I am pleased to introduce the reader to a new, SPRI Group Activity Report which is, without a doubt, very special. 2006 has been Sociedad de Promoción y Reconversión Industrial's 25th birthday, and it has also been an excellent year both in the foreign economic context and regarding the vitality this young agency has demonstrated with twenty-five years five lustrums on its back.

Let me start with the first point, with economical development. If we were already indicating successfully overcoming the bad economic patch at the beginning of the decade, last year totally confirmed this fact. With a growth of 4.2%, the outstanding role of industry and the foreign sector, significant employment creation and also a productivity advance of around 2% for all the economy and more than 5% in industry, it can be said that our best expectations have been fulfilled.

As often happens, the enjoyment of a moment like this is fleeting: as soon as the effect of the recovery is confirmed we start to worry about how long it will last and about the immediate future. Industry, the real driving force of recent growth and the architect of improved productivity, has already moderated its expansion. At the moment, it is growing at around 3% in the Basque Country, with references of above 4% in Germany, which has slowed down and whose cycle we are very much in tune with, and nearer to the 2%-2.5% bracket for France and for the European Union on the whole. The forecasts for the growth of the economy as a whole of 3.8% for 2007, which will have the same rate in the manufacturing sector, are still there. However, in the light of the data I have just mentioned, it can be said that there are already indicators in the sector that it is not going to be an easy subject.

With high growth favoured by the sector, above all with its speeding up, productivity almost progresses on its own. Nevertheless, our challenge is bigger when this does not occur and we have to double our efforts to have a bearing on the factors than can favour this growth. Clearly speaking, it is changing the model, but not the macro perspective now (industry and foreign sector) but in business strategy (innovation and internationalisation) which, at the end of the day, is what is behind the big figures.

SPRI's balance of activity, reflected in this Report, shows that this change is in progress, although not of course at the cruising speed we would all like. While the traditional investment support programmes have more modest results, foreign implications have spiralled to the point that not one week goes by without us hearing about an important foreign establishment. The implication of the companies in R&D programmes improves every year, with nearly 1200 in the total of the Intek berri.
However, it is evident that there is still a long road ahead and above all for changes to have an effect, the new approach of innovation, which comes hand in hand with the Competitiveness Plan – Science, Technology, and Innovation Plan pairing, must become a deeper reality.

When the latter is preparing for being launched and hardly a year has passed since the approval of the Competitiveness Plan by the Government, its joint effects have not reached their peak. Even so, in this period added to an innumerable range of services to companies activities (foreign network, technology transfer…), initiatives and programmes in entrepreneurship and information society matters, SPRI has already collaborated with the Department in the birth of the new Innovanet network and what is going to be the Innova initiative.

With this, we are tackling the basis of what must be a general mobilisation of the business base towards open innovation: open to a wide understanding beyond technology and open to cooperation with those with complementary ideas and capacities. It is about a joint task for all the collaborating administrations and agents involved in Innovanet, and a long task, as has been the extension of total quality.

Well, all these changes also impose significant demands on a public agency, which is responsible for many of the policies. In this 25th anniversary, I believe that the SPRI group is showing unmistakable signs of its young spirit and capacity for adaptation for evolving with the surroundings and being a major player in this change in model. In short, being innovating with innovation.

For all these reasons, I would like to thank all the members of the organisation for their work, and encourage them to continue supporting companies in an innovating way. Moreover, my last message is of course directed at the companies themselves. I would like to thank them for their trust and invite them all, the large, medium and small companies to come even closer to us with their needs. This will help us to improve so that we can all make our medium to long-term vision of a second economic transformation as the basis of a more prosperous and united society come true.

Ana Aguirre
Chairwoman of SPRI, S.A.
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From the maximum commitment to promoting and supporting Basque companies in their competitiveness improvement processes, SPRI develops its work based on strategic lines defined in the Business Competitiveness and Social Innovation Plan 2006 – 2009, promoted by the Basque Government’s Department of Industry, Commerce and Tourism.

These strategic lines give a full meaning to the new Competitive Business and Social Innovation Model which is our current guide, and which is based on innovation in individuals, business group aspects and opening outwards... In short: in a group of essential values that are now the unmistakable reference for SPRI’s work.

In this sense, SPRI’s commitment, today, to Basque companies and societies involves creating and developing a set of suitable conditions and climates for achieving higher levels of competitiveness in our economy, improving the capacity of our companies and entrepreneurs for establishing, innovating, growing and internationalising.
On fulfilling this objective, **SPRI and its Group** make use of its new and more agile operating structure. The latter is the result of a deep transformation adapted to this new strategy, to offer the specific and efficient answers required by Basque entrepreneurs in each given moment, with a view to successfully facing up to **its challenge for competitive improvement in the context of growth and entrepreneurship, innovation and internationalisation**.

We have also tried to manifest this global transformation in the approach of this Annual Activity Report, including SPRI’s main activities during 2006, analysed on this occasion from a different strategic perspective that the new competitive model establishes. We hope that it lives up to your expectations, and that it will be to your complete satisfaction.
Establish and grow
One of SPRI’s priorities is fully covering all the needs regarding growth and entrepreneurship in the heart of Basque companies, keeping their priority objective clear, promoting and supporting the innovating and high added value business projects, generating investment and new employment opportunities, improving the competitiveness of the SMEs.

Establish and Grow

Establish

During 2006, specific activities in the business sphere have been carried out such as:

SPRI - universities agreement

A framework collaboration agreement has been signed between SPRI - with the CEIS network and the University of the Basque Country / Euskal Herriko Unibertsitatea, the University of Deusto, Mondragón Unibertsitatea, Tecnun and Campus Technológico of the University of Navarra in San Sebastian, for carrying out promotion, advice and support programmes to entrepreneurs in the creation of technology based companies in the universities.

E.J.E. Programme – Empresa Joven Europea (Young European Company)

In this same context promoting enterprising activities, a collaboration agreement between the Basque Government - Department of Industry, Commerce and Tourism and the Department of Education, Universities and Research, - and the Asturian Government -Department of Industry and Employment-, has been signed for the introduction and development of the E.J.E. “Enterprises Joven Europea” Programme in Euskadi, with the Technical Colleges in this Regional Community for the next two years.

The project includes education and business and the main objective is to spread enterprising culture amongst young people of different nationalities, using the creation, organisation and management of a school importing exporting company as the basis.
Establish and Grow

Establish

Ekintzaile and Barnekintzaile Programmes

Both programmes are directed at supporting the development and maturing of a company idea, as long as it belongs to the industrial or industrial service related sphere, and which is considered as an innovating and/or technological idea. However, Barnekintzaile’s special characteristic is that of providing support to innovating ideas born in the heart of a SME in which the need has been detected, with the objective of creating an independent company.

The total Ekintzaile projects approved during 2006 has been 81 with a committed amount of 1,558,011 euros. Furthermore, 66 new companies have been created under the protection of this programme, which in a span of 3 years will provide work for 570 persons.

