

CALYON
 Paseo de la Castellana, 1
 28046 Madrid

Grupo Santander
 Ciudad Grupo Santander
 28660 Boadilla del Monte (Madrid)

Merrill Lynch International
 2 King Edward Street
 London EC1A 1HQ

Syndicate:
 Pierre Mouradian
 33-141892320

Syndicate:
 Juan Lladó
 34-912572029

Syndicate:
 Ashley Kibblewhite
 44-20 7995 3032

6th October 2005

ALL TERMS AND CONDITIONS SUBJECT TO CNMV APPROVAL

Fondo de Titulización de Activos
SANTANDER EMPRESAS 1
€3,100 million ABS Issue

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Series	Amount (€mm)	Tranching	Credit enhancement*	Rating (Fitch / S&P)	Spread bps over 3-month Euribor	Average Life (years)**	Final** Maturity
A1	1.512,8	48,8%	14,15%	AAA / AAA	[•]	0,79	26-7-2007
A2	1.240,0	40,0%	14,15%	AAA / AAA	[•]	3,22	26-1-2012
B	80,6	2,6%	11,55%	AA+ / AA	p.p.***	6,63	26-10-2012
C	96,1	3,1%	8,45%	A+ / A-	p.p.***	7,01	26-10-2012
D	170,5	5,5%	2,95%	BBB / BBB	p.p.***	7,01	26-10-2012
Total	3.100	100.0%					
RF	71.3	2.3%	0.65%				

* assuming Excess Spread of 65 bps

** assuming exercise of 10% clean-up call, 10% CPR, Legal Final Maturity of 26-10-2038, and other standard assumptions, more fully set out in the Folleto.

*** privately placed

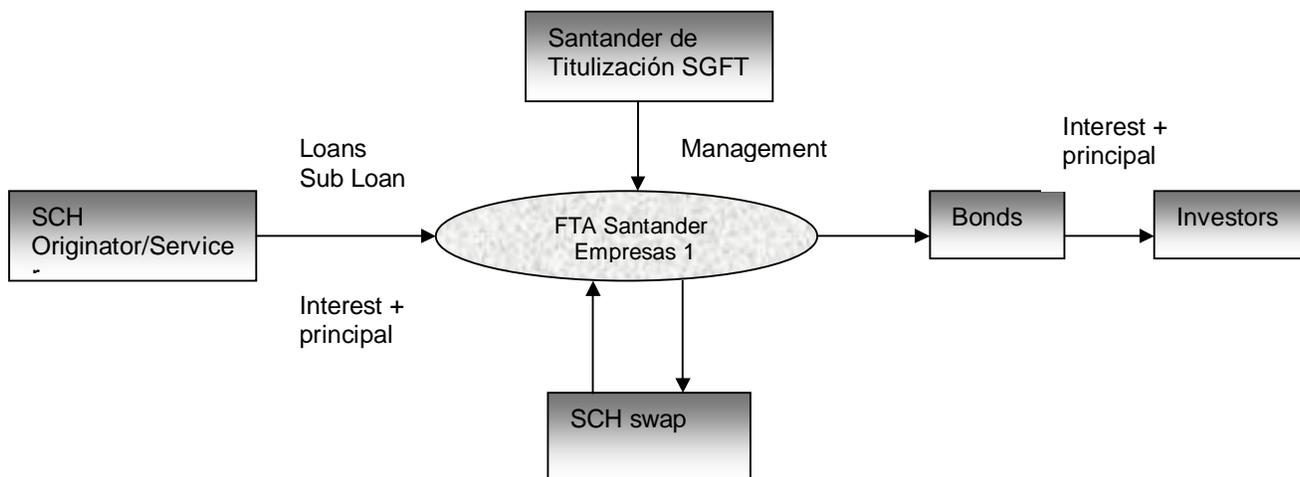
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1. HIGHLIGHTS

