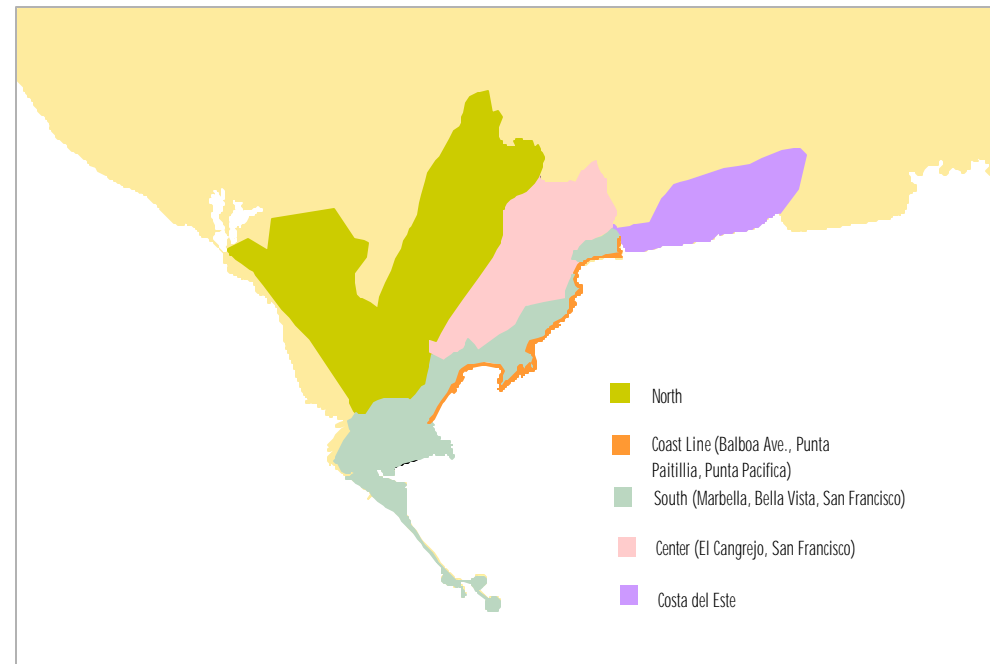


RESIDENTIAL CONDOMINIUMS BUILT 1985-2000

Submarket	1985-1990	1991-1995	1996-2000
South and Coast Line	58	43	62
Center	197	50	186
Costa del Este	-	-	-
North	53	0	37
Others	3	2	2
Total	311	95	290

Note: The table summarizes buildings in the above submarkets, however, it does not include other buildings within the Panama City Metropolitan Area.

PANAMA CITY RESIDENTIAL SUBMARKETS



AVERAGE LEASE RATE

Rate determined by summing the amount paid by all leases performed during the period, then dividing by the sum of all units leased during the same period.

MARKET COVERAGE

All buildings built after 1970 with a total usable area equal or above 1,000 m², and a floor plate over 250 m².

NET ABSORPTION

The change in sold or reserved new units from one period to the next.

OCCUPIED UNITS

Apartment units not considered vacant or available for sale.

UNDER CONSTRUCTION

Buildings which have begun construction as evidenced by site excavation or foundation work.

VACANT UNITS

Existing apartment units which are physically vacant or immediately available.

ABSORPTION

The sum of all occupied/sold apartment units divided by the sum of all apartment units.

RESIDENTIAL CLASS A

Residential buildings in prime locations, with a high occupancy rate and highly competitive rental rates with all amenities (outdoor pool, sporting facilities) and luxury finishing.

RESIDENTIAL CLASS B

Residential buildings that comply with some of the characteristics mentioned above. These buildings are mostly acquired by local residents.

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QUICK STATS (CLASS A)

	Current	Change from last year
Gross Absorption	74%	↑
Sale Price/m ²	\$2,216	↑
Construction (units)	4,167	↑
Rental Rate/m ²	\$12.92	↑



The project Megapolis will be located in Balboa Avenue and is being developed by Blesh & Virzi. The high rise condominium building will have a variety of luxury amenities and will provide five star hotel services. The project also includes a shopping center and a casino.