Barnekintzaile on its part has approved 19 new projects in 2006 with 387,500 euros in support. As regards new companies, 19 have come to fruition in this same period with an employment forecast of 175 in 3 years, which will entail an induced investment of 6,475,500 euros.
Establish and Grow

Grow

Accompany and support companies in their growth and consolidation process is another of SPRI's work lines. During 2006, the creation, on behalf of our company of two new programmes in this line can be highlighted: AFI and Sucesión.

**Sucesión Programme**

SPRI, with the Sucesión Programme, provides Basque small and medium enterprises (industrial, commercial and tourism SMEs) an information, awareness, training, complementary and economic support means for helping to plan the inter-generational succession in the management of the company or shop. The latter ensures that this transition is carried out successfully and guaranteeing in this way continuity in time, and consequently, maintaining the jobs.

During 2006, the study and analysis of 28 requests for assistance have been carried out in this programme, presented by Basque companies, and 18 have been approved and started up.

Furthermore, family company awareness sessions have been carried out in collaboration with the Chambers of Commerce in the three historical territories.

**AFI Programme**

The AFI Programme is a support initiative for industrial, commercial and tourism SMES in the ACBC to reduce the financial cost of long-term operations, by means of financial aids for investing in fixed assets, formalised with the 26 financial institutions agreed with SPRI.

In this period 879 requests have been analysed, 769 of which were approved with a total subsidy awarded amounting to 10,107,040. There are 543 projects approved in industry, with 205 from commerce and 21 from tourism.

**Gauzatu Programme**

During 2006, 89 projects from the industrial and tourism sector were presented to the Gauzatu Programme, for refundable advances. As for industry and its related services, they fulfil the condition of being technology and/or innovation based. Fifty eight of the total projects presented have been approved, representing a global investment of 110,000 € (figures in thousands of euros), with 859 jobs to be generated after 3 years project development.

**Strategic Projects Programme**

Those projects aimed at promoting investments projects for industrial, logistical or connected services, classed as strategic, for which an investment in excess of 60 million euros must be made, or otherwise an investment of over 12 million euros with the creation of a minimum of 100 jobs in the space of 4 years.

In 2006, the promotion of 3 strategic projects was carried out, estimating an investment of 117.17 million euros and the generation of 259 new jobs in the period of 3 years.
**SPRI** continues to promote comprehensive **INNOVATION**, undertaking the mission for **facilitating the transformation and changing process of the Basque SMEs**, by means of executive development and the creation of a systematic innovation culture.

In this context, it encourages comprehensive, pertinent, and necessary actions, for promoting this innovating culture, based on people, favouring creativity, talent, applied knowledge, transformations and technological change, inter-company cooperation and anticipating change.

**SPRI** coordinates the promotion of innovation stressing three work lines: the first responsible for encouraging innovation in the science – technology area, where it manages the Science, Technology and Innovation Plans of the Basque Government, carrying out and applying the science-technology policies that emanate from it and offering them to the Basque business fabric.

A second work channel with the objective of contributing to a global development of the competitive improvement of Basque businesses by means of initiatives that promote a change towards innovating culture, boosting innovating surroundings, developing managerial capacities and skills and promoting innovating organisations.

Finally, and along side the previous two lines, **SPRI** encourages the implementation and used of information technologies between companies and citizens, facilitating taking on innovation in both the business fabric and society in general.
Promoción de la Innovación Tecnológica

SPRI’s Strategic Unit for Technology and Innovation has finished in 2006 the preparation of a new Science, Technology, and Innovation Plan 2010 which has signified a big effort to unite the reflections and opinions of more than 200 company, university, social organisations and public administration representatives.

On the other hand, SPRI is collaborating and has established the Technical Secretariat of the European Spallation Source Initiative, with its head office in Euskadi, if the project is developed as planned.

In the attempt to achieve the future spallation source for Euskadi, SPRI has promoted and encourages the holding of one of the initiative’s international expert group meetings “ESS, I – European Spallation Source Initiative” where our candidacy was officially presented.

In the implementation process of BIOBASQUE 2010 strategy, SPRIS’s BIOBASQUE Agency, whose objective is to develop a biosciences based business sector in Euskadi, has obtained the recognition as a bioregion by the European Union. In this way, Euskadi participates in the Council as a fully- fledged member, with the BIOBASQUE Agency.

SPRI coordinates the activity of the Eurobulegoa (instrument of promoting the participation of Basque entities in the European Union’s VII Framework Programme), and above all in the launch of the Basque Contact Points (B. C. P’s) initiative.

In the same way, the Innovation Relay Centre (IRC), the activity of which is aimed at promoting the transfer of transnational technology and the exploitation of the results of the R&D projects, has participated in different European ERANET projects. This programme encourages and starts up business R&D&i support programmes between European countries / regions, coordinating the subsidies between all of them, such as: ETRANET, in the information and communications field and EUROTRANS BIO, centred in the bioscience sector.

SPRI’s activities directed at R&D management during 2006, can be grouped in the following activities, amongst others:

- A total of 114 million euros has been managed in R&D&i subsidies. In this context, 315 proposal assessments have been made in the SAIOTEK Programme of the general research R&D projects.

  The aim of Saiotek is to finance the action plans of the scientific-technological agents integrated in the Basque Science, Technology, and Innovation Network.

- 20 extremely complex strategic research project assessments have been carried out in the ETORTEK Programme, 14 of which have been approved representing a subsidy of more than 32 million euros.

  Likewise, these projects are carried out in cooperation among several members of the Basque Science, Technology and Innovation Network and respond to a coherent set of actions where R&D activities must be accompanied by others such as high level training, dissemination, technology transfer, international cooperation, etc.

Furthermore, 1,174 assessments on R&D&i project proposal assessments from companies have been carried out under the regulations of the new GAITEK, INNOTEK and NET’s Programmes.

973 companies have presented projects to the Intek berri programme, and 735 have received support.
Other Support Activities

- Participation in the assessment of 16 university-business projects, working in cooperation with the Department of Industry, Trade and Tourist Affairs and the UPV/EHU Basque University.

- It participated in the assessment processes of 25 scientific infrastructure projects, collaborating with the Department of Education, Universities and Research of the Basque Government.

Innovation and Technology Transfer

The most important courses of action in this field are set out below in two major sections:

1. Information systems on emerging technologies, Basque Government, State and European technology programmes
   - Carrying out of 7 seminars on R&D, innovation and the spreading of European programmes, with more than 600 attendants.
   - Session presenting the “VII Framework Programme” with more than 700 attendants.
   - “Technological alerts and trends in the biosciences sector” workshop, (Stanford Research Institute).
   - Distribution of 680 SRI reports (Stanford Research Institute) focusing on emerging technologies.
   - Edition of 11 “EUROINFO” newsletters sent to 700 business contacts.
   - 19 technological company diagnoses.