ESTABLISHED TESTED STRUCTURE	FTA Santander Empresas 1 is a securitisation of SCH loans to Spanish small and medium sized companies, with a conventional Spanish securitisation structure.
BENCHMARK ISSUE	FTA Santander Empresas 1 is the SCH Group's 38 th , and one of its largest, ABS / MBS transactions, establishing a pattern for future benchmark transactions of this nature.
DIVERSIFIED UNDERLYING POOL OF LOANS	The initial portfolio (the "Loans") comprises 17.821 loans with broad industrial and geographical diversification across several Spanish regions.
HIGH QUALITY UNDERLYING LOANS	All Loans have been originated by SCH's Commercial Banking Department in its regular course of business, via its 4.384-strong branch network in Spain.
HIGHLY REPUTED ORIGINATOR	SCH, the originating Bank, is both the leading commercial bank in Spain and one of the largest banks in Europe in terms of market capitalisation.
EXPERIENCED FUND MANAGEMENT COMPANY	SdT is Spain's oldest securitisation fund manager and one of the most experienced in Europe.

TRANSACTION DIAGRAM



Information on ABS issues managed by "SdT", the Santander de Titulización Securitisation Fund Management Company may be found on their Webpage:

http://www.gruposantander.es/particulares/prod/fon/par_fon_tituliz.html?x=2

2. TERM SHEET

Terminology in English in this document may not coincide with that of the English translation of the offering circular. The Spanish Offering Circular, approved by the CNMV, is the only legally binding offering document for this issue.

Issuer:	FTA Santander Empresas 1 (Fondo de Titulización de Activos, Asset Securitisation Fund under Royal Decree 926/1998)(the "Issuer")			
Originator:	Banco Santander Central Hispano ("SCH")			
Type of loans:	Loans granted by the Commercial Banking Division of SCH to individuals or companies with legal address in Spain, with the sole purpose of financing economic activities or property acquisitions estate for work premises by self-employed.			
Joint Lead Managers:	CALYON, Grupo Santander, Merrill Lynch International			
Joint Bookrunners:	CALYON, Grupo Santander, Merrill Lynch International			
Total Amount of issue:	€3,100 million			
Principal repayment:	A1: Pass-through with quarterly payments A2: Sequential, only from 26th April, 2007 B: Subordinated Sequential, once Class A has paid down in full C: Subordinated Sequential, once Class B has paid down in full D: Subordinated Sequential, once Class C has paid down in full			
Registration in the CNMV:	[18-20] October 2005			
Incorporation of the FTA:	[20-24] October 2005			
Launch / Trade Date:	[20-24] October 2005			
Closing and Settlement Date:	[24-26] October 2005			
Expected Final Maturity¹	CPR Tranche	8%	10%	12%
	A1:	26-7-2007 (1.77 yrs)	26-7-2007 (1.77 yrs)	26-4-2007 (1.52 yrs)
	A2:	26-7-2012 (6.77 yrs)	26-1-2012 (6.23 yrs)	26-7-2011 (5.77 yrs)
	B:	26-4-2013 (7.53 yrs)	26-10-2012 (7.03 yrs)	26-1-2012 (6.28 yrs)
	C:	26-4-2013 (7.53 yrs)	26-10-2012 (7.03 yrs)	26-1-2012 (6.28 yrs)
	D:	26-4-2013 (7.53 yrs)	26-10-2012 (7.03 yrs)	26-1-2012 (6.28 yrs)
Average Life¹:	CPR Tranche	8%	10%	12%
	A1:	0.84	0.79	0.75
	A2:	3.44	3.22	3.03
	B:	7.23	6.63	6.07
	C:	7.51	7.01	6.26
	D:	7.51	7.01	6.26

¹ Assumptions include: 10% clean-up call is exercised, 0% write-offs, 0.30% p.a. arrears, stable interest rates. For a full set of assumptions, please refer to the Folleto

