with other collaborators
- Relations with employees
- Relations with the society
- Gifts and invitations
- Personal integrity
- Organisational integrity

The code stimulates an honest, integral and responsible professional attitude among employees. The references are respect for personal dignity and protection of Sanitas resources and services for Sanitas.

The Code of conduct is based on the following ethical principles:

- **Transparency.** Providing accurate, clear and verifiable information on all aspects of the company's activity is priority.
- **Legality.** In addition to guaranteeing that laws will be complied with, our employees have to adopt certain policies and procedures based on best practices.
- **Professionalism.** Ensures objectivity in the decision making process.
- **Confidentiality.** Implies a commitment to the safekeeping of personal and private information to which the company may have access during the course of its activity.
- **Fairness.** This is based on respect for equality and diversity, adopting proactive attitudes to avoid any discriminatory acts.

All employees sign a statement to the effect that they have been provided with a copy of Grupo Sanitas Code of professional conduct and that they undertake to comply with that code.

The Monitoring committee for the Code promotes actions to increase employee sensitivity to ethical attitudes. To that end, in 2007 they launched 5 informative capsules through the Virtual Classroom on Sanitas

Seguros' Intranet. These told five stories about conflicts of interest, protection of resources and services, respect for personal dignity, professionally responsible conduct and the development of other professional activities.

The fight against corruption is another of the basic ideas in our professional conduct. In addition to the requirements of the Code of conduct, employees must periodically sign a statement regarding possible conflicts of interest with the company. Similarly, to fight against corruption, Sanitas has established exhaustive internal financial controls, carried out by our parent company, Bupa, to guarantee that collection and payment processes are in accordance with good practices.


All company units in which investments, payments or collections are made are subject to monitoring. Audits are performed on a permanent basis by the Operations Control Department of Bupa. There is also an anti-fraud office, centralised at our parent company, which coordinates with our financial and human resource areas, and to which any employees can go if they are aware of possible bad practices.

In 2007 there were no significant fines or penalties deriving from breach of laws of regulations.

**Two-way communication.** Fluid communication and the involvement of employees in company management are essential to achieving the expected return and results. Consequently, Sanitas works to create a climate that facilitates the free expression of ideas and opinions, as well as motivation and emotional involvement of employees with the company.

Various mechanisms have been developed to guarantee effective communication.

- **Work sessions with the Executive Committee.** Every week a member of the Executive Committee meets with a group of employees to exchange impressions on the Strategic Plan and respond to doubts and concerns. These are interactive sessions and participation by attendees is encouraged. Minutes are prepared and are sent to the participants and to their hierarchical superiors to serve as a tool for working on and improving the issues dealt with.



The professional code of conduct reflects our ethical principles



## 6. Human Resources: Mutual Trust

- Meetings with the Operating Group. Each month a meeting is held between the Executive Committee and the Operating Group, made up of middle management for the company, to discuss the most important results and projects. Members of the Operating Group are, in turn, responsible for communicating that information to their teams and for gathering their impressions, which are then discussed at the following Operating Group meeting.
- Communications in the event of organisational change. If modifications arise which mean significant alterations in work conditions (changes in schedule or in centre), the legally contemplated periods for prior notice are observed. Other organisational changes of a general nature are announced at the periodic sessions attended by all middle managers, who are responsible for transmitting them to the rest of the staff. Modifications that have a substantial impact on a particular area are announced at periodic meetings with the workers' committee.

**Active participation by our employees.** In 2007 various programmes have also been carried out with a view to improving relations between the company and its employees.

- HR Plan for each work centre of Sanitas Residencial. In 2007, Sanitas Residencial started up an HR Plan for each work centre, placing special emphasis on elements for motivation, initiatives and recognition. In 2008, this will be expanded to a new Human Resource Plan for the company with a view to becoming the preferred employer in our sector.
- Juntos Programme. In 2007, 600 employees of Sanitas Seguros, Sanitas Hospitales and Sanitas Residencial have attended sessions of the Juntos Programme. In this programme, the directors go to different geographical centres to meet with groups of employees and explain strategy, objectives and results, and to receive feedback and suggestions for improvements.
- Voluntary Programme. This initiative was encouraged in 2008 with actions managed by Sanitas or instigated by employees, and with programmes for corporate volunteers in Bupa, such as the Sarnelli House carried out in 2007.

**Satisfaction of our employees.** The annual survey on workplace climate turned in very positive results in 2007, both in terms of participation and levels of satisfaction. Grupo Sanitas employees who answered the questionnaire represent 80.1% of the total, which is 6.7 percentage points higher than in the prior year. In terms of satisfaction, the survey reported a figure of 72.9 out of 100, compared to 71.9 in 2006, indicating the efficacy of measures implemented in 2007.

In Sanitas Hospitales the satisfaction index has risen in 2007 to 64.83%. And in Sanitas Residencial, the survey showed an index of 72.1%. The generalised increase in responses guarantees that the actions designed will be in line with the true concerns of employees.



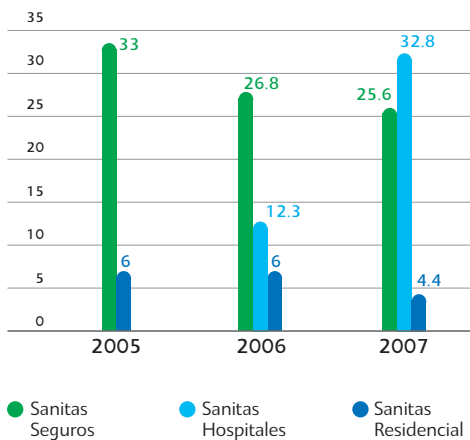
## 6.4 Professional Development

### 6.4.1 Training

Sanitas is committed to a team which is more and more prepared to take on the challenges of our business. As a result, we have decided on a quality system based on on-going improvement, because that, together with a motivated and competent staff, is the best way to guarantee that our objectives will be met.

#### Training per employee

Average hours of training per employee



#### Average number of hours training, by employee category in Sanitas Hospitales

	Participantes	Horas
Management*	172	1,389
TER (x-ray technician)	53	2,318
Doctors**	161	3,757
DUE	421	7,060
Supervisors	25	1,549
Auxiliary nurses	511	14,597.5
Hygienists	21	171
Midwives	13	29
Pharmacy	5	87
Porters	21	2,085
Others**	252	3,888
<b>Total</b>	<b>1,655</b>	<b>36,930.5</b>

\* Management comprises: operations managers, administrators, supervisors, hospital administrators, medical management and nursing management

\*\* Doctors include: doctors and Sanitas Acude (emergency doctors making house calls)

\*\*\* Others include: administrative staff, administration, central services, systems, receptionists, maintenance, call centre, gardeners, warehouse and purchasing technicians

Sanitas provides its employees with on-going training in order to help them excel each day and better their performance in an ever more competitive environment.

In 2007 every employee in Sanitas Seguros received 25.6 hours of training on average. In Sanitas Hospitales the average number of hours training per employees was 32.8 and in Sanitas Residencial it was 4.4.

#### Average number of hours training, by employee category in Sanitas Residencial\*

	Participants	Hours
Technicians	280	2,554
Care givers	301	1,369
Others	335	2,763

\*Does not include Euroresidencias employees

Among the training activities carried out in 2007, the programmes dedicated to ensuring that employees share a common view of our business and our manner of interacting with the environment are of special interest. The main programmes were:

- **Sanitas DNA.** This programme, which started in 2006 in Sanitas Seguros, has been developed for Sanitas Hospitales in 2007, with two sessions of 54 participants. This programme consists of a business simulation. The idea is to manage a company in the private medical insurance sector, specifically a hospital, which is a competitive market. Additionally, the participants must establish a strategy and take consequent decisions, developing skills such as a global vision of the business, financial analysis and overall hospital operations.
- **Following the Trail.** 9 sessions were held with 130 participants. The success of the programme for sales management techniques has resulted in its consolidation, and as of 2008 these sessions of exchange and mutual learning will be carried out systematically every Spring. The group will be expanded every year, starting with 100 participants, and attendees will have the opportunity to get first hand knowledge of new areas for direct contact with customers.
- **We are Sanitas.** This course is given to new employees as welcome and initiation training. In 2008 two new modules will be carried out: We are Sanitas General and We are Sanitas Sales. The General module comprises a day of activities and talks which provide a vision of Sanitas objectives and values. That day will be complementary to specific training for each job. The Sales module is specifically aimed at new members of the sales team. It is an intensive 5-day programme during which participants receive a detailed presentation of our products, methodology and tools and, most importantly, Sanitas' quality service and customer-oriented approach. Both programmes help us to turn the excellent professionals who decide to work with Sanitas into the best in the market.

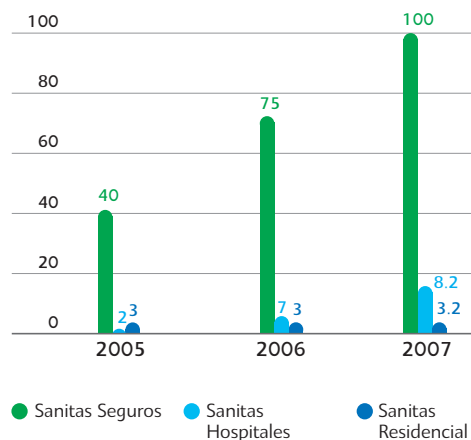
In Sanitas Hospitales training actions have been carried out in 2007 in relation with environmental management, medical issues, quality and communication with patients and relatives.

### 6.4.2 Performance Evaluation

Sanitas constantly evaluates its employees with a view to measuring their performance and offering them information on possible areas for improvement in the performance of their functions.

In 2007 Sanitas Seguros has achieved performance evaluations for 100% of its employees, compared to 75% in 2006. In Sanitas Residencial the percentage of employees evaluated has gone from 3% in 2006, to 3.2% in 2007. And in Sanitas Hospitales 8.2% of staff has received a performance evaluation, representing an increase of 1.2 percentage points on the prior year.

Employees receiving performance evaluations. In percentage



### 6.4.3. Promotion

In accordance with our policy for professional development, when a vacancy arises or a need is identified, the priority is to look for internal candidates with the capacity to carry out the new functions before turning to a search for talent outside our company.

Consequently, Sanitas gives its employees opportunities for promotion within the company in a framework of respect for the principle of equal opportunities. In 2007, 7.5% of Sanitas Seguros employees were promoted. The same is true for 1% of employees in Sanitas Hospitales and 0.6% in Sanitas Residencial.

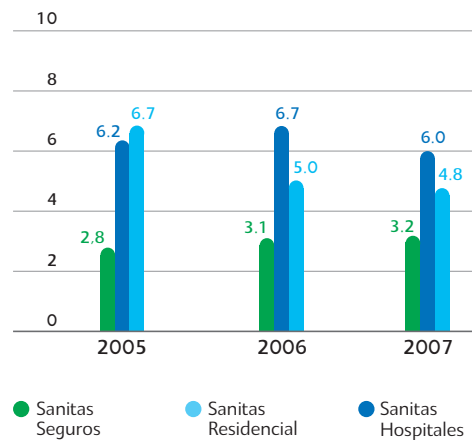
## 6.5 Safety and Occupational Health

Another of our priorities is to guarantee the safety of our employees in the discharge of their duties. To that end, Sanitas periodically plans prevention activities in accordance with the requirements of the Occupational Risk Prevention Act, the Regulation for Prevention Services and other prevailing legislation. Furthermore, these activities have been included in our management systems to ensure full involvement at management level.

The Committee for safety and occupational health in Sanitas Seguros gives coverage to 100% of staff. The Committee comprises 4 company representatives and 4 legal representatives of employees and guarantees the ongoing analysis of risks, attention to suggestions, the implementation of measures and the monitoring and control of preventive planning. Audelco renewed certification of Sanitas' Occupational Risk Prevention System in September 2007.

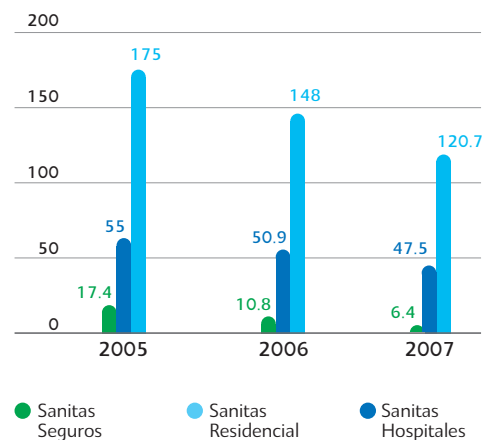
### Rate of absenteeism in Sanitas.

In percentage



### Incidence rate for Grupo Sanitas.

Rate of accidents for every thousand employees



\* For Sanitas Residencial employees not including employees of Euroresidencias.

## 6. Human Resources: Mutual Trust

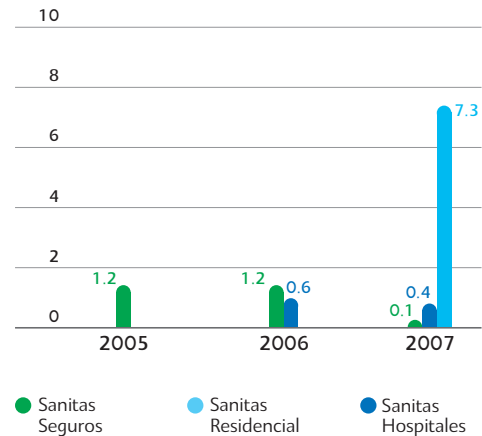
Sanitas Hospitales has two safety and occupational health committees. One of them is the Hospital Sanitas La Moraleja and Milenium Medical Centre Nicasio Gallego Committee; the other is the safety and occupational health committee for Hospital Sanitas La Zarzuela. Both are made up of 3 company representatives and another 3 employee representatives. There is also a project for creation of an Inter-centre Committee.

Sanitas Residencial has a safety and occupational health committee at each care home. The 2007 Audit of Occupational Risk Prevention in Sanitas Residencial, carried out by Audelco, received a satisfactory result.



### Severity index.

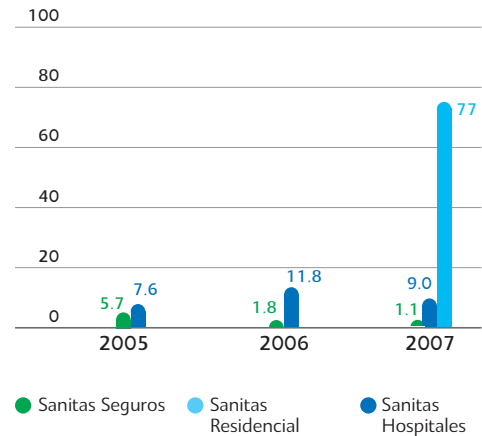
Index of occupational injuries. In percentage



\* For Sanitas Residencial employees not including employees of Euroresidencias.

### Frequency index.

Rate of days missed due to prolonged sick leaves. In base 100



\* For Sanitas Residencial employees not including employees of Euroresidencias.

Periodic monitoring of employees' health is carried out in accordance with the risks inherent to each job, at all times respecting the person's right to privacy and dignity.

Main actions:

## Grupo Sanitas

	Main achievements 2007
<b>Health monitoring</b> Specific, periodic health examinations for all employees and those carried out at the criteria of the medical service or when there is a change in job or in the conditions of the job	<a href="#">Sanitas Seguros</a> Performance of 15 periodic examinations and 201 initial questionnaires Office visits: 2,702. <a href="#">Sanitas Residencial</a> Sanitas Residencial has contracted specific health examinations for 100% of its staff, regardless of whether or not they are performed. <a href="#">Sanitas Hospitales</a> Sanitas Hospitales has contracted specific health examinations for 100% of its staff, regardless of whether or not they are performed.
<b>Vaccinations</b> (flu, tetanus, hepatitis B, hepatitis A+B)	<a href="#">Sanitas Seguros</a> Number of vaccinations: tetanus: 9, hepatitis: 11, flu: 46 <a href="#">Sanitas Residencial</a> Vaccinations hepatitis B, tetanus and flu. <a href="#">Sanitas Hospitales</a> Number of vaccinations: flu: 50; hepatitis A+B, tetanus and diphtheria: 12
<b>Epidemiological monitoring</b> , aimed at evaluating the causes for and the trends of labour claims and other common contingencies	<a href="#">Sanitas Seguros</a> , <a href="#">Sanitas Residencial</a> y <a href="#">Sanitas Hospitales</a> Control over sickness absences due to Temporary Disability and on the job accidents
<b>Blood donation campaigns</b>	<a href="#">Sanitas Seguros</a> Every year at least 1 donation campaign is organised in conjunction with the Red Cross. <a href="#">Sanitas Residencial</a> Every year at least 3 donation campaigns are organised in conjunction with the Red Cross.
<b>Allergy vaccinations</b>	<a href="#">Sanitas Seguros</a> 7 vaccinations
<b>Quit smoking campaign</b>	<a href="#">Sanitas Seguros</a> Grant for the first 50 employees who request it, covering 50% of the cost of individual programmes to quit smoking

## Grupo Sanitas

### Main achievements 2007

#### Information campaigns

##### Sanitas Seguros

The intranet has a fixed section with health tips and 13 new news sections have been published.

##### Sanitas Residencial

Preparation and distribution of informative brochures for different sectors and risks (MMC, biological,...).

##### Sanitas Hospitales

The risk prospectus for each job and the work procedures prepared by the prevention service are explained on the intranet and at specific training sessions.

#### Ergonomics and psycho-sociology

Elements to prevent carpal tunnel syndrome (hand rests and mouse pads with cushions for the mouse).  
Facilitate work at data visualisation screens.

##### Sanitas Seguros

On demand, 89 studies have been carried out on different jobs within Sanitas Seguros in order to provide ergonomic materials.

Virtually 100% of employees have flat screen monitors.

Bases to elevate monitors are also provided to employees who ask for them.

##### Sanitas Residencial

On demand.

Ergonomic studies are carried out to evaluate the physical strain on geriatric nurses in Sanitas Residencial.

100% of employees who regularly use computers have flat screens.

Bases to elevate monitors are also provided to employees who ask for them.

On-going training for recycling in the area of resident maintenance and use of lifting devices.

##### Sanitas Hospitales

On demand, and after a needs evaluation, ergonomic material such as footrests, screen raisers, chairs, etc. are provided

All jobs have been evaluated and those evaluations have taken into account ergonomic risks.

A procedure has been drawn up for the case of conflictive situations with employees.

#### Safety planning

Maintenance of electrical installations, air conditioning, o, gas, lifts, etc. .

##### Sanitas Residencial

Carried out on the basis of work plans..

## Grupo Sanitas

### Main achievements 2007

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#### Training

Occupational health, manual manipulation of loads,  
Emergency equipment, first aid, etc.

#### Sanitas Seguros

More than 320 training hours for more than 291 employees  
The intranet has a fixed section with health tips..

#### Sanitas Residencial

Theoretical-practical training on the handling of fire extinguishers and  
equipped fire hydrants, fire drills, etc.

Resident maintenance, emergency situations and course on data  
visualisation screens..

#### Sanitas Hospitales

There is an annual training plan.

A new procedure has been created for new employees, which includes  
initial training in risks specific to the job and in emergencies.

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#### General Configuration of work centres

##### Sanitas Seguros

Open spaces, high technology, gymnasium open 12 hours a day and common leisure areas, as well as a restaurant with menus supervised by  
nutritional experts.

At Sanitas head offices, the design, plants, daylight and recyclable materials used in construction contribute to a greater sense of well-being.

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#### Others

Participation by employees in the Raider's Trophy  
competitions and in the Companies' Race.

#### Sanitas Seguros

In the 2007 edition, Sanitas presented two mixed teams to the Raider's  
Trophy with a total of 13 participants.

One of the teams won the first prize in its category.

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# 7. Shareholders: the Challenge of Growth

- 7.1. Introduction
  - 7.1.1 Profile
  - 7.1.2 Reading Guide
- 7.2. Management Approach
- 7.3. Leadership
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- 7.5. Adaptation
  - 7.5.1 New Products
  - 7.5.2 New Services
  - 7.5.3 Leaders in Internet
- 7.6. Business Ethics
  - 7.6.1 Communication and Advertising
  - 7.6.2 Fight Against Corruption

Management of the highest efficacy and quality is at the core of how we act. We make all efforts to constantly improve customer satisfaction through personalised attention, the creation of specific products and the application of new technologies. We look to optimise all activities, following the most exhaustive processes for evaluation, control and monitoring. All this has allowed us to boost our corporate reputation, improve our market share and achieve sustained growth. In short, to create value for our shareholders.

## **Is sustainability at odds with profitability?**

Growth and optimisation of all areas are achieved from the strictest ethical principles, because the most profitable investment is that which feeds back to society.

## 7.1. Introduction

### 7.1.1 Profile

The track record of Grupo Sanitas in 2007 has been very positive. Income have grown by 15.2%, to €1.1194bn. That represents an increase on recent years, in which growth was already in the double digits. Quality of service and efficient management has led to highly loyal customers with an improved level of satisfaction and has also helped us open new markets, optimising the return on all our activities.

#### Sanitas Seguros

	2005	2006	2007
Profit (million of euros)	64	74	89
Brand awareness (percentage)*	26%	26%	29%
Customer growth	7.2%	10.0%	10.0%
Premium revenue growth	11.3%	11.8%	12.5%
Market share	16.2%	16.4%	17.1%**
Operating costs (million of euros)	95.8	113.0	130.3
Undistributed profits (million of euros)	8.3	15.3	13.8
Taxes paid (thousands of euros)	25.8	26.7	69.5

\* Index of spontaneous awareness of the Sanitas brand. Source: Millward Brown, 2007.

\*\* Market share refers to that accumulated at September 2007. Source: ICEA

#### Sanitas Hospitales

	2005	2006	2007
Profit (million of euros)	-2.5	-7.0	-5.9
Growth in number of hospital beds*	29.1%	0%	-2.9%
Revenue growth	9.6%	14.7%	21.8%
Operating costs (million of euros)	85.2	103.5	121.0
Payments to capital suppliers (million of euros)	n.d.	n.d.	10.1
Taxes paid (million of euros)	8	12.4	2.6

\* The decrease in number of hospital beds is due to work to expand Hospital Sanitas la Zarzuela

#### Sanitas Residencial

	2005	2006	2007
Profit (million of euros)	0.8	1.04	1.6
Growth in number of care home beds	0%	5.9%	78.3%
Revenue growth	11.8%	11.9%	78.2%
Market share	5.8%	5.9%	12.5%
Operating costs (thousands of euros)	n.d.	38.2	52.6
Taxes paid (million of euros)	n.d.	413	559

### 7.1.2. Reading Guide

Shareholder concerns	Sanitas response in 2007	Future commitments
Leadership Pages 54 and 55	<ul style="list-style-type: none"> <li>• Sanitas Seguros achieved a market share of 17.1% (closing figures third quarter) and consolidated its position as the number two company in the sector in Spain.</li> <li>• According to the MERCO ranking 2007 and 2008, Sanitas Seguros has the Best Corporate Reputation in the health care sector.</li> <li>• 52.2% of Sanitas Seguros customers consider that the services offered by the company are Excellent / Very Good.</li> </ul>	
Growth Pages 56-59	<ul style="list-style-type: none"> <li>• At the end of 2007 Sanitas Seguros has a portfolio of 1.87 million customers (+10% on 2006)..</li> <li>• Sanitas Residencial manages 36 centres for elderly people and has 4,544 beds, making it the second largest operator of care homes for elderly people in Spain.</li> </ul>	
Adaptation Pages 60 and 61	<ul style="list-style-type: none"> <li>• In 2007 Sanitas Accesible Síndrome de Down was launched.</li> <li>• Revenues for Servicios de Salud has risen 65.26% on 2006.</li> </ul>	
Business ethics Page 62	<ul style="list-style-type: none"> <li>• Launch of advertising for Sanitas Accesible Síndrome de Down, with the support and supervision of Down's España.</li> <li>• Our checks have found no cases of corruption.</li> </ul>	



## 7.2. Management Approach

The strategy for Sanitas is set by our main shareholder, Bupa, and is effected by the management team through Three-Year Plans and Annual Operating Plans. The definition of those plans is the result of contributions from all Sanitas Management areas, coordinated by the Finance Area, establishing priority lines of activity, profitability targets and the volume of operating expenses necessary for company management.

The Group companies establish the policies they consider appropriate to respond to these indications, focussing not only on increasing return, but also taking into account other key matters, such as restricting possible risks which could affect our performance, improving customer satisfaction and progressing in management of the social and environmental aspects of our activity.

The efficacy of these policies and their contribution to achieving Sanitas' strategic objectives is evaluated through the following mechanisms:

- Risk control. We are constantly analysing processes carried out within the company and the risks that their interruption would entail. Under the Business Continuity Plan, each unit studies the legal, economic and reputational impacts deriving from a disruption of any of the critical processes.
- Monitoring objectives. We periodically monitor the evolution of objectives established in the Annual Operating Plan and the Three-year Plan, with a view to detecting possible deviations and taking appropriate measures.

These evaluations, including those relating to functional processes, are performed by Bupa's Operations Control Department. Finally, we submit our economic activity to an annual external audit prepared by an independent entity. In 2007, the audit gave rise to no problems.

Management areas	Policies	Distribution of Responsibilities	Control and monitoring	Related information
Leadership	Efficient management and quality form part of our corporate behaviour. We strive to attain maximum standards in all our operations with a view to improving customer satisfaction and optimising the return on our activities.	The Head office for each division has a protocol for action in respect of quality.  We transmit this work method to all our employees and at all levels of management and of the organisation.	Customer satisfaction surveys.  Medical supplier satisfaction surveys.  Employee satisfaction surveys.	Evaluation of Sanitas Hospitales centres in accordance with ISO standards 9001:2000 and 14.000.  ISO 9001:2000 in central services and in 17 Sanitas Residencial care homes.  Medical Economics 2007 award to the Best Insurer for Health Services.  Pablo Juantegui, received the Managers Award 2007 in the Business Initiative category. Sanitas,
	We have implemented a communication policy based on commitment, veracity and transparency.	Communication Area.	Worldwide Pact Members Forética Members Annual audit by KPMG. Members of Fundación Empresa y Sociedad.	Sanitas has the Best Corporate Reputation in the Health Care sector (MERCOSUR 2007 and 2008 Company Ranking).

## 7. Shareholders: the Challenge of Growth

Management areas	Policies	Distribution of responsibilities	Control and monitoring	Related information
Growth	Growth in all regional administrations.	Sales Division. Territorial administrations.		10% increase in the number of customers for Sanitas Seguros.
	Expansion of the care network.	Hospitales and medical network Division.		4 new dental centres.
	Sanitas Residencial has become the number two operator in the sector of health care for older people.	Sanitas Residencial Division.		Sanitas Residencial ups the number of beds to 4,544 (+78.4% with regard to 2006).
	Grupo Sanitas firmly believes in proximity to its customers and improving services.			
Adaptation	The Group makes efforts to constantly develop innovative products and services.	Customer and Marketing Division. Sales Division. Specialised customer service centre (loyalty programmes).	Evaluation of customer satisfaction.	ComputerWorld award for CEO of the Year Pablo Juantegui, in recognition of Sanitas' capacity to bring together the latest technological advances and the needs of the company, its customers and its professionals.
	We try to put ourselves in our customers' and suppliers' place, observing things from their perspective.			
	In this way, we hope to understand our customers' concerns and offer them more comfortable and efficient health care.			Sanitas has been recognised as the health care company that best carries out its business through the Internet (8th Report on the Internet insurance sector, prepared by Cap Gemini).
	We are committed to using new technologies.	Information Systems Division.		
Business Ethics	Creating responsible advertising that complies with prevailing legislation, is not misleading and does not offend.	Marketing Area. Legal Counsel.	Audits are performed on a permanent basis by the Operations Control Department of Bupa.	Sanitas is registered with the Spanish Advertisers Association (AEA), the objectives of which are as follows: commitment implicit in a brand; promotion of self-regulation; dialogue and ethics as a system for progress; transparency in communication.
	The fight against corruption is another of the basic elements in our professional conduct. In addition to the Code of conduct, employees are also periodically required to sign a statement regarding possible conflicts of interest with the company.	There is a anti-fraud office, centralised at our parent company, which coordinates with our financial and human resource areas, and to which any employees can go if they are aware of possible bad practices.		All company units in which investments, payments or collections are made are subject to monitoring.

## 7.3. Leadership

### 7.3.1 Economic strength

In 2007 the performance of business indicators was very favourable as regards results for Sanitas Seguros. Net premiums revenues grew for the seventh year in a row to €905.2mn, which represents an increase of 12.5% on the prior year. Profit after tax also improved with regard to 2006 and was €89mn (20.2% higher). Sanitas Seguros has recorded the biggest jump in market share in the last year among the top five companies in the sector, achieving penetration of 17.1% at the close of the third quarter, 0.7 percentage points more than in 2006. With this outcome, the company consolidated its number two position in the health sector, widening the gap with the rest of the sector and closing in on its main competitor.

Sanitas Residencial also had significant growth in revenues, which nearly doubled to €75.2mn. Profit after tax was €1.6mn, for an increase of 53.8%.

In the case of Sanitas Hospitales, income rose 21.8% to €116mn.

#### Reinvestment of profit

In order to offer better services to customers and to medical professionals, the Group's policy is to reinvest profits back into the business.

The acquisition of Euroresidencias in March 2007 absorbed a good part of the investments made in the prior year, amounting to €130.2mn (ratio of 146.3% over net profit). Another part of those funds was used to improve the conditions of medical professionals working with the company, for investment in software and other equipment, and for the construction, expansion and maintenance of day centres.

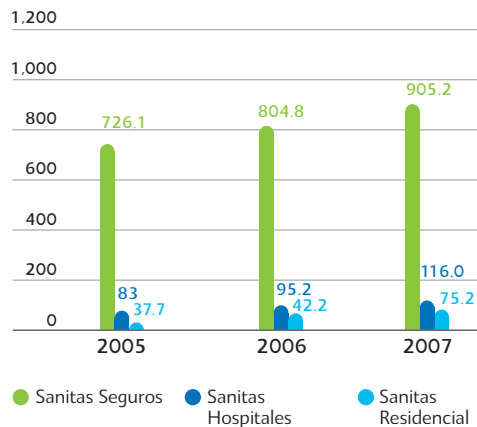
Between 2007 and 2009, Sanitas will reinvest part of its profits in projects to expand Hospital Sanitas La Zarzuela by 20% and for the construction and management of the future Hospital de Manises, the work for which commenced in June 2007.

Investment of €103.8mn is forecast for 2008, representing 110.4% of the net result. That amount will mainly be earmarked for the Plan for construction and infrastructures at hospitals and care homes. That includes completion this year of the expansion of Hospital Sanitas La Zarzuela and the finalisation of construction of Hospital de Manises, which will open in early 2009.

Additionally, six medical day centres will be constructed or are about to be opened in Barcelona and Madrid, five dental centres have been started up and at least five care homes for elderly people will be constructed or have already been constructed in 2008.

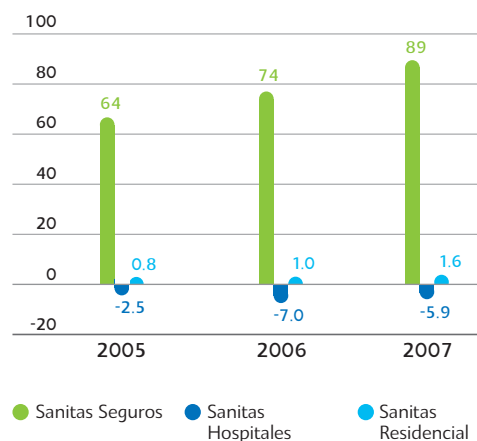
#### Revenues by business area.

In million of euros



#### Profit by business area.

In million of euros



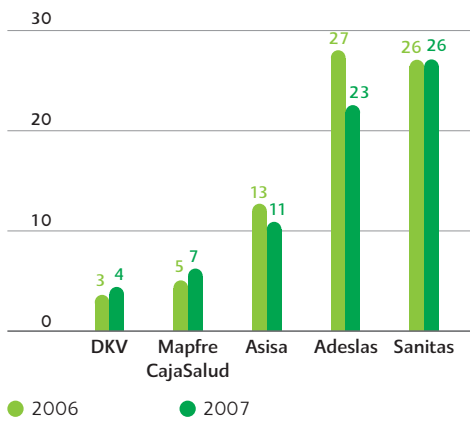
### 7.3.2 Corporate reputation

One of the company's most important attributes is its brand, which carries the implicit promise of customer service and the values that back its activities. In 2007, brand awareness for Sanitas Seguros continued to be very high and was once again one of the highest ranked in the private medical insurance sector in terms of spontaneous recognition, with a rate of 26%. Prompted awareness was 98%.

These favourable results correspond with Sanitas' excellent corporate reputation. According to the MERCO rankings for 2007 and 2008 (Business Monitor for Corporate Reputation), Sanitas has the best corporate reputation in the sector. Consequently, Sanitas has a consolidated position in the general ranking of the 100 top rated companies in Spain, rising from number 58 in 2007 to 49 in the Spring of 2008. That nine-position jump takes Sanitas into the top 50.

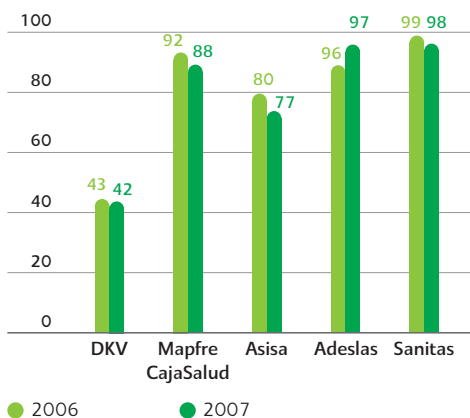
#### Spontaneous brand awareness\*

In percentage



#### Prompted brand awareness\*

In percentage



The company's good image has been helped by the effort carried out by the marketing and advertising division.

Sanitas was the first health insurance company in Spain to invest in this area, creating a very efficient channel for transmitting the company's dedication to quality and product innovation to a target public.

Sanitas has always been moved by a clear, value-oriented commitment in all its marketing activities. Communication efforts are undertaken and prepared with the involvement of all areas of the company (legal, commercial, financial, and care management) in order to achieve a clear synergy and transmit the values and responsibilities of our company. Moreover, the common thread in all communications for Sanitas this year has been our brand commitment. Sanitas takes care of its customers and treats them as individuals. This commitment has been materialised in all marketing initiatives.

In 2007, Sanitas has strengthened its image of a company concerned about health and a pioneer in the area of private medical insurance. This has been achieved with the launch of three advertising campaigns, reflecting our constant efforts to maintain close communications with our customers.