2. Consultancy for of technology transfer and participation in European programmes.
   - 6 work groups have been participated in (food, automation, biotechnology, energy, and environment) in international collaboration activities. Furthermore, 431 technological offers and demands have been managed.
Innovate

Promotion of Business Innovation and Transformation

During 2006, SPRI, amongst other activities, has been dedicated to defining the Innovation Theme of the "Social Innovation Business Competitiveness Plan 2006 – 2009," in collaboration with the Basque Government’s Department of Innovation and the Information Society. This Plan is the key support for the Basque Government’s and Society’s actions to successfully face up to what is currently known as “Euskadi’s Second Big Socioeconomic Transformation.”

As a result of this definition, a work process has been undertaken with the collaboration of the main agents (Councils, Technology Centres, Development Agencies,...), aimed at developing the general action frameworks of the main strategic lines in innovation matters.

The work groups focused on the following projects: Innova Programme, Innovanet Network, Servicios Avanzados (Advanced Services) Promotion of Innovating Culture and Strategic Observatories (NABE).
The INNOVA initiative that, with the design of actions (awareness, training and implementation and tracking) and support programmes, aims to convert companies in the Basque Country into innovating organisations. This initiative will be deployed in the INNOVANET Network. This network is made up of institutions and organisations that work on the promotion of innovation and will be deployed all over the Basque Country, bearing in mind the specificity of the three historical territories.

It has also worked in the conceptualisation of the future Basque Innovation Agency, key to increasing the cohesion and interaction of the Basque Innovation System.

In the Euskadi Aprende (Euskadi learns) framework, a work group has been promoted and coordinated that tackles the analysis of company specific training needs.

As for the Gestores Excelentes (Excellency Agents) initiative, the design of the “Management Excellency Programme” has been worked on aimed at developing the skills and capacities of executives and defining their competence maps.

SPRI has participated in the launching of the Basque Competitiveness Institute in collaboration with the University of Deusto and in cooperation with the Harvard Institute of Competitiveness.

A new edition of the Course of Business Competitiveness and Regional Development has been launched in collaboration with the Universities of Harvard and Deusto, which is now managed by the Basque Institute of Competitiveness.

The creation of the International Observatory for Strategic Innovation (NABE) is worthy of mention, that collaborates with UNITAR (UNO) in the development of training activities for local authorities in NITC matters, the development of the Local Digital Agenda and the Management of the IT4ALL Worldwide Network.

Moreover, SPRI is a member of the United Nations Global Alliance for ICT and Development, an initiative launched from the ECOSOC (Economic and Social Council of the United Nations).

Furthermore, SPRI is a member of the ERISA, European Regional Information Society Association, Management Committee, whose annual conference, IANNIS + 2007, will be held in Bilbao in June 2007.
Promotion of the Information Society

SPRI encourages and promotes the uses of the Information and Communication Technologies (ICT) on behalf of companies, citizens and the administration, the latter in its double role as users and suppliers of services and contents.

The following is the most noteworthy information throughout the year:

**IT Txartela**

The certification issued with this programme has been authorised and recognised by different public and private entities such as the IVAP, the Vizcaya County Council, some City Councils, Confebask, etcetera.

During this year, 74,400 people have been examined, and 38,773 have been certified.

**Hobeki Digitala programme**

This programme encourages the preparation and implementation of *Information and Communication Technologies* (ICT), in Basque companies.

During 2006, the Hobeki Digitala Programme has received 1,546 projects, 977 of which have been managed and approved for supporting the implementation of management tools in the ICT field.

**Enpresa Digitala Centres**

The Enpresa Digitala initiative offers the necessary support to Basque professionals and entrepreneurs for improving their knowledge and application of ICT in their businesses as a source of competitive advantage. The Enpresa Digital Centres are used to this end providing the necessary support for awareness, training and complementary activities that belong to the Enpresa Digitala initiative: Lecture rooms, library, project room…

**Activity summary**

<table>
<thead>
<tr>
<th>Enpresa Digitala</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information sessions, courses and seminars</td>
<td>211</td>
</tr>
<tr>
<td>Attendants</td>
<td>6,677</td>
</tr>
<tr>
<td>Tutoring of projects</td>
<td>7</td>
</tr>
</tbody>
</table>
KZ Wifi
This year WIFI deployment has been consolidated in Euskadi with 732 points; the deployment of wireless connections in the University of the Basque Country has been finalised, generating 106 public spaces in 53 buildings in the University itself.

KZ Mikroenpresak
More than 29,000 self-employed persons or micro companies joined this programme, compared to 153,315 registered in Euskadi.

During 2006, 2,829 requests were presented by self-employed persons and micro companies, including support and purchase of computers, Internet connection, and the purchase of hardware and/or antivirus software licences.

KZ Lankidetza Programme
The projects it promotes are directed at the development and introduction of ICT projects in business associations, official schools, and entities that group together large collectives in general.

The requests received in 2006 reached 79 projects.

KZ Remote Backup Programme
This programme establishes support measures to promote making remote safety copies –and via Internet-, the data stored in the computers in small companies.

79 requests were presented in 2006, making presented during the period from the start of the programme in September 2005.

Mikroenpresak Formación Prestakuntza Programme
The Programme KZmikroempresak Formación Prestakuntza, attempts to facilitate – backed up by the KZ- Gunea public Internet access centres, in infrastructures and personnel - the adaptation process of the Basque micro companies to the digital economy, and becoming a role model for micro SMEs and the self-employed in training services directed at their incorporation in ICT.

During 2006, 752 courses were given with 2,986 attendants.
Internationalise
In tune with the challenges and strategic lines defined in the *Business Competitiveness and Social Innovation Plan 2006-2009* for successfully competing in the global economy, **SPRI** undertakes the mission of contributing to the internationalisation of Basque companies promoting their international standing as an *essential factor defining their level of competitiveness*, and as the key for strengthening growth and their innovating and entrepreneurial capacity.

Likewise, it contributes to strengthening the *expansive vocation* of the companies, individually and by means of competitive associations and business groups, at the same time as devoting its efforts in training *individuals* with a market international profile.

Throughout 2006, SPRI has carried out a series of actions aimed at fulfilling these objectives, which are summarised below.
Internationalise

Information and Awareness Events

- Organisation with the Internationalisation Office of a Presentation Session of the programmes and support to the internationalisation of the Biotechnology sector (BIOBASQUE), with the attendance of representatives from ten firms.

- Organisation with the Internationalisation Office of a Presentation Session of the programmes and support to the internationalisation of the Audiovisual sector (Eiken Cluster), with the attendance of representatives from a dozen firms.

- Session in each of the three territories (Bilbao, San Sebastian and Vitoria) titled ESTRATEGIAS DE INTERNATIONALISATION, UNA VISIÓN PARA LA ACCIÓN (Internationalisation strategies, a perspective for action), with the participation of several Basque companies presenting their experiences in this area.

- Sessions of the CICLO RETOS DE LA INTERNATIONALISATION (Internationalisation challenges cycle) on: “The figure of the local partner in internationalisation”; “Expatriation: send ones own executives or contract local personnel”; “Advantages and disadvantages of commercial and productive establishments,” and “The consortium as an internationalisation tool”.

- Session on the Automotive Sector in Hungary, with the participation of executives from AUDI and SUZIKI.