Paying Agent:	SCH (Fitch AA- stable / Moody's Aa3 stable / S&P A+ stable)
Servicer:	SCH (Fitch AA- stable / Moody's Aa3 stable / S&P A+ stable)
Depository:	SCH (Fitch AA- stable / Moody's Aa3 stable / S&P A+ stable)
Treasury Account with Guaranteed Investment Contract:	SCH (Fitch AA- stable / Moody's Aa3 stable / S&P A+ stable)
Swap Counterparty:	SCH (Fitch AA- stable / Moody's Aa3 stable / S&P A+ stable)
Auditors of the Fund:	Deloitte, S.L.
Loan Pool Auditors:	Deloitte, S.L.
Legal Counsel to Issuer:	Squire, Sanders & Dempsey
Early Amortisation:	10% clean-up call
Interest Determination Date:	[●] business days prior to each Payment Date (first: [●] January 2006)
Interest Accrual:	Actual / 360
Interest Payment Date:	26 January, April, July, October, subject to next business day adjustments
First Payment Date:	26 January 2006
Legal Final Maturity:	26 October 2038
Listing:	AIAF
Settlement:	Iberclear – Clearstream – Euroclear
Denomination:	EUR 100.000
Governing Law/Courts:	Spanish/Madrid
ISIN codes:	Series A1: ES [●] Series A2: ES [●] Series B: ES [●] Series C: ES [●] Series D: ES [●]
Credit Enhancement:	Reserve Fund, Subordination of Series B, C and D to Series A1/A2, B, and C respectively, Guaranteed Investment Contract for Treasury Account and Excess Funds Account, Swap Agreement to support minimum excess spread levels

<p>Summary Details of Loans (as of 20-9-2005):</p>	<p>Purpose:</p> <p>Total Amount:</p> <p>Number of Loans:</p> <p>Average Balance:</p> <p>Wtd. avg. Seasoning:</p> <p>Wtd. avg. Residual Life:</p> <p>Maximum Maturity:</p> <p>Wtd. avg. Current Interest Rate:</p> <p>Rate Index:</p>	<p>Loans to self-employed individuals or corporations originated by SCH's Commercial Banking Department during the regular course of business</p> <p>€ 3.223.960.695,50</p> <p>17.821</p> <p>€180.908</p> <p>19 months</p> <p>88 months</p> <p>29-4-2035 3,06 %</p> <p>EURIBOR 90,46 % IRPH 1,38 % Fixed: <u>8,16 %</u></p> <p>100,00 %</p>
<p>Securitisation Fund Management Company:</p>	<p>Santander de Titulización, SGFT, S.A. ("SdT")</p>	
<p>Taxation:</p>	<p>Exempted from withholding tax for European Union residents. Prior filing of residence certificate required.</p>	

3. THE FTA SANTANDER EMPRESAS 1 ISSUE

3.1 Background

FTA Santander Empresas 1 is the 38th ABS issue originated by the Santander Group ("Santander" or "SCH"), one of the most experienced securitising banking groups in Europe.

Santander views securitisation as a strategic line of funding, and intends to, as much as possible, continue with benchmark single-originator ABS issues in order to have full control over quality, disclosure, price formation, and transparency. All Santander's securitisations are backed by loans originated by Santander in its regular course of business.

3.2 The Collateral

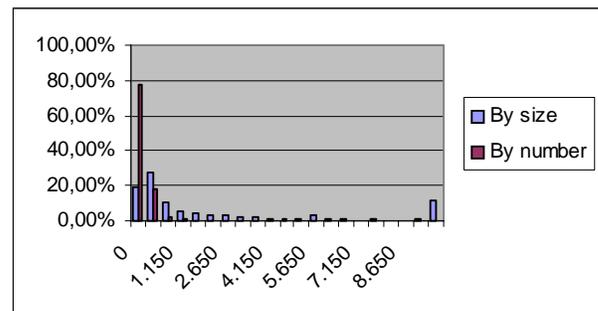
All information is based on the pool as of 20 September 2005, consisting of 17.821 loans, which have been audited to an appropriate standard by the Auditors. Unless otherwise stated, all percentages shown for the total pool are by the loan balance outstanding, and not by number of loans. The source for all information is SdT and SCH.

3.2.1 Type and Amounts

All Loans have been originated by SCH's Commercial Banking Department during its normal course of business. No Loans have been generated by SCH's specialised departments (Global Wholesale, Project Finance, Corporate Finance).