#### Investment in marketing

In thousands of euros



\* Source: Millward Brown 2007

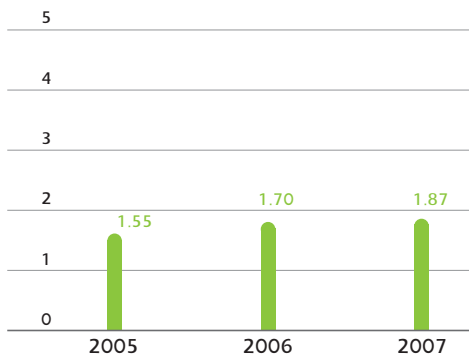
## 7.4. Growth

### 7.4.1 Sanitas Seguros

The pace of growth in the Spanish health insurance market in 2007 was similar to that in recent years, growing 9.3% and with income of €5.383bn, according to ICEA (Research Cooperative of Insurance and Pension Fund Entities) estimates. At the end of the third quarter, the number of policy holders was 9.8 million, including health care, reimbursement and subsidies.

Greater awareness of health issues, a political commitment to health and pharmacological innovations, together with an ageing population, have led to a forecast increase in European health spending, which has been estimated at 1.5% of GDP in 2020. Spain has a long way to go before reaching that level, as it is currently behind many other European countries. Consequently, significant business opportunities have been identified, conditional upon the need for innovative management models. The Public Private Partnership (PPP) is an example of one of these foreseeable innovations. Sanitas has already entered this market thanks to a tender awarded in 2006 by the Valencia Regional Government for management of the Health area of Manises.

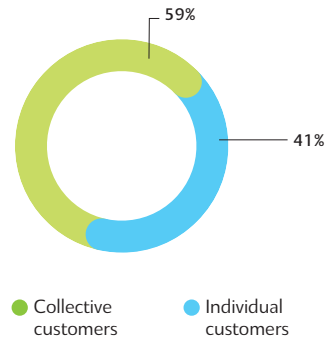
#### Evolution in the number of customers for Sanitas. In million



Of the total market, in 2007 Sanitas had 1.87 million customers (10% more than in 2006).

Of total customers, 59% are corporate customers which have shown considerable growth in 2007. Prominent companies such as Alcatel-Lucent, Computer Sciences España, Coty Astor Group and General Electric joined the more than 3,000 companies that already trust Sanitas for their health care. Important agreements for collaboration were also reached with powerful entities and companies such as the Madrid Municipal Government, official medical associations in Seville, Valencia and Barcelona, Línea Directa, Correos y Telégrafos (national postal service), Dragados Industrial and the Red Cross, among others. Additionally, in 2007 Sanitas was awarded various public tenders, including a major contract with AENA, representing a portfolio of 15,695 policy holders, the Municipal Government of La Roda (Albacete), the Municipal Government of Margalida (Balearic Islands) and the Municipal Government of Lora del Río (Seville).

#### Portfolio by type of customer





## 7. Shareholders: the Challenge of Growth

### Growth in all regional Administrations

The work carried out by the eight regional administrations has been essential for the evolution in number of customers.

All areas have shown substantial growth, which is a reflection of the excellent commercial efforts made. We would highlight the consolidation of the sales network specialised in SMEs, leading to an increase of 150% in that section compared to 2006.

**Barcelona moves closer to customers.** In the province of Barcelona, the customer portfolio has grown 12.6% to 175,000 policy holders.

The network has also been expanded to include seven new offices to offer better services, closer to our customers.

**New customers in Andalusia.** We have consolidated agreements for collaboration with official medical associations in Andalusia and Extremadura. Important agreements have also been reached in Cordoba, such as the policy contracted by Urende (Sánchez Ramade Group). In Huelva a collaboration agreement was entered into with the official nursing association, and in Ceuta an agreement for collaboration was reached with that autonomous city.

**Potential in the Northwest.** The provincial office of La Coruña has recorded growth of over 15%. An agreement was signed with Emalcsa (A Coruña Municipal Water Company) and Saprogal. In Vigo we have an agreement with the official medical association of Pontevedra and we continue to grow at a good rate.

The number of customers in Asturias shot up by 30%, in an area with great potential.

It was also an excellent year for Castilla y León, showing portfolio growth in all provinces. The most significant event was the collective policy contracted by the Municipal Government of Salamanca.

**Consolidation in Vizcaya.** Vizcaya has seen growth of 19%. In this province, we would highlight the 166% increase in the SME segment, thanks to consolidation of the sales team and collaboration from related associations, such as APD (Association for Progress in Management). In February, Sanitas sponsored the presentation of the book "The flexible leader" to more than 300 business people. The alliance with Seguros Lagun Aro was also consolidated.

**Madrid takes off with AENA.** From a commercial perspective, the agreement with AENA stands out, as do the results obtained through our distribution agreement with BBVA. The sales team involved with SMEs has also been consolidated in this area, and currently represents more than 30% of the total result for this entire regional administration.

**Valencia, full sail ahead.** The participation of Sanitas in the America's Cup was very significant, providing medical health care to six of the teams competing. Also in the area of sports, we renewed our sponsorship agreements with the Valencia Football Club and the Villarreal Football Club. In commercial matters, an agreement was reached with the official medical association of Valencia.

**Consolidation in the Balearic Islands.** The integration of Novomedic in the portfolio of Sanitas Multi allows us to offer the broadest coverage to customers and to expand the medical staff.

**Momentum in the Canary Islands.** An agreement has been entered into with the official medical association of Las Palmas. We would also highlight the results of AENA and the distribution agreement with BBVA. New sales executives have also joined our team to promote growth in the SME segment.



### 7.4.2 Sanitas Hospitales and the Care Network

One of our main priorities is to expand the care network of Sanitas-owned centres to ensure maximum quality and accessibility for our customers. Accordingly, last year four new dental centres were incorporated and another 12 are currently projected and will be in operation during the first half of 2008. There are 241 beds at the Sanitas-owned hospitals, which will be increased after remodelling work at the Hospital Sanitas La Zarzuela, raising capacity by 20%.

At the same time, Sanitas has increased its network of affiliates, signing preferential agreements with 36 new hospitals and clinics.

Over all, in 2007 Sanitas had a network of 495 hospitals and medical day centres, between own and affiliated entities.

In Sanitas Hospitales there were a total of 14,450 admissions, 159,693 emergency cases and 480,422 external consultations.

All areas have contributed to the strength of the care network:

**Barcelona contributes added value to customers.** In Barcelona preferential agreements have been reached for exclusive and differentiated treatment for our customers at nine admissions centres in the province, such as the Hospital Quirón.

At the same time, the medical staff has been increased by 1,500 professionals in various towns in the province of Barcelona.

**Andalusia looks for differentiation.** The Jovellanos Milenium Dental Centre was opened in Málaga and a corporate floor for Sanitas has been opened at Clínica Santa Elena (Torremolinos).

In Seville, the gynaecology and paediatrics teams were consolidated at the La Buhaira Milenium Medical Centre and those specialities were reinforced by implementation of a mother-child health plan.

**Strategic position in Vizcaya.** In Vizcaya, the Artaza Milenium Medical Centre is gaining a strategic position through the incorporation of new professionals. We have also reached an agreement whereby the Ethía Medical Centre will open an office in our centre, expanding our range of aesthetic and nutritional treatments.

Additionally, Sanitas has signed agreements for VIP medical examinations at Hospital Mapfre San Francisco Javier, Clínica USP La Esperanza (Alava) and the Quirón Hospital Group (San Sebastián).

**Madrid, on-going improvements.** One of the most salient points in Madrid is the remodelling and adaptation of Hospital Sanitas La Zarzuela, requiring an investment of €20mn, of which €14.2mn are earmarked for new infrastructures. The remainder will be used for equipment, including a 64-slice CT scanner.

A new gynaecology and obstetrics team has also been incorporated, led by Dr Ignacio Cristóbal. Innovations are being made at Hospital La Moraleja, where a new assisted reproduction unit has been launched, as well as an immediate breast reconstruction unit for cancer patients.

Together with on-going improvements at Sanitas-owned hospitals, Madrid has added three new Milenium centres to its network, specialised in dental health care.

**Valencia, all eyes on Manises.** Work for the Hospital de Manises commenced in 2007 and at 1 April 2008 the structure had been raised. A plan was approved for the opening of a second multi-speciality Milenium centre in Valencia city, which will be ready at the end of 2008.

**First Sanitas dental centre in the Balearic Islands.** Work has commenced on construction of the first Sanitas dental centre in the Balearic Islands.

**In the Canary Islands Sanitas shortens distances.** Major efforts have been made to boost the level of medical services on the islands of Lanzarote, Fuerteventura, La Palma and La Gomera, contracting with various medical centres to substantially improve services to our customers.

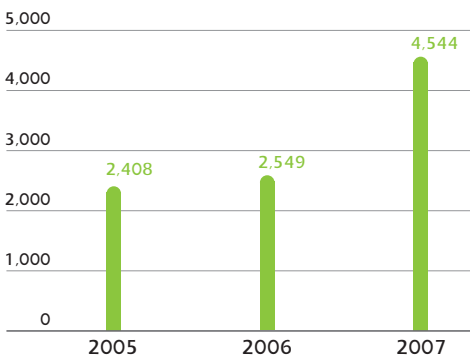
### 7.4.3 Sanitas Residencial

Sanitas Residencial, a Grupo Sanitas company dedicated to the management of care homes for elderly people, virtually doubled in size and in turnover in 2007 after the acquisition of Euroresidencias. Accordingly, Sanitas Residencial saw its revenues grow by 78.2% in 2007 to €75.2mn. The company closed the year with 2,716 employees, 84.2% more than in the prior year.

Thanks to those figures, at the year end Sanitas Residencial was second in the ranking of national operators in number of beds, only surpassed by Ballezol.

Other significant milestones in 2007 include the opening of Euroresidencias Mirasierra, a 152-bed home in the town of Mirasierra, Madrid. A second residential centre, 'Sanitas Residencial La Florida', has also been opened in Aravaca, Madrid, which has 116 beds.

#### Number of beds in care homes for elderly people in Sanitas Residencial



Additionally, in January 2008 Sanitas Residencial installed Sanitas Residencial Txindoki, in Lazkao (Guipúzcoa). This opening derived from the award of a public tender by the Local Government of Guipúzcoa for the construction, furnishing, operation and maintenance of a gerontological centre for dependent elderly in that municipality.

Sanitas Residencial closed 2007 with 43 centres (36 in operation and seven under construction) and 4,544 beds for the elderly (up 78.2% from 2006) in Catalonia, the Basque Country, Castilla y León, Aragón, Navarre, Madrid, Andalusia, Galicia, Cantabria and Valencia.

#### Ranking of the 10 largest national operators by number of beds.

Operator	2007	Proj. 2008
Ballezol	5,510	6,346
Sanitas Residencial	4,544	4,990
Grupo SAR	3,766	4,188
Mapfre Quavita	3,389	3,389
Sanyres	3,376	4,639
AMMA-Gerogestión	3,021	4,163
Los Nogales	1,960	2,780
Eulen Services Sociosanitarios	1,905	2,052
Planiger (Adavir)	1,800	1,800
Geriatros	1,637	2,082

Source: in-house preparation

## 7.5. Adaptation

### 7.5.1 New products

In keeping with our values as a responsible company and our commitment to society, Sanitas has extended the Sanitas Accesible health policy, initially conceived for patients with acquired spinal injuries, to people with Down's syndrome.

With the Sanitas Accesible Síndrome de Down product, the company offers people with this syndrome all the advantages of the best health insurance, accepting existing pathologies deriving from Down's syndrome.

The objective is to offer top quality health care in all medical and surgical specialities: primary care, health care in hospital and out, diagnostic testing and therapeutic methods, psychological services, and emergency services in Spain and during trips abroad.

This new insurance covers 100% of medical costs covered by the policy, through services rendered by medical staff specifically dedicated to Sanitas Accesible in Spain.

The Sanitas Accesible insurance is rounded out by other benefits, such as house calls through Sanitas' 24 hours and second opinion services.

With coverage throughout Spain, Sanitas Accesible Síndrome de Down has a single price for all customers, without differentiations based on age, gender or place of residence. The new policy is also in line with the Sanitas Multi product, the policy provided for the company's medical staff.



Sanitas Accesible,  
also for people with  
Down's syndrome

## 7. Shareholders: the Challenge of Growth

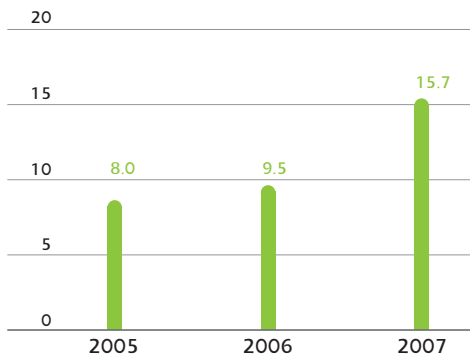
### 7.5.2 New services

Services launched in prior years under the company's diversification policy were consolidated in 2007.

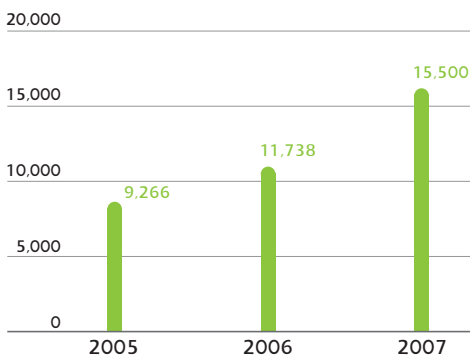
Accordingly, invoicing for the Sanitas Servicios de Salud (which includes aesthetic treatments and assisted reproduction, laser surgery to correct nearsightedness, medical screenings and spas) rose to €15.7mn, which is 65.2% more than in 2006. The number of customers increased to 15,500 (32% more than in 2006).

### Revenues Sanitas Servicios de Salud

In million of euros



### Number of customers for Sanitas Servicios de Salud



### 7.5.3 Leaders in Internet

The new benefits we offer in the area of health are complemented by our efforts to facilitate access for our customers.

One of these initiatives is the possibility of contracting our services through the Internet, representing a comfortable option for future customers. The strengthening of this channel has led to a significant increase in on-line contracting with a total of 68,477 in 2007, or 16% of total subscriptions.

The 8th study on the internet insurance sector carried out by Cap Gemini considers that Sanitas has the best on-line service, both in terms of its Internet business orientation and its technical and design criteria. Sanitas has obtained a rating of 70.2, outperforming Mapfre (68.54), Mutua Madrileña (65.38), DKV (62.48), Axa Winthertur (61.57), Asisa (59.08), Adeslas (58.14), Groupama (54.83), Lagun Aro (53.09) and Fiatc Seguros (48.19).

## 7.6. Business Ethics

### 7.6.1 Communication and Advertising

We try to put ourselves in our customers and suppliers' place, observing things from their perspective, implementing a communication policy based on commitment, veracity and transparency.

Consequently, before launching any product or advertisement, Sanitas evaluates acceptance thereof through independent market studies to ensure that they are in accordance with company principles.

Our objective is to create responsible advertising that complies with prevailing legislation, is not misleading and does not offend.

In keeping with this prudent criteria, prior to broadcasting a new advertisement we consult with the national public television to verify that it meets established ethical standards. To date, no campaign has been pulled by that broadcaster.

Additionally, to ensure the development and communication of the new Down's syndrome product throughout broadcast media, Sanitas has had support and supervision from the main association in Spain: the Spanish Down's Syndrome Federation (Down's España).

Sanitas is registered with the Spanish Advertisers Association (AEA), the objectives of which are as follows: commitment implicit in a brand; promotion of self-regulation; dialogue and ethics as a system for progress; and transparency in communication.

Sanitas became a member of Autocontrol in 2007 and, as such, undertakes to provide society with responsible advertising, complying with codes of conduct and accepting rulings by the Advertising Board with regards to claims presented to that entity by consumers or competitors.

Advertising for the group in 2007 has been designed and carried out by the Bassat Ogilvy Group, which is an active member of the Spanish Advertisers Association and Autocontrol, guaranteeing transparent management.

### 7.6.2 Fight Against Corruption

In 2007, Bupa's Operating Control Department and anti-fraud office have not detected any incidents in this regard.



# 8. Customers: Up Close and Personal

- 8.1. Introduction
  - 8.1.1 Profile
  - 8.1.2 Reading Guide
- 8.2. Management Approach
- 8.3. Integral Quality Services
  - 8.3.1 Products, Coverage and Adapted Services
  - 8.3.2 Closer to our Customers: Expanding the Network
  - 8.3.3 Making it Easy: Specialities, Efficient Management, Telephone Services
  - 8.3.4 Quality: Customer Satisfaction
- 8.4. Security and Guarantees
  - 8.4.1 Customer Privacy (data protection)
  - 8.4.2 Customer Advocate
  - 8.4.3 Risk of Infection
  - 8.4.4 Fraud Control

The resources invested by Sanitas to determine the concerns of customers and offer them an easy and differentiated service have paid off in the degree of satisfaction shown. In Sanitas Seguros, 52.2% of customers consider that our services are excellent or very good. To maintain and improve upon that positive image, we will continue to innovate with value added products and services, and to implement our policy of proximity by expanding our network. We are also investing to improve emergency services, access to the greatest number of specialities, at-home care and second medical opinion. Ensuring the well-being of customers and safekeeping their privacy is our ultimate objective.

## What is our commitment to customers?

Ensuring their well-being, being close and accessible to make their lives and their families' lives easier

## 8.1. Introduction

### 8.1.1 Profile

The 10% growth recorded in customer numbers shows that Sanitas has successfully adapted to a competitive market and offers products and services with added value. We had 1.87 million insured customers at the 2007 year end and are closer to them every day through our growing network of offices and new self-run and affiliated medical centres. Our daily efforts to improve activities has led to a high degree of satisfaction among customers.

	2005	2006	2007
Number of customers (million)	1.55	1.70	1.87
Rate of cancellations (percentage)	9.1	9.4	10.6
Number of medical centres (self-run and affiliated)	450	480	495
Number of Sanitas-run hospitals	2	2	2
Number of centres for elderly people	21	22	36
Network of local health care centres for customers	186	187	192
Service quality index for Sanitas Seguros (percentage)*	50.6	51.1	52.2
Satisfaction index for patients in Sanitas Hospitales (out of 10)	8.0	8.1	8.1
Satisfaction index for residents of Sanitas Residencial (out of 7)	5.03	4.95	5.07

(\*) Percentage of customers who consider that services from Sanitas Seguros are Excellent/ Very good. Source: CFI (Claes Fornell Internacional)



8.1.2. Reading Guide

Customer concerns	Sanitas' response in 2007	Commitments for the future
<p>Integral quality services Pages 68-74</p>	<ul style="list-style-type: none"> <li>• Launch of Sanitas Accesible Síndrome de Down.</li> <li>• Start up of the Genetic Board Unit at Hospital Sanitas La Zarzuela; the Coagulation Unit at Hospital Sanitas La Moraleja, Hospital Sanitas La Zarzuela and the Conde Duque Milenium Centre; and the Breast Diagnostics Unit at Hospital Sanitas La Moraleja.</li> <li>• Coverage of non-invasive coronariography with a 64-detector CT scanner.</li>   <li>• Efforts to expand our own network.</li> <li>• Sanitas has extended its network of affiliated entities through preferential agreements with 36 new hospitals and clinics. Additionally, Sanitas has signed an agreement with Hospital Santa Elena de Torremolinos (Málaga) to manage one of its floors on an exclusive basis.</li> <li>• After acquiring Euroresidencias, Sanitas Residencial now has 34 centres and 4,544 beds in 15 provinces.</li> <li>• 619,259 appointments made through the Sanitas Hospitales call centre.</li>   <li>• Considerable increase in contracting through the company's website, currently representing 16% of the total.</li> <li>• 5,988 appointments handled on-line and 750,000 appointment reminder messages sent by email or text message.</li> <li>• 52.2% Sanitas customers consider that the services received are Excellent/ Very good.</li> </ul>	
<p>Security and guarantees Pages 75-77</p>	<ul style="list-style-type: none"> <li>• In 2007, the customer advocate received 89 claims, 21 More than in the prior year. 25% of rulings were in favour of customers.</li> <li>• Renewal in February 2008 of the AENOR certificate for ISO standard 27001 regarding management and administration of information systems. .</li> </ul>	<p>Training action in LOPD in different areas of Sanitas Seguros, Sanitas Hospitales and Sanitas Residencial.</p>

## 8.2. Management Approach

Every year Sanitas improves the products and services offered to customers. Accordingly, we are committed to integral quality services, which include the creation of products covering specific customer needs and the incorporation of the latest technology.

Another of our priorities is to expand our network of Sanitas-run centres, because that is where we can best guarantee excellent care.

We also work to offer our customers the firmest guarantees in respect of safety and prevention, including a strict respect for privacy.

Management areas	Policies	Distribution of Responsibilities	Control and monitoring	Related information
Integral quality service	<p>Our policy for opening Sanitas-run medical centres is based on our commitment to proximity and to improving services.</p> <p>Rigorous accreditation of professionals at Sanitas-run centres.</p> <p>Making things easy for customers is our priority. To that end, we are investing in providing access to the greatest number of specialities and improving emergency services, at-home care and second medical opinions.</p> <p>We look to new technologies to facilitate management.</p> <p>We add value to our care services through specific, customised programmes and coverages.</p>	<p>Business Development Area.</p> <p>Division for Care Management and Hospitals.</p> <p>Division for Care Management and Hospitals.</p>	<p>Specialised customer services centre to broaden our knowledge of customers and promote loyalty by meeting specific needs.</p> <p>Annual satisfaction surveys through independent studies.</p>	

## 8. Customers: Up Close and Personal

Management areas	Policies	Distribution of Responsibilities	Control and monitoring	Related information
Security and guarantees	Compliance with regulations and voluntary codes regarding information in all advertising formats.	Marketing Area.		
	Scrupulous respect for customer privacy.	Division for Information Systems.  Division for Sanitas Residencial.  Division for Care Centre and Hospitals Management.	External audit in accordance with the provisions of Royal Decree 994/199, of 11 June approving the Regulations for Security Measures over automated files containing personal data.	AENOR Certification for our information systems in accordance with ISO standard 27001 for management and administration of security in information systems.  Sanitas is a founding member of the Spanish Association for the Promotion of Information Security (ISMS Forum).
	Maintaining the capacity for mediation between the company and insured customers.	The customer advocate (not subordinate to or hierarchically dependent upon Sanitas).		The Customer Advocate received 89 claims in 2007, which is 21 more than in 2006
	Prevention of infections in hospitals and care homes.	<b>Sanitas Hospitales:</b> Infection Commission, made up of representatives from pharmacy, paediatrics, preventive medicine, internal medicine, clinical analysis, traumatology, ICU, microbiology, admissions supervision, anaesthesia, medical management, neurosurgery, urology, cardiac surgery, gynaecology, general surgery and clinical documentation.  <b>Sanitas Residencial:</b> coordinator of Care Management.	The Commission meets quarterly and is responsible for recording and controlling nosocomial infections (contracted during hospital stays), developing protocols and applying measures adopted.	
	Guaranteeing the reliability and efficacy of transactions		Customers fill in and sign a health questionnaire. Use of a magnetic card for access to our health services through on-line terminals installed at medical clinics. Co-payment invoicing, which permit the company to verify customer confirmations that services charged through the card have been used.	

## 8.3. Integral Quality Services

### 8.3.1 Products, Coverage and Adapted Services

**Sanitas Multi.** Complete health care insurance which provides access to the entire network of specialists and medical centres, both Sanitas-run and affiliated.

Customers are able to freely choose their primary physician, specialists and medical centres from available medical staff in Spain. At present, more than one and a half million customers have placed their trust in Sanitas Multi.

**Sanitas Mundi.** A mixed insurance policy offering reimbursement of a percentage of medical costs (at any Medical Centre in Spain or abroad) as well as unlimited access to doctors on staff in Spain. Thanks to an agreement with the insurance company United Healthcare, Sanitas Mundi customers have preferential access to nearly 3,000 of the most prestigious hospitals in the United States. They also have access to Bupa medical staff in the United Kingdom.

**Sanitas Familia.** A policy to cover the different needs of each family. It offers everything from basic coverage - health, dental, second opinion, clinical psychology - to options like tele-care or the right to indemnity for hospitalisation or accident.

**Sanitas Dental.** The most complete dental coverage, with rates that in some cases represent savings of up to 50% on average market prices.

**Sanitas Oro.** Tailor-made insurance for customers over 60 years old. It offer services based on a team of specialists, led at all times by a Gatekeeper responsible for coordinating diagnoses. Two formats exist: Sanitas Oro Cuadro or Sanitas Oro Reembolso.

**Sanitas Dependencia.** Covers the basic daily needs of people who could become dependant in the future.

**Sanitas Autónomos.** This is a product for self-employed people. It provides health care and daily income in the event of hospitalisation, in two formats: Sanitas Autónomos Cuadro or Sanitas Autónomos Reembolso.

**Sanitas Opció.** Product providing access to Sanitas medical staff and covering health care in and out of hospital within Catalonia. Premiums are lower than for other products in the same category, with no co-payments and including innovative coverages like acupuncture and homeopathy. Discounts are offered depending on the number of people on the policy.

**Sanitas Health Plan.** Product range with three different formats specially designed for foreigners in Spain. Care at very competitive prices, with reimbursed health care in Spain and in a second European country. It offers services such as documentation and call centres in English, as well as an exclusive medical staff with professionals fluent in different languages.

**Sanitas Pymes.** Product designed for small and medium sized companies, with services and premiums depending on the number of employees and on use.

**Sanitas Exterior.** Reimbursement insurance aimed at companies, with national and international coverage. Annual limit of €1.2mn.

**Sanitas Accesible.** Initially implemented in Madrid, this service focuses on people with acquired spinal injuries to provide them with the advantages of the best health insurance. The objective is to offer maximum quality health care in all medical specialities: health care in and out of hospital, diagnostic testing and therapeutic methods and emergency services in Spain.

This insurance covers 100% of medical costs covered by the policy and incurred on services rendered by the specific medical team for Sanitas Accesible. That team comprises professional experts, trained in the treatment of injuries of this kind and forms part of the Sanitas Network of Accessible Centres.

Initially, that network is made up of 13 hospitals and clinics (Sanitas-run and third party centres), distributed strategically throughout the city of Madrid. Among them we would mention the Foundation for the Rehabilitation of Spinal Injuries, at Hospital Sanitas La Moraleja and Hospital MD Anderson.

## 8. Customers: Up Close and Personal

**Sanitas Accesible Síndrome de Down.** With this product, Sanitas offers people with Down's syndrome all the advantages of the best health insurance, accepting pre-existing pathologies which unquestionably and demonstrably derive from Down's syndrome.

The objective is to offer maximum quality health care in all medical and surgical specialities: primary care, health care in hospital and out, diagnostic testing and therapeutic methods, psychology and emergency services in Spain and during travel abroad.

This insurance covers 100% of medical costs covered by the policy and incurred on services rendered by the medical team specifically dedicated to Sanitas Accesible.

Sanitas Accesible is rounded out by other benefits, such as at-home medical care through Sanitas 24 hours and Second medical opinion.

With coverage throughout Spain, Sanitas Accesible Síndrome de Down has a single price for all customers, without differentiations based on age, gender or place of residence, and is in line with Sanitas Multi, the company's medical staff product.

**Other services.** In 2007 Sanitas started up various programmes which add considerable differentiating value to the range of care offered. These include the Genetic Board Unit at Hospital Sanitas La Zarzuela; the Coagulation Unit at Hospital Sanitas La Moraleja, Hospital Sanitas La Zarzuela and the Conde Duque Milenium Centre; and the Breast Diagnostics Unit at Hospital Sanitas La Moraleja.

Moreover, Sanitas is the first company in Spain to provide coverage for non-invasive coronariography with a 64-detector CT scanner. In many cases, this test eliminates the surgical procedures required for hemodynamic testing, as it is a non-invasive, low-radiation test.

**Pathology management programmes.** CDM - Chronic Disease Management. As part of these programmes, Sanitas, through the Executive Medical Area, has started up an innovative pilot programme in public and private medicine consisting of coordination and improved care for pathologies related to cardiovascular diseases.

Integral Cardiovascular Care Programme, PIAC, where primary, specialised and hospital care come with greater accessibility and diagnostic and therapeutic integration of those pathologies. This system is focussed on patients and their diseases.



### 8.3.2 Closer to our Customers: Expanding the Network

In 2007 Sanitas' care network continued to expand, bringing us closer to our customers.

Throughout the year, we have continued to expand our network of local offices with a view to resolving administrative issues or queries. In 2007 we opened 5 new offices, taking us to a total of 192 in the country overall.

The multi-speciality and dental Milenium centres permit customers to save in travel time by having doctors' offices and diagnostic testing at the same centre.

In some cases, like that of the Costa Rica Milenium Medical Centre, on-going paediatric care has been included, and is available to Sanitas customers without an appointment. The service objective is to provide an alternative for families, offering paediatric care in cases where an emergency room visit is not necessary.

All these characteristics make up the Milenium concept, which Sanitas is using as the basis for a network of high quality centres to provide its customers with excellent services.

In 2007 four new centres have been incorporated and there are another 12 new projects underway which should start up operations during the first quarter of 2008.

In addition to its own care network, Sanitas has expanded its network of affiliated entities through preferential agreements with 36 new hospitals and clinics. Sanitas has signed an agreement with Hospital Santa Elena de Torremolinos (Málaga) for the exclusive management of one of its floors.

Hospital Sanitas La Zarzuela, in Aravaca (Madrid), is expanding with a view to boosting capacity by 20%. That hospital currently makes available more than 50 medical specialities and the latest technological advances to Sanitas customers. After that expansion, Hospital Sanitas La Zarzuela will evolve into a technologically advanced centre, oriented towards outpatient services and will include various areas of excellence: a women and children's centre (gynaecology, obstetrics, paediatrics); a cardiovascular centre; an ophthalmology and otorrinolaringology centre; a plastic surgery and maxillofacial centre; a centre for the musculoskeletal system and a diagnostics and screening centre.

Hospital Sanitas La Moraleja has one of the most modern and best equipped maternity-infant areas in Spain. Within this area, Sanitas has developed the Sanitas Mujer programme, which has the most innovative techniques for immediate breast reconstruction and assisted reproduction.

The advanced assisted reproduction unit at Hospital Sanitas La Moraleja was inaugurated in 2007. The objective of this unit is to offer integral solutions to couples unable to achieve a spontaneous pregnancy, providing cutting edge services in the area of human reproduction. The assisted reproduction unit has various operating rooms, a laboratory for sperm capacitation and embryos, a sample reception area and another area for work and storage.

### Sanitas care network and Sanitas Residencial care homes

	2005	2006	2007
Number of doctors and health professionals	21,000	25,000	29,800
Number of self-run and affiliated medical centres	450	480	495
Number of self-run hospitals	2	2	2
Number of care homes for elderly people	21	22	36
Number of beds in care homes for elderly people	2,408	2,549	4,544

## 8. Customers: Up Close and Personal

Conceived as an integral clinical unit, this service provides patients with complete services and expert care by involving various specialists. This concept of health care is called transactional medicine.

Almost at the same time, Hospital Sanitas La Moraleja inaugurated its immediate breast reconstruction unit (RMI) with a full medical-surgical team so that breasts removed in cancer processes can be immediately reconstructed in a single operation, using a flexible new procedure.

A "Medical Guide" is prepared periodically to provide customers with an up-to-date listing of doctors and hospital centres. The Medical Guide can be consulted online at [www.sanitas.es](http://www.sanitas.es) or by contacting the Call Centre. A copy is also sent to the homes of all our customers.

Network growth has also been seen in Sanitas Residencial care homes for elderly people, in terms of both the number of centres and beds and the territorial scope. After the acquisition of Euroresidencias, Sanitas Residencial now has 36 centres and 4,544 beds in fifteen provinces.

### New more accessible centres

In 2007 Sanitas prepared a Guide for the design of accessible medical centres. Each new centre must apply guidelines that permit access and use by all people, regardless of their circumstances. To that end, applicable characteristics for accessibility must be complied with, including adaptation of pavements, manoeuvring areas, traffic zones and changes in level.

In 2007 Sanitas had 10 accessible centres.

## 8.3.3 Making it Easy: Specialities, Efficient Management, Telephone Services

### Specialities

The following table sets out the number of services and patients for the specialities most requested by our customers in 2007. Omitting clinical analyses and x-rays, which do not generate activity in and of themselves (they are always prescribed by a specialist), the specialities with the most services were, in order, gynaecology, family medicine and paediatrics.

### Most requested specialities 2007

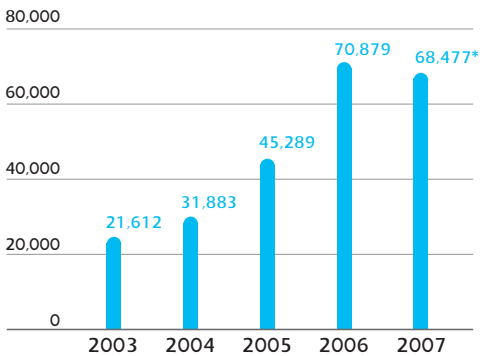
	Services by speciality	Patients
Medical emergencies	940,437	191,090
Physiotherapy	571,298	47,393
Obstetrics and gynaecology	1,288,398	158,055
Clinical analysis	1,135,092	253,564
Radiodiagnostics	1,091,184	249,481
Family and community medicine	989,501	166,342
Traumatology and orthopaedic surgery	728,489	121,597
Paediatrics and specific areas	761,544	65,884
Ophthalmology	516,614	112,639
Medical and surgical dermatology and venereology	481,601	118,903
Otorrinolaringology	422,652	78,178
Others	4,223,955	130,167
<b>Total</b>	<b>13,150,765</b>	<b>1,209,296</b>

**Efficient processes**

**On-line services.** The new health benefits offered are complemented by our efforts to facilitate processes for customers.

One of the initiatives in this regard is the possibility of contracting our services through the Internet, thereby avoiding travel time. The measures taken in this regard have led to a significant increase in on-line contracting, which represents 16% of all contracting, for a total of 68,477.

**Total contracting handled over the Internet. In number**



\* The decrease in 2007 is due to the 9% reduction in mediated sales to 47,577, while non-mediated sales grew by 11% to 20,900.

In 2007, Sanitas launched its new corporate website, which includes major technical enhancements, as well as improvements in terms of design and accessibility, content and services.

The company's objective has been to optimise and simplify the web site, permitting users to find the information they are looking for more easily.

Another of Sanitas' objectives has been for improvements to be accessible by everyone, regardless their age, of whether they have a disability or use unconventional technologies. Consequently, Sanitas has a commitment with on-line accessibility, progressively adopting the Web Content Accessibility Guidelines 1.0 established by the W3C (World Wide Web Consortium).

At present, www.sanitas.es is in the process of certification in accordance with the WCAG (Web Content Accessibility Guidelines) of the W3C (World Wide Web Consortium), at AA level. The web site is also in the process of receiving the official European accessibility label, Euracert.