- Meeting in SPRI with the Brazilian Ambassador and Commercial Counsellor in Spain with Basque companies investing in this country.

- Session on Investment Opportunities in Morocco, with the presence of the Moroccan Minister of Industry.
Overseas Network

SPRI offers Basque companies its team of professionals and its Overseas Network in more than 25 countries, to facilitate both commercial access to these markets, by means of searching for distributors and other commercial structures, such as market introduction, providing local support and advice on relevant matters.

In this sense, in 2006, Basque companies have entrusted us the carrying out of 208 projects, representing an increase of 24% compared to 2005, with the carrying out of 168 projects.

This year, SPRI has also provided collaboration to Basque companies in more than 460 matters related to different aspects regarding both the introduction of their products in foreign markets and their introduction in the markets. This figure represents an increase of 20% compared to 2005, where it collaborated in 400 specific services.
On the other hand, SPRI’s Section for Internationalisation has also developed this year a series of actions directed at strengthening and extending its Overseas Network, amongst which the incorporation of new collaborating agents can be highlighted in Romania, Vietnam, Russia, France and Italy. Likewise, the procedure for opening a permanent SPRI office in India has started, which is a country in which SPRI has been present for several years with one agent.

Furthermore, the strategic commitment to strengthening Basque commercial and productive presence in the area of Lower Silesia has allowed for starting up the EUSKARRI-Basque Business Platform in Wroclaw –Lower Silesia (Poland), a new type of permanent structure, complementary to the current SPRI Overseas Network.

SPRI promotes in the countries in which its Permanent Overseas Network is present meetings with representatives from Basque companies situated there, amongst which the following can be highlighted in 2006: Mexico, Brazil, USA, Cuba, Chile, Poland (Lower Silesia), China. The aim of this action is to contribute to the cohesion of a Basque business community abroad and facilitating the creation of personal and professional relationships amongst the executives of their subsidiaries, so creating a channel for sharing experience and knowledge on the respective markets, improving their activities in them.
Euskadi Intergune - 2006

A new initiative has been started up this year to offer Basque countries SPRI’s work in the countries it is present in with its Overseas Network, as well announcing their market reality and potential. This is the first EUSKADI INTERGUNE in which 193 companies have participated with 423 interviews with SPRI representatives situated in more than 25 countries.

On the other hand and in the interinstitutional field, this year SPRI has developed different actions receiving the visits of more than ten foreign delegations that have been presented with the potential of the Basque business fabric.

SPRI has actively participated throughout 2006 in the Basque-Cuban Mixed Commission, in the EURBEST work meetings, in Sardinia, Bologna and Brussels, and in the Management Board of the European ADR Network, EURADA.
The **SPRI Group’s investee companies** are irreplaceable tools for facilitating the access of Basque companies to resources such as: infrastructures, financing, counselling, training, accompaniment, location and cooperation, necessary for **ESTABLISHING AND GROWING, INNOVATING AND INTERNATIONALISING** in the strategic horizon of looking for success in the new competitive and wellbeing context.

The most relevant activities and results in throughout 2006 are described below, for each of the investee companies in this order:

Gestión de Capital Riesgo del País Vasco, S.G.E.C.R., S.A.
Red de Parques Tecnológicos.
SPRILUR, S.A.
Centros de Empresas E Innovación, CEIS.
This company’s function, in which SPRI has a majority stake, is to create and manage risk, with which to take minority temporary stakes in the capital of new or expanding companies, without official stocks, which are neither officially quoted nor financial institutions, with a viable and forward-looking business project.

During 2006, the Sociedad Gestión de Capital Riesgo del País Vasco has developed a group of activities directed at fulfilling the activity it was created for, at the heart of a new competitive context, based on the strategic keys defined in the framework of the Business Competitiveness and Social Innovation Plan 2006 – 2009.

These activities have included the following processes:

• Attracting and gathering assets and the creation of entities.
• Study and selection of business projects.
• Diversified investment of the assets administered.
• Control and monitoring of investments and support for the management of investee companies.
• Disinvestment through sale of shareholdings.
Results
These activities have produced the following results during 2006:

<table>
<thead>
<tr>
<th>Enquiry/Project</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enquiries received and trade visits made</td>
<td>134</td>
</tr>
<tr>
<td>Projects analysed</td>
<td>21</td>
</tr>
<tr>
<td>Projects approved</td>
<td>16</td>
</tr>
<tr>
<td>Total amount of approved investment (thousand euros)</td>
<td>11,600</td>
</tr>
<tr>
<td>Investment projects materialised</td>
<td>9</td>
</tr>
<tr>
<td>Total amount of materialised investments (thousand euros)</td>
<td>5,766</td>
</tr>
<tr>
<td>Disinvestment projects materialised</td>
<td>8</td>
</tr>
<tr>
<td>Total amount of materialised disinvestment (thousand euros)</td>
<td>2,382</td>
</tr>
</tbody>
</table>

The entities managed by S.G.E.C.R., S.A., as of December 2006 are:

<table>
<thead>
<tr>
<th>Entity</th>
<th>Specialisation, Managed Capital and Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ezten.- Capital Risk Fund</td>
<td>Investment in companies in start-up, orientation, during the first three years of life. Participants: SPRI 80.46% y Basque Gov. 18.71% Guipuzcoa County Council 0.83%.</td>
</tr>
<tr>
<td>Suztapen. Capital Risk Fund.</td>
<td>Investment in consolidated or developing companies. Participants: SPRI 47%, Financial Entities 50.60%, Others 2.40%</td>
</tr>
<tr>
<td>Elkano XXI. Capital Risk Fund.</td>
<td>Investment in technology companies. Participants: SPRI 21.90%, Basque Government 15.73%, Financial Entities 41.79%, Others 20.58%</td>
</tr>
<tr>
<td>Investment in Digital Companies.</td>
<td>Investment in innovative companies with intensive and extensive use of new information technologies. Participants: Basque Government 100%</td>
</tr>
<tr>
<td>MCC Desarrollo SPE, S.A. Sociedad de Promoción de Empresas.</td>
<td>Participation in developing companies related to the MCC group. Participants: SOCADE 30%, MCC Investments 21%, Financial Entities 46.50%, Others 2.50</td>
</tr>
<tr>
<td>MCC Promoción Empresarial SPE, S.A. Sociedad de Promoción de Empresas.</td>
<td>Participation in developing companies related to the MCC group. Participants: SOCADE 20%, MCC Investments 16%, Financial Entities 62%, Others 2%</td>
</tr>
<tr>
<td>MCC Innovación SPE, S.A. Sociedad de Promoción de Empresas.</td>
<td>Participation in companies with a high technology and/or innovative content related to MCC group. Participants: SOCADE 49.44%, Caja Laboral 49.44%, MCC Investments 1.12%</td>
</tr>
<tr>
<td>Socade, S.A. Sociedad de Capital Desarrollo.</td>
<td>Participation in the capital of large projects considered strategic for the Basque Government. Participants: Basque Government 40%, County Councils 60%</td>
</tr>
</tbody>
</table>
Results