For the fourth consecutive year, the Panamanian economy has experienced strong positive growth, which has boosted commercial and residential real estate activity, and which has favorably positioned the country within the region.

In the commercial real estate market, several Class A office buildings were completed by the end of 2006 and the majority of this new supply has been absorbed during 2007. There are currently a number of projects under construction or in pre-construction sales, and other projects are proposed in Calle 50 and Punta Pacifica. As a result, the Class A inventory is expected to increase dramatically in the next three to four years.

The residential real estate market continues to show an unprecedented construction activity, even though sales to American citizens that have been impacted by the mortgage crisis in the United States slowed down somewhat. During 2007, the number of new projects under construction or in pre-construction sales in all submarkets almost doubled compared to the end of 2006. Currently, there are more than 200 active residential condominium projects underway, of which 35% are Class A buildings targeting the market of foreign buyers which continues to increase due with the growing tourism activity in the country. Although some of the most ambitious projects have been either canceled or are being down-sized due to the overwhelming amount of

competing projects, the rest of the developments continue as planned.

Due to its proximity to the coast and to the intense commercial activity of the Banking Area, the Coast Line and South submarkets are showing the strongest activity in the city totaling one hundred projects under construction or in pre-construction sales. The Costa del Este submarket is also showing a high activity where all seafront parcels have already been acquired and are currently being developed as residential projects, 59% of which are luxury high rises. In this submarket, remaining land for construction is only available in second line of the seafront parcels or with park views.

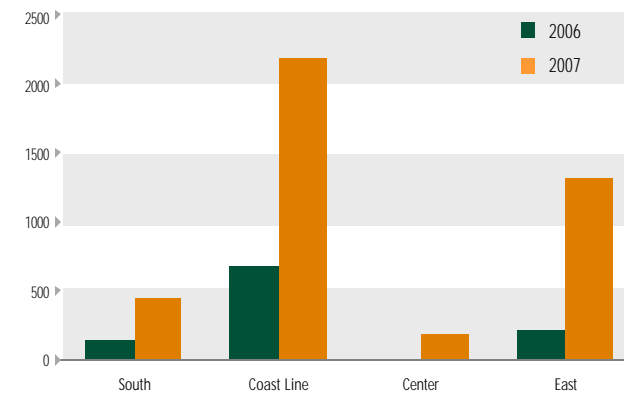
The high economic growth experienced in the past four years and the expectations for the next period has fueled the growth of the real estate market. During 2007, several large new projects which play a major role in the country's development initiated construction activities; these include the expansion of the Panama Canal, the extension of the South Corridor (a much needed bypass highway in Panama City), the extension of the North Corridor and the Panama-Colon Highway, the expansions of the Atlantic and Pacific Ports, and in the near future, the redevelopment of the former Howard Air Force base into a special trade area. These projects not only contribute to the country's economic growth, but they also attract a variety of investors and multi-nationals to participate in these ventures.

Submarket	Active Projects*	Total Units*	Units under Construction	Gross Absorption	Average Sale Price US\$/m ²
North	35	2,378	1,292	65 %	\$ 1,427
South (Marbella, Bella Vista, San Francisco)	53	5,993	2,307	75 %	\$ 1,847
Coast Line (Balboa Ave, P. Paitilla, P. Pacifica)	47	7,340	3,822	82 %	\$ 2,335
Center (El Cangrejo, San Francisco)	37	2,875	677	65 %	\$ 1,463
East (Costa del Este)	32	3,124	1,777	63 %	\$ 1,849
Total Class A	73	11,428	4,167	74 %	\$ 2,180
Total Class B + C	131	10,282	5,708	73 %	\$ 1,548
Total	204	21,710	9,875	73 %	

* Include all residential buildings currently under construction or in pre-sale stages.
The table excludes buildings outside the above submarkets.