Sanitas' commitment to new technologies is also evident in other actions:

- **Web services.** 10.38% increase in the use of on-line services through the portal for individual customers. These services include the request for and cancellation of doctors' appointments, as well as the consultation of costs for services, reimbursements and receipts.
- **Services to mobile phones.** 126% rise in text messages sent to customers. In 2007 new mobility services have been developed, such as a welcoming message, confirmation of reimbursement or reminders of health service appointments.
- **The emergency house call service for Sanitas (Sanitas Acude)** has incorporated the latest technology for Internet access through mobile mechanisms via text messages and GPRS Pocket PC terminals, permitting doctors to connect in real time with Sanitas' telephone services.

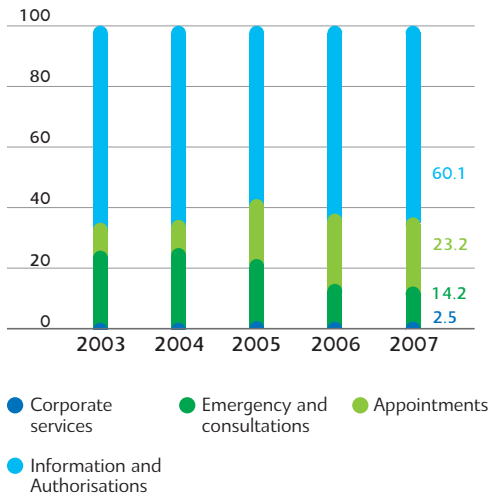


## 8. Customers: Up Close and Personal

### Telephone services

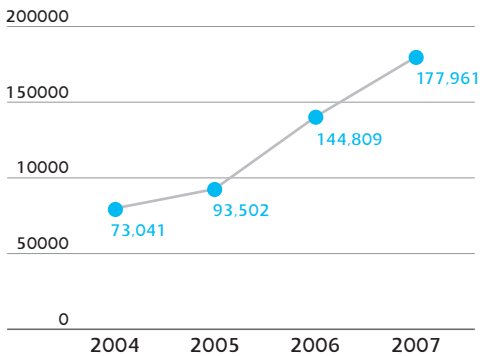
Statistics for the distribution of incoming and outgoing calls show that requests for information and authorisations are the main reasons for telephone communications, representing 60.1% of the total.

#### Calls handled by the Sanitas telephone service by type. In percentage



Telephone services are also a key advantage for our corporate customers, as they allow resolution of any administrative needs, as well as appointment management. In 2007, a total of 177,961 calls were received from customers of this kind, 22.89% more than in 2006.

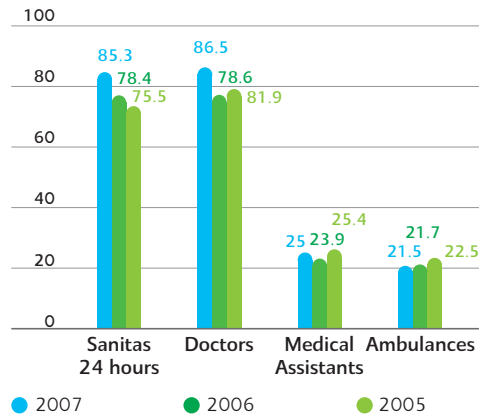
#### Corporate telephone services. Number of calls from corporate customers



Our emergency services comprise the management of at-home medical care alerts, through the Sanitas Acude service, and the possibility of contacting a medical professional 24 hours a day for any urgent issue, through the Sanitas 24 hour service.

Emergency services handled through the 24-hour, emergency call centre rose 7.4% in 2007, due mainly to the increase in number of customers.

#### Number of services managed by the emergency telephone service. In thousands



### Second opinion

Another service that Sanitas is improving on each year is the second medical opinion service, which permits customers to consult other internationally renowned professionals and provides them with health care over the telephone. The second opinion is a service which is highly valued by customers.

### 8.3.4 Quality: Customer Satisfaction

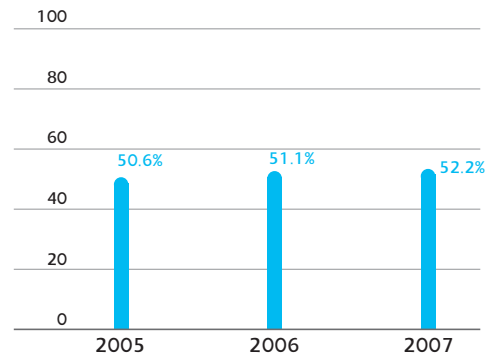
We are working to boost customer satisfaction, applying a policy of quality and establishing clear targets and mechanisms to guarantee compliance.

Each year we measure the degree of satisfaction in an independent study. In 2007, the valuation of services by Sanitas Residencial based on the opinions of residents and their relatives was 5.07 out of 7. In self-run and affiliated hospitals and medical centres, customers valued the services rendered at 8.1 out of 10.

In 2006 customers of Sanitas Seguros graded services at 72.5 out of 100. In 2007, the measuring methodology has been adapted to the system applied to the entire Bupa Group. As a result, according to this new indicator, 52.2% of customers consider the services offered to be excellent or very good.

These positive results in respect of customer satisfaction are correlative to the resources invested by the company to gain an understanding of customer concerns and to offer easier and more efficient health care. In this sense, customers value the quick and efficient telephone service, which is getting more and more use.

### Quality of service index for Sanitas\*



\* Percentage of customers who consider that Sanitas' services are Excellent /Very good



## 8.4. Security and Guarantees

### 8.4.1 Customer Privacy (data protection)

A scrupulous respect of customer privacy forms part of our corporate values. Consequently, we take all measures to ensure, in a sensitive sector like health care, that this basic right is completely safeguarded.

As a result, Sanitas has ISO 27001 certification from AENOR for management and administration of the security of IT systems. Additionally, Sanitas a founding member of the Spanish Association for the promotion of information security (ISMS Forum Spain), forming part of ISMS International User Group (IUG). This organisation was created in 2007 as a specialised forum in which all companies, public and private entities and sector professionals can collaborate, exchange experiences and have access to the latest advances and developments in information security.

In its first year, ISMS Forum Spain has organised two international conferences in Madrid, with the attendance of more than 450 professionals, and has signed agreements for collaboration with national and international organisations, such as the National Institute for Communication Technologies (INTECO), the Foundation for Research on Law and the Company (FIDE) and the Business Continuity Institute (BCI Spain).

As a member of the ISMS Forum, Sanitas reinforces its position as one of the leading entities in Spain in matters of safekeeping the data of its associates.

For paper documentation, Sanitas Hospitales has a Destruction and Recycling system at both hospitals and at four of the eleven Milenium medical centres. At the remaining centres, confidential documentation is destroyed using shredders and the paper is deposited in containers pertaining to the corresponding municipal government.

To ensure the efficacy of these measures and to infuse our values throughout the company, in 2008 training initiatives will be carried out regarding the Data Protection Act. This training will affect employees in all business areas and all new incorporations.

**Data protection.** The only incident recorded in this regard in 2007 is a request from the Data Protection Agency to Sanitas Seguros and Sanitas Hospitales in respect of a claim filed by a customer. Since June 2007 we have not received any additional information in this regard or any other requests and, consequently, we do not have information on the evolution thereof.

**Privacy for residents and patients.** Another of our main objectives is for customers to have maximum privacy during their stay at Sanitas Residencial centres and in our hospitals.

In this respect, in Sanitas Residencial 53.82% of our rooms are for individual use. Additionally, with a view to providing quality services and preserving family ties, the policy of this division consists of facilitating visits. The average number of visits for each resident was similar to that for 2006, an equivalent for 2.13 a day for and average of 3,608 residents.

## 8. Customers: Up Close and Personal

In Sanitas Hospitales, 100% of our hospital rooms are for individual use. Patients' right to privacy, confidentiality and discretion is fully recognised and protected by law. In order to preserve that right, Sanitas Hospitales has established a protocol stipulating that:

- As a general rule, comments relating to the status or evolution of patients should always be made quietly and out of earshot of others, especially in open spaces or outside of clinic areas (cafeteria, hallways, lifts, the street).
- No one other than the patient should know whether he/she is ill, pregnant, etc., or what type of treatment or intervention is to be carried out. Accordingly, patient rosters, clinic appointments or signs with patients' names will be kept out of public sight.
- The personal information of patients may not be used for purposes other than care giving.
- Information about the status of patients will not be disclosed to the media without express written authorisation from the patient.
- Only authorised people can access software for clinical work, and such access will be made using a personal and non-transferable code to that effect.
- No information on the status of patients will be given over the phone, except when that is the only means of communication available to people with a right to such information.
- Clinical information on a patient will not be given out to anyone not authorised by the patient.

For health staff, in addition to the above guidelines, the following items should also be complied with:

- One should knock before entering a room
- A patient's right to privacy will be respected to the utmost during examinations, baths or treatments, as will their legitimate desire for discretion.

### 8.4.2 Customer Advocate

As part of our commitment to customers, Sanitas has the figure of Customer Advocate. The purpose of this position is to maintain the capacity for mediation between the company and customers.

The fundamentals are as follows:

- The Customer Advocate's functions are not subordinate to or hierarchically dependent upon Sanitas.
- The mediation process is brief and based on the confidence the parties place in the Customer Advocate.
- Filing a claim with the Advocate does not mean that customers cannot subsequently use guardianship or due legal process to defend their legitimate interests.

In 2008, the Advocate received 89 claims, 21 more than in the prior year, and all were handled within the legally established period. Of total resolutions, 25% were in favour of customers, compared to 18% in 2006. Most claims were related to subscriptions and cancellations, as a consequence of significant growth during the year. There were also numerous claims relating to waiting lists, but fewer claims regarding medical care..

### 8.4.3 Risk of Infection

We are aware that hospitals, health centres and care homes are, on occasion, subject to risks deriving from the possibility of infections due to inadequate management of the sanitary waste generated. Consequently, Sanitas has established specific measures to avoid such risks.

To prevent possible contagions, the organisation has an Infection Commission, made up of representatives from pharmacy, paediatrics, preventive medicine, internal medicine, clinical analysis, traumatology, ICU, microbiology, admissions supervision, anaesthesia, medical management, neurosurgery, urology, cardiac surgery, gynaecology, general surgery and clinical documentation.

## 8. Customers: Up Close and Personal

Various specific actions have been taken in this respect during the year. Certification has been received in respect of the environmental Management Systems at 5 centres: Hospital Sanitas La Moraleja, Hospital Sanitas La Zarzuela, Milenium Medical Centre Costa Rica, Milenium Dental Centre Pozuelo de Alarcón and Milenium Dental Centre Sanchinarro. The centres in Barcelona and the remaining Milenium centres in Madrid are expected to be certified in 2008, and the rest of the network in 2009.

Simultaneously, all processes are being revised. For example, acquisition of batteries for the Holter monitors in cardiology has been evaluated, as has the substitution of mercury thermometers for others not containing contaminating substances.

In the case of Sanitas Residencial, prevention of infections is managed by the Care Management coordinator, who is responsible for avoiding episodes of that nature. To that end, various internal protocols have been developed against the transmission of infections.

### 8.4.4 Fraud Control

The mission of the Monitoring committee for the professional code of conduct, made up of representatives from the financial, legal and human resources departments and representatives from Sanitas Residencial and Sanitas Hospitales, is, inter alia, to control situations where an employee colludes with an external agent to modify or falsify economic data or documentation that could derive in economic damages and harm the image of Group companies.



# 9. Collaborators, Professionalism Guaranteed

- 9.1. Introduction
  - 9.1.1 Profile
  - 9.1.2 Reading Guide
- 9.2 Management Approach
- 9.3 Working with the best
  - 9.3.1 Accreditation and Control:  
Centres and Health  
Professionals
  - 9.3.2 Remuneration
  - 9.3.3 Satisfaction
  - 9.3.4 Communication and Training
- 9.4 Shared Principles
  - 9.4.1 Communication and Support  
in our Mediators' Activity
  - 9.4.2 Management Support

In the Sanitas Group we consider that knowing how to manage and motivate the talents of those involved in our mission is essential. Consequently, we have incorporated remuneration policies based on qualitative and quantitative targets and we have implemented various incentive programmes for our collaborators. We have also created training plans with a view to transmitting to collaborators who we are and what we are like.

## **Who are our collaborators?**

We work with the best professionals. They represent Sanitas to our customers.

## 9.1. Introduction

### 9.1.1 Profile

Our collaborators, including both medical and commercial staff, represent Sanitas to our customers. In 2007 Sanitas collaborated with 2,540 insurance agents and 76 franchised offices, in which the Group invested nearly €38mn in commissions.

In respect of medical collaborators, the professionals working at affiliated and Sanitas-run centres expressed satisfaction of 7.7 out of 10. This shows that our efforts to improve relations with collaborators have paid off and have permitted us to end the year with the highest percentage of targets achieved.

#### Profile of commercial collaborators

	2005	2006	2007
Number of insurance agents (mediators)	3,588	3,680	2,540
Number of franchised offices	66	73	76
Commissions for mediators (million of euro)	32.0	34.5	37.8

#### Profile of medical collaborators

	2005	2006	2007
Number of doctors and health professionals	21,000	25,000	29,800
Number of Sanitas-run and affiliated centres	450	480	495
Satisfaction index among doctors (out of 10)	7.6	7.7	7.7
Number of doctors adhered to target-based remuneration systems	810	1,616	1,178
Percentage of targets achieved	66%	70.25%	83%

### 9.1.2 Reading guide

Collaborator concerns	Sanitas' response in 2007	Commitments for the future
<p>Working with the best Pages 83 and 84</p>	<ul style="list-style-type: none"> <li>• Sanitas Hospitales accredited 718 health professionals and evaluated all medical centres in accordance with the requisites established by the Joint Commission (JACHO).</li> <li>• The percentage of targets achieved was 83%.</li> <li>• Sanitas' image among collaborating doctors was 7.7 out of 10</li> <li>• Meetings and workshops to touch base and communicate with professionals on the medical staff in 14 provinces.</li> <li>• Sanitas has started up a Professional Relations Area to optimise training opportunities for its doctors on an on-going basis.</li> </ul>	<p>This year the Group will monitor the results of its main collaborators on a quarterly basis and will hold feed-back meetings on the results obtained. Due to the high degree of acceptance and the magnificent results generated on the pilot experience of a target-based remuneration system for Sanitas hospitals (by measuring care activities and patient satisfaction), that system will be consolidated this year.</p>
<p>Shared principles Pages. 85 and 86</p>	<ul style="list-style-type: none"> <li>• Sanitas has signed an agreement with ICEA (Cooperative Research by Insurance Entities and Pension Funds) for a training programme for agents focussed on business management and control.</li> <li>• More than 1,050 mediators have used the Internet (nearly 41% of the total).</li> <li>• Non-stop growth in electronic transactions carried out with doctors, which is 15.65% more than in 2006.</li> <li>• 97.3% of the services invoiced have been handled through one of our electronic processes.</li> </ul>	<p>Start up of the PRISMA protocol for direct interconnection with the corporate applications of major hospital centres.</p>



## 9.2. Management Approach

The Sanitas Group has undertaken the responsibility of working with the best professionals, in order to ensure quality care for all its customers. Accordingly, it carries out exhaustive controls over the doctors and health professionals working at its hospitals through a management system which evaluates them periodically. This year, the Group will increase its periodic monitoring of results obtained by its main collaborators to once every four months.

The company has also developed policies for attracting and retaining talent, such as remuneration systems based on qualitative and quantitative targets and incentive programmes rewarding the work of collaborators.

Management areas	Policies	Distribution of responsibilities	Control and monitoring	Related information
Working with the best.	We ensure the health of our customers by working with the best professionals.	Executive Medical Management. Division for Care Management and Hospitals.	<p><b>Sanitas Hospitales</b> Accreditation of health professionals working at Sanitas-run centres. Quality management system which includes the periodic evaluation of quality standards at Sanitas-run centres. Quality management system which includes periodic evaluations of centres to raise the level of excellence.</p> <p><b>Sanitas Residencial</b> All Sanitas-owned centres, central services and two of the care homes under management for others have an ISO Quality Management System for all processes related to services.</p>	In 2007 the agreement with the Avedis Donabedian Foundation to create an accreditation manual for centres was maintained.
	Our collaborators are a true reflection of the company's values and image. Consequently, our success is necessarily tied to their results.	Executive Medical Management.	Sanitas applies a remuneration system based on qualitative and quantitative targets for its medical providers.	In 2007, 1,178 doctors participated in the target-based remuneration system.

## 9. Collaborators, Professionalism Guaranteed

Management areas	Policies	Distribution of responsibilities	Control and monitoring	Related information
	Sanitas considers that constant efforts should be made to maintain the satisfaction of its collaborating doctors and to attract the best health professionals.	Executive Medical Management. Division for Care Centre and Hospital Management.	General survey of doctor satisfaction.	Our medical staff has grown by 12.2% in 2007.
	Sanitas works at achieving fluid and on-going communication with those groups.	Professional Relations Area. Division for Care Centre and Hospital Management.	Medical staff: expert panels, meetings and workshops for touching base and communicating with professionals.	
	It offers training and consultancy programmes.	Professional Relations Area Division for Care Centre and Hospital Management.		
Shared principles	Success for our professional collaborators is success for the company.	Sales Management.	Sanitas has started up an incentive programme to reward the production work of collaborators.	
	Sanitas facilitates work by collaborators, providing them with management tools.	Supply Management Systems. Sales Management.	<p><b>Mediators.</b> Web portal within <a href="http://sanitas.es">sanitas.es</a>. (contracting and online management of customer portfolios).</p> <p><b>Medical staff</b> Portal in <a href="http://medicos.isanitas.com">medicos.isanitas.com</a> (access to fee settlement, requests for single documents or sending invoicing files for clinical analyses).</p> <p>Electronic Internet-based SCT terminal for invoicing and authorisation requests for medical reports.</p>	Agreement with ICEA for a training programme for Sanitas agents focussed on business management and control.

## 9.3. Working with the Best

### 9.3.1 Accreditation and Control of Centres and Health Professionals

When it comes to medical care, quality requirements are even stricter than in any other activities. With this in mind, Sanitas works only with the best professionals. A careful selection process is performed at the beginning of our collaboration and their work is subsequently supervised through periodic evaluations of quality standards.

Sanitas Hospitales has implemented procedures for the accreditation of health professionals working at its centres, consisting of verification of the requirements that medical providers or care subcontractors should meet to carry out their activity. In 2007, Sanitas Hospitales accredited 718 health professionals, guaranteeing their training, specialisation and experience.

Sanitas Hospitales also has a quality management system which includes periodic evaluations of its centres to ensure continuous improvements.

Similarly, it evaluates all medical centres in accordance with established quality criteria. In this respect, and as a result of the agreement with the Avedis Donabedian Foundation, the company is working on creation of a manual for the accreditation of hospital centres and medical centres in compliance with the requirements established by the Joint Commission (JACHO), the leading entity in the United States for accreditation of health centres. The manual has a section dedicated exclusively to the evaluation of patient safety. Additionally, our parent company, Bupa, has its own accreditation model. Accordingly, during the year the company will work together with the Avedis Donabedian Foundation and Bupa to create its own in-house manual.

Care homes for elderly people are also operated in adherence with the highest quality standards. All Sanitas Residencial self-run centres, their central services and two of the care homes managed for others have implemented a Quality Management System, which has been certified in accordance with ISO standard 9001:2000. This management system constitutes a guarantee for residents, as it is applied to all processes related to the rendering of services: welcoming, individual planning, nutrition, activities and treatments, among others.

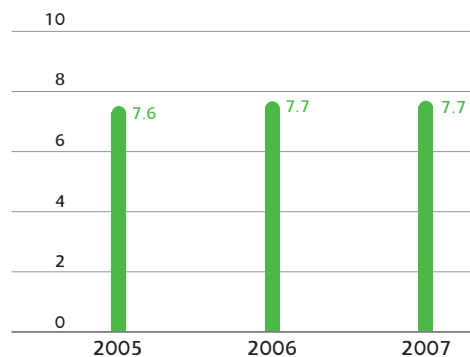
### 9.3.2 Remuneration

For its medical providers, Sanitas applies a remuneration system based on qualitative and quantitative targets. In 2007, more than 718 multi-speciality centres and 1,178 doctors participated in this variable remuneration system. Of total targets for the year, 83%, were achieved, compared to 70.2% for 2006.

### 9.3.3 Satisfaction

In 2007, Sanitas' image among collaborating doctors was very positive. The degree of satisfaction with the company was 7.7 out of 10.

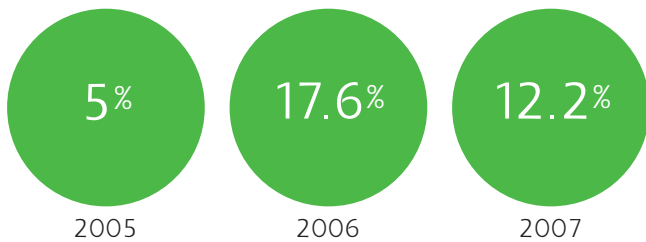
#### Degree of satisfaction among collaborating doctors



**Our medical staff is growing.** In Sanitas we are concerned about customer satisfaction. That is why we have been progressively expanding our medical staff at a rate of 17.6% in 2006 and 12.2% in 2007.

#### Growth in medical staff

In percentage



#### 9.3.4 Communication with Medical Providers

Sanitas shares principles with its collaborating entities and professionals on the medical staff at affiliated centres.

Additionally, Sanitas also holds meetings and workshops throughout Spain to get in touch and communicate with professionals on the medical staff, establishing open and constructive dialogues about their relationships with the company. In 2007 such events were held in La Coruña, Madrid, Barcelona, Ciudad Real, Toledo, Talavera, Cuenca, Alicante, Zaragoza, Ceuta, Mallorca, San Sebastián, Murcia and Oviedo.

**Expert panels** have also been convened. At these, a group of professionals representing a specific medical or surgical speciality meet with members of the company's Medical Management to exchange relevant and up-to-date information about matters of interest to both parties.

The **1st Sanitas Forum, "The globalised patient"**, took place in October 2007 and brought together Spanish and European experts to debate on the future of medicine. The purpose of this forum was to transmit to society at large and, in particular, to health and business professionals the new circumstances relating to globalised care and, specifically, the new challenges facing modern societies in meeting patients' new demands.

More than 850 professionals attended these conferences and meetings organised in 2007.

During the year the Professional Relations Area has been started up to optimise training opportunities for medical collaborators on an on-going basis, with a view to boosting the added value deriving from their relationship with the company and increasing their capacity to treat our customers appropriately.

A diverse range of activities were carried out with the professionals in attendance, such as training seminars aimed at primary care and paediatric professionals.

## 9.4. Shared Principles

### 9.4.1 Communication and Support in our Mediators' Activity

To render its services, Sanitas, in addition to medical collaborators, has another type of collaborators: the mediators, who are responsible for handling insurance policy contracting and maintenance. The company considers the use of these networks of professional mediators to be a key element in sales.

Sanitas has more than 2,500 commercial agents and 76 collaborating offices with which it carries out active and reciprocal communication.

In 2007 Sanitas has taken certain steps towards this group:

- Sanitas has applied the new law for mediation and has complied with the obligation of registering its agents and exclusive agencies with the Division for Insurance.
- In accordance with the law, incentive programmes have been started up to reward production work.
- Sanitas has signed an agreement with ICEA for a training programme for Sanitas agents focussed on business management and control.

In communication processes with our mediators, the Internet is a very important channel. To that end, our agents have a fundamental tool for their work, the mediator web portal. This is a space reserved for these collaborators within sanitas.es, with functionalities that are continually adapted to contracting and the resolution of matters related to Sanitas. Through this portal, our mediators can carry out operations like contracting and on-line management of their customer portfolios, real time verification of commission settlements, access to commercial offers or loyalty actions by controlling cancellations. In this way, mediators are able to manage their relationship with the company in a centralised and efficient manner.

In 2007, more than 1,050 of our mediators have used this portal.



### 9.4.2 Management Support

The creation of specific web portals for our collaborators is a key factor in improving our relationship with them.

As a result, in 2007, more than 1,050 Sanitas mediators managed their portfolio through *sanitas.es*, representing nearly 41% of the total.

Our medical collaborators can use *medicos.sanitas.es* to access fee settlements, make requests for single documents, send invoicing files for clinical analyses, *inter alia*.

Within this framework, in recent years Sanitas has developed different tools for electronic invoicing. We would highlight the electronic SCT terminal for invoicing and authorisation requests for medical actions. The use of these technologies facilitates relations between Sanitas and health professionals and improves management.

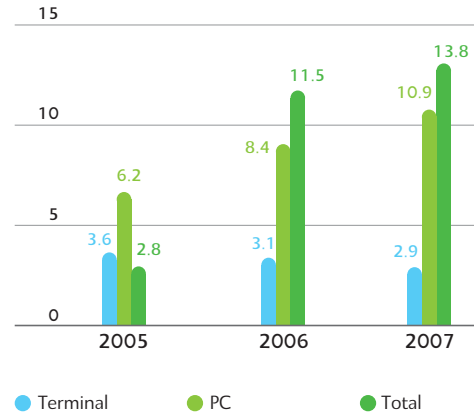
As a consequence of these actions, we have observed unstoppable growth in electronic transactions between medical staff and Sanitas, rising to 13.76 million (+19.7% with regard to 2006). The number of transactions made through PCs grew 29.6%, while those carried out through traditional terminals fell 7.4%.

Additionally, the total number of transactions made through computer terminals (SCT) in 2007 has been over 4.5 million, representing a spectacular 158% increase with regard to 2006.

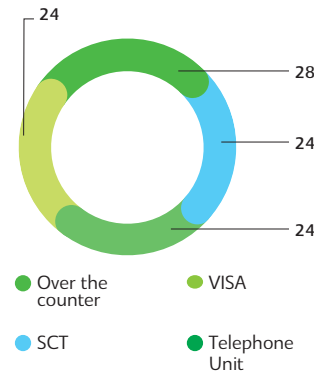
In 2007 a total of 1,154,373 authorisations have been made. Slightly more have been made through the Telephone Unit (approximately 28% of the total), while those effected through VISA, SCT and over the counter represent 24%. Within the Global Process for Authorisations we would mention that authorisations made through Sanitas Computer Terminals (SCTs) have risen from 12% of total authorisations in 2006, to 24% in 2007.

The use of electronic media is also highly visible in invoicing processes. Sanitas' commitment to progressively doing away with paper-based operations has been so successful that at present 97.3% of services invoiced have been handled through one of our electronic processes.

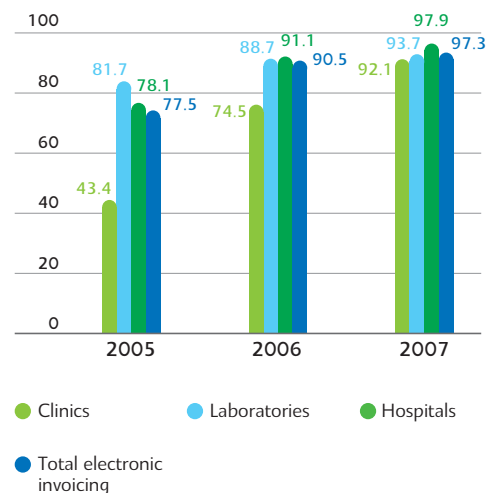
Evolution in the number of electronic transactions between doctors and Sanitas. In million



Authorisation process



Electronic invoicing by type of user.



# 10. Suppliers, Shared Interests

- 10.1. Introduction
  - 10.1.1 Profile
  - 10.1.2 Reading Guide
- 10.2. Management Approach
- 10.3. Optimisation
  - 10.3.1 Centralised Management
- 10.4. Commitment and Control
  - 10.4.1 Projection of our Values

Suppliers are travel companions that enable Grupo Sanitas to achieve its objectives. Consequently, we trust in those who understand and share our principles of quality and support for sustainable development. Accordingly, Sanitas actively promotes respect for the environment, encourages good business practices and hires people with disabilities. Within the framework of transparency, commitment and defence of mutual interests, we look to optimise our relationship with suppliers for the benefit of all.

## **What role do our suppliers play?**

They are allies who help us achieve the quality and sustainability we seek. We have a mutual commitment because of our shared interests.

## 10.1. Introduction

### 10.1.1 Profile

#### Sanitas Seguros

	2005	2006	2007
Expense for supplies and subcontracting (million of euros)*	42.15	47.50	57.53
% of contracts paid in conformity	98	97	98
% suppliers with ISO 9001 certification	32	48	54
% suppliers with ISO 14001 certification	5	9	14

(\*) Includes supplies, equipment maintenance, marketing expenses and other payments to external suppliers not directly related to the business activity (lawyers, consultants, etc.)

#### Sanitas Hospitales

	2005	2006	2007
Expense for supplies and subcontracting (million of euros)*	22.85	25.57	39.07
% of contracts paid in conformity	98	99	99
% suppliers with ISO 9001 certification	75	85	87
% suppliers with ISO 14001 certification	35	40	45

(\*) Includes supplies, equipment maintenance, marketing expenses and other payments to external suppliers not directly related to the business activity (lawyers, consultants, etc.)

#### Sanitas Residencial

	2005	2006	2007
Expense for supplies and subcontracting (million of euros)	11	12	42.33
% of contracts paid in conformity	n.d	n.d	100%
% suppliers with ISO 9001 certification	n.d	66.16	(*)
% suppliers with ISO 14001 certification (**)	n.d	100	81.66

N.A.: Not available

(\*) Certified suppliers of Sanitas Residencial are divided by type of service rendered: food (24.21%), cleaning products (80%), maintenance services for buildings excluding gardening (50%), furniture and equipment (64.77%), laundry (100%), consultancy, systems and certifications (76.39%)

(\*\*) Data refer to laundry, cleaning and disinfection and laboratories



### 10.1.2 Reading Guide

Supplier concerns	Sanitas' response in 2007	Commitments to the future
<p>Optimisation Page 91</p>	<ul style="list-style-type: none"> <li>• 98% of contracts for Sanitas Seguros paid as agreed.</li> <li>• 99% of contracts for Sanitas Hospitales paid as agreed.</li> <li>• The goal for 2007 was for savings of €1,000,000 on purchase processes, while actual savings generated were €1,819,750.</li> <li>• All purchases are processed using corporate software, prior to approval they must go through the Commitment Control process, which guarantees that purchases not contemplated in the budget are not made.</li> <li>• The bases are being set for integration of the different purchasing programmes in use in Sanitas Seguros and Sanitas Hospitales. This will mean a reduction in administrative work.</li> <li>• A single catalogue has been prepared for Sanitas Seguros and Sanitas Hospitales with a view to making the application and ordering process easier.</li> <li>• New e-mail accounts have been created to channel communications with suppliers.</li> <li>• Various communication processes have been enabled in the corporate purchasing tool so that orders can be sent directly to suppliers, as well as communications relating to the payment of invoices.</li> <li>• Purchasing procedures have been reviewed in order to unify them at group company level.</li> <li>• RFI and RFQ systems have been incorporated into the purchasing processes. These make all processes much more transparent vis-à-vis suppliers.</li> <li>• The different types of purchases have been distributed into four general groups, with specialised purchasers for each group, guaranteeing successful negotiation processes.</li> </ul>	<p>Establishment of activity-related KPI to measure satisfaction of suppliers and internal clients with purchase processes.</p> <p>Project for the segmentation of suppliers to start up documentation processing procedures.</p> <p>Project for a portal for non-care suppliers to serve as a means for communicating with suppliers for accreditation and homologation and resolution of incidents.</p> <p>Optimisation of the corporate purchasing tool with a view to increasing use and improving the quality of information.</p> <p>Creation of centralised data bases at a group level to improve the group's negotiating position in purchases and to be of more use for customers.</p> <p>Project for documentation processing and communications to reduce the use of paper and speed up the processing of information.</p> <p>Start-up of the electronic invoicing processes.</p>
<p>Commitment and control Pages 92 and 93</p>	<ul style="list-style-type: none"> <li>• Increase in the percentage of Sanitas Seguros and Sanitas Hospitales suppliers that are ISO 9001:2000 and ISO 14001 certified.</li> <li>• In 2007, FLISA rendered services to the 36 Sanitas Residencial centres.</li> <li>• Sanitas Seguros made purchases for €1,346,860.52 from Special Employment Centres.</li> <li>• Sanitas Hospitales: €124,671.87.</li> <li>• Sanitas Residencial: €341,457.92.</li> <li>• In November 2007 the agreement with SERTEL was extended to include the remaining Sanitas centres. SERTEL provides Call Centre services and forms part of the Fundosa Group. In 2006 SERTEL provided Call Centre services to Hospital Sanitas La Zarzuela and our Milenium centres in Barcelona and Valencia.</li> </ul>	<p>Reinforcement of participation by Special Employment Centres in tenders.</p> <p>Purging of the suppliers file in order to include information requested by society as regards Corporate Social Responsibility.</p>

## 10.2 Management Approach

Sanitas considers its suppliers to be of utmost importance and, accordingly, proposes reciprocal efforts: we offer them transparency in information and negotiations, and we ask that they act in compliance with the highest standards of quality and environmental management and that they help us to implement our principles, such as collaboration with disadvantaged groups. The goal is to generate the greatest benefit for all involved.

Management areas	Políticas	Distribution of responsibilities	Control and monitoring	Related information
Optimisation	<p>Sanitas gives maximum importance to its relationship with suppliers and makes all efforts to continually optimise that relationship, within a framework of commitment and respect for mutual interests.</p> <p>From this perspective, we think that efforts must be made to ensure transparency in information and in the negotiation of conditions such as costs, quality and service.</p>	Purchasing Department.	Objectives are established for cost, quality and service indicators to ensure a coherent overall strategy for the Group.	
Commitment and control	Through its supply chain, Sanitas is an active promoter of the principles of environmental protection and sustainable socioeconomic development in the geographical areas where it has a presence.	Purchasing Department.	Monitoring of Suppliers with ISO 9001: 2000, ISO 14001 and FSC and/or PEFC certification.	Pact with Fundosa for the acquisition of goods and services from special employment centres that have workers with disabilities.

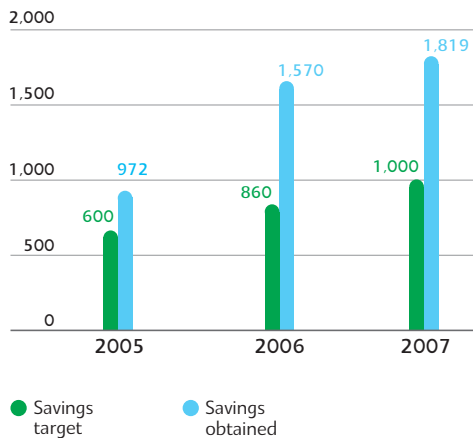
## 10.3 Optimization

### 10.3.1 Centralised Management

In 2007, Sanitas Seguros and Sanitas Hospitales spent €96.6 million on supplies and services from suppliers. In Sanitas Residencial that amount was €42.33 million.