The shareholder structure of Gestión de Capital Riesgo del País Vasco, S.G.E.C.R., S.A., as of December 2006 is:

<table>
<thead>
<tr>
<th>Entity</th>
<th>Investee Companies</th>
<th>Portfolio of Holdings (*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spri, S.A.</td>
<td>32</td>
<td>26,882</td>
</tr>
<tr>
<td>Bilbao Bizkaia Kutxa</td>
<td>9</td>
<td>19,033</td>
</tr>
<tr>
<td>Gipuzkoa eta Donostiako Kutxa</td>
<td>4</td>
<td>2,026</td>
</tr>
<tr>
<td>Araba eta Gasteizko Aurrezki Kutxa</td>
<td>2</td>
<td>11,618</td>
</tr>
<tr>
<td>MCC Inversiones SPE, S.COOP</td>
<td>5</td>
<td>3,267</td>
</tr>
<tr>
<td>Viana SPE, S.L.</td>
<td>10</td>
<td>64,556</td>
</tr>
</tbody>
</table>

The most significant figures regarding the entities, as of December 2006 are:

* In thousands of euros.
The Basque Country Technology Park Network - Alava, San Sebastian, and Bizkaia - has closed 2006 with 328 companies employing 11,954 persons with a turnover reaching 2,648 million euros.

The Bizkaia Technology Park has 182 companies employing 6,405 workers and with a turnover of 1,790 million euros. 29 companies have joined this park during 2006. There are 94 companies located in the Alava park employing 2884 professionals, 8 of these in the last year. Finally, 52 companies are in the San Sebastian Park at the end of 2006, with a workforce of 1705 and a turnover of 333 million euros, 6 of which belong the year ended.

The activities developed by the parks’ professionals are related in 36% of the cases to information and communications technologies, in 16% to aeronautics. Technology centre personnel stand at another 16%, and another significant fact is the progressive growth of professionals related to the biosciences, which currently stand at 6%.

The Technology Park’s occupation levels represent 71% at the end of 2006. The highest rate corresponds to Vizcaya with 99%, the Alava and San Sebastian Parks stand at around 45%.

Other activities developed throughout 2006 in each of the parks are:

**Bizkaia Technology Park**

- The largest investments were aimed at continuing the building of a new multi-company building and the start of the construction of two new buildings, one for renting out to companies and including a shopping centre, and another aimed at a new technologies interpretation centre. Additionally, the fitting-out of specialised premises and installations has been worked on.

- Maintenance of a high degree of use of the common services, with approximately 1,200 meetings, with facilities used both by companies located in the Park and outside it, as a meeting place for courses, seminars, sessions and conventions of high scientific and technical interest.

- Intensification of the support to business cooperation and collaboration actions with the University of the Basque Country, so attracting a third consolidated research group from the University (UPV/EHU - Microelectronics Department), for it to develop research work in the Park. It has also provided support in the creation of new technology based companies, continuing with the IZARTEK initiative and the real start-up of a bio-incubator (BIOKABI), which has had two business projects in the pre-incubation phase and four more in the incubation phase in modules with a laboratory fitted-out for that purpose.

- Consolidation of the AISIATEK recreational-cultural association, established for integrating leisure and work generating a bonus for the workers in this Technology Park.

- Lastly, the events celebrating the XX Anniversary of the Bizkaia Technology Park held throughout the year can be highlighted.
Alava Technology Park

- Actions linked to promoting innovation and support to the transfer of knowledge and technology between the different technology agents, information and technology transfer sessions have been continued.
- The “SEKPARK” project has been developed aimed at promoting the energy sector that already has an important presence in the Park which is intended to contribute to creating new synergies and infrastructures. The project has included the start up of innovating initiatives such as the successful “International Meeting on Renewable Energies, E. E. R.’06”.
- It has participated in the State “Study of the Socioeconomic Impact in the Science and Technology Park Setting”.
- Completion of the pending urban planning work in the Technology Park, following the guidelines detailed in the fifth and final modification of the Partial Plan, with 229,000 m² of developed area available for sale.
- First phase of the land purchase project to proceed to extending the Alava Technology Park. These activities start the long extension process of the Technology Park, which will be concluded in 5 years with the start of the urban planning work.

San Sebastian Technology Park

- Completion of the formal transmission process of the plots belonging to the City Council of Donostia – San Sebastian, which with the Agreement and the MPGOU (Modification of the General Town Planning Organisation Plan), jointly promoted by the City Council of Donostia-San Sebastian and the Technology Park, will be owned by the latter, so increasing the building capacity by around 52,000 m².
- Carrying out an ideas contest for developing plots A1 and A2 in Torres de Arbide and the construction of the first construction nucleus of 5,500 m², as well as the development of the surroundings, the start of the development work of plots A1 and A2, and the start of the construction work of the first construction nucleus.
- The Park infrastructures enabled the holding of congresses, seminars, presentations and conferences in its Central Building, with a total of 328 events attended by more than 23,287 persons.
- Affiliation of the Technology Park in the IRIS Network (National Academic and Research Network sponsored by the National R&D&i Plan and managed by Red.es), and the I2BASK networks (An academic network aimed at providing the backbone of the R&D&i community in the Basque Country, providing telecommunications infrastructures and ICT services to the Basque Science and Technology Network’s agents).
- Participation in and promotion of the Technology Transfer Network (R. T. T.) The R. T. is a network made up of more than 800 companies from the whole of Spain, with the aim of supporting the establishment and development of cooperation projects between the SMEs and the economic driver companies located in the Science and Technology Park settings.
SPRILUR, S.A.

Since its set-up, the Basque Government via SPRI, S.A. carries out the promotion of land and industrial premises, although SPRILUR, S.A. was created in 1995 as an instrument to widen the public offer of urbanised land, industrial premises and offices in the three historical territories of the Autonomous Community of the Basque Country.

In summary: it guarantees access to industrial land, industrial buildings and offices in our Autonomous Community and provides newly created or existing companies who want to move the opportunity for locating in suitable industrial estates and land to improve their competitiveness. With its activity, it allows for the promotion and encouragement of the expansion of all companies and the creation of jobs in the Basque Country.

SPRILUR, S.A., since its creation, it has made 66 Industrial Estates available for Basque companies in the three historical territories. The grouping of these industrial areas is different depending on the way they are managed: 40 directly managed, wholly owned industrial estates and 26 indirectly managed, industrialdeak (22 majority stake and 4 minority stake).

SPRILUR, S.A.’s shareholding structure as of December 2006 is as follows: SPRI, S.A. 88.60% and the BAC Administration 11.40%.
SPRILUR, S.A.

During the last financial year, SPRILUR, S.A. focused its activity on the enlargement of existing industrial estates and of the preparation of new industrial areas. Furthermore, the industrial infrastructure projects for the regeneration of disadvantaged areas approved by the different public Institutions in previous financial years were fulfilled.