Current loan size is as follows:

<u>Loan size (€000)</u>	<u>% Value</u>	<u>% Number</u>
<u>from</u>	<u>to</u>	
0	149	19,37%
150	649	27,57%
650	1.149	10,92%
1.150	1.649	5,81%
1.650	2.149	4,41%
2.150	2.649	3,31%
2.650	3.149	2,96%
3.150	3.649	1,67%
3.650	4.149	1,67%
4.150	4.649	0,95%
4.650	5.149	1,05%
5.150	5.649	1,48%
5.650	6.149	2,78%
6.150	6.649	0,60%
6.650	7.149	1,50%
7.150	7.649	0,22%
7.650	8.149	1,23%
8.150	8.649	0,00%
8.650	9.149	0,27%
9.150	9.649	0,86%
9.650	46.115	11,25%
		<u>100,00%</u>
		<u>100,00%</u>
Largest loan:	€ 46.115.000	
Average loan:	€ 180.907,95	



Borrowers by type, classified by SCH Commercial Banking's internal classification rules:

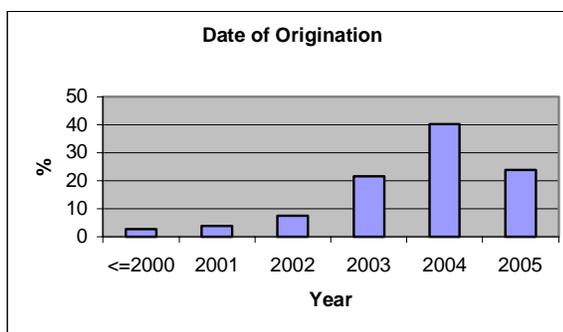
Type	SCH definition Sales	% by value	% by number
Self-employed		14,3	38,0
Micro-companies	<= €2 mm	29,6	36,8
SMEs	<= €10 mm	18,1	14,7
Companies	<= €18,03 mm	26,4	9,3
Large companies	> €18,03 mm	<u>11,6</u>	<u>1,2</u>
		<u>100,0</u>	<u>100,0</u>

29,52% of Loans in value are collateralized with mortgages. Weighted average LTV of such loans is 77,03%.

3.2.2 Date of Origination

The loans were originated as follows:

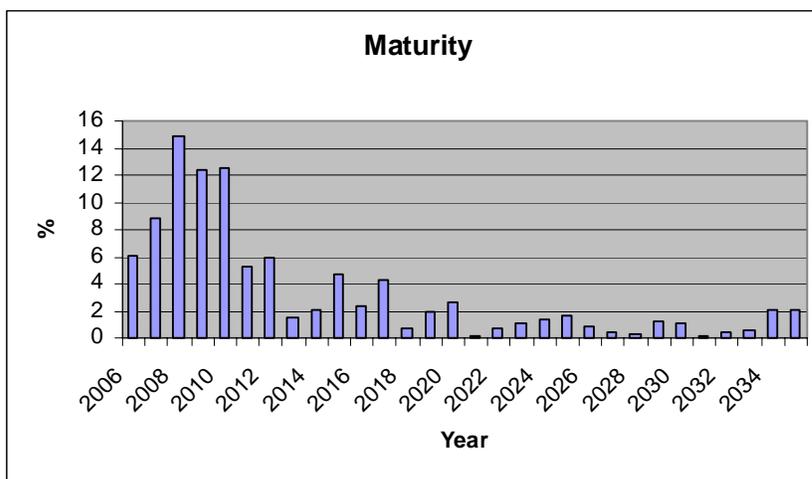
Year	%
<=2000	2,81
2001	3,81
2002	7,57
2003	21,62
2004	40,29
2005	<u>23,81</u>
	<u>100,00</u>
Earliest:	28-10-1993
Latest:	13-5-2005
Average:	19 months



3.2.3 Maturities

Maturities are as follows:

Year	%
2006	6,07
2007	8,80
2008	14,93
2009	12,43
2010	12,5
2011	5,21
2012	5,95
2013	1,46
2014	2,10
2015	4,72
2016	2,33
2017	4,25
2018	0,64
2019	1,92
2020	2,58
2021	0,16
2022	0,67
2023	1,08
2024	1,34
2025	1,59
2026	0,79
2027	0,38
2028	0,27
2029	1,19
2030	1,06
2031	0,17
2032	0,43
2033	0,55
2034	2,08
2035	<u>2,06</u>
Total	<u>100,00%</u>