The goal for the year was to obtain savings of €1,000,000 on purchasing processes. That target was surpassed and actual savings in this regard were €1,819,750.

#### Achievement of objectives relating to purchase savings. In thousands of euros



Through its purchasing policy, Sanitas has set the objective of guaranteeing continuity of supply of quality, service, cost and business interests.

In this respect, the main lines of action are as follows:

- Professionalisation of purchase management. The different types of purchases have been divided into four general groups, with specialised purchasers for each group, guaranteeing successful negotiation processes.
- Standardising of internal Group procedures and of their support in existing systems, thereby achieving greater efficiency.
- Automation of information systems to make processes and information easier and more flexible.

Additionally, RFI and RFQ systems have been incorporated into the purchasing processes. These make all processes much more transparent regarding our suppliers.

At the same time, requirements are being taken for the future suppliers portal - e-Supplier - which will be a qualitative jump in the accreditation and accreditation of suppliers, as well as in the resolution of their queries and incidents.

- Increase the use of the corporate purchasing tool

The corporate purchasing tool is constantly being revised to increase its use and so that it can be applied to handle any purchasing process arriving at Sanitas.

- Creation of interdepartmental purchasing areas to undertake purchasing processes with the best guarantees.

## 10.4. Commitment and Control

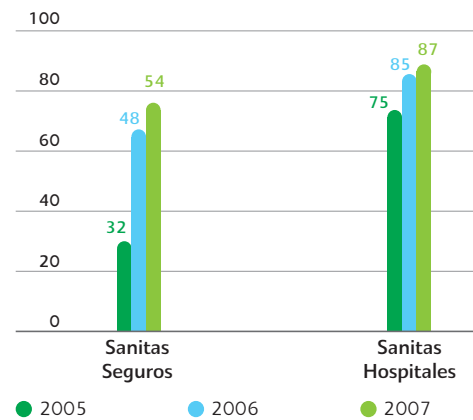
### 10.4.1 Projection of our Values Quality

Our suppliers are essential in ensuring the quality standards we offer our customers.

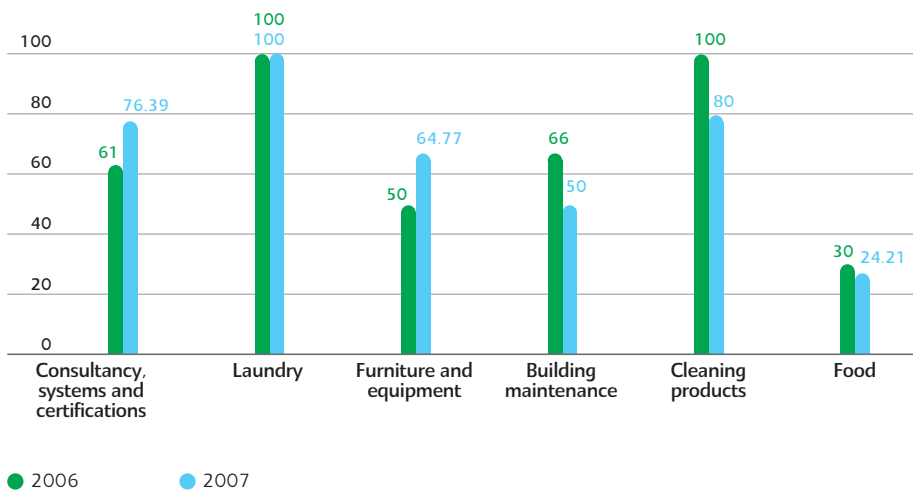
Consequently, the protocols for accreditation and homologation of suppliers have been revised, incorporating compliance with quality standards as a key element in selection processes. This issue can be decisive when it comes to awarding contracts.

In 2007, more than half the companies working with the Sanitas Group had ISO 9001:2000 quality management certification, taking the percentage in Sanitas Hospitales to 87%.

Suppliers with ISO 9001:2000 quality management certification. In percentage



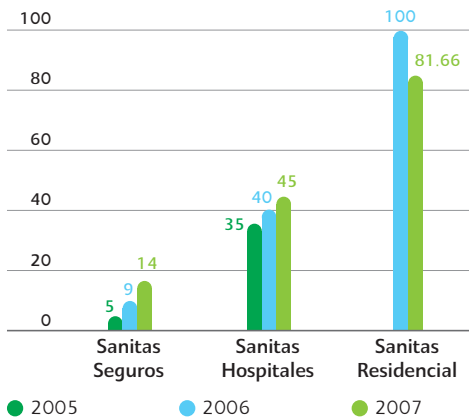
Suppliers with ISO 9001:2000 quality management certification in Sanitas Residencial. In percentage



### Respect for the environment

Our concern for environmental issues also impacts our analysis of decisions regarding investments and product acquisition. An example of this commitment are the requirements for suppliers of moveable assets at the company head offices. All those suppliers also have ISO 9001:2000 or ISO 14001 environmental management certification and/or FSC and PEFC. These certifications ensure that wood has been extracted and processed by means which are respectful to the environment and to the people involved in the manufacturing process.

### Suppliers with environmental management certification\*. In percentage



\* Certification ISO 14001

### Support of disadvantaged groups

Through its relationships with suppliers, Sanitas also contributes to wealth generation among the least advantaged groups. In this respect:

- Sanitas Residencial has extended its contract with the special employment centre FLISA, part of Fundosa, which is dedicated to the activity of professional laundry and ironing service and ironing. In 2007 FLISA provided services to 36 centres for Sanitas Residencial. Additionally, in November Sanitas Residencial contracted SERTEL, another Fundosa special employment centre, for call centre services.
- Sanitas Seguros has also contracted SERTEL for general customer telephone services. The recording and digitalisation of data is carried out by the special employment centre FUCODA.
- The Sanitas-owned hospitals of Sanitas Hospitales have Galenas shops, which are operated by people with disabilities. Additionally, Sanitas has extended its contract with SERTEL to include new call services, new call services. SERTEL works for Hospital Sanitas La Zarzuela and for Sanitas-owned centres in Valencia and Barcelona, and in 2007 the corresponding agreement was extended to include all installations. This service has 276 people, of which 36 have disabilities.

In total, in 2007 the Sanitas Group made purchases for €1.9mn from special employment centres, 64% more than in 2006.

# 11. Society: Responsibility and Progress

## 11.1. Introduction

### 11.1.1 Profile

### 11.1.2 Reading Guide

## 11.2 Management approach

## 11.3 Respect and Dialogue with the Local Community

## 11.4 Commitment to Good Health for All

### 11.4.1 Collaboration with Public Health

### 11.4.2 Sanitas and Disability

### 11.4.3 Promotion of Healthy Habits

### 11.4.4 Commitment with the Environment

## 11.5 Solidarity

## 11.6 Supporting Research and Teaching

### 11.6.1 Fundación Sanitas

### 11.6.2 In our Care Homes

### 11.6.3 In our Hospitals

At Sanitas we have undertaken the responsibility of contributing to sustain and improve our environment and our society. We are committed to sustainable buildings, accessible spaces, saving energy and using non-contaminating processes; we promote medical training and research and healthy habits.

We are working on different lines of action for investing today in the health of tomorrow. We are working with the public health system towards a shared goal: taking care of people's health throughout their entire life.

## How do we contribute to society?

Our contribution to society is through our commitment to good health for all.

## 11.1. Introduction

### 11.1.1 Profile

	2005	2006	2007
Taxes (million of euro)*	25.8 <sup>1</sup>	26.7 <sup>1</sup>	69.5
Cash donations (thousands of euro)*	468.6	380.4	516.4
Grants received (thousands of euro)*	142.0	0	3,907
% of public health absorbed by Sanitas	0.4	1.2	0.8-1%**
Beds in care homes for elderly people offered to the public health system	813	850	1,289

\* Data corresponding to Sanitas Seguros

\*\* This percentage is calculated dividing the expense for the Autonomous Regions (with an initial budget of €52.663bn in 2007, according to the Ministry of Health and Consumption) and the health care expense for insurance companies by that generated by Sanitas (Source: Unespa, FENIN and UCEAC)

<sup>1</sup> Not including corporate Tax



## 11.1.2 Reading Guide

Society concerns	Sanitas' response 2007	Commitments for the future
Respect and dialogue with local community Page 100	15.518 Claims received and processed	
Commitment to good health for all Pages 101-106	<p><b>Collaboration with public health:</b></p> <ul style="list-style-type: none"> <li>• Our company absorbs 0.8-1% of the public health expense.</li> <li>• Sanitas Residencial makes a considerable number of beds available to the public health system (1,289 from a total of 4,544).</li> <li>• Construction of Hospital de Manises. Cornerstone placed in February 2007.</li> <li>• Participation in consultations on the roll-out of regulations for the Sistema para la Autonomía y Atención a la Dependencia (System for Autonomy and Dependent Care) at a State level and in the different Autonomous Regions.</li> </ul> <p><b>People with disabilities</b></p> <ul style="list-style-type: none"> <li>• Launch of Sanitas Accesible Síndrome de Down.</li> <li>• The Sanitas Accesible network has incorporated 5 new centres, bringing the total to 18 centres.</li> <li>• Sanitas has acquired a commitment with online accessibility, progressively adopting the Web Content Accessibility Guidelines 1.0 established by the W3C (World Wide Web Consortium).</li> <li>• Project to computerise the floor for young people with disabilities at Sanitas Residencial Mas Camarena (in Bétera, Valencia), using adapted equipment. This project has been carried out in collaboration with the Bankinter Foundation.</li> </ul> <p><b>Promotion of healthy habits</b></p> <ul style="list-style-type: none"> <li>• www.librodelasmadres.com. 10,462 downloads</li> <li>• www.tuotromedico.com, visited by an average of 927,000 unique users per month.</li> <li>• www.bebesymas.com, blog visited by an average of 468,000 unique users per month.</li> <li>• Sanitas, the first company in Spain to develop and give patient education courses through its Programa Paciente Activo (PPA: Active Patient Programme).</li> <li>• Study by Fundación Sanitas regarding healthy eating habits and physical exercise.</li> </ul> <p><b>Environment and health</b></p> <ul style="list-style-type: none"> <li>• ISO 14.001 for the following centres: Hospital Sanitas La Zarzuela, Hospital Sanitas La Moraleja, Costa Rica Milenium Medical Centre, Pozuelo de Alarcón Milenium Dental Centre and Sanchinarro Milenium Dental Centre.</li> </ul>	<p>To take advantage of opportunities existing in the management of health services in conjunction with the public sector.</p> <p>Construction of Hospital de Manises Work is forecast to commence in the first quarter of 2009.</p> <p>The Sanitas Accesible network will gradually be expanded.</p> <p>The objective is for Sanitas' corporate website to be accessible to everyone in 2008, regardless of their age, or of whether they have a disability or make use of unconventional technologies.</p> <p>In 2008 patient education programmes will be carried out for their consolidation and expansion within Spain.</p> <p>There is a Certification Plan through 2009 for all the centres.</p>



Concerns of society	Sanitas' response 2007	Commitments for the future
Solidarity Page 105	Volunteer Programme: Sarnelli House.	Implemented throughout 2008 of the Volunteer Plan for Grupo Sanitas employees.
Supporting research and the generation of knowledge Pages 106-108	<ul style="list-style-type: none"> <li>• Launch of the Biomed Programme (agreement between Fundación Sanitas and the Garrigues Foundation), the main objective of which is the diffusion and promotion of Biotechnology.</li> <li>• New portal for health information <a href="http://www.iscas.info">www.iscas.info</a> .</li> <li>• 250 students of geriatrics and other related disciplines were involved in work experiences at our care homes in 2007.</li> <li>• In 2007 151 students carried out work experiences at our hospitals.</li> <li>• Premio Sanitas MIR (Sanitas Intern Award) 2007.</li> <li>• Accessibility and Health Study.</li> <li>• Medical Debates (Diario Médico).</li> <li>• Sanitas chair for new technologies and health.</li> </ul>	Continue with the Biomed programme and develop a website to transmit the conclusions reached during the conferences.

## 11.2 Management Approach

In Sanitas we channel relations with society through our commitment to the environment and to good health for all. Some of our priorities are to contribute to public health, to promote healthy habits, to further medical research and support people with disabilities.

Management areas	Policies	Distribution of Responsibilities	Control and monitoring	Related information
Respect and dialogue with the local community	Active communication with people affected by clinical and hospital activities is a strategic priority for Sanitas. We do so to adopt the necessary measures to limit negative repercussions and ensure maximum respect for shared interests		The first stage in the model for creating a new Medical Centre is to evaluate possible impacts on the neighbourhood, opening up a debate in which the company receives recommendations on how to best adapt to its surroundings. This dialogue continues during the life of the centre through different channels.	
Commitment to good health for all	<b>Collaboration with public health</b> Sanitas collaborates in improving health, absorbing part of public demand, carrying out actions to promote healthy habits and supporting medical research and training.	Division for Care Delivery. Medical Department. Professional Relations Department. Fundación Sanitas.		
	Participation in the development of public policies is another of the areas in which our company has collaborated with the State. An example of this is the Hospital de Manises.	Department for Hospital Development. Property Department.		In February 2007 the first stone was laid for the Hospital de Manises, a joint project between Sanitas and the Health Authority of the Autonomous Government of Valencia.

Management areas	Policies	Distribution of Responsibilities	Control and monitoring	Related information
	<p><b>People with disabilities.</b></p> <p>Benefit dpeople with disabilities by doing what we do best (our business and care activity).</p> <p>Improve accessibility to our hospitals and medical centres.</p>	<p>Global approach involving all areas of the company.</p>	<p>Disability Programme.</p>	<p>Associated with the Paralympic Sport Support Plan (ADOP).</p> <p>Since 2005 the company has formed part of Fundación Empresa y Sociedad and the 'Business and Disability" Programme.</p> <p>Award for Best Social Action in the products category. Fundación Empresa y Sociedad.</p> <p>www.librodelasmadres.com, recognised as the 'Best Health and Medical Services website' at the 9th edition of the Favoritos de Expansión awards, organised by Expansión and IBM.</p>
	<p><b>Promotion of healthy habits</b></p> <p>Sanitas contributes value to society through its policy of promoting healthy habits among citizens.</p>	<p>Fundación Sanitas.</p>		
	<p><b>Commitment to the environment.</b></p> <p>We are aware of the close relationship between our activity and the environment, and we understand that efficient management of our activities means combining appropriate services for our customers with an absence of health risks inside the hospital and minimization of activity-related risks outside the centre.</p>	<p>There is a representative of Sanitas Hospitales management who establishes guidelines for the system and is responsible for intercommunication with Sanitas management.</p> <p>The environmental technician for Sanitas Hospitales coordinates implementation of SGA in accordance with the guidelines set by management.</p>	<p>There is an Environmental Management System at Sanitas Hospitales, which is gradually being implemented at all centres.</p> <p>Environmental committees and periodic management reviews are carried out at each centre / hospital.</p>	<p>ISO 14.001 Environmental Management certificate for the following centres: Hospital Sanitas La Zarzuela, Hospital Sanitas La Moraleja, Costa Rica Milenium Medical Centre, Pozuelo de Alarcón Milenium Dental Centre and Sanchinarro Milenium Dental Centre.</p>
Solidarity	<p>Bupa organised a volunteer programme so that 60 of its employees could help to reconstruct and improve installations at the Sarnelli House orphanage in Thailand, home to children affected by the AIDS virus.</p>	<p>Bupa General HR Management.</p>		<p>Four Grupo Sanitas employees collected €6,000 for the Sarnelli House and helped in reconstruction and improvement of the orphanage.</p>
Support for research and the generation of knowledge	<p>Fundación Sanitas came about with the objective of supporting research and the generation of medical and social knowledge.</p>	<p>Fundación Sanitas.</p>		<p>Award for the debates on medical demographics. Award received for Diario Médico.</p>

## 11.3. Respect and Dialogue with the Local Community

Clinical and hospital activities can occasionally have an impact on the immediate surroundings, due mainly to a concentration of traffic, lack of parking areas and noise.

In these situations, Sanitas establishes active communication with affected citizens as a strategic priority. This permits the group to take measures to limit negative repercussions, with maximum respect for shared interests.

In the model for creating a new Medical Centre, the first stage is to evaluate possible impacts on the neighbourhood, opening up a debate in which the company is guided by recommendations for adapting to its surroundings. This dialogue continues during the life of the centre.

Sanitas is aware that its activity can give rise to other concerns, such as the dangers of radiation from equipment or the possibility of contagious disease due to inadequate management of hospital waste. In view of these concerns, the company at all times undertakes to comply with the strictest standards for safety, operating scrupulously within the applicable legal framework. Sanitas has never been fined in this respect.

An ambitious project to reform and expand one of Sanitas' two hospitals in the city of Madrid (Hospital Sanitas La Zarzuela) began up during the year. This project represents a global investment of €19.2 million euro and looks to update installations and services offered to our customers by that hospital, with the added difficulty of doing so while hospital activities are still underway.

This situation was taken on by a team comprising personnel from the hospital and the Property department, together with members of the technical teams involved in the works.

After analysing in detail all existing conflicts and those deriving from this new situation, the team studied different proposals to eliminate or reduce impacts, either on traffic in urban areas around the hospital, or on the environment surrounding the hospital and, consequently, its residents, patients and health professionals.

As a result, the traffic system within La Zarzuela complex was changed and the main access was modified. Work was also undertaken prior to expansion of the centre in order to transfer all critical hospital activities away from the area of construction. Different areas were also adapted to favour a climate of well-being for building users, although that meant delaying completion of the expansion work.

An in-depth analysis was carried out to determine problems for visitors and employees deriving from work on the parking garage. To that end, a parking enforcement agency was called in and undertook resolution of the difficulties caused by convergence in a single space of traffic from individual users and construction materials. The result has been highly satisfactory: multi-level parking garages have been incorporated, more personnel has been taken on to facilitate fast vehicle parking by indicating available spaces and even by acting as valets for hospital employees, and capacity issues have been improved by considering employee schedules and then grouping of vehicles by order of departure at the back of the parking lot.

## 11.4. Commitment to Health

### 11.4.1 Collaboration with Public Health

In addition to contributing to national wealth (through the payment of taxes, job creation and all the benefits associated with the generation of an economic activity), Sanitas' activity is a significant reinforcement to Spanish health coverage, as our company absorbs part of the demand. In 2007, the percentage of health expense absorbed by Sanitas was 0.8-1%.

That percentage is calculated on the basis of data from the Ministry of Health and Consumption, which estimates an initial budget for the Autonomous Regions in public health spending of €52.663bn in 2007, representing an increase of 8.25%. This expense, together with that generated by health insurance companies and divided by that generated by our company, indicates that we absorb between 0.8 and 1% of the total health expense, according to prominent sources of information (UNESPA, FENIN, UCEAC).

The Autonomous Regions in 2008 will on average spend 12.5% on health care for their residents, according to a budget study carried out by the Federation of Associations in Defence of Public Health.

Health spending within the Gross Domestic Product (GDP) in Spain has risen at an average annual rate of 3.1% between 2000 and 2004. Consequently, if that pace is maintained, health care will represent more than 10% of the GDP in 2012. That is the conclusion reached in the report "Contribution of the health sector to the Catalonian economy", published by Caixa Catalunya.

In addition to contributing to the cost of health, in the sector comprising care for elderly people, Sanitas Residencial makes a considerable portion of its beds available to the public health system: 1,289 out of a total of 4,544, or more than 28%.

### Beds in Sanitas Residencial offered to the public health authorities



Moreover, the quality standards and management procedures implemented by Sanitas are a wealth of accumulated experiences which could be of use to administrators at public centres, as evidenced by certain initiatives regarding congestion at health centres and on which the company has collaborated.

An especially important milestone in this regard was being awarded in 2006 the tender held by the Autonomous Government of Valencia for construction of Hospital de Manises, in Valencia, as well as management of that centre and of another 20 primary care centres in the area of L'Horta Manises. The cornerstone for that hospital was laid in February 2007 and the work is forecast to be completed in the first quarter of 2009. This will be the largest Grupo Sanitas hospital, with a constructed area of 50,000 square metres and 200 individual rooms. It will meet the needs of 140,000 inhabitants of the region and, to that end, will employ 700 professionals. The centre will be one hundred percent accessible and respectful with the environment, as well as being equipped with the latest technologies. This initiative is within the Healthy Building programme implemented by the Autonomous Government of Valencia which, with a daily investment of more than one million euros, is the largest health investment in Spain by an autonomous region.

Sanitas Residencial also collaborates through the management of various care homes for elderly people through tenders called by public and private entities.

Participation in the development of public policies is another of the areas in which our company works with the State. Specifically, we have participated in consultations for the roll-out of regulations for the Sistema para la Autonomía y Atención a la Dependencia (System for Autonomy and Dependent Care) at a State level and in the different Autonomous Regions through organisations such as AESTE, Edad and Vida, ACRA and UCH. Similarly, members of the Sanitas Residencial management team have led conferences

and workshops to transmit and promote debate about that legislation.

#### 11.4.2 Sanitas and Disability

El Programa de The Sanitas Programme for Disability is a wide-scope project, with a global approach involving all areas of the company.

One of the most significant advances for our programme for disability was the creation of Sanitas Accesible, an insurance product for people with acquired spinal injuries, thanks to an agreement with ONCE and CERMI for the study and development of products for people with disabilities. In that line, the company also offers the Sanitas Dependencia product, covering the state of dependence, which is understood to mean the inability to carry out certain basic day to day activities.

In 2007 we applied coverage of the Sanitas Accesible product to people with Down's syndrome. With this service, Sanitas offers all the advantages of the best health insurance, accepting pre-existing pathologies which derive from Down's syndrome.

With coverage throughout Spain, Sanitas Accesible Síndrome de Down has a single price for all customers, without differentiations based on age, gender or place of residence, and is in line with Sanitas Multi, the company's medical staff product. In addition to covering 100% of medical costs covered by the policy, Sanitas Accesible is supported by other benefits, such as at-home medical care through Sanitas 24 hours and Second medical opinion.

#### Activities carried out within the Sanitas Disability Programme

2002	• ONCE Product. Sanitas provides health care to 50,000 members of ONCE and the ONCE Group (Spanish National Organisation for the Blind).
2003	• Galenas shops at hospitals. Concession for the management of hospital shops by people with disabilities and promotion of their integration into the workplace at the company's offices.
2004	• Agreement with CERMI. Sanitas reached an agreement with ONCE and CERMI for the study and development of products for people with disabilities.
2005	• Purchases from special employment centres. Commitment to acquire goods and services for an annual minimum of €110,000 from special employment centres of the ONCE. • Sanitas joins the Business and Disability Programme created by Fundación Empresa y Sociedad, together with the ONCE Foundation and 27 other companies.
2006	• Sanitas Accesible is created. A private medical insurance product conceived specifically to cover the needs of people with disabilities due to acquired spinal injuries. • Call Centre for appointments. Telephone appointment service for Hospital Sanitas La Zarzuela, in Madrid, and for the Milenium centres in Barcelona and Valencia. This service currently has 276 people, of which 36 have disabilities.
2007	• Sanitas Accesible Síndrome de Down. Sanitas launched a medical insurance product for people with Down's syndrome, resulting from an agreement with Down España and with the collaboration of Previgalia. • Medical Services for the Spanish Paralympics Team. The main functions of the Medical Service for the ADO Paralympics Plan are providing health care for all athletes on the Paralympics Team, both in terms of sports medicine (preventive medicine, injuries, sports accidents, etc.) general overall health; advisory services, prevention and fight against doping, and all issues relating to medical-functional classifications for paralympic competition.

Another new item this year is the Medical Service for the ADOP Plan, created through an agreement with the Spanish Paralympics Committee. Sanitas is the official medical provider for the Spanish Paralympics Committee and one of the companies associated with the Paralympic Target Sport Support Plan (ADOP), created to allow these athletes to practice their sports under optimum conditions.

With the medical services included under the ADOP Plan, the company provides health care to athletes, both in terms of sports medicine and in terms of health in general. Sanitas also prevents and fights against doping, and advises athletes in this regard. This service is centralised at Hospital Sanitas La Moraleja, in Madrid.

Our commitment to people with disabilities is also seen in our policy to improve accessibility to our centres. Sanitas has created the Sanitas Accesible Network, which includes 18 self-run and affiliated centres which are fully accessible by people with disabilities. That network will be expanded progressively.

At the same time, the Group has undertaken a commitment with online accessibility, progressively adopting the Web Content Accessibility Guidelines 1.0 established by the W3C (World Wide Web Consortium). The objective is for Sanitas' corporate website to be accessible to everyone in 2008, regardless of their age, or of whether they have a disability or make use of unconventional technologies. At present, [www.sanitas.es](http://www.sanitas.es) is in the process of being certified in accordance with the WCAG (Web Content Accessibility Guidelines) issued by the W3C (World Wide Web Consortium), at AA level, and will also receive the Euracert stamp of accessibility with European homologation.

In 2007 we have completed a programme to computerise the floor for young people with disabilities at Sanitas Residencial Mas Camarena (in Bétera, Valencia), using adapted equipment. This project has been carried out in collaboration with Bankinter, which provided the adapted computer equipment, making it one of the first Bankinter technology classrooms in a residence for elderly people or for people with disabilities. This initiative forms part of Bankinter's social action programme. Sanitas also promotes an active policy of cooperation with various entities to promote integration of people with disabilities into the workplace. In 2007 the company created direct employment for 41 people with disabilities. It also contributed to the creation of indirect employment by acquiring goods and services for €1.9mn from Special Employment Centres which hire people with disabilities.

### 11.4.3 Care for the Environment

#### Our sustainable buildings

In the case of our head offices (known as an e-building because of its advanced technology), the materials used in its construction, based on prefabricated systems, are non-contaminating, reusable and easily dismantled. Additionally, its design takes advantage of natural elements such as the rain, cold, heat or sun for energy purposes.

The e-building also has solar panels with an installed capacity of 35 KW. We estimate that this system produces 36,600 Kwh of electricity which, if it had been generated using fossil fuels, would have released 38.5 tons of CO<sub>2</sub> and 107.9 kilos of SO (sulphur monoxide).

Another example of our concern for the environment is the cutting edge building housing Hospital Sanitas La Moraleja, which was opened in 2005. This centre was built following criteria for sustainability and low energy consumption. It is the first hospital in the Madrid Autonomous Region to obtain a favourable Statement of Environmental Impact from the Environmental Board.

#### Certification

Hospital Sanitas La Zarzuela, Hospital Sanitas La Moraleja, Costa Rica Milenium Medical Centre, Pozuelo de Alarcón Milenium Dental Centre and Sanchinarro Milenium Dental Centre currently have ISO 14.001 Environmental Management certification. That standard requires that the company prepare an environmental management plan which includes:

- Objectives and environmental goals,
- Policies and procedures to attain those goals
- Defined responsibilities
- Activities to attract personnel
- Documentation of and a system to control all changes and advances made

This certification forms part of the Sanitas Hospitales Environmental Management Policy and the objective is to obtain certification for all centres in three years.

Additionally, at Sanitas' head offices we are also working on implementation an environmental management system, which we will progressively expand to other buildings to reduce direct impacts on the environment as far as possible.

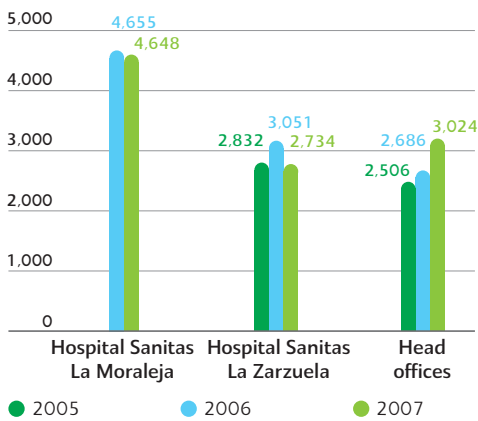
### Energy consumption

In addition to these measures regarding the configuration of our buildings, we have taken others aimed at more efficient consumption of energy, leading to a reduction in emissions of greenhouse gases. Those actions are as follows:

- Solar panels at Hospital Sanitas La Moraleja which turn sunlight into photothermic energy for the centre's hot water system.
- Touch sensor light switches in public bathrooms.
- Energy saving light bulbs.

### Electricity consumption

In thousands of kWh



### Emissions

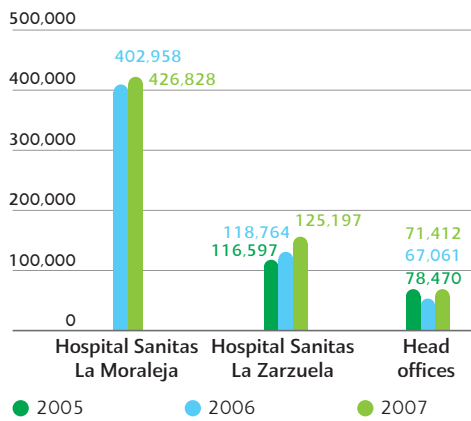
At Sanitas hospitals, emissions of CO, CO2 and NOx from furnaces are measured monthly, and comply with the limits set by prevailing legislation. The heating systems at both hospitals operate with natural gas, which is less contaminating for the environment than other raw materials.

Similarly, we control emission of other substances which could affect the ozone layer. At Hospital Sanitas La Moraleja the air conditioning equipment is new and, consequently, does not contain gases and does not deplete the ozone layer. At Hospital Sanitas La Zarzuela a changeover to equipment with R-22 is forecast.

Radiodiagnostics services in both hospitals have been digitalised.

### Natural gas consumption

In m<sup>3</sup>





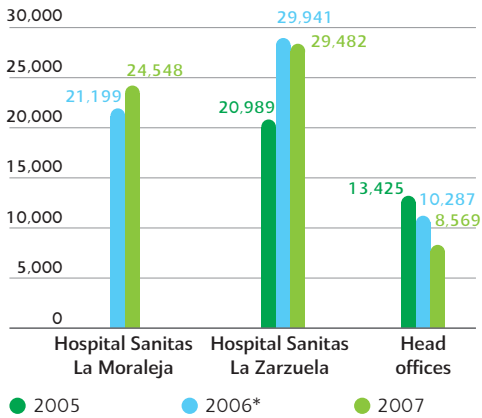
### Water consumption

The most significant initiative to save water in 2007, was to eliminate the cooling towers at the Balmes Milenium Medical Centre. In 2008, those at Hospital Sanitas La Zarzuela will also be removed.

Water saving measures at the head offices include not filling outdoor fountains or ponds, improving the irrigation system and studying installations in detail to avoid any wastage.

### Water consumption

In m<sup>3</sup>

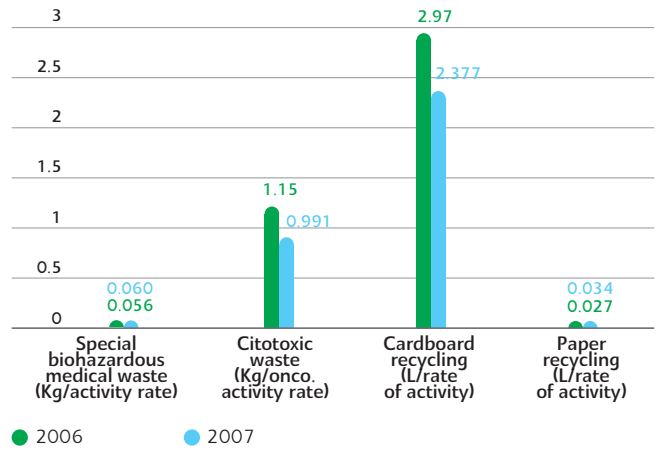


\* Consumption data for 2006 do not coincide with those published in last year's report, due to more exhaustive adjustments.

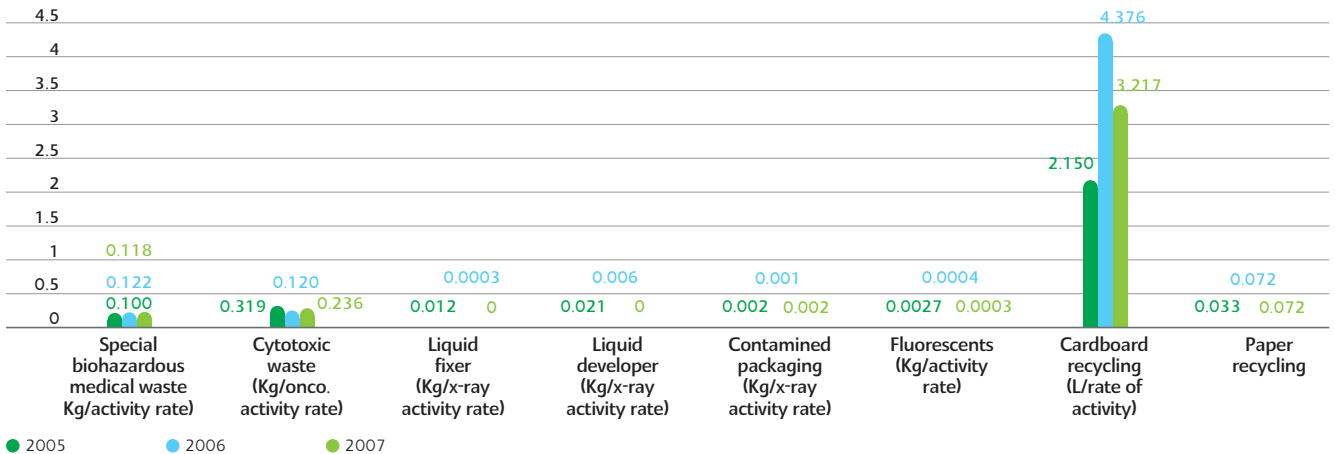
### Waste

Specific waste management measures have been implemented at all centres.

### Production of hospital waste at Hospital Sanitas La Moraleja



### Production of hospital waste at Hospital Sanitas La Zarzuela



### Training.

In 2007 training workshops have been carried out in different shifts, visiting Sanitas Hospitales personnel at their place of work for periods of between thirty minutes and an hour and a half, depending on the employee profile. Training was given to a total of 342 employees at hospitals, Milenium multi-speciality centres throughout Spain and Milenium dental centres. Training was also given to personnel of subcontractors with environmental impacts, such as the cafeteria, kitchen, laboratories and cleaning.

Sanitas Hospitales publishes a monthly Environmental Bulletin and uploads environmental news to the Intranet.

#### 11.4.4 Promotion of Health Habits

In the 'Health Tips' section of [www.sanitas.es](http://www.sanitas.es) and its specialised portals, the company gives users advice, resources and information for improving their health.

Among the specialised portals, we would highlight:

- [www.librodelasmadres.com](http://www.librodelasmadres.com). Sanitas took in 500 queries to the Virtual Doctor specialised in maternity. With 150 of those queries, El Libro de las Madres (The Mothers' Book) was prepared in electronic (pdf) format and can be downloaded for free. It was recognised as 'Best Health and Medical Services website' at the 9th edition of the Favoritos de Expansión (Expansión Magazine's Favourites) awards, organised by Expansión and IBM.