2006 has been characterised by the continuing work on and finalisation of a large number of Industrial Estates

In this sense, examples of this are the urbanisation work in the S.A.P.U. Industrial Bildosola – Auzenea Industrial Estate in Artea, in which a total of 70,188 m² in privatisable industrial plots has been made available to customers, and the practical finalisation of the urbanisation work of the Goitondo Beheko Lau Industrial Estate in Mallabia, in which 30,728 m² of privatisable industrial plots are managed.

Along the previously mentioned lines of providing greater added value to companies, during 2006 SPRILUR has developed the construction of the plot Z-2 with an occupation of 25,154 m² in the Egiburuberrri Industrial Estate in Errenteria; a construction project for 18 companies, combining forces and coordinating the needs for everybody in one project.

Furthermore, during 2006, steps have been taken (finalised or still ongoing) that will signify the purchase of land in new locations in the range of 1,439,936 gross m².

SPRILUR, S.A.

Wholly owned industrial estates

SPRILUR invested a total of 31,982 thousand euros in 2006, distributed as follows:

<table>
<thead>
<tr>
<th>Thousand euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Investment</td>
</tr>
<tr>
<td>Investment in Wholly Owned Industrial Estates</td>
</tr>
<tr>
<td>· Disadvantaged areas (Banks of the River Nervión / Pasajes Bay):</td>
</tr>
<tr>
<td>· Others</td>
</tr>
</tbody>
</table>
The investment of **28,982 (in thousands of euros)** is made in wholly owned industrial estates, aimed at the extension of industrials spaces preferably in disadvantaged areas of strategic industrial interest.

To this end, a total of 1,070,688 m² urbanised managed land is available, of which more than 980,680 m² is being used by 568 companies that directly employ 8,468 workers.

The following chart shows the surface area and occupancy figures for 31 December 2006, as well as investments by Historical Territory carried out by SPRILUR in 2006:

<table>
<thead>
<tr>
<th>Companies</th>
<th>Jobs</th>
<th>Gross m²</th>
<th>Plots m²</th>
<th>Industrial Premises m²</th>
<th>Office Space m²</th>
<th>Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Araba</td>
<td>27</td>
<td>231,386</td>
<td>142,694</td>
<td>8,832</td>
<td>-</td>
<td>1,928</td>
</tr>
<tr>
<td>Bizkaia</td>
<td>441</td>
<td>1,497,325</td>
<td>485,950</td>
<td>55,313</td>
<td>36,377</td>
<td>7,775</td>
</tr>
<tr>
<td>Gipuzkoa</td>
<td>100</td>
<td>1,342,659</td>
<td>442,044</td>
<td>9,249</td>
<td>854</td>
<td>19,279</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>568</strong></td>
<td><strong>3,071,370</strong></td>
<td><strong>1,070,688</strong></td>
<td><strong>73,394</strong></td>
<td><strong>37,231</strong></td>
<td><strong>28,982</strong></td>
</tr>
</tbody>
</table>

Employment figures

<table>
<thead>
<tr>
<th>Companies</th>
<th>Jobs</th>
<th>Gross m²</th>
<th>Plots m²</th>
<th>Industrial Premises m²</th>
<th>Office Space m²</th>
<th>Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Araba</td>
<td>182</td>
<td>234,336</td>
<td>94,575</td>
<td>5,833</td>
<td>5,798</td>
<td></td>
</tr>
<tr>
<td>Bizkaia</td>
<td>213</td>
<td>1,043,079</td>
<td>146,791</td>
<td>6,994</td>
<td>9,857</td>
<td></td>
</tr>
<tr>
<td>Gipuzkoa</td>
<td>996</td>
<td>2,774,549</td>
<td>473,217</td>
<td>83,246</td>
<td>8,849</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,391</strong></td>
<td><strong>4,051,964</strong></td>
<td><strong>764,259</strong></td>
<td><strong>96,073</strong></td>
<td><strong>24,504</strong></td>
<td></td>
</tr>
</tbody>
</table>

**SPRILUR, S.A.**

**Industrialdeak Companies**

The next table shows surface and occupancy figures concerning the industrial estates managed by the Industrialdeak companies in which SPRILUR, S.A. has a majority stake.

<table>
<thead>
<tr>
<th>Companies</th>
<th>Jobs</th>
<th>Gross m²</th>
<th>Plots m²</th>
<th>Industrial Premises m²</th>
<th>Office Space m²</th>
<th>Investments</th>
</tr>
</thead>
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<tr>
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<td>182</td>
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<tr>
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<td>213</td>
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<tr>
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<td><strong>96,073</strong></td>
<td><strong>24,504</strong></td>
<td></td>
</tr>
</tbody>
</table>
The investments made by the companies in which SPRILUR had a majority stake during 2006, stood at 24,504 (in thousands of euros); the most significant amounts corresponding to:

**Zuatzu Enpresa Parkea**

Conclusion of the building work of offices and car parks in San Sebastian, in the Zuatzu business park, as well as the development of the entire park, which would signify a construction of 12,756 m² in occupation and 22,155 m² for building.

**Arratiako Industrialdea**

In Artea, Arratiako Industrialdea, S.A. has purchased land to build 3 modular industrial premises buildings with 13,031 m² in occupation on a surface area of 17,855.06 m².

**Aiara Haraneko Industrialdea**

In the Maskuribai Industrial Estate in Amurrio, Aiara Haraneko Industrialdea, S.A., has concluded the building work of industrial premises with an occupation of 13,404 m².

**Mallabiako Industrialdea**

In Mallabia, Mallabiako Industrialdea, S.A., has purchased a developed plot in the Goitondo Beheko Lau Industrial Estate, for modular industrial premises with 13,827 m² in occupation.

**Oarsoaldeko Industrialdea**

In Pasaia, a novel project has been started in the Navaladea Industrial Estate, consisting in the contracting of a surface area of approximately 25,000 m² to the Pasaia Port Authority, for the construction of industrial premises and a building for parking.

**Okamikako Industrialdea**

In Gizaburuaga, the pending complementary works in the Okamika II Project have been finished, with 4,574 m² more for a project which is already being consolidated, and in 2007 it will continued with the Okamika III.

These projects have included the highest percentage of investment in the year. The rest of the investment has been concentrated in the start up of projects in Lautadako Industrialdea (offices in Jundiz), Busturialdeko Industrialdea (land purchases in Muxika for the future development of industrial premises), in Urola Erdiko (identical to the former case) and in Urduñako Industrialdea (land development for construction).

These investments will lead to increases compared to 2005 in employment and installed companies of 205 and 48, respectively.

Other SPRILUR Group Companies have been preparing projects during 2006 aimed at starting works in 2007, such as Zarautzko Industrialdea in the Irita Industrial Estate (industrial premises and offices in Zarautz), TAILS in Apattaerreka (industrial premises and offices in Tolosa on their already developed own land), and Deba Beheko in Mijo (industrial premises in Mutriku).
Business and Innovation Centres, CEIS.

SPRI uses as a business tool, amongst others, the Business and Innovation Centres –BICs- aimed at developing a company creation policy, mainly technologically and/or innovation based, promoting awareness of potentially entrepreneurial collectives, and the attainment of new product or activity ideas to diversify the industrial fabric.