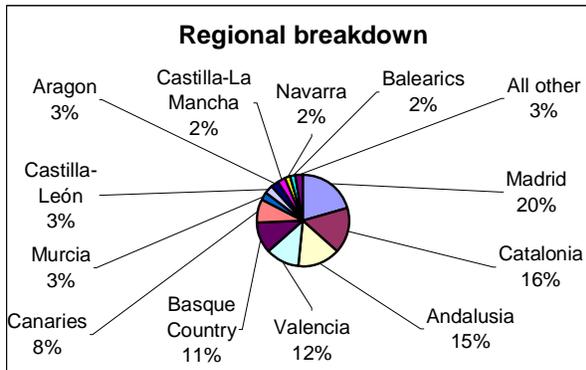


Longest maturity: 29-4-2035

Average maturity: 13-2-2013 (88 months)

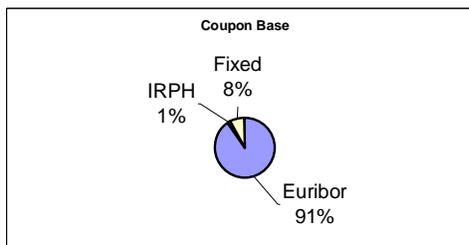
3.2.4 Geographical Spread by Region (Comunidades Autónomas)

Region	%
1 Madrid	20,75
2 Catalonia	15,94
3 Andalusia	14,73
4 Valencia	11,57
5 Basque Country	11,20
6 Canaries	8,20
7 Murcia	3,02
8 Castilla-León	2,92
9 Aragon	2,90
10 Castilla-La Mancha	2,47
11 Navarra	1,96
12 Balearics	1,75
13 All other	<u>2,59</u>
Total	<u>100,00</u>



3.2.5 Base Interest Rate and spreads

Base	%
Euribor	90,46%
IRPH	1,38%
Fixed	<u>8,16%</u>
Total	<u>100,00%</u>



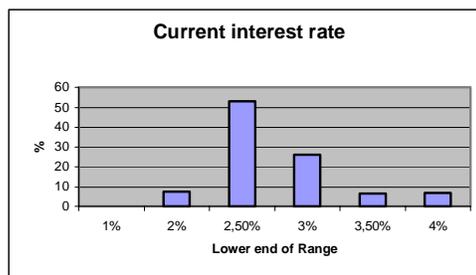
EURIBOR rates are split out as follows:

Base	%
12 months:	55,46
3 months:	18,90
6 months:	5,46
others:	<u>10,64</u>
Total Euribor:	<u>90,46</u>

There are no caps or floors. IRPH is a managed rate. Average spreads on IRPH Loans is 20 bps. Average spread on Euribor Loans is 69bps. Global average spreads on floating rate Loans is 80 bps over Euribor, assuming average IRPH/Euribor differentials. Fixed rates on average are 4.81%.

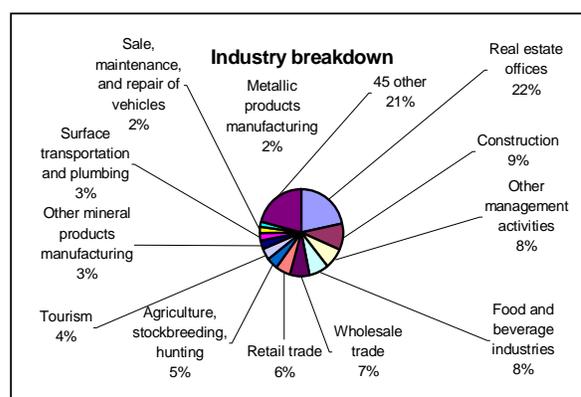
Current interest rates are as follows:

From	To	%
1,00%	1,99%	0,06
2,00%	2,49%	7,42
2,50%	2,99%	52,96
3,00%	3,49%	26,21
3,50%	3,99%	6,43
4,00%	13,50%	<u>6,88</u>
	Total	<u>100,00</u>