In 2007 this website recorded 10,462 downloads.

- [www.realmadrid.com](http://www.realmadrid.com). Sanitas manages the medical section of the Real Madrid web site, offering medical news about the club, as well as advice to avoid injury and a search function.
- [www.tuotromedico.com](http://www.tuotromedico.com). Sponsored by Sanitas, this is the leading medical information website in Spanish. In 2007 it was visited by an average of 927,000 individual users per month.
- [www.bebesymas.com](http://www.bebesymas.com). Also sponsored by Sanitas, this is a blog with information about motherhood. In 2007 it was visited by an average of nearly 467,000 individual users per month.

Additionally, the following programmes have been carried out through Sanitas' Executive Medical Management:

**Patient education.** Sanitas has also marked a milestone by being the first company in Spain to develop and give courses for patient education through its Programa Paciente Activo (APP: Active Patient Programme). These courses are aimed at promoting and teaching ill patients to care for themselves, thereby improving quality of life. In 2008 these programmes were carried out all over the country.

**Mother-child health plan.** In order to help and advise people who have decided to have children, Sanitas has developed a programme providing the attention and support necessary for them to take their first steps as parents with confidence and security. This programme is carried out in three cities: Madrid (Costa Rica Milenium Medical Centre), Valencia (Valencia Milenium Medical Centre) and Seville (La Buhaira Milenium Medical Centre). The plan is made up of various stages going from pregnancy, birthing classes and testing in the baby's first days of life, to a "Parenting School" where new parents learn how to care for their children during the first year.



## 11.5. Solidarity

Grupo Sanitas has a firm commitment to society. Consequently, we promote agreements for collaboration with different entities, carry out socially responsible actions and foment a corporate volunteer programme.

In this respect, Sanitas Residencial has carried out various social activities in 2007:

- Collaboration with the Jaume Nualart residence, run by Sanitas, in collecting toys for disadvantaged boys and girls in Cornellà, as part of a Red Cross campaign.
- Collaboration in the 2nd Blood Drive Marathon in Cornellà.
- Collaboration in the charity Marathon for 2007 organised by the Autonomous Television of Catalonia (TV3), in benefit of "heart disease". Three care homes participated: Gerunda (Girona), Les Garrigues (Borges Blanques) and Jaume Nualart (Cornellà de Llobregat).
- Collaboration with educational centres to promote intergenerational relations. For example, a joint exhibition was held by IES-SEP Esteve Terrades i Illa and the Jaume Nualart residence, and served as a means for establishing a pact for on-going collaboration. The Iradier Residence, in Barcelona, also has a pact with Daumar, an extracurricular educational and leisure centre, whereby its students participate in activities (book reading, keeping company, conversation, etc.) with residents.

Similarly, students of Escuela Juan XXIII in Les Borges Blanques (Lleida) visit and collaborate with the Les Garrigues Residence.

### Volunteerism

Bupa, Sanitas' parent company, started up a charitable initiative to help restore the Sarnelli House, in Thailand, which is home to 126 children affected by the AIDS virus.

Sixty Bupa employees from around the world, including four from Grupo Sanitas, spent a week at the orphanage and helped in maintenance and reconstruction of the buildings, created play areas and basketball courts, made gardens and planted trees, among other activities.

Furthermore, Sanitas employees collected €6,000 for the orphanage thanks to a raffle of jerseys from various Spanish football teams.

### Christmas Caravan: a day for you

This Christmas, Sanitas collected 700 toys which were given to children at risk of social exclusion in Barcelona and Madrid, so that no one would go without a gift during the holidays. The Customer department of Sanitas started up this initiative - "Vive la Navidad como un niño" (Live Christmas like a child) - with the collaboration of various NGOs.

The campaign, consisting of different stages, started with a Christmas card written by a child and sent to all individual Sanitas customers in Madrid. That card invited them to donate new or used toys in good condition which would then be delivered to needy children, thanks to the collaboration of NGOs like Cáritas, CESAL and Plataforma Educativa.

Among the customers who left gifts at the drop-off points, Sanitas raffled 14 seats for children, and their parents, to ride on the Sanitas float in the King's Day Parade in Madrid, on 5 January 2008.

## 11.6. Support for Research and the Generation of Knowledge

### 11.6.1 Fundación Sanitas

In 2007 Fundación Sanitas continued to generate knowledge and promote research in medical and social fields. The most important actions in 2007 have been:

#### Premio Sanitas al MIR del Año (Sanitas Award to the Intern of the Year)

In the 11th edition, the Sanitas Award to the Intern of the Year went to Dr. Elena Arbelo Laínez, specialist in cardiology at the Doctor Negrín University Hospital, in Las Palmas de Gran Canaria. The award carries a prize of €12,100, a personalised career plan within Sanitas' medical staff, and a four-week residency at clinical centres in her area of specialisation.

The jury also decided to give out two honourable mentions, with a prize of €3,100 each, to Dr Ignacio Cruz González, specialist in cardiology at the University Hospital of Salamanca, and Dr Ricardo Ramos Izquierdo, specialist in thorax surgery at the University Hospital of Bellvitge, in L'Hospitalet de Llobregat (Barcelona).

The insurance company additionally offers all award winners the possibility of directly joining Sanitas' care staff.

At present, Fundación Sanitas grants these awards to the best medical interns in their last year of residency at a hospital centre. This award recognises the importance of and contribution from the Intern system to specialised medical training in Spain. Accordingly, a jury is brought together comprising representatives from the Ministries of Health and Education, the National Board for Medical Specialities and Fundación Sanitas.

#### Medical debates: Medical demographics in Spain

In 2007, Fundación Sanitas, together with Diario Médico, took part in the debate arising in the Spanish health sector about the lack of health professionals and the reasons for this situation.

To that end, a series of encounters was organised for analysis of the four most significant phenomena affecting the shortage of doctors in the public and private health sector in Spain: planning of needs, increasing number of women in the medical profession, migratory movements of Spanish doctors and retirement of physicians.

During those encounters, representatives from the Ministry of Health, hospital administrators, heads of the Official Medical Organisation, members of the National Board of Specialities in Health Sciences, chairpersons of scientific companies, head of Human Resources for Autonomous Regions, specialists in medical education and managers of different areas of Sanitas participated in in-depth debates on these matters.

#### BIOMED Programme

Looking to be at the vanguard of medical movements, Fundación Sanitas signed an agreement with the Garrigues Foundation to promote knowledge and scientific advances in the field of biotechnology, medical research and health law. This agreement gave rise to the Biomed Programme, the main objective of which is to transmit and promote Biotechnology under a triple perspective: scientific knowledge, ethical debate and business initiatives.

In 2007, as part of that programme, the Biomed seminars were started up. These consisted of encounters at which various speakers talk about the latest advances in the area of Biotechnology from a scientific, business and legal or ethical stance. Three seminars have been held 3: "Cellular engineering and the regeneration of organs from stem cells" and "Prenatal and pre-implantational genetic diagnostics" and "Biomedical Research Act", the last one early in 2008. The debates looked at the application of cellular therapy in regenerative medicine and techniques for genetic screening, matters which represent substantial challenges in scientific, as well as legal and ethical, terms. The most valuable conclusions from these Biomed seminars have been set out in separate publications, permitting the dissemination of scientific advances in biotechnology in a manner which is useful for society.

Additionally, a website is being created for the Biomed Programme, containing all information related to the seminars, publications and the latest, most relevant news on the sector.

### Disability and health

As part of the Sanitas Disability Programme, Fundación Sanitas, together with the Telefónica Foundation, completed a research project dealing with health and disability. The purpose of the study was to detect and analyse the regulations and good practices developed in respect of healthcare, both public and private, in various countries in the European Union (the United Kingdom, Ireland, France, Germany, Holland, Sweden).

The final application of this research will be to improve and promote equal opportunities, accessibility in its fullest sense, complete autonomy, participation in decision making processes, inclusion and, in general, quality of life for people with disabilities and their families through the possible adoption in Spain of good practices, know-how and new approaches observed in the other countries.

The conclusions report, which will be presented in 2008, will be the basis for creation of a Good Practices Guide to improve access to healthcare and reinforce the use of new information technologies in the health system.

### Health education

The Fundación Sanitas Study on nutritional habits and physical exercise among children was carried out by surveying 3,240 people throughout Spain, of which half were mothers and the other half children between the ages of 6 and 14.

One of the main conclusions is that the current life style imposes an accelerated pace on both parents and children, making it difficult to promote healthy eating habits. Additionally, all of the mothers consulted, of which 67% work, agree that the main problem in fostering good eating habits in their children was difficulties relating to the work-life balance.

Furthermore, half of Spanish children reject the food on their plates and 30% only eat what they like. Concerns about weight and less frequent sports or active games as they grow older are other conclusions from the study.

### New technologies and health

Fundación Sanitas continued to develop the Sanitas Chair in New Technologies and Health, together with the Polytechnic University of Madrid.

The objective of the Sanitas Chair is to carry out activities for collaboration in the areas of training, research and prospecting Information and Communication Technologies (ICTs) of interest to the health sector and quality of life.

Within the framework of that Chair, the following activities were carried out:

- Multidisciplinary observatory on information and communication technologies applied to health and quality of life.
- RDI projects relating to ICTs for health. Design of a project to monitor patients with cardiovascular pathologies, permitting them to actively manage their health and allowing better supervision and/or diagnosis by doctors.
- Development of a website. Creation of the domain [www.catedrasanitas.org](http://www.catedrasanitas.org) to support national and international communication of the activities and results of the Sanitas Chair.

### [www.iscas.info](http://www.iscas.info)

Fundación Sanitas presented a new portal for health information, [www.iscas.info](http://www.iscas.info), which sets out the most relevant statistical information on health and healthcare in the Autonomous Regions and the regional Health Systems.

Thanks to that portal, health professionals and all users can, from a single website, consult and search for up-to-date data, such as health spending, the number of professionals in each speciality, transplants carried out as well as morbidity and mortality rates in each region. [Iscas.info](http://www.iscas.info) provides access to 1,837 tables and more than 10,000 statistical data regarding healthcare in the Autonomous Regions.

### 11.6.2 In our Care Homes

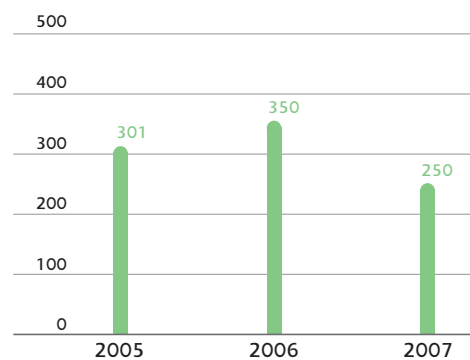
In care homes for elderly people, we also promote research and studies, which we present publicly at conferences or forums to improve understanding of issues related to our activity. Some of the most important examples in 2007 were as follows:

- Research on cognitive ability techniques and attention building exercises for elderly people in two centres: Sanitas Residencial Henares and Euroresidencias Getafe, by the HUM-634 Research Group of the Department of Psychology at the University of Cadiz.
- Study on the efficacy of hydrocellular dressings made from calcium alginate febric and ionic silver. Euroresidencias A Coruña.
- Optimisation of Exercise Programmes for elderly people, for those with cognitive deterioration. Euroresidencias A Coruña..
- Nutrition and food for elderly people with moderate/serious dementia. Keys for satisfactory meals. Euroresidencias A Coruña.
- Experimental programme to improve relations with people with senile dementia within the "international school relations" project between AWO (Kassel, Germany), ISPA (Barcelona, Spain) and Thrakia University (Stara-Zagora, Bulgaria). The Mossèn Vidal i Aunòs residence applied the Clipper questionnaire throughout the study.

The company carries out other initiatives to promote teaching. For example, Sanitas Residencial offers students from different areas (nurses, social workers, occupational therapists and physiotherapists) the possibility of work experiences at care homes for elderly people, with an average duration of one month.

This practical experience constitutes an ideal complement for the theoretical education received by professionals in the sector. By giving them the opportunity to work at our installations, we are contributing to their development and promoting better preparation of the professionals who may work with us in the future.

### Students in work experiences at Sanitas Residencial



### 11.6.3 At our Hospitals

At Sanitas Hospitales agreements have also been reached for teaching collaborations with nursing schools for the training of students. In 2007 151 work experience students joined Sanitas.

The company also has various agreements for collaboration on work experiences for Environmental Sciences and Biology students.



# 12. Index of GRI Contents

## 1 Strategy and analysis

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2.4	Location of organisation's headquarters.	171
2.5	Number of countries where the organisation operates	3
2.6	Nature of ownership and legal form.	10
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	15, 16-17, 19-20, 22-23, 56 (graph)
2.8	Scale of the reporting organisation, including: number of employees, net sales, total capitalisation broken down in terms of debt and equity, and quantity of products or services provided	14, 18, 21, 24 (table)
2.9	Significant changes during the reporting period regarding size, structure, or ownership	4 (paragraph 5), 21 (paragraph 3-4), 65 (table: extension of its network of affiliated entities, acquisitions), 70
2.10	Awards received in the reporting period.	5 (paragraph 7), 28 (paragraph 3), 30 (row on professional development) 48 (table, row on others), 51 (table, row on leadership), 52-53 (table, column on related information), 55 (paragraph 1 and 2), 61 (paragraph 5), 99 (third and last entries in the column on related information)



## Report Parameters

GRI	Description	Page
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3.4	Contact point	3 (Section on Contact person)
<b>Scope and Boundary</b>		
3.5	Process for defining report content	3 (section Materiality)
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries)	3 (Section on Scope and Boundary)
3.7	limitations on the scope or boundary of the report	*
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3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations	29, 36, 42, 44, 45, 50, 64, 74, 79, 83, 88, 95 (clarifications are made on all calculation methods), 132 (accounting principles)
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	105 (the data on water consumption in 2006 is altered)
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4.1	Governance structure of the organisation	11, 12
4.2	Indicate whether the Chair of the Board of Directors is also an executive officer	11
4.3	Number of independent and/or non-executive members	11
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the Board of Directors	40 and 41 (section two-way communication), 52
4.5	Linkage between compensation for members of the Board of Directors, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance)	36 (paragraph 1 to 4)
4.6	Processes in place for the Board of Directors to ensure conflicts of interest are avoided	26 (paragraph 1)
4.7	Process for determining the qualifications and expertise of the members of the Board of Directors for guiding the organisation's strategy on economic, environmental, and social topics.	*
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	9
4.9	Procedures of the Board of Directors for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	52
4.10	Processes for evaluating the Board of Directors' own performance, particularly with respect to economic, environmental, and social performance.	52

GRI	Description	Page
<b>Commitments to External Initiatives</b>		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	24 (health check-up service for clients); 44-47 (health and occupational risk prevention); 52 (risk management); 76 (Risk of infection control at health centres and hospitals); 77 (fraud control); 89 (Commitment Control In purchasing); 106 (promotion of healthy habits)
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives	32 (related information column: Programa Óptima), 52 (table: membership to the Worldwide Pact), 81 (table, related information column)
4.13	Memberships in associations and/or national/international advocacy organisations it supports	26, 32 (related information column: Network of companies for work-life balance, collaboration with Fundación Integra), 38 (paragraph 10), 52 (Table, control and monitoring column), 53 (column on related information), 62 (paragraph 4-5), 67 (column on related information); 90 (table, column on related information), 97 (last entry in the column Sanitas' response 2007), 99 (first and second entries in the column on related information), 102 (agreement with ONCE and CERMI), 103 (paragraph 1), 107, 108 (paragraph 8), 110 (paragraph 6)
<b>Stakeholder Engagement</b>		
4.14	List of stakeholder groups engaged by the organisation.	27, 49, 63, 78, 87, 94
4.15	Basis for identification and selection of stakeholders	3 (section on stakeholder participation)
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	3 (section on stakeholder participation) 31 (table: First entry in the column on Control and monitoring), 33 (table: annual satisfaction survey, work sessions with the Executive committee...), 52 (Table: customer, supplier and employee satisfaction surveys), 66 (customer satisfaction survey), 74, 82 (satisfaction survey for medical staff), 98 (table: First entry in the column on Control and monitoring),
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	30, 51, 65, 80, 89, 96-97

## Economic Performance Indicators

GRI	Description	Page
<b>Economic performance</b>		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	14 (Undistributed profit: growth of reserves in 2006-2007), 29 (personnel costs), 50 (revenues, operating costs and taxes), 95 (taxes, donations)
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	*
EC3	Coverage of the organisation's defined benefit plan obligations. (e.g. Pension plans, early retirement, etc.)	37 (table social benefits for employees)
EC4	Significant financial assistance received from government.	95 (table),
<b>Presence in the Market</b>		
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	88-93* (location is not a priority in the management of suppliers)
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	*
<b>Indirect Economic Impacts</b>		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit	95 (table, % of public expenditure absorbed and beds under contract in care homes), 101-102*
<b>Management approach</b>		
		49-53

## Environmental Performance Indicators

GRI	Description	Page
<b>Materials</b>		
EN1	Materials used by weight or volume.	*
EN2	Percentage of materials used that are recycled input materials.	*
<b>Energy</b>		
EN3	Direct energy consumption by primary energy source.	104 (graph natural gas Consumption)
EN4	Indirect energy consumption by primary source	103 (paragraph 8: electricity Produced by solar panels on the building), 104 (graph: Electricity consumption)
EN5	Energy saved due to conservation and efficiency improvements.	104*
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	104 (paragraph 2)
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	100*
<b>Water</b>		
EN8	Total water withdrawal by source.	105 (Water consumption graph and paragraphs 1 and 2)
<b>Biodiversity</b>		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	NA*
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	NA*
<b>Emissions, Effluents, and Waste</b>		
EN16	Total direct and indirect greenhouse gas emissions by weight.	104*
EN17	Other relevant indirect greenhouse gas emissions by weight.	*
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	104 (section on emissions)*
EN19	Emissions of ozone-depleting substances by weight.	104 (section on emissions)*
EN20	NO, SO, and other significant air emissions by type and weight.	*
EN21	Total water discharge by quality and destination.	*
EN22	Total weight of waste by type and disposal method.	105 (graphs on production indices at Hospital Sanitas La Moraleja and Hospital Sanitas La Zarzuela)
EN23	Total number and volume of significant spills.	*
<b>Products and services</b>		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	86 (paragraph 8), 99 (table Environmental Management), 103 and 104 (certification section)
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	NA*
<b>Compliance</b>		
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	100 (paragraph 4)*
<b>Management approach</b>		
		90 (table, section on suppliers commitment with the environment), 93 (section on environmental respect), 99 (table environment management area), 103-104 (section on certification), 106 (section on training)

## Social Indicators

### Labour Practices and Decent Work

GRI	Description	Page
<b>Employment</b>		
LA1	Total workforce by employment type, employment contract, and region.	30 (table: Permanent staff), 31 (table: % employees with fixed contracts), 35 (graphs on staff by type of contract)
LA2	Total number and rate of employee turnover by age group, gender and region.	28 (paragraph 1: n° employees; paragraph 4, annual rotation rate), 2 9 (tables: number of employees, annual rotation rate) 37-38
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	37-38
<b>Labour/Management Relations</b>		
LA4	Percentage of employees covered by collective bargaining agreements.	36 (paragraph 6-8)
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	41 (paragraph 2)
<b>Occupational Health and Safety</b>		
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	34 (Control and monitoring column), 44-45
LA7	Rates of injury, occupational diseases, lost days, and absenteeism and number of work related fatalities by region.	29 (tables: absentee rate), 44-45 (graphs)
LA8	Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members with AIDS or other serious infectious diseases.	46-47, 96 (table: patient education programmes), 99 (promotion of healthy habits), 106 (section on promotion of healthy habits)
<b>Training and Education</b>		
LA10	Average hours of training per year per employee by employee category.	44 (paragraph 2), 45 30 (table, training data); 42 (graphs)
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing retirement.	43 (Description of training actions)
LA12	Percentage of employees receiving regular performance and career development reviews.	43 (paragraph 7)
<b>Aspect: Diversity and Equal Opportunity</b>		
LA13	Composition of governance bodies and breakdown of employees, per category according to gender, age group, minority group membership, and other indicators of diversity.	38 (graph and paragraphs 12 and 13), 39 (paragraphs 2 and 3)
LA14	Ratio of basic salary of men to women by employee category.	36 (graph)
<b>Management approach</b>		31-34

**Human Rights**

GRI	Description	Page
<b>Investment and Procurement Practices</b>		
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	*
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	*
<b>Non-discrimination</b>		
HR4	Total number of incidents of discrimination and actions taken.	40 (paragraph 13)
<b>Freedom of Association and Collective Bargaining</b>		
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	32 (table on work-life balance) 36 (paragraphs 6-9)
<b>Child Labour</b>		
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	*
<b>Forced and Compulsory Labour</b>		
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	32 (row on opportunities for all)
<b>Management approach</b>		
		39, 40 (code of conduct) 52 (Worldwide Pact Members)

**Society**

<b>Community</b>		
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	100
<b>Corruption</b>		
SO2	Percentage and total number of business units analyzed for risks related to corruption.	40 (paragraphs 11 and 12) 53 (row on Business Ethics)
SO3	Percentage of employees trained in organisation’s anti-corruption policies and procedures.	40 (paragraph 8)
SO4	Actions taken in response to incidents of corruption.	62 (paragraph 7)
<b>Public Policy</b>		
SO5	Public policy positions and participation in public policy development and lobbying.	101 (paragraph 6), 102 (paragraph 3)
<b>Anti-Competitive Behaviour</b>		
SO7	Total number of legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and their outcomes.	*
<b>Compliance</b>		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	40 (paragraph 13)
<b>Management approach</b>		
		53 (row on Business Ethics)

**Product Responsibility**

GRI	Description	Page
<b>Customer Health and Safety</b>		
PR1	Life cycle stages in which health and safety impacts on products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	75 and 76
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	75 (paragraph 6), 76 (paragraph 14)
<b>Product and Service Labelling</b>		
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	75 (paragraph 2)
PR5	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	74
<b>Marketing Communications</b>		
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	53 (row on Business Ethics) 55 (paragraphs 3 a 5) 62 (section on Communication and advertising);
<b>Customer Privacy</b>		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	75 (paragraph 6)
<b>Compliance</b>		
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	75 (paragraph 6)
<b>Management approach</b>		66-67, 75-76

- \*3.7 Specified in each item if necessary.
- \* 3.8 Sanitas does not have joint ventures with other companies
- \* 3.11 The main change with regards the scope of the 2006 Annual Report is the inclusion of Sanitas Servicios de Salud.
- \* 4.7. Sanitas demands the highest expertise of the members of the highest governance body to enable to guide the organisation's strategy. However there is no defined internal procedure for this issue.
- \* EC2. Sanitas is currently working on developing a sustainability strategy that will be implanted during 2008 and will encompass implications related to the growth of the frequency, intensity and duration of heat waves (particularly for the elderly) and with the geographic scope of the diseases of other latitudes.
- \* EC6. Location is not a priority in the management of suppliers.
- \* EC7 Sanitas has operations throughout Spain. There are no specific procedures to hire locally as this could place a barrier to obtaining the most qualified professionals.
- \* EC8. Sanitas' activity reinforces the Spanish health coverage, absorbing part of the demand, placing beds in care homes at the disposal of the public health authority and transferring management know-how through joint management initiatives.
- \* EN1. Sanitas is a services company that does not engage in manufacturing processes. The use of natural resources of by-products has not been identified as one of the principal aspects that affects the relationship with its stakeholders therefore there is no information in this report on the consumption of materials such as paper. Information on energy and water consumption is included in their corresponding sections (see indicators EN3, EN4 and EN8).
- \* EN2. Sanitas is a services company that does not engage in manufacturing processes. The use of natural resources of by-products has not been identified as one of the principal aspects that affects the relationship with its stakeholders therefore there is no information in this report on the consumption of materials such as paper. Information on energy and water consumption is included in their corresponding sections (see indicators EN3, EN4 and EN8).
- \* EN5. Measures taken are detailed in the section on Energy Consumption. The degree of effectiveness is not addressed and the increase in consumption is pointed out in the consumption graphs.
- \* EN7. The conflict over parking shortage and its consequences on surrounding traffic was resolved through parking management solutions for users, employees and goods.
- \* EN11. Not applicable (it does not apply to Sanitas given that its buildings and activities take place in urban settings.)
- \* EN12. Not applicable (it does not apply to Sanitas given that its buildings and activities take place in urban settings.)
- \* EN16. Only qualitative information.
- \* EN17. Not taken into account (no further greenhouse emissions have been accounted)
- \* EN18. Only qualitative information
- \* EN19. Only qualitative information
- \* EN20. At present the data is not available, but we undertake the commitment to publish it in next year's report.
- \* EN21. Data on the disposal of waste water and of pollutants in discharges will be included in the following report, analysing as well the causes of its evolution.
- \* EN23. The company's control systems have not detected significant spills in the installations that could be susceptible to do so: fuel deposits for boilers and storage of hazardous liquid waste in hospitals.



\* EN27. This indicator does not apply to Sanitas activity as products are not sold in packaging.

\* EN28. Sanitas has not been fined with any sanctions of this sort.

\* HR1. Sanitas complies strictly with the law when acquiring or buying into a business. The regulations regarding human rights are encompassed in the Spanish Constitution. (Heading I, article 10, point 2)

\* HR2. We require all suppliers to comply with the legal requisites applicable. The regulations regarding human rights are encompassed in the Spanish Constitution. (Heading I, article 10, point 2)

\* HR6. There is no activity exposed to this sort of risk.

\* HR7. There is no activity exposed to this sort of risk.

\* SO7 Sanitas rejects business practices that impede or hinder customers from their right to choose the products and services at any given time. This philosophy is passed on to employees, who at all times have access to help from Legal Counsel to study any doubts they might have regarding any action.

## **Informe de Verificación**

A los lectores de este Informe

### **Introducción**

Hemos sido requeridos por Sanitas, S.A. de Seguros (en adelante Sanitas) para revisar la información no financiera correspondiente al ejercicio 2007, contenida en su Informe y cuentas anuales 2007 (en adelante el Informe), cuya elaboración, incluida la decisión acerca de los asuntos que trata, es responsabilidad de la Dirección de Sanitas. Esta información se circunscribe al contenido denominado Dimensión Económica, Dimensión Ambiental y Dimensión Social, del capítulo 12 Índice de Contenidos GRI.

### **Alcance**

En el Informe se describen los esfuerzos y avances realizados por Sanitas en la consecución de un desarrollo más sostenible. Nuestra responsabilidad ha sido la de revisar la información relativa a los indicadores utilizados por Sanitas para cumplir con los criterios de la Guía de Global Reporting Initiative Versión 3 (GRI G3) que figuran en el apartado “Índice de Contenidos GRI” de su Informe, mencionados en el apartado de Introducción anterior, así como ofrecer a los lectores del mismo un nivel de aseguramiento limitado de acuerdo con lo establecido por la norma ISAE 3000 (International Standard for Assurance Engagements) en relación a la verificación de información no financiera sobre:

- Que los datos cuantitativos relativos a los indicadores GRI G3 se han obtenido de manera fiable.
- Que las informaciones de carácter cualitativo relativas a los indicadores GRI G3 se encuentran adecuadamente soportadas por documentación interna o de terceros.
- La aplicación de la Guía de GRI G3 para el nivel de aplicación A+ cuya auto declaración ha recibido la confirmación de Global Reporting Initiative.

### **Criterios para realizar la revisión**

Hemos realizado nuestro trabajo de acuerdo con la norma ISAE 3000: *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, desarrollada por International Auditing and Assurance Standards Board (IAASB). Entre otras cuestiones esta norma requiere que:

- El equipo que realiza el trabajo posea conocimientos específicos, habilidades y competencias profesionales necesarias para entender y revisar la información incluida en el Informe, y que los miembros del mismo cumplan los requerimientos del Código de Ética Profesional de la Federación Internacional de Expertos Contables (IFAC) para asegurar su independencia.
- Cuando se provea de un aseguramiento limitado de la información, que es de un nivel de profundidad menor que el aseguramiento razonable, se utilice una conclusión limitada al trabajo realizado.

En nuestra revisión se han seguido los principios y criterios de verificación de la información incluidos en la Guía de GRI G3 por ser los aplicados por Sanitas y cuyo entendimiento y aplicación se hallan descritos en el apartado denominado “Acerca de este Informe”.

### **Trabajo realizado**

Hemos revisado la fiabilidad de los datos y de otras informaciones contenidas en el Informe de acuerdo con el alcance descrito, basándonos en la realización de las siguientes actividades:

- Entrevistas con los responsables de los sistemas que proveen la información incluida en el Informe.
- Revisión de los sistemas utilizados para generar, agregar y facilitar los datos.
- Análisis del alcance y presentación de la información que se ofrece.
- Revisión por muestreo de los cálculos realizados a nivel corporativo y la consistencia de los mismos.
- Revisión de que otras informaciones se encuentran adecuadamente soportadas por documentos internos o de terceros.

### **Conclusiones**

Basados en los trabajos descritos anteriormente, no hemos observado circunstancias que nos indiquen que los datos recogidos en el Informe no hayan sido obtenidos de manera fiable, que la información no esté presentada de manera adecuada, ni que existan desviaciones ni omisiones significativas.

KPMG ASESORES, S.L.



Julián Martín Blasco

6 de mayo de 2008



## **Verification Report**

(Translation from the original in Spanish)

To the readers of this Report

### **Introduction**

We have been requested by Sanitas, S.A. de Seguros (hereinafter Sanitas) to review the non-financial information for 2007 contained in the annual accounts for 2007 and the notes thereto (hereinafter the Report), the preparation of which, including decisions about the matters set out therein, is the responsibility of Sanitas management. This information relates to the content titled Economic Issues, Environmental Issues and Social Issues of chapter 12 Index of GRI Content.

### **Scope**

The Report describes the efforts and advances made by Sanitas to achieve more sustainable development. Our responsibility is to review information relating to indicators used by Sanitas to comply with the criteria of Global Reporting Initiative Guidance Version 3 (GRI G3), detailed under "GRI Content Index" in the Report, as mentioned in the preceding paragraph, and to provide readers with limited assurance in accordance with the provisions of ISAE standard 3000 (International Standard for Assurance Engagements) as regards verification of non-financial information on the following:

- That quantitative data relating to GRI G3 indicators have been obtained in a reliable manner.
- That qualitative information relating to GRI G3 indicators is appropriately supported by internal or third-party documentation.
- The application of GRI G3 Guidance for an application level of A+, the self-declaration of which has received confirmation from the Global Reporting Initiative.

### **Criteria for the review**

We have carried out our work in accordance with ISAE standard 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information, developed by the International Auditing and Assurance Standards Board (IAASB). This standard requires, inter alia, that:

- The team carrying out the work have specific knowledge, abilities and professional capacities to understand and review the information set out in the Report, and that the members of that team comply with the requirements of the Professional Code of Ethics for the International Federation of Accountants (IFAC) to ensure their independence.
- When limited assurance is available for the information, that is, a level of assurance lower than that considered to be reasonable, a limited conclusion is applied to the work carried out.

In our review, we have applied the criteria and principles for review of information set out in GRI G3 Guidance, as they are applied by Sanitas. The understanding and application of those criteria and principles is described in the section titled "About this Report".

#### **Work carried out**

We have reviewed the reliability of the data and other information contained in the Report, in accordance with the scope described, based on the following actions:

- Interviews with people responsible for the systems that provide the information included in the Report.
- Review of the systems used to generate, aggregate and provide data.
- Analysis of the scope and presentation of the information provided.
- Review of a sample of the calculations made at a corporate level and of the consistency thereof.
- Verification that other information is appropriately supported by internal or third-party documentation.

#### **Conclusions**

Based on the work described above, we have not observed any circumstances which would indicate that the data set out in the Report has been obtained in an unreliable manner, that the information is not presented on an appropriate basis or that significant variances or omissions exist.

**KMPG ASESORES, S.L.**

Julián Martín Blasco

# 13. Annual Accounts

**Sanitas, Sociedad Anónima de Seguros**  
Annual Accounts and Management Report 31 December 2007  
(together with Audit Report)



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

## Informe de Auditoría de Cuentas Anuales

A los Accionistas de  
Sanitas, Sociedad Anónima de Seguros

Hemos auditado las cuentas anuales de Sanitas, Sociedad Anónima de Seguros (la Sociedad) que comprenden el balance de situación al 31 de diciembre de 2007 y la cuenta de pérdidas y ganancias y la memoria correspondientes al ejercicio anual terminado en dicha fecha, cuya formulación es responsabilidad de los Administradores de la Sociedad. Nuestra responsabilidad es expresar una opinión sobre las citadas cuentas anuales en su conjunto, basada en el trabajo realizado de acuerdo con las normas de auditoría generalmente aceptadas, que requieren el examen, mediante la realización de pruebas selectivas, de la evidencia justificativa de las cuentas anuales y la evaluación de su presentación, de los principios contables aplicados y de las estimaciones realizadas.

De acuerdo con lo permitido por la legislación mercantil, los Administradores presentan, a efectos comparativos, con cada una de las partidas del balance de situación, de la cuenta de pérdidas y ganancias y de los estados de cobertura de provisiones técnicas y del margen de solvencia, además de las cifras del ejercicio 2007, las correspondientes al ejercicio anterior. Nuestra opinión se refiere exclusivamente a las cuentas anuales del ejercicio 2007. Con fecha 28 de febrero de 2007, emitimos nuestro informe de auditoría acerca de las cuentas anuales del ejercicio 2006, en el que expresamos una opinión favorable.

En nuestra opinión, las cuentas anuales del ejercicio 2007 adjuntas expresan, en todos los aspectos significativos, la imagen fiel del patrimonio y de la situación financiera de Sanitas, Sociedad Anónima de Seguros al 31 de diciembre de 2007 y de los resultados de sus operaciones correspondientes al ejercicio anual terminado en dicha fecha y contienen la información necesaria y suficiente para su interpretación y comprensión adecuada, de conformidad con principios y normas contables generalmente aceptados que guardan uniformidad con los aplicados en el ejercicio anterior.

El informe de gestión adjunto del ejercicio 2007 contiene las explicaciones que los Administradores consideran oportunas sobre la situación de la Sociedad, la evolución de sus negocios y sobre otros asuntos y no forma parte integrante de las cuentas anuales. Hemos verificado que la información contable que contiene el citado informe de gestión concuerda con la de las cuentas anuales del ejercicio 2007. Nuestro trabajo como auditores se limita a la verificación del informe de gestión con el alcance mencionado en este mismo párrafo y no incluye la revisión de información distinta de la obtenida a partir de los registros contables de la Sociedad.

KPMG AUDITORES, S.L.

Antonio Gómez-Jareño de la Plaza

27 de febrero de 2008



Miembro ejerciente:  
KPMG AUDITORES, S.L.

Año 2008 Nº 01/08/01270

COPIA GRATUITA

Este informe está sujeto a la tasa aplicable establecida en la Ley 44/2002 de 22 de noviembre.