It is in this context where the Business and Innovation Centres collaborate in the management and tutelage of the specific entrepreneurial programmes started up from SPRI, such as Ekintzaile and Barnekintzaile, also supporting them with project tutelage, search for funding, assignment of premises, ….

Amongst the activities carried out by the Berrilan BIC and CEIA are those related to the encouragement and support to the Enpresa Digitala Gipuzkoa and Alava initiative, respectively.

Business and Innovation Centres, CEIS.

The work carried out by the BIC during last year is as follows:

Training and motivation

CEIA
In the framework of the collaboration with the Basque Country University Alava Campus, dissemination activities have been carried out in 6 Faculties.

They have participated in 26 specific forums on entrepreneurship. Course on the creation of companies have also been organised with a participation of 150 students.


BIC Berrilan
15 awareness sessions have been carried out for entrepreneurs in the Guipuzcoa University Campus and 12 training seminars have been developed both in the UPH/EHU and TECNUN Campus. Likewise, the "De la Tecnología al Mundo Empresarial" (From Technology to the Business World) course was given with 38 attendants. At the same time two prizes have been awarded to entrepreneurs such as the "Premio Manuel Laborde" with 9 projects and the "Premio Toribio Echevarria" with 19 projects.

Saioalan
We can distinguish between the 54 awareness actions carried out with approximately 1,315 attendants and training actions with 10 courses and 243 attendants.
**Centros de Empresas e Innovación, CEIS**

**CEDEMI**

**OPEA-INEM Programme:** During 2006, 450 unemployed have passed through the CEDEMI installations from the Left Bank, who have received individualised treatment and guidance for employment and self employment.

**Occupational Training Course:** During March, April and May the “Specialist for Administration Departments” lasting 150 hours in CEDEMI’s installation attended by 12 unemployed persons.

**Innovation Sessions:** Sessions “La innovación como valor para el incremento del emprendizaje y de los factores competitivos de las empresas” (Innovation as value for increasing entrepreneurship and the competitive values of companies), aimed at companies in the region with 200 attendants.

**KZ- Gunea:** CEDEMI’s installations have a KZ- Gunea centre that provides training in new technologies to the inhabitants of Baracaldo. In 2006, 349 new users have registered in this centre, totalling 1,300 users. Lastly, 93 new courses have been given.

**Projects advised**

**CEIA**

It has helped in the drawing up of 21 feasibility plans corresponding to the Araba Empresa Digitala Prize for ideas or projects related with ICT.

Moreover, it has been in charge of the development of 15 projects located in the Sala de Emprendedores (Entrepreneurs Room) and another 9 feasibility projects must be added for the new companies that have been installed in CEIA.

As regards activities with the UPV, it is working on the definition of 13 new business ideas providing support in the tutelage for carrying out the feasibility plan in all of them.

**BIC Berrilan**

Support was provided for 21 feasibility studies to be carried out for the starting up new activities and 18 for developing existing companies.

**Saiolan**

26 feasibility studies have been developed, and 15 market research studies and 6 product development projects have received advice.

**CEDEMI**

A total of 85 potential new company projects and existing company development programmes have been dealt with.

**Created and located companies**

**CEIA**

During 2006, 9 technology based innovating companies have been created with 43 direct jobs generated. 15 projects incubating prior to being established, made up by 32 entrepreneurs, must be added to these figures.

The companies located in CEIA’s installations amount to 30 with 139 direct jobs, representing 96% of the total occupation.

**BIC Berrilan**

15 companies have been established in 2006 with an estimated employment in 3 years of 137 workers and an investment level around 7 million euros.

**Saiolan**

12 new companies have been created. 5 companies are located in the SAIOLAN nursery with an occupation of 70%.

**CEIA**

19 new companies have been established and there are currently 30 in the centre’s nursery with an occupation rate of 79%.

**Other activities**

**CEIA**

Various cooperation projects have been participated in, both locally and nationally (write-ask for these projects):

Plan de Cooperación ANCES
Bioances, EIBT’s,…
Campus Emprende AGUDEZIA
University of the Basque Country
Spin Off – Knowledge Transfer  
Collaboration of: Alava Tech. Park – UPV and CEIA  

**BIC Gipuzkoa Berrilan**  
Work sessions have been developed both with 5 technology centres (CIDETEC, VICOMTECH, CEIT, FATRONIK AND TEKNIKER) and with different companies and groups, CAF, Sistemas Electrónicos IKOR, IKUSI, Grupo ULMA , MCC and MAIER being the most relevant.  
Likewise, the work plan with the OTRI - UPV has been started up aimed at going into the details of the exploitation process of university results in depth.  
It has participated in and led line 8 of the GIPUZKOAIN BERRITZEN project.  

**Saiolan**  
Special projects in collaboration with Brazil’s Landless Worker’s Movement (MST) corresponding to: Rural Tourism Network in MST settlements, Biodiesel (plantations and processing and dairy products  

**CEDEMI**  
Participation in the County Council of Vizcaya’s PAREKATUZ Programme regarding equal opportunities in the “ESPACIO 4” aimed at promoting, fostering and supporting the knowledge, development and application of gender equality management in organisations. Participation in the ZERO TALDEA group which collaborates with the Association for the Revitalisation of Metropolitan Bilbao (Bilbao Metrópoli 30) aimed at defining strategic values for positioning the metropolitan area in the context of the most advanced and competitive European areas.
In this section, we include data corresponding to the society as a whole that are not considered as operational activities. Thus, we include data regarding **SPRI’s share capital** as of December 2006, the members of the company’s **board of directors** and finally a review of the work carried out throughout 2006 in coordination with the **Company’s Quality Control System** in accordance with international ISO 9001:2000 standards.

### Composition of the Social Capital of SPRI, S.A.

<table>
<thead>
<tr>
<th>Entity</th>
<th>2005 Amount</th>
<th>2005 %</th>
<th>2006 Amount</th>
<th>2006 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hacienda General del País Vasco</td>
<td>193,404,900</td>
<td>97.90</td>
<td>208,012,500</td>
<td>98.05</td>
</tr>
<tr>
<td>Bilbao Bizkaia Kutxa</td>
<td>2,145,600</td>
<td>1.09</td>
<td>2,145,600</td>
<td>1.01</td>
</tr>
<tr>
<td>Gipuzkoa eta Donostiako Kutxa</td>
<td>1,454,600</td>
<td>0.74</td>
<td>1,454,600</td>
<td>0.69</td>
</tr>
<tr>
<td>Araba eta Gasteizko Aurrezki Kutxa</td>
<td>537,900</td>
<td>0.27</td>
<td>537,900</td>
<td>0.25</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>197,543,000</td>
<td>100</td>
<td>212,150,600</td>
<td>100</td>
</tr>
</tbody>
</table>
Board of Directors