3.2.6 Industry breakdown

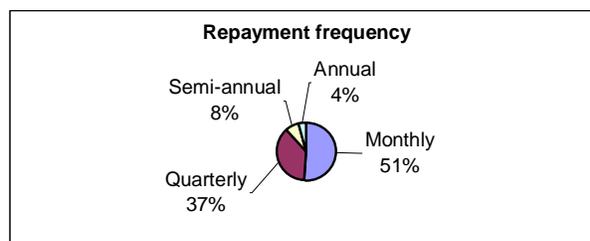
<u>Industry</u>	<u>%</u>
Real estate offices	21,98
Construction	9,36
Other management activities	7,71
Food and beverage industries	7,64
Wholesale trade	7,42
Retail trade	5,80
Agriculture, stockbreeding, hunting	4,51
Tourism	4,14
Other mineral products manufacturing	3,43
Surface transportation and by pipeline	2,83
Sale, maintenance, and repair of vehicles	2,11
Metallic products manufacturing	2,05
45 other	<u>21,02</u>
Total	<u>100,00</u>



3.2.7 Repayment

All loans are fully amortising, with the following breakdown by repayment frequency:

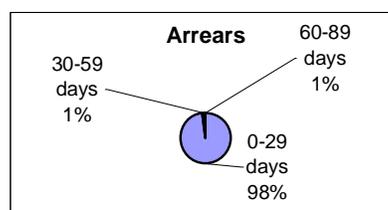
<u>Frequency</u>	<u>%</u>
Monthly	50,9
Quarterly	37,4
Semi-annual	7,5
Annual	<u>4,2</u>
Total	<u>100,0</u>



3.2.8 Arrears

The following is the arrears data for the pool. At establishment of the Fund, only loans that are less than 30 days in arrears will be eligible.

<u>Arrears</u>	<u>%</u>
0-29 days	98,18
30-59 days	0,91
60-89 days	<u>0,91</u>
Total	<u>100,00</u>



3.3 Credit enhancement

The Fund will have several credit enhancement features, including the following:

3.3.1 Reserve Fund

The Reserve Fund will represent initially 2,3% of the Initial Outstandings (IO) of the Series (€71,3 million). Subsequently, it will be allowed to decline in order to maintain the higher of 2,5% of the Current Outstandings (CO) of the Series, and 0,9% of the IO of the Loans (€27,9 million).

The Reserve Fund may not be reduced if:

- The Reserve Fund provision is insufficient to cover the Minimum Level of the Reserve Fund as of that date, or
- Loans in arrears greater than 90 days represent more than 1% of CO of the Series, or
- If at any time the *Cantidad Devengada para Amortización* (see below) is less than zero

The Reserve Fund is funded by the Subordinated Loan, which may be paid down only after the Reserve Fund is fully funded. The Reserve Fund will be deposited in the Treasury Account.

3.3.2 Subordinated Loan

The Subordinated Loan, for €72,78 million, will fund the initial Reserve Fund, the Initial Expenses, and the partial purchase of assets. It will be paid down according to the priority of payments, in the following order:

- portion for Initial Expenses: quarterly over three years
- portion for partial purchase of assets: over the life of the transaction
- portion for Reserve Fund: according to Minimum Level of Reserve Fund

It will accrue interest at 3-month Euribor + 65 bps.

3.3.3 Treasury Account and Excess Funds Account with Guaranteed Investment Contract

The Treasury Account will be maintained with the Paying Agent. This account is used to make the Funds payments, and to maintain the funds of the Reserve Fund. It will accrue interest at 3-month Euribor. Provisions are made to switch this account if there is a downgrade or credit deterioration of the Paying Agent. Should the amount accumulated in the Treasury Account be larger than 20% of the CO of Series, the excess amount will be maintained at an Excess Funds Account to be opened at a suitably rated banking institution.

3.3.4 Series B, C, and D

Interest and Principal payments on Series B, C, and D are subordinated to the payments under Series A1/A2, B, and C respectively.