Inscrita en el Registro Oficial de Auditores de Cuentas con el n.º S0702, y en el Registro de Sociedades del Instituto de Censores Jurados de Cuentas con el n.º 10.  
Reg. Mer. Madrid, T. 11.961, F. 90, Sec: 8. H. M-188.007. Inscrip. 9.º  
N.I.F. B-78510153

## **Audit Report on the Annual Accounts**

(Translation from the original in Spanish)

To the Shareholders of  
Sanitas, Sociedad Anónima de Seguros

We have audited the annual accounts of Sanitas, Sociedad Anónima de Seguros (the Company), which comprise the balance sheet at 31 December 2007, the statement of profit and loss for the year then ended and the notes thereto, the preparation of which is the responsibility of the directors. Our responsibility is limited to expressing an opinion on the annual accounts as a whole, based on our work carried out in accordance with generally accepted audit standards which require examining, on a test basis, evidence supporting the amounts in the annual accounts and assessing the appropriateness of their presentation, of the accounting principles applied and the estimated employed.

In accordance with prevailing legislation in Spain, the balance sheet at 31 December 2007, the statement of profit and loss and the statements of coverage of technical provisions and solvency margin, and the notes thereto include comparative figures for 2006. We express our opinion solely on the consolidated annual accounts for 2007. On 28 February 2007 we issued our unqualified audit opinion on the annual accounts for 2006.

In our opinion, the annual accounts for 2007 present fairly, in all material respects, the shareholders' equity and financial position of Sanitas, Sociedad Anónima de Seguros at 31 December 2007 and the results of its operations for the year then ended, and contain sufficient information necessary for their adequate interpretation and understanding, in accordance with generally accepted accounting principles in Spain applied on a basis consistent with that for the prior year.

The accompanying directors' report for 2007 contains such explanations as the directors consider relevant to the situation of the Company, the evolution of its business and other matters, and does not form 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 2007. Our work as auditors is limited to 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 Company.

**KPMG AUDITORES, S.L.**

Antonio Gómez-Jareño de la Plaza  
27 February 2008



# Sanitas, Sociedad Anónima de Seguros

Board of directors for Sanitas at 26 February 2008

**NON-EXECUTIVE CHAIRMAN**

John de Zulueta Greenebaum, in representation of Point Lobos, S.L

**CHIEF EXECUTIVE**

Pablo Juantegui Azpilicueta

**MANAGING DIRECTORS**

José Ramón Álvarez-Rendueles, in representation of Alvarvil, S.A

Valerie Gooding

Dean Holden

Raymond King

Antonio Valdés Morales

**NON MANAGING DIRECTOR SECRETARY**

Mónica Paramés García-Astigarraga

Capital: 17.33 millions of euros

Headquarters: Ribera del Loira, 52. 28042 Madrid

## Assets

	Nota	2007	2006
<b>Intangible assets, start-up expenses and deferred expenses</b>			
Start-up expenses	5	348	637
Intangible assets	6		
Other intangible assets		39,798	38,043
Accumulated depreciation		-29,251	-26,717
		<b>10,547</b>	<b>11,326</b>
<b>Investments</b>			
Tangible assets	7		
Land and buildings		80,038	79,932
Accumulated depreciation		-7,180	-6,044
Provision for depreciation		-4,286	-5,555
Equity investments in Group and associated companies	8		
Equity investments in Group companies		149,431	150,059
Other investments in Group companies		317	
Provisions		-	-1,478
Other investments	9		
Equity investments		356	356
Other loans and advances on policies		171,892	133,448
Investment funds		1,043	1,010
Bank deposits		15,000	74,132
Other investments		35,778	1,298
Provisions		-65	-74
		<b>442,324</b>	<b>427,084</b>
<b>Reinsurers' share of technical provisions</b>			
Provision for unearned premiums and claims		697	354
		<b>697</b>	<b>354</b>
<b>Receivables</b>			
Receivables on direct insurance	10		
Policyholders			
Other		46,890	42,329
Provisions for outstanding premiums		-6,098	-5,318
Intermediaries			
Other		907	1,055
Receivables on reinsurance and coinsurance business		650	591
Deferred tax assets, group and other receivables	11		
Group companies		3,984	454
Other		22,666	24,384
Provisions		-413	-414
		<b>68,586</b>	<b>63,081</b>
<b>Other assets</b>			
Property, plant and equipment	12		
Investment property		20,734	16,661
Accumulated depreciation		-13,738	-12,564
Cash and cash equivalents	24	1,132	1,572
Other assets			
Group and associated companies	19	46	571
Other		18	
		<b>8,192</b>	<b>6,240</b>
<b>Accrued income</b>			
Accrued interest not past due	9	92	39
Gross premiums written but unbilled		137	60
Other accruals		584	912
Commissions and other acquisition costs	14	1,967	1,816
		<b>2,780</b>	<b>2,827</b>
<b>Total Assets</b>		<b>533,474</b>	<b>511,549</b>

## Liabilities

	Nota	2007	2006
<b>Capital and reserves</b>	<b>13</b>		
Issued share capital		17,331	17,331
Revaluation reserve		5,594	5,594
Reserves			
Legal reserve		3,466	3,466
Voluntary reserves		144,350	129,031
Interim dividend		-75,185	-58,619
Annual results			
Profit/Loss for the financial year		89,003	73,938
		<b>184,559</b>	<b>170,741</b>
<b>Deferred income</b>		<b>599</b>	<b>523</b>
<b>Technical provisions</b>	<b>14</b>		
Provisions for unearned premiums and unexpired risk		37,169	34,297
Claims provision		221,867	208,002
Equalisation reserve		71	70
Other technical provisions		959	863
		<b>260,066</b>	<b>243,232</b>
<b>Provisions for liabilities and expenses</b>	<b>15</b>		
Provisions for pensions and similar commitments			
Other provisions		3,989	6,319
		<b>3,989</b>	<b>6,319</b>
<b>Deposits received from reinsurers</b>		<b>39</b>	<b>41</b>
<b>Debts</b>			
Payable on direct insurance business			
Payable to insured parties		1,860	2,234
Conditional payables		6,519	6,473
Payable to intermediaries		1,190	1,034
Payable to credit institutions		-	35
Payable on reinsurance business		12	
<b>Other debts</b>		-	<b>185</b>
Payable to group and associated companies	19	42,469	44,633
Deferred tax liabilities, group and other payables	17	32,172	36,099
		<b>84,222</b>	<b>90,693</b>
<b>Total Liabilities</b>		<b>533,474</b>	<b>511,549</b>

The attached Notes are an integral part of the Financial Statements for 2007

Income statements for the years ended December 31, 2007 and 2006  
(in thousands of euros)

## Technical account, non-life business

	Nota	2007	2006
<b>I. Net premiums earned</b>			
1. Gross premiums written			
1.1 Direct insurance		906,718	807,007
1.2 Assumed reinsurance		5,945	5,638
1.3 Change in provision for outstanding premiums	10	-780	-1,011
2. Ceded reinsurance premiums			
2.1 Premiums net of cancellations		-3,940	-3,669
3. Change in provisions for unearned premiums and unexpired risk			
3.1 Direct insurance	14	-2,844	-3,167
3.2 Assumed reinsurance	14	-28	-11
4. Change in provisions for unearned premiums and unexpired risk		130	29
<b>Total net premiums earned</b>		<b>905,201</b>	<b>804,816</b>
<b>II. Investment income</b>			
1. Income from real estate investments		3,883	3,862
2. Income from financial investments			
2.1 Income from financial investments in group companies	19	815	1,184
2.2 Income from financial investments		9,540	6,852
2.3 Other financial income		100	175
3. Adjustments to investment value	7	1,269	4,578
3.1 On financial investments		6	275
4. Gains on the realisation of investments		1,224	-
<b>Total investment income</b>		<b>16,837</b>	<b>16,926</b>
<b>III. Other technical income</b>		<b>30,006</b>	<b>28,482</b>
<b>IV. Claims net of reinsurance</b>			
1. Insurance claims paid			
1.1 Direct insurance		-648,231	-566,063
1.2 Assumed reinsurance		-4,549	-4,477
1.2 Ceded reinsurance		1,312	1,065
2. Change in claims provision			
2.1 Direct insurance	14	-13,835	-15,987
2.2 Assumed reinsurance	14	-30	-79
2.3 Ceded reinsurance		212	104
3. Claims settlement expenses		-13,251	-10,899
<b>Total claims paid, net of reinsurance</b>		<b>-678,372</b>	<b>-596,336</b>
<b>V. Change in other technical provisions, net of reinsurance</b>	14	<b>-96</b>	<b>-62</b>
<b>VI. Profit sharing and return premiums</b>		<b>-363</b>	<b>-351</b>
<b>VII. Net operating expenses</b>			
1. Acquisition costs		-91,837	-83,276
2. Administrative expenses		-38,578	-36,814
3. Commissions and shares in ceded and retroceded reinsurance		126	77
<b>Total net operating expenses</b>		<b>-130,289</b>	<b>-120,013</b>
<b>VIII. Change in the equalisation reserve</b>	14	<b>-1</b>	<b>-2</b>
<b>IX. Other technical expenses</b>			
1. Change in the bad debt provision		-28	1
4. Other		-6,602	-6,692
<b>Total Total other technical expenses</b>		<b>-6,630</b>	<b>-6,691</b>
<b>X. Investment charges</b>			
1. Investment management charges			
1.1 Charges on investments and financial accounts		-2,927	-2,682
1.2 Charges on real estate investments		-402	-402
2. Adjustments to the value of investments			
2.1 Depreciation of real estate investments		-104	-98
2.3 Provisions for financial investments		-	-187
<b>Total investment charges</b>		<b>-3,433</b>	<b>-3,369</b>
<b>Results of the technical account for non-life business</b> (I+II+III+IV+V+VI+VII+VIII+IX+X)		<b>132,860</b>	<b>123,400</b>

The attached Notes are an integral part of the Financial Statements for 2007

Income statements for the years ended December 31, 2007 and 2006  
(in thousands of euros).

## Non-technical account

	Nota	2007	2006
I. Results of the technical account for non-life business		132,860	123,400
III. Investment income			
1. Income from real estate investments		2,054	1,936
2. Income from financial investments			
2.1 Income from financial investments in group companies	19	431	594
2.3 Other financial income		31	67
3. Adjustments to investment value			
3.2 On financial investments		3	138
4. Gains on the realisation of investments			
4.2 On financial investments		648	-
<b>Total investment income</b>		<b>3,167</b>	<b>2,735</b>
IV. Investment charges			
1. Investment management charges			
1.1 Charges on investments and financial accounts		-13	-63
1.2 Charges on real estate investments		-6,311	-6,526
2. Adjustments to the value of investments			
2.1 Depreciation of real estate investments	7	-1,136	-1,134
2.3 Provisions for financial investments		-	-94
<b>Total investment charges</b>		<b>-7,460</b>	<b>-7,817</b>
V. Other income		5,120	2,946
VI. Other expenses		-5,725	-5,961
VII. Extraordinary income		443	241
VIII. Extraordinary expenses		-130	-55
IX. Corporate income tax	22	-39,272	-41,551
<b>Annual results (I+III+IV+V+VI+VII+VIII+IX)</b>		<b>89,003</b>	<b>73,938</b>

The attached Notes are an integral part of the Financial Statements for 2007

# Sanitas, Sociedad Anónima de Seguros

Notes to the Financial Statements 31 December 2007

## 1

### General Information on the Company and its activity

Sanitas, Sociedad Anónima de Seguros (hereinafter SANITAS or "the Company"), was incorporated as a private limited company in Spain in 1956. Its current registered address is in Madrid.

The Company is engaged in the insurance business and any and all related or complementary activities, which may be conducted either directly or through companies in which the Company holds equity investments. These activities may be conducted within the European Economic Area, in accordance with its laws and regulations.

Of the company's shares, 99.90% are held by the Grupo Bupa Sanitas, S.L.U. (formerly known as Bupa Iberia, S.L.U prior to the name change on 28 December 2007), a company owned by The British United Provident Association, Ltd., incorporated in Great Britain. The said company is the parent of a group of companies engaged in activities similar or complementary to those of the SANITAS Group. Hereinafter, any mention of "group and related companies" refers not only to those companies directly or indirectly owned by SANITAS but also to those directly or indirectly owned by its ultimate shareholder.

## 2

### Basis of Presentation of the Annual Accounts

In compliance with prevailing legislation, the Company's Directors have prepared these annual accounts in order to give a true and fair view of the net equity, financial position, and results of the Company for 2007, as well as the proposed appropriation of results for that year.

The aforementioned annual accounts have been prepared from the Company's auxiliary accounting records at 31 December 2007.

The Company's Board of Directors expects that the 2007 annual accounts will be approved during the General Shareholders' Meeting without significant modifications.

As required by current accounting legislation and for purposes of comparison, the 2007 balance sheet, income statement, technical provisions coverage statement, and solvency margin statement include the previous year's figures, which were presented in the 2006 annual accounts and approved by the shareholders at their meeting on April 10, 2007.

As permitted by the abovementioned legislation, the Company has opted to omit the previous year's figures from the Notes to the Financial Statements for 2007.

In its technical and non-technical income statements, SANITAS has classified its income and expenses by the nature of the income/expense, as well as by the corresponding insurance type. Expenses recorded according to their nature are later allocated to business type and insurance type, in five phases:

#### Phase 1

Allocation of expenses recorded by nature to work units ("work units" are homogeneous groups of people who perform similar work and who report to the same superior).

Expenses were allocated based on number of people, square meters occupied, and wages and social security, in addition to direct allocations.

## Phase 2

Allocation of each work unit's expenses to business line functions. "Functions" are understood to be major groupings of tasks or related activities, and "business lines" are groupings of products, insurance types, and/or distribution channels.

Each work unit may perform various functions, and each function may be carried out by various work units.

During this phase, expenses were allocated based on the results of surveys completed by work unit managers.

## Phase 3

Indirect allocation of function expenses (not directly assigned in the previous phase) to primary functions (distribution and production), using an iterative process based on the expenses assigned to each of the remaining functions.

## Phase 4

Allocation of expenses to primary functions (distribution and production) as either acquisition expense or administrative expense. In this case, the allocation is performed based on survey results.

## Phase 5

Indirect allocation of the expenses of each primary function to the various insurance types (health, illness, accident, and death). To allocate income and expenses to the various types of non-life business and, where applicable, to the technical account, the Company applies the following criteria:

- in proportion to new premiums
- in proportion to average premiums in effect
- in proportion to the number of claims
- in proportion to average provisions, capital and reserves
- in proportion to the number of new policyholders
- in proportion to the average number of existing policyholders

Financial income and expenses were allocated to the technical and non-technical accounts for the year based on whether the related investments were being used to cover technical provisions.

## 3 Appropriation of Results

The Directors will propose the following appropriation of profit for the year ended December 31, 2007 for approval by the shareholders at the general meeting:

Thousands of euros	
Voluntary reserves	13,818
Dividends	75,185
	<b>89,003</b>

In 2007 the Company approved an interim dividend distribution of €75,185 thousand (Note 13(e)).

The appropriation of results for the year ended 31 December 2006, which was carried out in 2007, is detailed in Note 13 ('Capital and Reserves').

# 4

## Valuation criteria

The annual accounts have been formulated according to the accounting principles, valuation criteria and classifications set forth in the accounting legislation applicable to insurance companies and in the General Chart of Accounts for Insurance Companies established by Royal Decree 2014/1997 of December 26, the most significant of which are described below:

### (a) Start-up expenses

Reflects the amounts incurred to incorporate and start up the company, as well as in successive share capital increases. These expenses are shown at cost, net of accumulated amortisation, which is calculated on a straight-line basis over a period of five years.

### (b) Intangible assets

Intangible assets are valued at acquisition cost or direct production cost, as applicable, less accumulated amortisation in accordance with the following criteria:

- Goodwill reflects the difference between the acquisition cost of Robre, S.A. Compañía de Seguros and Novomedic, S.A de Seguros and the underlying book value of each company at the merger date, after adjusting for applicable merger differences to revalue the acquired assets. Goodwill is amortised on a straight-line basis over the period in which it is deemed to contribute to earnings.
- Software includes the amounts paid to purchase and use computer programs (or computer management systems), provided that such programs and applications will be used over several years. It is shown net of accumulated amortisation, which is calculated on a straight-line basis over four years.
- The cost of modifying or updating existing applications or of training personnel to use the software is recognised immediately in the income statement.
- Transfer Rights are shown in Assets at the amount disbursed and are amortised systematically over five years, the time during which they are deemed to contribute to earning income.

### (c) Real estate investments

Real estate investments, which consist of buildings and other structures, are shown at acquisition cost, revalued and restated through 1996 in keeping with the legislation applicable at the time, and net of accumulated depreciation. Any additions which increase capacity or surface area, or renovations which increase yield or useful life, are recorded as an increase in the value of the asset.

The revalued acquisition cost of real estate investments (excluding land) is depreciated on a straight-line base over the fifty years of estimated useful life.

Expenses incurred for maintenance or for repairs which do not prolong or improve the useful life of the assets are recognised immediately in the income statement.



#### (d) Financial investments

Financial investments are valued according to the following criteria:

- Fixed-income securities are shown at the total amount paid or to be paid, including inherent expenses. Acquisition cost excludes explicit accrued unmatured interest at the date of the purchase. The difference between the acquisition price and the redemption value is accrued by debiting or crediting results over the remaining life of the security in accordance with financial criteria, thus modifying the book value of the investment as variations become known.
- At year end, the company records a provision in the income statement to cover any net negative difference between the acquisition cost and market value of its fixed-income securities. Net positive differences are not recognised. "Market value" equals the lower of last quoted value or average value during the last month of the period in organized markets. When quoted value is not representative or securities are unlisted, "market value" equals the present value of future cash flows, calculated in accordance with applicable legislation.
- Interest on Eurodeposits is accrued according to the applicable interest rate.
- Units in funds investing in money market assets (FIAMM) are recorded at their liquidating value at the balance sheet date, including any accrued returns.
- Investments in Group and related companies are valued at the lower of cost or realisable value, which is deemed to be underlying book value, adjusted for any capital gains which prevail at year end.
- Monetary assets acquired under repurchase agreements are recorded on the balance sheet at the purchase value. The difference between this amount and the sale value is accrued over the term of the transaction.
- Explicit accrued interest unmatured at year end is recorded in "Accrued interest not yet due" under the "Accrued income" heading of the balance sheet.
- Implicit interest on securities acquired at a discount is recorded under "Other investments".

#### (e) Accounts Receivable

Accounts receivable are shown at face value. However, the required value adjustments are made to cover potential bad debt risk.

#### (f) Outstanding premiums provision

This provision is calculated on the portion of tariff premiums accrued during the fiscal year, net of the effect of commissions taken to the income statement and, where applicable, net of the provision for unearned premiums and ceded reinsurance. To the resulting amount, the company applies the percentages determined in keeping with prevailing legislation, based on age and status of the premiums outstanding.

(g) Tangible fixed assets (excluding land and buildings)

These assets are shown at acquisition cost, restated and revalued through 1996 in keeping with the legislation applicable at the time, and net of accumulated depreciation.

Depreciation is calculated on a straight-line basis on revalued acquisition cost, over the estimated useful life of the asset (as follows):

	Years
Transport equipment	5
Furniture and installations	10
Data-processing equipment	4
Other tangible fixed assets	10
Complex equipment/ communications equipment	8

Expenses incurred for maintenance or for repairs which do not prolong or improve the useful life of the assets are recognised immediately in the income statement.

(h) Income from premiums and acquisition expenses

Income from premiums and expenses inherent to issuing policies, primarily commissions, are recorded when the policy takes effect. At the end of each fiscal year, the amount corresponding to premiums written and not yet earned is reflected in the technical provision for unearned premiums (see section "i" of this Note).

Commissions and acquisition expenses which are recurrent in nature and which can be recognised during the year or years in which the policy is in effect are recorded in Assets, within the limits established in the technical note, under the heading "Accrued income", and taken to results over the life of the related policies.

The Company records expenses based on the nature of the expense and reclassifies them periodically (as established by prevailing legislation) based on business type.

(i) Technical provisions for direct insurance business

- Provision for unearned premiums: When the life of a policy does not coincide with the fiscal year, the company provides for the premium amounts not earned at year end, which are allocated to the period between year end and the expiration of coverage of the contracts. This provision is calculated on a policy-by-policy basis, based on the tariff premiums accrued during the fiscal year.
- Unexpired risk provision: The unexpired risk provision supplements the unearned premiums provision. It reflects the value of risks and expenses which the company believes will be incurred over the remaining life of the policies written for insurance types which would have shown technical losses for an average of two to four of the preceding fiscal years, depending upon the insurance type in question, as established by prevailing legislation.
- Claims provision: The claims provision reflects an estimate of the final amount needed to settle and pay all claims originating before year end and reported by January 31st of the following year, as well as claims which have been incurred but not reported and which the Company estimates based on its experience.

These costs include expenses, interest, and external penalties, as well as the internal costs of managing and processing claims until conclusively settled and paid.

- Equalisation reserve: The equalisation reserve reflects the amount set aside to cover unpredictable negative variances in estimated claims corresponding to lower case illness. It is based on the security surcharge established in the technical bases for each insurance type or risk, within the limits established by prevailing legislation. This cumulative reserve is used to offset the amount by which claims exceed the retained risk premiums corresponding to each insurance type or risk for the year.

- Provision for death insurance: The company provides for the current actuarial value of the insurer's and the policyholder's future obligations. The calculation is based on the inventory premium and is performed on a policy-by-policy basis using the individual capitalization system and applying a prospective method.
- On the old policy portfolio, the company applies the PM 46/49 mortality tables at 3.5% based on term life policies for those under 62 years of age and on whole life policies for those over 62. On the new policy portfolio, it applies the G.K.M. 95 and G.K.F. 95 mortality tables at a technical interest rate of 2.42% based on whole life policies.

(j) Technical provisions for ceded reinsurance

The balance sheet includes technical provisions for premiums ceded to reinsurers, calculated in the same manner as for direct insurance, in keeping with the reinsurance policies in effect.

(k) Retirement commitments

In keeping with current legislation, the Company must pay all employees who reach retirement age a lump sum upon retirement equal to one month's salary for every five years of service, up to a maximum of ten monthly salaries.

Additionally, and only for those employees which began working in the insurance sector prior to June 9, 1986 (whether at Sanitas or at another company), the Company must pay a retirement pension equal to the difference between the "minimum annual remuneration" assigned at the moment of retirement (Article 63 of the Insurance Sector Agreement) and the pension or pensions which the retiree earns from the Social Security System and other obligatory social welfare schemes.

To fulfil these obligations, the Company established the Sanitas Group Pension Plan with BBVA Gestión de Previsión y Pensiones in December 2005.

The provisions recorded are used to make the annual contribution to the aforementioned Sanitas Group Pension Plan (see Note 21).

(l) Redundancy compensation

Companies are obligated to pay indemnities to employees who are dismissed through no fault of their own. Given that the Group does not expect undue dismissals to take place and that employees who retire or leave the Company of their own accord are not entitled to compensation, any expense for this concept is charged to the income statement when the decision to dismiss an employee is made.

(m) Accounts Payable

Payables are shown in the balance sheet at their repayment value. When this amount includes interest because the debt will fall due in future fiscal years, the interest amount is recorded in "Deferred expenses" and taken to results in keeping with financial criteria. When the debt falls due in the current fiscal year, the related interest is charged to results for the year.

(n) Corporate income tax

The Company files a consolidated tax return together with other companies in the Grupo Bupa Sanitas, S.L.U. (see Note 22). Income tax is calculated on financial profit, adjusted for permanent differences arising from variances in the tax and accounting treatment of certain transactions, and taking into account applicable tax rebates and deductions. Tax rebates and deductions affect the calculation of each company's annual tax expense in the effective amount permitted for consolidated returns, and not the higher or lower amount which would correspond to each company if it were declaring individually. Rebates and deductions are allocated to the company that carried out the activity or generated the income which entitled it to the deduction or rebate.

Tax credits relating to loss carryforwards or to deferred tax assets arising from temporary differences are recorded in keeping with the principle of prudence, when they can be applied to the consolidated companies taken as a whole. Reciprocal debit and credit balances arise for the portion of tax losses generated by some of the group companies and the companies that offset them.

(o) Transactions and balances in foreign currency

Transactions in foreign currency are recorded at the euro exchange rate prevailing on the date of the transaction. Exchange gains and losses arising as a result of the cancellation of balances in foreign currency are taken to the profit and loss account when realized.

Foreign currency deposits at year end are shown at their euro value at that date, and any net unrealized gains or losses are recognised as income or expense.

Year-end balances receivable and payable in foreign currency are converted to euros at exchange rates approximating those at December 31. Net unrealized exchange losses on groups of currencies with similar maturities and market performance are recorded in expenses, whereas any net exchange gains on such groups of currencies are recorded as deferred income.

(p) Reclassification of expenses by business type

The Company records expenses based on the nature of the expense and reclassifies them periodically (as established by prevailing legislation) based on business type. The reclassification criteria are set forth in Note 2.

## 5 Start-up expenses

Below is a breakdown of this heading at December 31, 2007:

Thousands of euros	Balance at 31.12.06	Increases	Amortisation	Balance at 31.12.07
Remodelling expenses	336	81	(160)	257
Start-up expenses	152	-	(135)	17
Merger expenses	115	-	(57)	58
Capital increase expenses	34	-	(18)	16
	<b>637</b>	<b>81</b>	<b>(370)</b>	<b>348</b>

Remodelling expenses relate to the remodelling work performed on the leased office spaces occupied by several branches.

## 6 Intangible assets

Below is a breakdown of this heading at 31 December 2007 and the movements during the year:

Thousands of euros	Balance at 31.12.06	Increases	Balance at 31.12.07
<b>Cost</b>			
Merger goodwill (Note 4(b))	34,036	-	34,036
Software	3,928	1,503	5,431
Software under development	-	252	252
Transfer rights	79	-	79
	<b>38,043</b>	<b>1,755</b>	<b>39,798</b>
<b>Accumulated amortisation</b>			
Merger goodwill	(23,916)	(2,024)	(25,940)
Software	(2,722)	(510)	(3,232)
Transfer rights	(79)	-	(79)
	<b>(26,717)</b>	<b>(2,534)</b>	<b>(29,251)</b>
<b>Net Value</b>	<b>11,326</b>	<b>(779)</b>	<b>10,547</b>

Below is a breakdown of Merger Goodwill at 31 December 2007:

Thousands of euros	Cost	Accumulated amortisation	Net book value
Takeover merger of Robre, S.A., Compañía de Seguros	17,845	(17,845)	-
Takeover merger of Novomedic, S.A. de Seguros	16,191	(8,095)	8,096
	<b>34,036</b>	<b>(25,940)</b>	<b>8,096</b>

The merger goodwill generated in 2001 as a result of the Company's takeover of Robre, S.A. was fully amortised by 31 December 2007.

At 31 December 2007, fully amortised Software amounts to € 2,159 thousand, and fully amortised Transfer Rights to € 79 thousand.

## 7

## Real estate investments

Below is a breakdown of this heading and the movements during 2007:

Thousands of euros	Balance at 31.12.06	Increases	Decreases	Balance at 31.12.07
<b>Cost</b>				
Land, buildings, and other structures	79,742	106	-	79,848
Payments on account and tangible assets under construction	190	-	-	190
	<b>79,932</b>	<b>106</b>	-	<b>80,038</b>
<b>Accumulated depreciation</b>				
Buildings and other structures	(6,044)	(1,136)	-	(7,180)
Depreciation provision	(5,555)	-	1,269	(4,286)
<b>Net Value</b>	<b>68,333</b>	<b>(1,030)</b>	<b>1,269</b>	<b>68,572</b>

In keeping with current legislation and following the takeover mergers of Novomedic, S.A. de Seguros and Gestión de Inversiones en Recursos Sociales, S.L. in 2004, capital gains arose on acquired land and buildings and their net book values were updated to market value, based on appraisals by independent experts.

The net book value of these revalued assets at 31 December 2007 is as follows:

Thosand of euros	Novomedic, S.A. de de Seguros	Gestión de Inversiones en Recursos Sociales, S.L.
Land and buildings	121	1,443
Less accumulated depreciation	(11)	(101)
<b>Net book value at 31 December 2007</b>	<b>110</b>	<b>1,342</b>

Status of coverage on buildings:

- The net book value of real estate investments covered by technical provisions amounts to €65,775 thousand at 31 December 2007. Their market value at that date amounts to €83,438 thousand (see Note 25), representing capital gains of €17,851 thousand and capital losses of €188 thousand. Market value at 31 December 2007 was based on appraisals by experts authorized by the Directorate General of Insurance and Pension Funds (hereinafter "DGS").
- In compliance with DGS regulations, Inmoseguros Tasación, S.A., an official appraisals firm authorized by the DGS, conducted appraisals at 31 December 2007 of five of the Company's eighteen senior citizens' homes, as a result of which the depreciation provision was reduced by €1,269 thousand.
- In 1996, the Company revalued balance sheet items as permitted by Royal Decree Law 7/1996, dated June 7, increasing the value of real estate investments by €5,810 thousand, based on the table of maximum revaluation percentages published in Royal Decree 2607/1996, of December 20. The net book value at 31 December 2007 of this revaluation amounts to €599 thousand, net of depreciation and disposals.
- The depreciation expense for 2007 corresponding to this revaluation amounts to €19 thousand.

# 8

## Investments in Group and related companies

(a) Direct equity investments in Group companies

The movements in equity investments in Group companies during the year were as follows:

Thousand of euros	Cost	Provision	Net Value
Balance at 1 January 2007	150,059	(1,478)	148,581
Increases	1,440	1,478	2,918
Decreases	(2,068)	-	(2,068)
Balance at 31 December 2007	<b>149,431</b>	-	<b>149,431</b>

Below is a breakdown by company:

Thousand of euros	Cost at 01.01.07	Increases	Decreases	Cost at 31.12.07	Net Value
<b>Group companies</b>					
Sanitas, Sociedad Anónima de Inversiones	147,541	-	-	147,541	147,541
SanitasPrevención de Riesgos Laborales S.L.	610	-	(610)	-	-
Laborservis, S.A. (S.U.) Especializada y Primaria	1,458	-	(1,458)	-	-
L'Horta Manises, S.A	450	1,440	-	1,890	1,890
	<b>150,059</b>	<b>1,440</b>	<b>(2,068)</b>	<b>149,431</b>	<b>149,431</b>

The movements in 2007 in the provisions for equity investments in Group companies were as follows:

Thousand of euros	Balance at 31.12.06	Decreases	Balance at 31.12.07
<b>Group companies</b>			
SanitasPrevención de Riesgos Laborales S.L.	(610)	610	-
Laborservis, S.A. (S.U.)	(868)	868	-
	<b>(1,478)</b>	<b>1,478</b>	-

Below is a breakdown of the share capital, reserves and results for 2007 of the Group companies, based on their audited annual accounts for 2006 and the most recent estimate of their results for 2007 (given that their annual accounts have not been formulated):

Thousand of euros	Share capital	Reserves	Profit/ (loss) 2007	Shareholders' equity	Underlying book value of the investment
Sanitas, Sociedad Anónima de Inversiones	111,784	79,323	6,143	197,250	197,230
Especializada y Primaria L'Horta Manises, S.A	3,250	9,350	7	12,607	12,607
	<b>115,034</b>	<b>88,673</b>	<b>6,150</b>	<b>209,857</b>	<b>209,837</b>

Sanitas, Sociedad Anónima de Inversiones, was incorporated in 1996 and engages in real estate investment and in any activities relating to computer equipment and software.

At 31 December 2007, SANITAS directly owns 99.99% of Sanitas, Sociedad Anónima de Inversiones.

On 22 March 2007, the Company sold its investment in Laborservis S.A.U. to a third party for €1,012 thousand, cancelling its equity investment amounting to €1,458 thousand and the corresponding loss provision at 31 December 2006 amounting to €868 thousand. The Company realised a capital gain on this investment amounting to €422 thousand.

On 5 November 2007, SANITAS sold its investment in Sanitas Prevención de Riesgos Laborales S.L. to Grupo Bupa Sanitas, S.L.U. for €1,451 thousand, by virtue of the public deed ratified by Fernando de la Cámara, registered notary. Thus, the Company cancelled its equity investment amounting to €610 thousand and the corresponding loss provision in the same amount at 31 December 2006, as well as the provision for liabilities and charges amounting to €1,064 thousand (see Note 15) recorded to cover negative equity. The Company realised a capital gain on this transaction amounting to €1,451 thousand.

On 21 September 2006, a new company called Especializada y Primaria L'Horta-Manises, S.A. was incorporated following the public concession granted by the Autonomous Community of Valencia to manage comprehensive medical care in the future L'Horta-Manises health department via construction of a hospital and management of existing health centres in the area. The concession was granted for a period of fifteen years, with the possibility of a five-year extension, after which ownership of the hospital will revert to the Valencian Regional Government.

It was incorporated with share capital of 3 million shares with a nominal value of €1 each. The company's shareholders are Sanitas, Sociedad Anónima de Seguros (15%), Sanitas, Sociedad Anónima de Hospitales (45%) and a non-Group company called Ribera Salud, S.A. (40%).

On 22 December 2006, the Shareholders of Especializada y Primaria L'Horta Manises, S.A. at the General Meeting agreed to increase share capital by issuing 100,000 registered shares with a nominal value of €1 each and a share premium of €19 per share, for a total share premium of €1.9 million. On 26 December 2006, SANITAS participated in the capital increase in proportion to its existing shareholding, acquiring an additional 15,000 shares and paying in €15 thousand of capital and €285 thousand of share premium, for a total payment of €300 thousand. Given that the capital increase deed is dated 12 January 2007, the company recorded the transaction that month, increasing the value of its shareholding by the additional paid-in amount of €300 thousand.

On 5 June 2007, the Shareholders in General Meeting agreed to increase share capital by issuing 100,000 registered shares with a nominal value of €1 each and a share premium of €65 per share, for a total share premium of €6.5 million.

On 13 June 2007, SANITAS participated in the capital increase in proportion to its existing shareholding, acquiring an additional 15,000 shares and paying in €15 thousand of capital and €975 thousand of share premium, for a total payment of €990 thousand. The capital increase deed is dated 28 June 2007.

Likewise, on 4 December 2007, the Shareholders at the General Meeting agreed to increase share capital once more by issuing 50,000 registered shares with a nominal value of €1 each and a share premium of €19 per share, for a total share premium of €950 thousand. Again, SANITAS participated in the capital increase in proportion to its shareholding, acquiring an additional 7,500 shares and paying in €7.5 thousand of capital and €142.5 thousand of share premium, for a total payment of €150 thousand. The capital increase deed is dated 17 December 2007.