Chairwoman:
Her Excellency Mrs. Ana Aguirre Zurutuza

Vice President:
His Excellency Mr José Ignacio Zudaire Arana

Board Members:
Mr Jesús Alberdi Areizaga
Mr Alberto Alberdi Larizgoitia
His Excellency Mr. Ricardo Barainka Barainka
Bilbao Bizkaia Kutxa, Aurrezki Kutxa eta Bahitetxea, represented by Mr Fernando Irigoyen Zuazola
His Excellency Mr Juan Miguel Bilbao Garai
Caja de Ahorros de Vitoria y Alava - Araba eta Gasteizko Aurrezki Kutxa, represented by Mrs Mª Teresa Crespo del Campo
Caja de Ahorros y Monte de Piedad de Gipuzkoa y San Sebastian-Gipuzkoa eta Donostia Aurrezki Kutxa, represented by Mrs. Rosa Mª Leal Sarasti
Mr Ignacio Mª Echeberria Montebarria *
His Excellency Mr Rodrigo García Azurmendi
Her Excellency Mrs. Koro Garmendia Galbete
Mr Alejandro López Carcamo **
His Excellency Mr Jesús Antonio Monreal Cia
His Excellency Mr Carlos Samaniego Pérez
His Excellency Mr José Ignacio Tellechea Fernández
His Excellency Mr Joaquín Villa Martínez
Mr José Guillermo Zubia Guinea

Non Advisory Secretary:
Mr Enrique Marco-Gardoqui Ibañez

Managing Director:
Mr Mauri Lazkano Brotóns

Legal Advisor:
Mr Gabriel de Mariscal Serrano

* Mr Josu de Lapatza Uriola (up to 30 March 2006)
** Mr Jesús Maria Goiri Basterra (up to 30 March 2006)
Quality System

The Quality Committee, the maximum decision-making body on Quality-related matters, met on seven occasions in 2006, in which, in addition to making decisions affecting the control and monitoring of the system, modifications to 13 procedures were approved, on the one hand arising from internal audits, and on the other, from the internal procedure simplification and speeding up process carried out during this year.

With regard to participation by Company personnel in improvement processes, 40 suggestions for improvement were presented, 62% affecting internal processes, 16% External Communications and 5% Internal Communications, 11% to areas related to individuals and labour relations and the remaining 5% to different subjects.

As a result of the internal audits carried out on the System, 34 corrective actions were considered and the corrections implemented to deal with the non-conformities detected.

The external audit carried out by AENOR (Spanish Association of Standardisation and Certification) took place in the middle of March, which was passed successfully. Therefore, the four certificates obtained by the Company, in accordance with ISO 9001:2000 standards, are:

- The Design and Providing of the Business Management Innovation and Improvement Project Analysis Service for the granting of public aid. (Hobeki Digitala Programme)
- Providing support services for activities carried out by Basque companies in order to facilitate their access to international markets. (Exclusion from chapter 7.3 “Design and development” of the UNE-EN-ISO 9001:2000 Standard)
- Providing the Investment Project Analysis Service with a view to the granting of public subsidies (GAUZATU AND EKINTZAILE Programmes)

On the other hand, SPRI, S.A. has awarded the best supplier prize for 2006 to TECNALIS, and the best customer prize to FAGOR EDERLAN, S.COOP. This award is included in the activities carried out in SPRI in Quality related matters. This collaborating company appraisal is worthy of mention due to its innovating character in the management of public service company organisations: The public recognition of the customers and suppliers who have most worked with SPRI in the improvement of their services.
All the work carried out by SPRI in 2006 has represented, without a doubt, the consolidation of the global transformation phase started as a consequence of the strategic reorientation of this Company, resulting from the guidelines specified by the new Business Competitiveness and Social Innovation Model, defined by the Department.

This consolidation has represented carrying out a well-guided and productive effort -which is now more directed at offering services than direct subsidies- in the active promotion of innovation, entrepreneurship, and growth and the internationalisation of our companies. These are key concepts, which lead to obtaining and maintaining competitive success.

So saying, it is here where I have to, and am extremely pleased to do so, briefly analyse the past year, doubly significant for SPRI.

On the one hand, we have celebrated our 25th anniversary at the service of Basque companies. This milestone has received the media coverage it deserves, and has been celebrated with the workers, companies, and institutions that have made it possible for SPRI to be the model for other similar entities in the rest of the State.

On the other hand, coinciding with this important commemoration, the State Association of Development Agencies have celebrated their annual meeting in San Sebastian. In this meeting, more than 100 representatives shared experiences and saw in situ the work being carried out by SPRI as the promoter entity of the innovation, entrepreneurship, internationalisation, and growth of our companies.

Already amongst our current strategic work lines, I have to mention the following promotional activities INNOVATION area:

In Technological Innovation, SPRI’s organisation of the meeting in Bilbao of the European representative experts who will decide on where to locate the headquarters for European Spallation Source, attended by the head authorities of our country.

Also in this context, the Presentation of the VII Framework Programme, which brought together all the agents and companies linked to the Basque Science, Technology, and Innovation Network. In this session, the way to access subsidies and European projects that can have an impact on improving their competitiveness was transmitted to the Network and companies committed to the promotion of R&D.

In the Information Society, the 5th edition of the e-business Global Conference organised by SPRI, has consolidated the event as the meeting point for successful e-business experiences. More than 500 companies debated “Profitable Innovation.”

In the same way, a special effort has been made in bringing our professionals and companies closer to a large number of internationally
prestigious speakers such as: Tim O'Reilly, Chris Anderson, Pekka Himanen, Luigi Valdés, amongst others.

Meanwhile, also in 2006, our entrepreneurs have had two new programmes directly linked to the promotion, ENTREPRENEURSHIP and GROWTH of our SMEs: AFI and Sucesiones. Both were divulged in the three historical territories with, thanks to SPRI’s actions, the support, and collaboration of employer’s organisations and chambers of commerce.

Likewise, in this promotion context, but directed at strengthening the image of our business fabric abroad, a publication was prepared and presented with more than 100 products manufactured by Basque companies which are already world-leaders.

As regards the awareness and dissemination of the support promoted from SPRI to contribute to the INTERNATIONALISATION of companies, sectorial sessions and sessions with information on countries of interest for Basque companies have been developed.

The Euskadi Intergune initiative, in its first edition, brought together the whole of SPRI’s Overseas Network in Bilbao. This network is present in 26 countries all over the world offering Basque companies first hand information on the possibilities of foreign markets where SPRI is present.

International promotion of tourism activity, also carried out in SPRI, was present in different geographical points around the world, bringing Euskadi’s offer nearer to potential visitors.

Finally, in keeping with SPRI’s action lines, the companies in which SPRI has a majority stake, -SPRILUR, Gestión de Capital Riesgo del País Vasco, CEIS and Parques Tecnológicos- have been party to the remarkable promotion effort of innovation and entrepreneurship during 2006. Each one of them has achieved in its field considerably improving the offer of support to infrastructures to our companies and entrepreneurs on their way towards competitive excellence and the search for a better quality of life.

It only remains for me to thank everyone in this organisation for the work carried out and to urge everyone to continue in the same direction. I personally promise to do the same with effort, dedication, and enthusiasm, to carry out this important task for our Community.

Mauri Lazkano
Managing Director of SPRI, S.A.
The year in pictures
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