3.3.5 Priority of Payments

The order of priority of payments is as follows:

- 1 Expenses and Taxes, including payments to the SGFT (0,025% p.a.)
- 2 Net Swap payments
- 3 Interest on Series A1 and A2
- 4 Interest on Series B
- 5 Interest on Series C
- 6 Interest on Series D
- 7 Principal Amortisation on Series A1, A2, B, C and D in sequential order up to the amount of the *Cantidad Devengada para Amortización**
- 8 Provision to Reserve Fund to maintain Minimum Level
- 9 Liquidation amount of swap if due by Counterparty
- 10 Interest and Principal on Subordinated Loan
- 11 Financial Intermediation Margin

* *Cantidad Devengada para Amortización*, of the "Amortisation Amount" equals the difference between the Series outstanding and the Loans outstanding for Loans which are less than 18 months in arrears. Series A2 does not pay principal until 26-4-2007. Amounts of *Cantidad Devengada para Amortización*, to the extent Series A1 has been fully redeemed, will be accumulated in the Treasury Account, for disbursement on 26-4-2007 to the Series A2.

While the percentage of Loans which are greater than 90 days in arrears but less than 12 months in arrears divided by the CO of the Loans (the "Delinquent Non-Defaulted Loans Proportion") is less than or equal to 1.5%, the Series A1 and A2 will be amortised sequentially.

Once the Delinquent Non-Defaulted Loans Proportion exceeds 1.5%, then the Series A1 and A2 will amortise pro rata until the Series A1 have been fully amortised. In respect of Series A2, before April 26, 2007 such amounts will held in the Treasury Account for disbursement after such date.

Note 1: Should SCH be replaced as Servicer, the Servicing Fee included under Item 11 will be moved to Item 1.
Note 2: Interest on Series B (C) (D) will be deferred if Series A1 and A2 (and B) (and C) are still outstanding and arrears (*fallidos*) are over 11% (9%) (5%) of the IO of Loans, respectively.

3.3.6 Swap with Guaranteed Excess Spread

SCH will execute a basis swap with the Fund, whereby SCH on a quarterly basis will receive all interest received by the Fund on a notional equal to the performing Loans balance, where performing Loans are defined as Loans which are up to 90 days in arrears), and will pay 3-month series Euribor plus weighted average outstanding series spreads plus 65 bps, divided by four. Provisions are made to switch or credit-enhance the swap if there is a downgrading or credit deterioration of the Swap Counterparty.

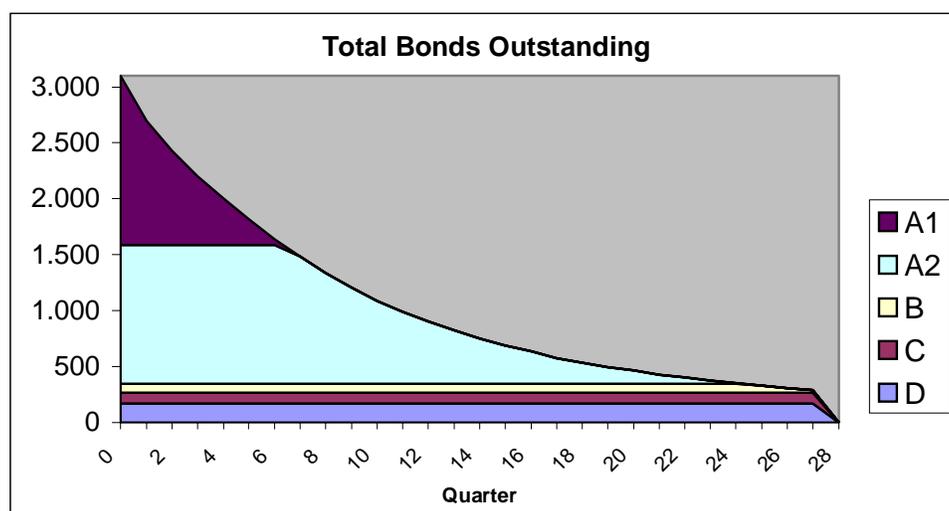
3.4 Series cashflows

Subject to the assumptions mentioned below, the following are the cashflows of the 5 Series using a 10%Constant Prepayment Rate assumption. The assumptions include: exercise of the 10% clean-up call, 0% write-offs, no triggers being hit, 0,30% p.a. arrears, stable interest rates and further assumptions as more fully set out in the Folleto.