(b) Other indirect investments in Group companies

Through Sanitas, Sociedad Anónima de Inversiones, SANITAS holds an indirect investment of 36% (without voting rights) in Bupa Care Homes (CFH Care) Limited, a company registered in the United Kingdom which engages in health care. Below is a breakdown of the company's shareholders' equity (in pounds sterling) as per the audited financial statements at 31 December 2006 prepared in accordance with U.K. generally accepted accounting principles, as well as of the underlying book value of this investment based on the exchange rate at that date of 1 euro = 0.73335 pounds (£):

Thousands of pounds sterling			Thousands of euros		
Share capital	Preferred stock	Reserves	Annual Results	Total	Underlying book value of the investment
125,000	70,000	140,989	8,992	344,981	169,350

The acquisition cost of this investment amounted to £70 million (€105,703 thousand).

## 9 Other investments

Below is a breakdown of this heading and the movements during the year:

	Balance at 31.12.06	Increases	Decreases	Balance at 31.12.07	Valor de mercado 31.12.07
Thousands of euros					
Equity investments in related companies	356			356	356
Deposits with credit institutions	74,132	6,506,691	(6,565,823)	15,000	15,000
Other loans and advances on policies	133,448	8,284,828	(8,246,384)	171,892	171,892
Investment fund units	1,010	55	(22)	1,043	1,043
Other investments	1,298	322	(842)	778	778
Receivable from parent company		35,000	-	35,000	35,000
	<b>210,244</b>	<b>14,826,896</b>	<b>(14,813,071)</b>	<b>224,069</b>	<b>224,069</b>
Provisions	(74)	-	9	(65)	(65)
	<b>210,170</b>	<b>14,826,896</b>	<b>(14,813,062)</b>	<b>224,004</b>	<b>224,004</b>

The securities portfolio at 31 December 2007 (included in Deposits with credit institutions and Other loans and advances on policies) is broken down as follows:

	Thousands of euros
Bonds traded on regulated markets	122,142
Eurodeposits	15,000
Euronotes	36,000
Treasury bills	13,750
	<b>186,892</b>

All of the investments in securities at 31 December 2007 fall due within one year.

At 31 December 2007, the annual return on SANITAS's portfolio of financial assets sold under repurchase agreements, treasury bills, and deposits with credit institutions ranged from 3.58% to 4.08%.

At 31 December 2007, accrued interest not yet due amounted to €302 thousand recorded in 'Interest on investments' and €92 thousand recorded under 'Accrued income'.

Fixed-income securities in the ordinary investment portfolio were valued on an individual basis.

Below is a breakdown of Investment fund units:

	Thousands of euros
<b>F.I.A.M.M.</b>	<b>1,043</b>

The F.I.A.M.M. balance corresponds to the Doctors' Provident Fund (see Note 18). The Company has not included this item as an asset subject to coverage by technical provisions.

Below is the breakdown of Other investments:

	Thousands of euros
Accrued interest not yet due on fixed-income securities	302
Guarantees and deposits	476
	<b>778</b>

The heading Receivable from parent company refers to a credit line of up to €200 million which the Company granted to Grupo Bupa Sanitas, S.L.U.. At year end 2007, €35 million had been drawn down which falls due on 31 December 2008, maturity which is extended each year at the due date (see Note 19).

## 10

### Receivable for direct insurance transactions

Below is a breakdown of amounts receivable for direct insurance at 31 December 2007:

	Thousands of euros
Receivable for premiums not yet written	30,609
Outstanding premiums	16,281
Mediators - cash account	907
	<b>47,797</b>
Provisions for outstanding premiums and surcharges	(6,098)
	<b>41,699</b>

The amount receivable for premiums not yet written relates mostly to instalment premiums on several products whose term does not coincide with the calendar year.

The movements in this provision during 2007 were as follows:

	Thousands of euros
Balance at 1 January 2007	(5,318)
Reversions during the year	73,044
Increases during the year	(73,824)
<b>Balance at 31 December 2007</b>	<b>(6,098)</b>

# 11

## Deferred tax assets, Social Security and other receivables

Below is a breakdown of this balance at 31 December 2007:

	Thousands of euros
Receivable for medical services	11,035
Deferred tax assets (Note 22)	11,494
Receivable from Group companies (Note 19)	3,984
Other receivables	137
	<b>26,650</b>

# 12

## Tangible Fixed Assets

Below is a breakdown of this heading at 31 December 2007 and the movements during the year:

Thousands of euros	Balance at 31.12.06	Increases	Decreases	Balance at 31.12.07
<b>Cost</b>				
Transport equipment	1.143	408	(735)	816
Furniture and installations	6.106	438	(14)	6.530
Data-processing equipment	9.272	4.068	(50)	13.290
Other tangible fixed assets	59	1	-	60
Payments on account of fixed assets	81	245	(288)	38
	<b>16.661</b>	<b>5.160</b>	<b>(1.087)</b>	<b>20.734</b>
<b>Accumulated depreciation</b>				
Transport equipment	(537)	(215)	330	(422)
Furniture and installations	(4.624)	(376)	-	(5.000)
Data-processing equipment	(7.343)	(923)	10	(8.256)
Other tangible fixed assets	(60)	-	-	(60)
	<b>(12.564)</b>	<b>(1.514)</b>	<b>340</b>	<b>(13.738)</b>
<b>Net value</b>	<b>4.097</b>	<b>3.646</b>	<b>(747)</b>	<b>6.996</b>

In 1996, the Company revalued balance sheet items as permitted by Royal Decree Law 7/1996, dated June 7, increasing the value of tangible fixed assets by €444 thousand, based on the table of maximum revaluation percentages published in Royal Decree 2.607/1996, of December 20. At 31 December 2007, these assets had been fully depreciated.

Below are the values of fully-depreciated assets at 31 December 2007:

	Thousands of euros
Transport equipment	162
Furniture and installations	2,600
Data-processing equipment	6,619
Other tangible fixed assets	61
	<b>9,442</b>

# 13

## Capital and Reserves

Below is a detail of the movements in this heading during the year ended 31 December 2007:

Thousands of euros	Balance at 31.12.06	Appropriation of profit for 2006	Annual results 31/12/2007	Balance at 31.12.07
Share capital	17,331	-	-	17,331
<b>Revaluation reserves</b>				
Royal Decree Law 7/1996	5,594	-	-	5,594
<b>Reserves</b>				
Legal reserves	3,466	-	-	3,466
Voluntary reserves	129,031	15,319	-	144,350
<b>Annual results</b>				
Profit / loss	73,938	(73,938)	89,003	89,003
Interim dividend	(58,619)	58,619	(75,185)	(75,185)
	<b>170,741</b>	<b>-</b>	<b>13,818</b>	<b>184,559</b>

### (a) Share capital

At 31 December 2007, share capital consists of 25,486,524 registered shares with a nominal value of €0.68 each, fully subscribed and paid in, all of which have the same political and economic rights.

Below is a detail of the Company's shareholders at 31 December 2007:

	Thousands of euros	Percentage
Grupo Bupa Sanitas, S.L.U.	17,314	99.90
Other shareholders	17	0.10
	<b>17,331</b>	<b>100</b>

### (b) Revaluation Reserve - Royal Decree Law 7/1996

As permitted by mercantile legislation, the Company updated the value of its tangible assets and real estate investments at 31 December 1996.

The balance of this account is available, since the statutory waiting period for confirmation of the balance has expired. It may be allocated, on a tax-free basis, to:

- Offsetting losses from prior years.
- Increasing capital.
- Freely distributable reserves, as of 31 December 2006.

In any event, the balance of this account may be directly or indirectly allocated only insofar as the capital gain has been realised. The capital gain is considered realised for the amount of depreciation recorded, or when the revalued assets have either been sold or eliminated from the accounting records.

### (c) Legal reserve

Companies are obliged to transfer 10% of the profit for the year to a legal reserve until such reserve amounts to at least 20% of share capital. This reserve is not distributable to shareholders and may be used only to offset a debit balance on the income statement when no other reserves are available. In certain specific circumstances, it may also be used to increase capital by the amount exceeding 10% of the new capital after the increase. At 31 December 2007 the Company had recorded the minimum reserve required by law.

(d) Voluntary reserves

The voluntary reserves are freely distributable, except for the portion corresponding to start-up expenses and goodwill at 31 December 2007.

(e) Interim dividend

At its meeting of 27 November 2007, the Company's Board of Directors agreed (among other things) to distribute an interim dividend amounting to €75,185 thousand (see Note 3), given that the applicable legal requirements had been met. Of this amount, €75,109 thousand were paid to Grupo Bupa Sanitas, SLU through bank transfer on 18 December 2007. The interim dividend was distributed in accordance with Article 216 of the Spanish Companies Law, based on the following provisional statement of the Company's results at 31 December 2007 and the status of its cash and cash equivalents for the year prior to that date:

	Thousands of euros
<b>Forecast of distributable profits at 31.12.07</b>	
Forecast of net profit at 31.12.07 and estimate of distributable profit at 31.12.07	86,416
<b>Interim dividend</b>	<b>75,185</b>
<b>Forecast of cash and cash equivalents for the period from 31.12.06 to 31.12.07</b>	
Balance of cash and cash equivalents at 31.12.06	207,580
Projected collections	988,941
Projected payments, including interim dividend	1,061,472
<b>Projected balance of cash and cash equivalents at 31.12.07</b>	<b>135,049</b>

## 14 Technical Provisions

The movements in technical provisions for direct insurance during the year were as follows:

Thousands of euros	Balance at 31.12.06	Allocation	Application	Balance at 31.12.07
<b>Direct insurance and assumed reinsurance</b>				
Provisions for unearned premiums	34,297	4,993,995	(4,991,123)	37,169
Claims provisions	208,002	2,578,258	(2,564,393)	221,867
Provisions for Death insurance	863	96	-	959
Equalisation reserve	70	1	-	71
	<b>243,232</b>	<b>7,572,350</b>	<b>(7,555,516)</b>	<b>260,066</b>

The provision for unearned premiums is calculated on a time apportionment basis over the coverage period of the policies. Commissions and acquisition expenses corresponding to time-apportioned direct insurance and reinsurance premiums are included in Accrued income and amount to €1,967 thousand.

## 15 Provision for Liabilities and Expenses

The movements in this provision during the year were as follows:

Thousands of euros	Balance at 31.12.06	Allocation	Application	Balance at 31.12.07
Provision for contingencies	2,735	514	(1,914)	1,335
Provision for share premiums	2,520	6,756	(6,622)	2,654
Provision for extraordinary liabilities and expenses ( Note 8 (a))	1,064	-	(1,064)	-
	<b>6,319</b>	<b>7,270</b>	<b>(9,600)</b>	<b>3,989</b>

# 16

## Payable to Credit Institutions

The final payments on two mortgage loans obtained by Novomedic from Sa Nostra in 1997 to purchase the commercial spaces at Barón de Pinopar 9, Basement flats B and C, in Palma de Mallorca fell due during the year (30/09/2007 and 30/11/2007, respectively) and were fully paid off (€210 and €150 thousand, respectively).

# 17

## Deferred tax liabilities, social security, and other payables

Below is a breakdown of this heading at 31 December 2007:

	Thousands of euros
Wages and salaries payable	6,057
<b>Taxes payable to the Treasury</b>	
VAT	439
Withholdings	1,937
Amounts payable to Social Security agencies	792
Other amounts payable to Social Security agencies	802
Other government bodies	341
Deferred tax liability (Note 22)	9
<b>Related companies</b>	
Current accounts	3,693
Payable for medical services	17,050
Doctors' Provident Fund (Note 18)	1,052
	<b>32,172</b>

# 18

## Doctors' Provident Fund

Following the approval granted by the Shareholders at the General Meeting on 16 June 1996, the Company created the Doctors' Provident Fund. The Fund pays benefits for events such as death, illness, accident, or retirement. The Company's role has been to administer the fund and simply pay out the accrued benefits with a charge to contributions made by the unit holders. On the accompanying balance sheet at 31 December 2007, "Doctors' Provident Fund" (Note 17) reflects the amount corresponding to total contributions received less total benefits paid.

The Fund's terms and conditions include a protective clause which entitles the Fund to pay lower benefits in the event that excessive claims threaten its continuity. On 24 October 1994, William M. Mercer Ltd. issued a report on the future viability of the Doctors' Provident Fund. On 25 October 1994, the competent authority agreed to include the protective clause, effective 1 January 1995.

The most recent report issued by Towers Perrin regarding the actuarial valuation at 31 December 2005 of the benefits of the Doctors' Provident Fund, calculated under three different hypothetical scenarios, demonstrated the Fund's sufficiency and viability.

# 19

## Amounts receivable from / payable to Group and related companies

The main transactions with Group and related companies in 2007 were as follows:

Thousands of euros	Income	Expenses
Interest	1,246	-
Lease installments	5,135	2,278
Payable for medical services	-	102,607
Other	1,361	4,701
	<b>7,742</b>	<b>109,586</b>

Below is a detail of balances with Group companies at 31 December 2007:

Thousands of euros	
<b>Receivable</b>	
Deferred tax assets, Social Security and other receivables (Note 11)	3,984
Receivable from the parent company (Note 9)	35,000
Current account with Group companies	(342)
Receivable from tax group companies: Corporation IncomeTax 2006	388
	<b>39,030</b>
<b>Payable</b>	
Payable for services rendered	5,462
Payable to tax group companies - Corporation Income Tax 2007 (Note 22)	37,007
	<b>42,469</b>

# 20

## Information on Non-Life Insurance

Information about technical income and expenses from the Company's non-life insurance types is provided in Appendix II of this report.

Appendix III of this report indicates the technical results broken down by year of occurrence until year-end 2007. The Company calculated these technical results based on the following:

- The provisions shown are those which accrued during the year, without taking into account cancellations or returns from previous years.
- The loss events considered are those which occurred during the year.
- Claims expenses correspond to loss events which occurred during the year.

# 21

## Personnel Expenses

Below is a breakdown of this heading for 2007:

Thousands of euros	
Wages, salaries et al	42,204
Supplementary pension contributions	334
Contributions to Employee Pension Fund	560
Other welfare charges	9,244
<b>Total</b>	<b>52,342</b>

In 2005, the Company created an Employee Pension Plan (still in effect at 31 December 2007) to replace the insurance policy taken out with Swiss Life España at 1 July 2001 to cover the Company's retirement commitments with its employees (Article 63 of the Insurance Sector Agreement) (see Note 4(k)).

Below is the average number of employees on the Company payroll during the year ended 31 December 2007, broken down according to the categories established by the Collective Labour Agreement for Insurance Entities:

Group Level	Average number
O/0	12
I/1	2
I/2	15
I/3	68
II/4	172
II/5	213
II/6	153
III/7	1
III/8	197
<b>Total</b>	<b>833</b>

Below is a breakdown, by gender, of personnel and Company Board Members at year-end 2007:

Group level	Gender		Total
	Male	Female	
Group 0	5	-	5
Group I/ Level 1	2	-	2
Group I/ Level 2	9	5	14
Group I/ Level 3	46	19	65
Group II/ Level 4	102	91	193
Group II/ Level 5	79	163	242
Group II/ Level 6	30	131	161
Group III/ Level 7	1	-	1
Group III/ Level 8	62	208	270
<b>Total</b>	<b>336</b>	<b>617</b>	<b>953</b>



## 22 Tax Status

The Company files a consolidated tax return with the other companies in the group headed by Grupo Bupa Sanitas, S.L.U., formerly known as Bupa Iberia, S.L.U. (prior to the name change on 27 December 2007). Grupo Bupa Sanitas, S.L.U. is the parent company of the consolidated tax group.

Below is a list of the group companies at 31 December 2007:

- Grupo Bupa Sanitas, S.L.U.
- Sanitas, Sociedad Anónima de Seguros
- Sanitas, Sociedad Anónima de Inversiones
- Sanitas, Sociedad Anónima de Hospitales (S.U.)
- Sanitas, Sociedad Limitada de Diversificación
- Sanitas Residencial, S.L. (S.U.)
- Sanitas Residencial de Navarra, S.A. (S.U.)
- Luz 3015, S.L. (S.U.)
- ASAP Spain (Overseas Investments), S.L. (S.U.)

The Company files an annual corporation income tax return. Under prevailing tax legislation, a 32.5% tax rate is applied to taxable income for 2007. The resulting amount may be reduced by certain allowable deductions and rebates.

Due to the differing treatment of certain transactions permitted by tax legislation, book results differ from taxable income. The reconciliation between book results for the year and the taxable income which the Company will declare on its corporation income tax return following the approval of the annual accounts is the following:

Thousands of euros	
Pre-tax book results for the year	128,276
Permanent differences	(6,807)
<b>Taxable income for accounting purposes</b>	<b>121,469</b>
<b>Temporary differences</b>	
Arising in 2007	7,340
Reversal of prior years' taxes	(13,131)
	<b>(5,791)</b>
Taxable income	115,678
Tax payable (at 32.5%)	37,595
Deductions and rebates	(578)
Tax payable	37,017
Withholdings and prepayments	(10)
<b>Payable to tax group companies (Note 19)</b>	<b>37,007</b>

Permanent differences include the release of the provision for liabilities and expenses recorded for the negative equity of Sanitas Prevención de Riesgos Laborales, S.L., the release of securities portfolio provisions following the sale of Laborservis, and other non-deductible expenses.

The expense for corporation income tax in 2007 was calculated as follows:

	Thousands of euros
Taxable income (at 32.5%)	39,477
Deductions and rebates	(578)
Expense corresponding to the current year	38,899
Adjustments to tax rate	373
<b>Expense recorded at 31 December 2007</b>	<b>39,272</b>

Assets acquired through reinvesting extraordinary profits must remain on the Company's books for five years.

Below is a breakdown of temporary differences in the recognition of income and expenses for book or tax purposes, and the corresponding accumulated tax effect (prepaid or deferred):

Thousands of euros	Temporary Differences						Tax effect	
	Balance at 31.12.06	Increases	Decreases	Balance at 31.12.07	Balance at 31.12.06	Increases	Decreases	Balance at 31.12.07
<b>Deferred tax asset</b>								
Indemnities paid to personnel	2,226	775	(2,226)	775	724	252	(724)	252
Goodwill	16,902	1,214	(990)	17,126	5,071	394	(322)	5,143
Transport equipment	153	35	(50)	138	46	11	(16)	41
Provision for outstanding premiums	4,955	5,315	(4,954)	5,316	1,609	1,727	(1,610)	1,726
Provision for depreciation of buildings	5,340	1	(1,269)	4,072	1,602	-	(412)	1,190
Other provisions	13,638	-	(3,642)	9,996	4,433	-	(1,184)	3,249
Labor-related contingencies	821	-	-	821	266	-	-	266
	<b>44,035</b>	<b>7,340</b>	<b>(13,131)</b>	<b>38,244</b>	<b>13,751</b>	<b>2,384</b>	<b>(4,268)</b>	<b>11,867</b>
<b>Deferred tax liability</b>								
Capital gains on contributed buildings	(33)	-	-	(33)	(9)	-	-	(9)
	<b>(33)</b>	<b>-</b>	<b>-</b>	<b>(33)</b>	<b>(9)</b>	<b>-</b>	<b>-</b>	<b>(9)</b>

The third provision of Law 35/2006 dated 28 November regarding personal income tax and partial modification of the laws governing Corporation Tax, Non-Resident Income Tax and Estate Tax modified the corporation income tax rate. A tax rate of 32.5% is to be applied for tax periods beginning as of 1 January 2007 and of 30% for tax periods beginning as of 1 January 2008. This change in the tax effect has led to a net negative adjustment of €373 thousand and the following breakdown of deferred tax assets and liabilities at 31 December 2007:

Thousands of euros	Beginning balances	Tax effect		Adjustments to tax effect		
		Increases	Decreases	Closing balances	30% Tax	Balance at 31.12.07
<b>Deferred tax assets (Note 11)</b>						
Indemnities paid to personnel	724	252	(724)	252	(20)	232
Goodwill	5,071	394	(322)	5,143	18	5,061
Transport equipment	46	11	(16)	41	-	41
Provision for outstanding premiums	1,609	1,727	(1,610)	1,726	(132)	1,594
Provision for depreciation of buildings	1,602	-	(412)	1,190	36	1,226
Other provisions	4,433	-	(1,184)	3,249	(255)	2,994
Labor-related contingencies	266	-	-	266	(20)	246
	<b>13,751</b>	<b>2,384</b>	<b>(4,268)</b>	<b>11,867</b>	<b>(373)</b>	<b>11,494</b>
<b>Deferred tax liability (Note 17)</b>						
Capital gains on contributed buildings	(9)	-	-	(9)	-	(9)
	<b>(9)</b>	<b>-</b>	<b>-</b>	<b>(9)</b>	<b>-</b>	<b>(9)</b>

According to current legislation, tax returns may not be considered final until they have either been inspected by tax authorities, or until the four-year inspection period has expired. At 31 December 2007, the Company is open to inspection for the following taxes and tax periods:

	Ejercicios
Corporation Income Tax	2003 to 2007
Personal Income Tax	December 2003 to December 2007
Capital Transfer Tax	December 2003 to December 2007
Investment Withholding tax	December 2003 to December 2007
Value-Added Tax	December 2003 to December 2007

The Company's Directors do not believe that any significant liabilities would arise in the event of an inspection.

## 23

### Information about the Board of Directors

The compensation earned in 2007 by the members of the Board of Directors was as follows:

Thousands of euros	
Salaries	1,142
Payment in kind	13
Fees for professional services rendered	354
Social Security payable by the Company	19
	<b>1,528</b>

Company employees who sit on the Board have not received additional remuneration for their Board commitments.

At 31 December 2007, the Company owes Board Members a total of €24 thousand which is included in "Tax, Social Security and other creditors".

At 31 December 2007, the Board Members of the Company do not own equity investments, occupy positions, or carry out duties in any company whose business is identical, similar, or complementary to that of the Company. However, at that date the Board Members did hold executive positions or carry out managerial functions at the Group companies disclosed in Appendix IV.

## 24

### Cash flow statement

Below is a detail of the changes during the year:

Thousands of euros	
Changes relating to trade transactions	852,206
Changes from other operating activities	(883,432)
Changes on fixed assets and investments	26,797
Changes relating to other transactions	4,025
Changes relating to transactions with public bodies	(36)
<b>Total changes in cash accounts</b>	<b>(440)</b>

The changes in this heading were as follows:

Thousands of euros	
Opening balance of cash & cash equivalents	1,572
Closing balance of cash & cash equivalents	1,132
<b>Total variance during the year</b>	<b>(440)</b>

At 31 December 2007, the breakdown of this balance is as follows:

Thousands of euros	
Cash	23
Bank accounts	1,109
	<b>1,132</b>

## 25 Technical provisions coverage statement

At 31 December 2007 and 2006, coverage of technical provisions was calculated as follows:

Thousands of euros	2007	2006
<b>Non-life technical provisions to be covered</b>		
Provision for unearned premiums	5,133	4,697
Claims provision		
Provision for outstanding claims	101,437	87,534
Provision for unreported claims	120,430	120,468
Provision for death insurance	959	863
Equalisation reserve	71	70
<b>Total non-life provisions to be covered</b>	<b>228,030</b>	<b>213,632</b>
<b>Assets pledged</b>		
Buildings (Note 7)	83,438	74,240
Fixed-income and equity securities and negotiable bonds traded on regulated markets	171,892	133,448
Deposits with credit institutions	15,000	74,132
Cash on hand	1,132	1,571
Accrued interest pending maturity	92	39
<b>Total assets pledged</b>	<b>271,554</b>	<b>283,430</b>
<b>(Overprovision)/Underprovision</b>	<b>(43,524)</b>	<b>(69,798)</b>

The technical provisions coverage statement is as follows at 31 December 2007 and 2006:

Thousands of euros	2007	2006
Technical provisions to be covered	228,030	213,632
Assets pledged	271,554	283,430
<b>Difference</b>	<b>(43,524)</b>	<b>(69,798)</b>

## 26 Solvency Margin

The calculation of the solvency margin at 31 December 2007 is presented in Appendix 1, which is an integral part of this note to the financial statements.

## 27 Guarantees to third parties

At 31 December 2007, the Company has pledged €1,333 thousand in bank guarantees to third parties.

## 28

### Environmental information

The Company did not make investments nor incur expenses for environmental protection during the year ended 31 December 2007.

The Company considers that there are no significant contingencies with regard to environmental protection which require coverage by a provision.

## 29

### Customer Service

During 2007, the Company complied with the requirements set forth in Order ECO/734/2004 of March 11 on customer service departments and ombudsmen for financial institutions.

A total of 15,518 complaints and claims were received in 2007, all of which the Company processed and responded to. Of these complaints and claims, 13.56% were resolved in favour of SANITAS and 48.8% in favour of the customer, while the results of 37.64% were undetermined.

## 30

### Other information

KPMG Auditores S.L., and those companies with which it maintains relationships referred to in the fourteenth additional provision of the Law on Measures to Reform the Financial System, will bill the Company the following fees for professional services:

Thousands of euros	
For audit services	192
For other services	39
	<b>231</b>

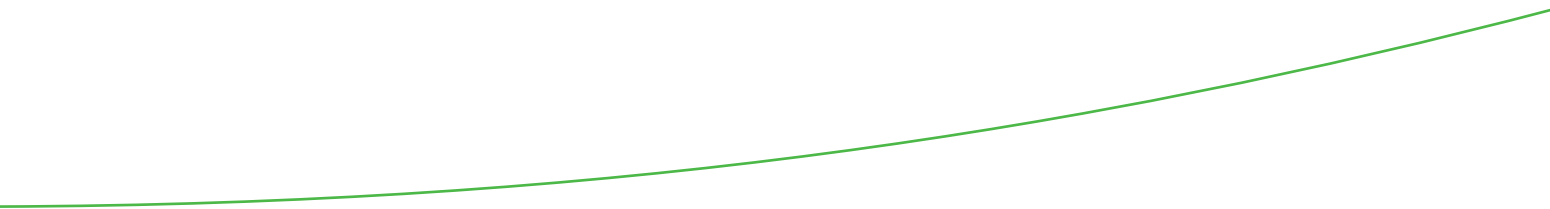
The amount shown in the chart above includes all the fees for the 2007 audit, independently of when such fees are actually billed.

## 31

### Subsequent Events

On 18 December 2007, the Shareholders of Especializada y Primaria L'Horta Manises, S.A. at the Extraordinary General Meeting agreed to increase share capital by issuing 150,000 registered shares with a nominal value of €1 each and a share premium of €19 per share, for a total share premium of €2,850 thousand. In January 2008, SANITAS participated in the capital increase in proportion to its existing shareholding, acquiring an additional 22,500 shares and paying in €22.5 thousand of capital and €427.5 thousand of share premium, for a total payment of €450 thousand.

# Appendix



## Appendix II

	2007	2006
Share capital	17,331	17,331
Debit balance on income statement	89,003	73,938
Interim dividend	-75,185	-58,619
Reserves	153,410	138,092
Group companies, debit		
Capital gains on securities and property	12,050	5,864
<b>Total positive items</b>	<b>196,609</b>	<b>176,606</b>
Total negative items	-348	-637
Solvency margin	196,261	175,969
Minimum solvency margin	146,684	130,787
<b>Result of solvency margin</b>	<b>49,577</b>	<b>45,182</b>

This appendix is an integral part of Note 26 of the Notes to the Financial Statements for 2007

Technical income and expenses by insurance type for the years ended December 31, 2007 and 2006 PMI (in thousands of euros)

## Appendix II

	2007	2006
<b>I. Gross premiums earned (direct)</b>		
1. Premiums net of cancellations		
1.1 Direct insurance	905,089	805,382
1.2 Reinsurance assumed	5,945	5,638
2. Movements in unearned premiums	-2,865	-3,165
4. Movements in outstanding premiums	-779	-1,010
	<b>907,390</b>	<b>806,845</b>
<b>II. Ceded reinsurance premiums</b>		
1. Premiums net of cancellations	-3,696	-3,483
<b>A. Total net premiums earned of reinsurance (I-II)</b>	<b>903,694</b>	<b>803,362</b>
<b>III. Claims (direct and assumed)</b>		
1. Claims, expenses paid and claims expenses		
1.1 Direct insurance	-647,941	-565,778
1.2 Reinsurance assumed	-4,549	-4,477
2. Change in outstanding claims provisions	-13,961	-15,779
4. Claims settlement expenses	-13,168	-10,861
	<b>-679,619</b>	<b>-596,895</b>
<b>IV. Ceded reinsurance claims</b>		
1. Claims, expenses paid and claims expenses	1,194	1,012
2. Change in outstanding claims provisions	204	46
	<b>1,398</b>	<b>1,058</b>
<b>B. Total claims net of reinsurance (III-IV)</b>	<b>-678,221</b>	<b>-595,837</b>
<b>V. Acquisition costs (direct)</b>	<b>-91,674</b>	<b>-83,082</b>
<b>VI. Administrative expenses (direct)</b>	<b>-38,356</b>	<b>-36,607</b>
<b>VII. Other technical expenses (direct)</b>	<b>-6,597</b>	<b>-6,664</b>
<b>VIII. Acquisition, administrative and other technical expenses (ceded)</b>		
<b>IX. Other technical income (direct)</b>	<b>30,006</b>	<b>28,482</b>
<b>X. Share in profits and return premiums</b>	<b>-363</b>	<b>-351</b>
<b>C. Total operating expenses, other technical expenses and other technical income (V+ VI+ VII+VIII+IX+X)</b>	<b>-106,984</b>	<b>-98,222</b>



Technical income and expenses by insurance type for the years ended December 31, 2007 and 2006 (Accident insurance) (in thousands of euros)

## Appendix II

	2007	2006
<b>I. Gross premiums earned (direct)</b>		
1. Premiums net of cancellations	589	602
2. Movements in unearned premiums	-1	-2
4. Movements in outstanding premiums	-2	-
	<b>586</b>	<b>600</b>
<b>II. Ceded reinsurance premiums</b>		
1. Premiums net of cancellations	-158	-137
2. Movements in unearned premiums	130	76
	<b>-28</b>	<b>-61</b>
<b>A. Total net premiums of reinsurance (I-II)</b>	<b>558</b>	<b>539</b>
<b>III. Claims (direct)</b>		
1. Claims, expenses paid and claims expenses	-69	-103
2. Change in outstanding claims provisions	105	-283
4. Claims settlement expenses	-46	-23
	<b>-10</b>	<b>-409</b>
<b>IV. Ceded reinsurance claims</b>		
1. Claims and expenses paid	85	39
2. Change in outstanding claims provisions	8	58
<b>B. Total claims net of reinsurance (III-IV)</b>	<b>83</b>	<b>-312</b>
<b>V. Acquisition costs (direct)</b>	<b>-90</b>	<b>-100</b>
<b>VI. Administrative expenses (direct)</b>	<b>-119</b>	<b>-121</b>
<b>VII. Other technical expenses (direct)</b>	<b>-20</b>	<b>-17</b>
<b>VIII. Acquisition, administrative and other technical expenses (ceded)</b>		
<b>IX. Other technical income (direct)</b>		
<b>C. Total operating expenses, other technical expenses and other technical income (V+VI+VII+VIII+IX)</b>	<b>-103</b>	<b>-161</b>

Technical income and expenses by insurance type for the years ended December 31, 2007 and 2006 (Illness insurance) (in thousands of euros)

## Appendix II

	2007	2006
<b>I. Gross premiums earned (direct)</b>		
1. Premiums net of cancellations	644	636
2. Movements in unearned premiums	-1	-5
4. Movements in outstanding premiums	-	-1
	<b>643</b>	<b>630</b>
<b>II. Ceded reinsurance premiums</b>		
1. Premiums net of cancellations	-86	-49
2. Movements in unearned premiums	0	-47
	<b>-86</b>	<b>-96</b>
<b>A. Total earned premiums net of reinsurance (I-II)</b>	<b>557</b>	<b>534</b>
<b>III. Claims (direct)</b>		
1. Claims, expenses paid and claims expenses	-140	-129
2. Change in outstanding claims provisions	-7	-
3. Change in equalisation reserve	-2	-
4. Claims settlement expenses	-37	-15
	<b>-186</b>	<b>-144</b>
<b>IV. Ceded reinsurance claims</b>		
1. Claims and expenses paid	33	14
2. Change in outstanding claims provisions	-	-
	<b>33</b>	<b>14</b>
<b>B. Total claims net of reinsurance (III-IV)</b>	<b>-153</b>	<b>-130</b>
<b>V. Acquisition costs (direct)</b>	<b>-71</b>	<b>-93</b>
<b>VI. Administrative expenses (direct)</b>	<b>-78</b>	<b>-60</b>
<b>VII. Other technical expenses (direct)</b>	<b>-11</b>	<b>-8</b>
<b>VIII. Other technical income (direct)</b>		
<b>C. Total operating expenses, other technical expenses and other technical income (V+VI+VII+VIII)</b>	<b>-160</b>	<b>-161</b>

Technical income and expenses by insurance type for the years ended December 31, 2007 and 2006 (Death insurance) (in thousands of euros)

## Appendix II

	2007	2006
<b>I. Gross premiums earned (direct)</b>		
1. Premiums net of cancellations	396	386
2. Movements in unearned premiums	-5	-5
4. Movements in outstanding premiums	1	-
<b>A. Total earned premiums net of reinsurance (I)</b>	<b>392</b>	<b>381</b>
<b>III. Claims (direct)</b>		
1. Claims, expenses paid and claims expenses	-81	-53
2. Change in outstanding claims provisions	-2	-4
3. Change in provision for death insurance	-96	-62
<b>B. Total claims net of reinsurance (III)</b>	<b>-179</b>	<b>-119</b>
<b>V. Acquisition costs (direct)</b>	<b>-3</b>	<b>-1</b>
<b>VI. Administrative expenses (direct)</b>	<b>-24</b>	<b>-26</b>
<b>VII. Other technical expenses (direct)</b>	<b>-1</b>	<b>-2</b>
<b>VIII. Other technical income</b>		
<b>C. Total operating expenses, other technical expenses and other technical income (V+VI+VII)</b>	<b>-28</b>	<b>-29</b>

Technical income and expenses by insurance type for the years ended December 31, 2007 and 2006 (Total all types of insurance) (in thousands of euros)

## Appendix II

	2007	2006
<b>I. Gross premiums earned (direct and assumed)</b>		
1. Premiums net of cancellations		
1.1 Direct insurance	906,718	807,006
1.2 Reinsurance assumed	5,945	5,638
2. Movements in unearned premiums	-2,872	-3,177
4. Movements in outstanding premiums	-780	-1,011
	<b>909,011</b>	<b>808,456</b>
<b>II. Ceded reinsurance premiums</b>		
1. Premiums net of cancellations	-3,940	-3,669
2. Movements in unearned premiums	130	29
	<b>-3,810</b>	<b>-3,640</b>
<b>A. Total earned premiums net of reinsurance (I-II)</b>	<b>905,201</b>	<b>804,816</b>
<b>III. Claims</b>		
1. Claims, expenses paid and claims expenses		
1.1 Direct insurance	-648,231	-566,063
1.2 Reinsurance assumed	-4,549	-4,477
2. Change in outstanding claims provisions	-13,865	-16,066
3. Change in other outstanding provisions	-98	-62
4. Claims settlement expenses	-13,251	-10,899
	<b>-679,994</b>	<b>-597,567</b>
<b>IV. Ceded reinsurance claims</b>		
1. Claims, expenses paid and claims expenses	1,312	1,065
2. Change in outstanding claims provisions	212	104
	<b>1,524</b>	<b>1,169</b>
<b>B. Total claims net of reinsurance (III-IV)</b>	<b>-678,470</b>	<b>-596,398</b>
<b>V. Acquisition costs (direct)</b>	<b>-91,838</b>	<b>-83,276</b>
<b>VI. Administrative expenses (direct)</b>	<b>-38,577</b>	<b>-36,814</b>
<b>VII. Other technical expenses (direct)</b>	<b>-6,629</b>	<b>-6,691</b>
<b>VIII. Acquisition, administrative and other technical expenses (ceded)</b>	<b>126</b>	<b>77</b>
<b>IX. Other technical income (direct)</b>	<b>30,006</b>	<b>28,482</b>
<b>X. Share in profits and return premiums</b>	<b>-363</b>	<b>-351</b>
<b>C. Total operating expenses, other technical expenses and other technical income (V+VI+VII+VIII+IX+X)</b>	<b>-107,275</b>	<b>-98,573</b>

This appendix is an integral part of Note 20 of the Notes to the Financial Statements for 2007

Technical results by year of occurrence for the years ended 31 December 2007 and 2006 (in thousands of euros)

## Appendix III

	2007	2006
<b>I. Net premiums earned (direct)</b>		
1. Premiums net of cancellations	907,566	806,618
2. Change in provisions for unearned premiums	-2,872	-3,177
3. Change in provisions for outstanding premiums	-780	-1,011
	<b>903,914</b>	<b>802,430</b>
<b>II. Ceded reinsurance premiums</b>		
1. Premiums net of cancellations	-3,940	-3,669
2. Change in provisions for unearned premiums	130	0
<b>A. Total earned premiums net of reinsurance (I-II)</b>	<b>900,104</b>	<b>798,761</b>
<b>III. Claims incurred (direct)</b>		
1. Benefits and expenses paid on claims incurred during the year, including attributable claims expenses year, including attributable claims expenses	-550,033	-474,661
2. Technical provisions for claims incurred during the year	-214,574	-201,296
	<b>-764,607</b>	<b>-675,957</b>
<b>IV. Ceded reinsurance claims incurred (net)</b>		
1. Benefits and expenses paid on claims incurred during the year, including attributable claims expenses year, including attributable claims expenses	1,312	1,065
<b>B. Total claims incurred net of reinsurance (III-IV)</b>	<b>-763,295</b>	<b>-674,892</b>
<b>V. Acquisition costs (direct)</b>	<b>-91,837</b>	<b>-83,276</b>
<b>VI. Administrative expenses (direct)</b>	<b>-38,578</b>	<b>-36,814</b>
<b>VII. Other technical expenses (direct)</b>	<b>-6,629</b>	<b>-6,691</b>
<b>VIII. Acquisition, administrative and other technical (ceded)</b>	<b>126</b>	<b>77</b>
<b>IX. Technical financial net of related expenses</b>	<b>8,796</b>	<b>5,529</b>
<b>X. Other technical income (direct)</b>	<b>30,006</b>	<b>28,482</b>

This appendix is an integral part of Note 20 of the Notes to the Financial Statements for 2007

## Appendix IV

### Raymond King

#### Bupa Group companies

Name (Country of incorporation)	Position	Executive functions	Non-executive functions
Actagent Limited (UK)	Board member	Yes	
BHS (Holdings) 2006 Limited (UK)	Board member	Yes	
BHS Leasing (1992) Limited (UK)	Board member	Yes	
BHS Leasing (1993) Limited (UK)	Board member	Yes	
BHS Leasing (1994) Limited (UK)	Board member	Yes	
BHSL Properties Limited (UK)	Board member	Yes	
BM Leasing (1992) Limited (UK)	Board member	Yes	
BM Leasing (1994) Limited (UK)	Board member	Yes	
BMSL Limited (UK)	Board member	Yes	
Bupa (DCB) Limited (UK)	Board member	Yes	
Bupa Limited (UK)	Board member	Yes	
Bupa Australian Finance (UK)	Board member	Yes	
Bupa Australian Finance No.2 Limited (UK)	Board member	Yes	
Bupa Australian Investments Limited (UK)	Board member	Yes	
Bupa Building Services Limited (UK)	Board member	Yes	
Bupa Care Homes (AKW) Limited (UK)	Board member	Yes	
Bupa Care Homes (BNHP) Limited (UK)	Board member	Yes	
Bupa Care Services Limited (UK)	Board member	Yes	
Bupa Childcare Limited (UK)	Board member	Yes	
Bupa Childcare Provision Limited (UK)	Board member	Yes	
Bupa Construction Services Limited (UK)	Board member	Yes	
Bupa Developments Limited (UK)	Board member	Yes	
Bupa Dunedin Hospital Limited (UK)	Board member	Yes	
Bupa Europe Finance Limited (UK)	Board member	Yes	
Bupa Europe Finance No.2 (UK)	Board member	Yes	
Bupa Finance (Jersey) Limited (Jersey)	Board member	Yes	
Bupa Finance BV (Netherlands)	Board member	Yes	
Bupa Finance No.1 Limited (UK)	Board member	Yes	
Bupa Finance No.2 Limited (UK)	Board member	Yes	
Bupa Finance PLC (UK)	Board member	Yes	
Bupa Financial Investments Limited (UK)	Board member	Yes	
Bupa Financial Securities (1992) Limited (UK)	Board member	Yes	
Bupa Gatwick Park Properties Limited (UK)	Board member	Yes	
Bupa Guernsey No.1 Limited (Gibraltar)	Board member	Yes	
Bupa Health Assurance Limited (UK)	Board member	Yes	
Bupa Health at Work Limited (UK)	Board member	Yes	
Bupa Holdings (Jersey) Limited (Jersey)	Board member	Yes	
Bupa Hospital Edinburgh Limited (UK)	Board member	Yes	
Bupa Hospital Properties Limited (UK)	Board member	Yes	

## Appendix IV

### Raymond King

#### Bupa Group companies

Name (Country of incorporation)	Position	Executive functions	Non-executive functions
Bupa Insurance Limited (UK)	Board member	Yes	
Bupa Insurance Services Limited (UK)	Board member	Yes	
Bupa International Insurance Services Limited (UK)	Board member	Yes	
Bupa Investments Holdings Limited (UK)	Board member	Yes	
Bupa Investments Limited (UK)	Board member	Yes	
Bupa Investments Overseas Limited (UK)	Board member	Yes	
Bupa IT Services Limited (UK)	Board member	Yes	
Bupa Nominees Limited (UK)	Board member	Yes	
Bupa Occupational Health Limited (UK)	Board member	Yes	
Bupa Operational Services Limited (UK)	Board member	Yes	
Bupa Power & Leasing Limited (UK)	Board member	Yes	
Bupa Properties (1994) Limited (UK)	Board member	Yes	
Bupa Properties (1995) Limited (UK)	Board member	Yes	
Bupa Purchasing Limited (UK)	Board member	Yes	
Bupa Roding Hospital Limited (UK)	Board member	Yes	
Bupa Secretaries Limited (UK)	Board member	Yes	
Bupa Services Limited (UK)	Board member	Yes	
Bupa Travel Services Limited (UK)	Board member	Yes	
Bupa Treasury Limited (UK)	Board member	Yes	
Bupa Trustees Limited (UK)	Board member	Yes	
Bupa Wellbeing Limited (UK)	Board member	Yes	
Bupa Wellness Construction Limited (UK)	Board member	Yes	
Bupa Wellness Group Limited (UK)	Board member	Yes	
Bupa Wellness Leasing Limited (UK)	Board member	Yes	
Bupa Wellness Properties Limited (UK)	Board member	Yes	
Cardiff Medical Services Limited (UK)	Board member	Yes	
Care Homes Purchasing Limited (UK)	Board member	Yes	
CHP Limited (UK)	Board member	Yes	
Community Hospital Partnership Limited (UK)	Board member	Yes	
Essex Street Investments Limited (UK)	Board member	Yes	
General Leasing Limited (UK)	Board member	Yes	
Hospital Finance Investments Limited (UK)	Board member	Yes	
Hospital Finance Limited (UK)	Board member	Yes	
Hospitals Leasing (One) Limited (UK)	Board member	Yes	
Hospitals Leasing (Two) Limited (UK)	Board member	Yes	
Independent Healthcare Limited (UK)	Board member	Yes	
Indexscreen Limited (UK)	Board member	Yes	
K B Jackson & Son (Developments) Limited (UK)	Board member	Yes	
Marander Limited (UK)	Board member	Yes	
Mercia Health Benefits Services Limited (UK)	Board member	Yes	
Mercia Investment Advisers Limited (UK)	Board member	Yes	
Occupational Health Care Limited (UK)	Board member	Yes	
Personal Effectiveness Centre Limited (UK)	Board member	Yes	
Plainprime Limited (UK)	Board member	Yes	
Sanitas S.A. de Seguros (Spain)	Board member	Yes	
Solihull Parkway Hospital Limited (UK)	Board member	Yes	
Teddies Nurseries Limited (UK)	Board member	Yes	
Teddies Sports Limited (UK)	Board member	Yes	
The British United Provident Association Limited (UK)	Board member	Yes	
Fundación Sanitas (Spain)	Patron		

#### Non-Bupa Group companies

Name (Country of incorporation)	Position	Executive functions	Non-executive functions
Friends Provident Public Limited Company (UK)	Board member		Yes
Life Education Centres (UK)	Board member		Yes
Life Education Mobiles Limited (UK)	Board member		Yes

## Appendix IV

### Dean Allan Holden

#### Bupa Group companies

Name (Country of incorporation)	Position	Executive functions	Non-executive functions
Bupa Insurance Company (USA-Florida)	Board member	Yes	
Amedex Insurance Company (Bermuda) Limited (Bermuda)	Board member	Yes	
Bupa Investment Corporation, Inc. (USA-Florida)	Board member	Yes	
Bupa Worldwide Corporation (USA-Florida)	Board member	Yes	
Americas International Network Corp. (USA - Florida)	Board member	Yes	
ASAP Spain (Overseas Investments) S.L. (Spain)	Board member	Yes	
BI Healthcare Holdings BV (Netherlands)	Board member	Yes	
Bupa (Asia) Limited (Hong Kong)	Board member	Yes	
Bupa Australia Health Pty Limited (Australia)	Board member	Yes	
Bupa Australia Pty Limited (Australia)	Board member	Yes	
Bupa Beheer BV (Netherlands)	Board member	Yes	
Bupa Ecuador S.A. Compañía de Seguros y Reaseguros (Ecuador)	Board member	Yes	
Bupa Finance BV (Netherlands)	Board member	Yes	
Grupo Bupa Sanitas, S.L. (Spain)	Board member	Yes	
Bupa Insurance Limited (UK)	Board member	Yes	
Bupa Insurance Services Limited (UK)	Board member	Yes	
Bupa International Insurance Services Limited (UK)	Board member	Yes	
Bupa International Limited (Hong Kong)	Board member	Yes	
Bupa Investments Holdings Limited (UK)	Board member	Yes	
Bupa Limited (Hong Kong)	Board member	Yes	
Bupa Middle East E. Holdings W.L.L. (Bahrain)	Board member	Yes	
Bupa Middle East Limited Company E.C. (Bahrain)	Board member	Yes	
Bupa Nederland BV (Netherlands)	Board member	Yes	
Bupa Spain BV (Netherlands)	Board member	Yes	
Bupa US Holdings Inc. (USA - Florida)	Board member	Yes	
IHI Holding A/S (Denmark)	Board member	Yes	
International Health Insurance danmark Forsikringsaktieselskab (Denmark)	Board member	Yes	
Onup Group Corp. (Spain)	Board member	Yes	
Sanitas Residencial S.L. (Spain)	Board member	Yes	
Sanitas, S.A. de Seguros (Spain)	Board member	Yes	
Sanitas, S.A. de Inversiones (Spain)	Board member	Yes	
U.S.A. Medical Services Corporation (USA - Florida)	Board member	Yes	
Fundación Sanitas (Spain)	Patron		

### Valerie Frances Gooding

#### Bupa Group companies

Name (Country of incorporation)	Position	Executive functions	Non-executive functions
Bupa Health Assurance Limited (UK)	Board member	Yes	
Bupa Insurance Limited (UK)	Board member	Yes	
Bupa Insurance Services Limited (UK)	Board member	Yes	
Sanitas, S.A. de Seguros (Spain)	Board member	Yes	
The British United Provident Association Limited (UK)	Board member	Yes	
Fundación Sanitas (Spain)	Owner		

#### Non-Bupa Group companies

Name (Country of incorporation)	Position	Executive functions	Non-executive functions
J Sainsbury (UK)	Board member		Yes
Standard Chartered PLC (UK)	Board member		Yes
The Lawn Tennis Association (UK)	Board member		Yes



## Appendix IV

### Pablo Juantegui Azpilicueta

#### Bupa Group companies

Name (Country of incorporation)	Position	Executive functions	Non-executive functions
Sanitas, S.A. de Seguros (Spain)	Chief Executive	Yes	
Sanitas, S.A. de Hospitales (Spain)	Board member	Yes	
Sanitas, S.A. de Inversiones (Spain)	Board member-Chairman	Yes	
Grupo Bupa Sanitas, S.L. (Spain)	Board member	Yes	
Asap Spain (Overseas Investments) S.L. (Spain)	Board member	Yes	
Sanitas S.L. de Diversificación (Spain)	Board member- Chairman	Yes	
Sanitas Residencial, S.L. (Spain)	Board member-Chairman	Yes	
Sanitas Residencial de Navarra, S.A. (Spain)	Board member-Chairman	Yes	
Sanitas Residencial País Vasco, S.A. (Spain)	Board member-Chairman	Yes	
Luz 3015, S.L. (Spain)	Board member-Chairman	Yes	
Especializada y Primaria L'Horta-Manises, S.A. (Spain)	Board member- ViceChairman	Yes	
Euroresidencias Gestión, S.A. (Spain)	Board member-Chairman	Yes	
Euroresidencias de Cataluña, S.A. (Spain)	Representative of the Sole Administrator	Yes	
Euroresidencias Sotogrande, S.L. (Spain)	Representative of the Sole Administrator	Yes	

### Antonio Valdés Morales

#### Bupa Group companies

Name (Country of incorporation)	Position	Executive functions	Non-executive functions
Sanitas, S.A. de Seguros (España)	Board member	Yes	
Sanitas, S.A. de Hospitales (España)	Board member	Yes	
Sanitas, S.A. de Inversiones (Spain)	Board member	Yes	
Grupo Bupa Sanitas, S.L. (Spain)	Board member	Yes	
Asap Spain (Overseas Investments) S.L. (Spain)	Board member	Yes	
Sanitas S.L. de Diversificación (Spain)	Board member	Yes	
Sanitas Residencial, S.L. (Spain)	Board member	Yes	
Sanitas Residencial de Navarra, S.A. (Spain)	Board member	Yes	
Sanitas Residencial País Vasco, S.A. (Spain)	Board member	Yes	
Luz 3015, S.L. (Spain)	Board member	Yes	
Euroresidencias Gestión, S.A. (Spain)	Board member	Yes	
IHI Danmark a/s (Denmark)	Board member	No	
Internacional Health Insurance Danmark Forsikringsaktieselskab	Board member	No	
Unidad Logística Integran Sanitaria, S.L.(Spain)	Board member	Yes	

List of companies in which he holds positions or carries out functions

## Appendix IV

### Point Lobos, S.L. (represented by John de Zulueta Greenebaum)

#### Bupa Group companies

Name (Country of incorporation)	Position	Executive functions	Non-executive functions
Sanitas, S.A. de Seguros (Spain)	Chairman	No	

### Alvarvil, S.A. (represented by José Ramón Álvarez Rendueles)

#### Bupa Group companies

Name (Country of incorporation)	Position	Executive functions	Non-executive functions
Sanitas, S.A. de Seguros (Spain)	Board member	No	

This APPENDIX is an integral part of Note 23 of the Notes to the Financial Statements for 2007

In 2007, Sanitas billed gross premiums of 913 million euros. Net premium income reached 905 million euros, representing an increase of 12.5% over the prior year. The year end portfolio increased to 1,873,009 members.

The principal expense was medical cost of 665 million euros. This increased by 13.7% over the prior year, and represents a loss ratio of 73.5%. Due to the allocation and distribution of costs, there are operating costs of 13.3 million euros plus other technical expenses of 7 million euros.

Total operating expenses including commissions and staff costs amounted to 130 million euros, representing 14.4% of premium income.

Profit after tax was 89 million euros. This results from an Operating Profit of 133 million euros, less other expenses of 5 million euros and a corporation tax charge of 39 million euros.

During 2007, Sanitas has continued innovating its products and services with the launch of new products aimed at specific clients and different sales channels. The main initiatives have been developing the BBVA product (BBVA Plus) and the consolidation of the own sales force channel.

Sanitas, has made an important effort to improve the process to classify and evaluate the information we hold of our members so that we recognize their needs better. In doing this we will be able to define the services and products that we should offer to each different group and therefore increase their satisfaction and fidelity.

In 2007, Sanitas has continued with the design and launch of a Global Client Plan which integrates two Fidelity Programs and one Client Retention Program.

In order to offer the best service to our members and doctors we have continued to measure their satisfaction and the results obtained have been excellent.

The two Hospitals owned by Sanitas, Sociedad Anónima de Hospitales received 14,450 patients and attended 159,693 A&E cases in 2007. In addition more than 480,422 specialist consultations were carried out during the year.

The most outstanding events in Sanitas, Sociedad Anónima de Hospitales have been:

- La Moraleja Hospital, during its second year, this new centre with its high level technology and its highly qualified personnel, has consolidated itself as one the best Private Health Centres in Madrid.
- La Zarzuela Hospital, has for the fourth year running, managed to achieve a place among the Top 20 best Hospitals in the category of Large Private Health Centres.

In September 2006, The Conselleria de Sanidad of the Valencia Community granted, after an offer of €137,08 million, the franchise of the Manises Hospital to the joint venture of Sanitas-Ribera Salud. The franchise is valid for 15 years with a renewal option of 5 more years. The construction was started on June 2007 and the investment made during the years 2006 and 2007, has amounted to €22,9 million.

The Group companies dedicated to the management of care homes for the elderly, which operate under the name of Sanitas Residencial, have continued growing and have consolidated their position in the sector during the past year, with the opening of 3 new care homes. This organic growth has been complemented with the acquisition of the company Euroresidencias Gestion S.A. in March of 2007, with 12 care homes opened and 4 projects on going. As at 31st December, these companies controlled 36 care homes and 7 projects in different degrees of execution. The total number of beds is 4.535, an increase of 94% versus the previous year.

Sanitas Residencial business volume has increased during the year 2007 by 78% compared to 2006, climbing from a revenue of 42 million euros in 2006, to 75 million 2007.

The Group companies dedicated to workplace health and safety services, Previlabor, S.A. and Laborservis, S.A. were sold to Sigesal S.A. in March of 2007.

The Sanitas Foundation continued generating in 2007 knowledge and promoting the research in the medical and social environment. As the most relevant activities emphasized the award given to the Best Resident Doctor of the Year, the Conferences on Biomed about the biotechnology advances, the Foundation Sanitas Studies about the children's feeding habits, and physical exercise, the development of the Sanitas Chair in New Technologies and Health and an investment study about regulations and good practices in the health environment, as much public as private, in several countries of the European Union, that analyzes the access to the health system of the disabled people.

For the next few years, we foresee a growth in some areas above that of the insurance sector mainly due to the way we are positioning ourselves in the market with custom made products for each region.

During 2007 there has been no research or development activity and no transactions with our own shares have taken place.

On 18th December 2007, the Specialized and Primary Extraordinary General meeting of L'Horta Manises, S.A. shareholders, agreed to the increase of capital by the release of 150.000 nominative shares with a nominal value of 1 euro each and a share premium of 19 euros per share for a total amount of 2.850 millions of euros. Sanitas took out an option of 22.500 shares in proportion to its share, by paying out 22,500 euros of capital and 427,500 euros of share premium, that means a total payment of 450,000 euros.

Sanitas will only invest on those assets which are considered appropriate in order to guarantee the level of provisions that has to kept according to the private insurance regulations (art. 50 Reglamento de Ordenación y Supervisión de los Seguros Privados). Sanitas also follows limits related to the scatteritation and diversification rules established in the same law.

Investments will be used to cover the level of provisions that the company must keep in line with its premium volume. However, different types of investments could be made once the appropriate level of coverage would already have been achieved by the company. Even in this case, company policies related to eligible assets must be followed.

According to the private insurance regulations, Sanitas Executive Committee is in charge of implementing the company's investment policies.

Sanitas has established appropriate control mechanisms for the development of its activity. Regarding existing risks, Sanitas has established adequate risk management controls and reports every term to Bupa.

Concerning the most significant risks, apart from the term report, both Sanitas management and Bupa main Board are involved in their control.

# 14. Directory

## **Sanitas replies**

Listening to clients' concerns is the best way of getting to know their needs.

## Sanitas Headquarters

C/ Ribera del Loira, 52  
28042 Madrid  
902 102 400

## Group Companies

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### Sanitas Residencial

C/ Tuset, 5, 3ª planta  
08006 Barcelona  
902 195 229

### Sanitas Hospitales

C/ Ribera del Loira, 52  
28042 Madrid  
902 102 400

### Sanitas Servicios de Salud

C/ Ribera del Loira, 52  
28042 Madrid  
902 100 680

## Territorial Administrations

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### Northeast Territorial Administration

José Manuel Garay  
Pza. de Orense, 7 y 8  
15004 La Coruña  
98 112 26 32

### Balearic Islands Territorial Administration

Juan Lis  
C/ Barón de Pinopar, 11  
07004 Palma de Mallorca  
97 117 04 10

### Central Territorial Administration

Ignacio Salvatierra  
C/ Ribera del Loira, 52  
28042 Madrid  
91 585 58 64

### Canaries Territorial Administration

Ignacio Salvatierra  
C/ Calderón de la Barca, 2  
38005 Santa Cruz de Tenerife  
92 224 38 49

### Southern Territorial Administration

Jesús González-Aller  
Avda. de Francisco Javier, 15, 4ª planta  
41005 Sevilla  
95 493 67 16

### Eastern Territorial Administration

Juan Lis  
Paseo de la Alameda,  
35 - 2ª planta  
46023 Valencia  
96 393 86 48

### Northern Territorial Administration

José Manuel Garay  
C/ Rodríguez Arias,  
6-3º, Dto. 306  
48008 Bilbao  
94 605 02 23

### Catalonia and Aragon Territorial Administration

Iñaki Peralta  
C/ Tuset, 5, 3ª planta  
08006 Barcelona  
93 496 26 13

## Hospitals

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### Hospital Sanitas La Zarzuela

C/ Pléyades, 25  
28023 Madrid  
91 585 80 00  
91 585 80 33

### Hospital Sanitas La Moraleja

C/ Pí y Margall, 81  
28050 Madrid  
902 200 288

## Sanitas Multi-speciality Centres

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### Centre Mèdic Sanitas-Robresa

C/ Balmes, 243 Bajos  
08006 Barcelona  
902 200 288

### Milenium Centro Médico Costa Rica

Plaza José María Soler, 7  
28016 Madrid  
902 200 288

### Centre de Rehabilitació Balmes

C/ Balmes, 107  
08006 Barcelona  
93 452 35 44

### Milenium Centro de Salud de la Mujer

C/ Beatriz de Bobadilla, 9  
28040 Madrid  
902 200 288

### Milenium Centro Médico Balmes

C/ Balmes, 111  
08008 Barcelona  
902 200 288

### Milenium Centro Médico Murcia

C/ Pintor Sobejano, 6  
30004 Murcia  
96 827 50 22

### Milenium Centro Médico Córdoba

Avda. Conde de Valvellano, 8  
14004 Córdoba  
95 741 41 62

### Milenium Centro Médico La Buhaira

Avda. Eduardo Dato, 23  
41005 Sevilla  
95 454 62 50

### Milenium Centro Médico Nicasio Gallego

C/ Nicasio Gallego, 10  
28010 Madrid  
902 200 288

### Milenium Centro Médico Valencia

Antigua Senda de Senent, 11  
46023 Valencia  
96 352 09 07

### Milenium Centro Conde Duque

C/ Conde Duque, 21  
28015 Madrid  
902 200 288

### Milenium Centro Médico Artaza

Avda. de Artaza, 26  
48940 Leioa (Vizcaya)  
94 491 60 61



## Dental Centres

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### Milenium Dental Centro Balmes

C/ Balmes, 249 Bajos  
08006 Barcelona  
93 292 05 10

### Milenium Dental Centro Santa Eulàlia

C/ Unió, 45 (esquina Jacint Verdaguer)  
08902 L'Hospitalet de Llobregat  
(Barcelona)  
93 298 01 63

### Milenium Dental Centro Castelló

C/ Castelló, 60  
28001 Madrid  
91 432 42 43

### Milenium Dental Centro Santa Hortensia

C/ Padre Claret, 1  
(semiesquina C/ Santa Hortensia)  
28002 Madrid  
91 510 37 30

### Milenium Dental Centro Avda. Mediterráneo

Avda. Mediterráneo, 9  
28007 Madrid  
91 434 22 33

### Milenium Dental Centro Isaac Peral

C/ Isaac Peral, 4 - Entreplanta  
28015 Madrid  
91 550 04 76  
91 550 04 78

### Milenium Dental Centro Colombia

C/ Colombia, 53  
28016 Madrid  
91 353 29 08

### Milenium Dental Centro Las Rosas

C/ Calabria frente a nº 9  
(semiesquina con C/ Suecia)  
28022 Madrid  
91 760 92 00

### Milenium Dental Centro Alcalá

C/ Alcalá, 339  
28027 Madrid  
91 406 51 85

### Milenium Dental Centro Monforte de Lemos

Avda. Monforte de Lemos, 179  
28029 Madrid  
91 736 52 83

### Milenium Dental Centro Avda. Moratalaz

Avda. Moratalaz, 125  
28030 Madrid  
91 437 54 35

### Milenium Dental Centro Avda. San Luis

Avda. San Luis, 156  
28033 Madrid  
91 384 61 74

### Milenium Dental Centro Ferrocarril

C/ Ferrocarril, 16  
28045 Madrid  
91 539 25 90

### Milenium Dental Centro Sanchinarro

C/ Príncipe Carlos, s/n, semiesquina C/ María Tudor  
28050 Madrid  
91 750 10 70

### Milenium Dental Centro Alcobendas

Paseo de la Chopera, 2  
28100 Alcobendas (Madrid)  
91 484 06 56

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**Milenium Dental Centro Majadahonda**

C/ Puerto de los Leones, 6 Local  
28220 Majadahonda (Madrid)  
91 638 52 27

**Milenium Dental Centro Pozuelo de Alarcón**

C/ París, 1  
28224 Pozuelo de Alarcón (Madrid)  
91 714 05 23

**Milenium Dental Centro Las Rozas**

Travesía de Navalcarbón s/n  
Edif. Tifán (Pol. Európolis)  
28232 Las Rozas (Madrid)  
91 640 83 01

**Milenium Dental Centro Boadilla del Monte**

Avda. Siglo XXI, 13  
28660 Boadilla del Monte (Madrid)  
91 633 96 14

**Milenium Dental Centro Tres Cantos**

Avda. de Viñuelas, 14 - 16  
28760 Tres Cantos (Madrid)  
91 806 01 64  
91 806 01 65

**Milenium Dental Centro Avda. de La Alcarria**

Avda. de La Alcarria, 15, Local 1  
28806 Alcalá de Henares (Madrid)  
91 261 97 25

**Milenium Dental Centro Alcorcón**

C/ Zarza, 30 Bajo  
28921 Alcorcón (Madrid)  
91 642 57 48

**Milenium Dental Centro Avda. de los Deportes**

C/ Almería, 1 esquina Avda. de los Deportes  
28935 Móstoles (Madrid)  
91 665 57 45

**Milenium Dental Centro Jovellanos**

C/ Jovellanos, 6  
29002 Málaga  
95 236 61 15

**Milenium Dental Centro Aljarafe**

Avda. Universidad de Salamanca, 7  
41930 Bormujos (Sevilla)  
95 478 86 06

**Milenium Dental Centro Indautxu**

C/ Manuel Allende, 15  
48010 Bilbao  
94 421 20 21

## Sanitas Residencial

---

### Euroresidencias Alicante

Finca Santa Catalina, s/n  
Partida L'Obrera, 8 - A  
03110 Mutxamiel (Alicante)  
96 595 51 95

### Sanitas Residencial Mossèn Vidal i Aunós\*

C/ Navarra, 12 - 26  
08014 Barcelona  
93 298 12 23

### Euroresidencias Les Corts

C/ Evarist Arnús, 32  
08014 Barcelona  
93 411 47 00

### Euroresidencias Sagrada Familia

C/ Castillejos, 256 - 258  
08013 Barcelona  
93 512 97 50

### Sanitas Residencial Iradier

C/ Iradier, 5 (Bis)  
08017 Barcelona  
93 417 84 00

### Sanitas Residencial Altanova

C/ Quatre Camins, 95  
08022 Barcelona  
93 434 35 00

### Sanitas Residencial Provença

C/ Provença, 520  
08025 Barcelona  
93 433 41 80

### Sanitas Residencial Bonaire

C/ Alt de Pedrell, 100 - 120  
08032 Barcelona  
93 433 56 33

### Sanitas Residencial Sant Cugat\*

C/ Santa Rosa, s/n  
08190 Sant Cugat del Vallès (Barcelona)  
93 589 16 38

### Sanitas Residencial Jaume Nualart\*

C/ Anoia, s/n  
08940 Cornellà de Llobregat (Barcelona)  
93 471 01 60

### Euroresidencias A Coruña

C/ Santo Tomás, 9  
15002 La Coruña  
98 190 32 95

### Sanitas Residencial Gerunda

Avda. Lluís Pericot, 45 - 45 A  
17003 Girona  
97 248 30 40

### Sanitas Residencial Miramón

Paseo de Miramón, 193  
20009 San Sebastián (Guipúzcoa)  
94 330 93 10

### Sanitas Residencial Txindoki

Zubizketa, s/n  
20210 Lazkao (Guipúzcoa)  
94 380 55 92

### Euroresidencias Marqueses de Linares

Avda. Marqueses de Linares, s/n  
23700 Linares (Jaén)  
95 360 63 80

### Sanitas Residencial Ilerda

C/ Vic, 5 - 7  
25005 Lleida  
97 322 85 50

### Sanitas Residencial Les Garrigues\*

C/ Marius Torres, 7 - 9  
25400 Les Borges Blanques (Lleida)  
97 314 34 65

### Euroresidencias El Viso

C/ Rodríguez Marín, 57  
28002 Madrid  
91 561 23 32

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**Sanitas Residencial La Florida**

C/ del Valle de Toranzo, 3 - 5  
28023 Madrid  
91 740 03 86

**Euroresidencias Mirasierra**

C/ Nuria, 40  
28034 Madrid  
91 735 32 70

**Euroresidencias Puerta de Hierro**

C/ Alfonso Fernández Clausells, 2  
28035 Madrid  
91 398 00 17

**Sanitas Residencial Arturo Soria**

C/ Arturo Soria, 146  
28043 Madrid  
91 519 20 29

**Euroresidencias La Moraleja**

Avda. de la Vega, 20 - Arroyo de la Vega  
28100 Alcobendas (Madrid)  
91 490 37 70

**Sanitas Residencial Almenara**

C/ Colmenar, 2  
28213 Colmenar del Arroyo (Madrid)  
91 865 10 00

**Sanitas Residencial Las Rozas**

Avda. Atenas, 5  
28290 Las Rozas (Madrid)  
91 631 92 71

**Sanitas Residencial Henares**

C/ Miguel Delibes, 2  
28806 Alcalá de Henares (Madrid)  
91 830 35 11

**Euroresidencias Getafe**

Avda. Arcas del Agua, 15 Sector III  
28905 Getafe (Madrid)  
91 696 55 67

**Sanitas Residencial El Mirador**

Avda. Marcelo Celayeta, 144  
31011 Pamplona  
94 812 10 22

**Sanitas Residencial Luz de Estella**

C/ Santa Soria, 20  
31200 Estella (Navarra)  
94 854 69 00

**Euroresidencias Vigo**

Rua do Conde, 6  
36210 Vigo (Pontevedra)  
98 648 56 10

**Euroresidencias Santander**

C/ Santa Lucía, 51  
39003 Santander  
94 230 03 00

**Sanitas Residencial Mas Camarena**

Camino Viejo de Paterna, s/n  
46117 Bétera (Valencia)  
96 168 61 30

**Sanitas Residencial Valladolid**

Ctra. de Madrid, km. 167  
47250 Mojados (Valladolid)  
98 360 79 30

**Sanitas Residencial Barakaldo**

C/ Eguskiaguirre, 8  
48902 Barakaldo (Vizcaya)  
94 478 30 20

**Sanitas Residencial Loramendi**

Ctra. de Leioa - Unbe, 33  
48950 Erandio (Vizcaya)  
94 401 45 00

**Euroresidencias Zaragoza**

Avda. Cataluña, 1  
50015 Zaragoza  
976 20 53 80

## Servicios Call Centre Services

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Telephones for information, customer service and services authorizations  
902 102 400

To obtain an appointment at  
Hospital Sanitas La Moraleja  
Milenium Centro Médico Costa Rica  
Milenium Centro de Salud de la Mujer  
Milenium Centro Conde Duque  
Milenium Centro Médico Nicasio Gallego  
Milenium Centro Médico Balmes  
Milenium Centro Médico Valencia  
902 200 288

To obtain an appointment at Hospital  
Sanitas La Zarzuela  
902 151 560

Emergencies  
902 103 600  
Corporate Services  
902 255 525

Sanitel  
901 100 210

Personalised attention service for Sanitas Mundi policy holders  
902 408 409

Sanitas 24 hours  
902 106 102

## Internet

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You can find information on Grupo Sanitas online at the following URLs:

[www.sanitas.es](http://www.sanitas.es)  
[www.gruposanitas.com](http://www.gruposanitas.com)

### Our Portals:

[sanitasresidencial.com](http://sanitasresidencial.com)  
[hospitalzarzuela.com](http://hospitalzarzuela.com)  
[hospitalmoraleja.com](http://hospitalmoraleja.com)  
[fundacionsanitas.org](http://fundacionsanitas.org)  
[medicos.sanitas.es](http://medicos.sanitas.es)

## Sanitas Annual Report 2007

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For a copy of this annual report, please contact:  
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