There is no historical data on prepayments of these portfolios, and thus the choice of a 10% CPR assumption does not guarantee that actual principal cashflows on the Series will be similar to those indicated. Please refer to the Offering Circular for the full cashflow simulations.

Period #	Payment Date	Series A1		Series A2		Series B		Series C and D	
		Principal Pmt.	Outstanding Balance						
0	24-Oct-05		100.000		100.000	0,00	100.000,00	0,00	100.000,00
1	26-Jan-06	26.481,66	73.518,34	0,00	100.000,00	0,00	100.000,00	0,00	100.000,00
2	26-Apr-06	17.970,00	55.548,34	0,00	100.000,00	0,00	100.000,00	0,00	100.000,00
3	26-Jul-06	14.793,48	40.754,86	0,00	100.000,00	0,00	100.000,00	0,00	100.000,00
6	26-Apr-07	12.017,32	3.229,63	0,00	100.000,00	0,00	100.000,00	0,00	100.000,00
7	26-Jul-07	3.229,63	0,00	8.388,20	91.611,80	0,00	100.000,00	0,00	100.000,00
8	26-Oct-07	0,00	0,00	11.968,75	79.643,04	0,00	100.000,00	0,00	100.000,00
24	26-Oct-11	0,00	0,00	1.907,66	280,56	0,00	100.000,00	0,00	100.000,00
25	26-Jan-12	0,00	0,00	280,56	0,00	26.166,11	73.833,89	0,00	100.000,00
26	26-Apr-12	0,00	0,00	0,00	0,00	24.978,70	48.855,19	0,00	100.000,00
27	26-Jul-12	0,00	0,00	0,00	0,00	22.676,48	26.178,70	0,00	100.000,00
28	26-Oct-12	0,00	0,00	0,00	0,00	26.178,70	0,00	100.000,00	0,00

The following graph illustrates the outstanding balance of each Series under the scenario described above.



3.5 Fund Opening Balance Sheet

At closing, the Fund's Balance Sheet will be as follows (€ '000):

<u>Assets</u>		<u>Liabilities</u>	
Loans	3,100,000,000	Bonds	3,100,000,000
Reserve Fund	71,300,000	Subordinated Loan	<u>72,780,000</u>
Cash	1,000		
Initial Capitalised Expenses	<u>1,479,000</u>		
Total Assets	<u>3,172,780,000</u>	Total Liabilities	<u>3,172,780,000</u>

4. SANTANDER DE TITULIZACION, S.G.F.T., S.A. (SdT)

Established in 1992 shortly after the 19/1992 Law on Mortgage Securitisation was enacted, SdT is registered as # 1 in the CNMV register of SGFTs. It is owned 100% by the SCH group.

SdT is one of the most experienced Securitisation Fund Management Companies on the Continent, having arranged and managed 37 ABS, of which 28 MBS, 3 FTPYME, 1 synthetic CLO, 2 consumer finance ABS, 1 Auto loan ABS, 1 public sector loans ABS for over €29.7 bn, as follows (€ mm):

<u>Issuer</u>	<u>Amount</u>	<u>Issuer</u>	<u>Amount</u>	<u>Issuer</u>	<u>Amount</u>	<u>Issuer</u>	<u>Amount</u>
Hipotebansa I	81	Hipotebansa XI	1.062	Banesto 2	715	UCI	8 600
Hipotebansa II	96	S Hipotecario 1	1.875	Banesto 3	545	UCI	9 1.241
Hipotebansa III	270	Hesperic 1	1.400	Banesto 4	545	UCI	10 700
Hipotebansa IV	360	Santander 1	4.000	UCI 1	63	UCI	11 850
Hipotebansa V	235	Consumo S 1	1.080	UCI 2	120	UCI	12 900
Hipotebansa VI	263	FTPYME S 1	1.800	UCI 3	87	S Consumer	
Hipotebansa VII	317	FTPYME S 2	1.800	UCI 4	180	F Spain 02-1	1 850
Hipotebansa VIII	328	S Publico 1	1.850	UCI 5	265	FTPYME	
Hipotebansa IX	519	S Auto 1	1.598	UCI 6	457	Banesto	1 500
Hipotebansa X	917	Banesto 1	759	UCI 7	455		

Source: SdT

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