UNITS UNDER CONSTRUCTION (CLASS A)

Construction ■ 4,167

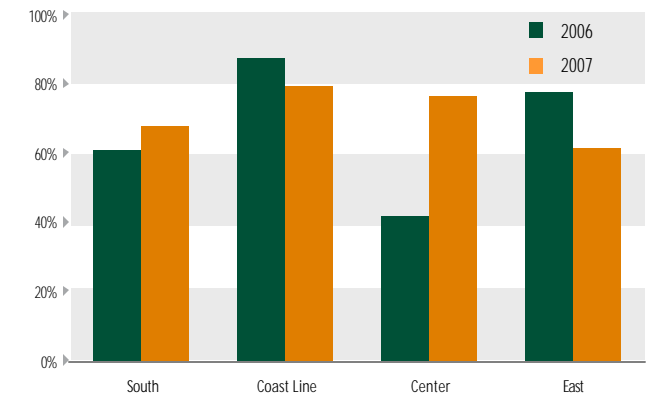


During the last three years, Panama City's prime residential areas have experienced a development boom of high rise condominiums, over 57% of which exceed thirty floors. In 2007, Class A residential construction activity increased further, particularly in the Coast Line and Costa del Este submarkets.

Construction costs rose by 37% as a result of increases in labor, oil, concrete and steel costs. Most projects are financed by local banks.

GROSS ABSORPTION (CLASS A)

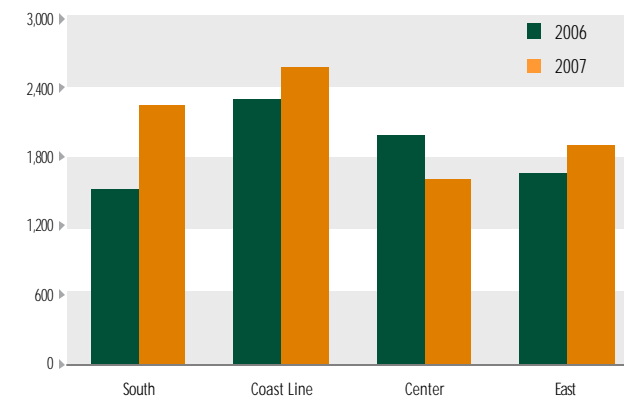
Absorption ■ 74%



Absorption continues steadily, albeit at a slower rate. In 2007, the amount of units on the market almost doubled compared to 2006, while the amount of units under construction grew at a lower rate. This shows that not all the projects have achieved the minimum presales required to start construction, however, Panama continues to be attractive for foreign investors, most of which originate from the United States, Canada, Spain, Colombia and Venezuela.

SALE PRICE (CLASS A)

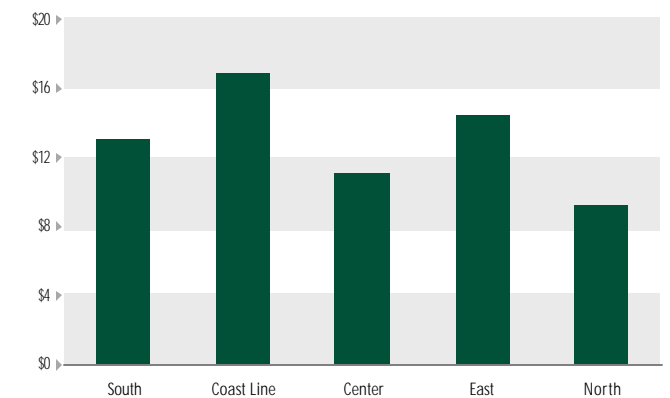
Sale Price ■ \$2,180 (\$/m²)



Sale prices for Class A apartments increased to an average of \$2,180 per square meter (showing an increase of 12% compared to the prices at the end of the year 2006). This represents a significantly lower increase compared to the previous two years when market values increased by up to 50% per year. Prices for the most exclusive luxury projects can reach up to \$4,800 per square meter.

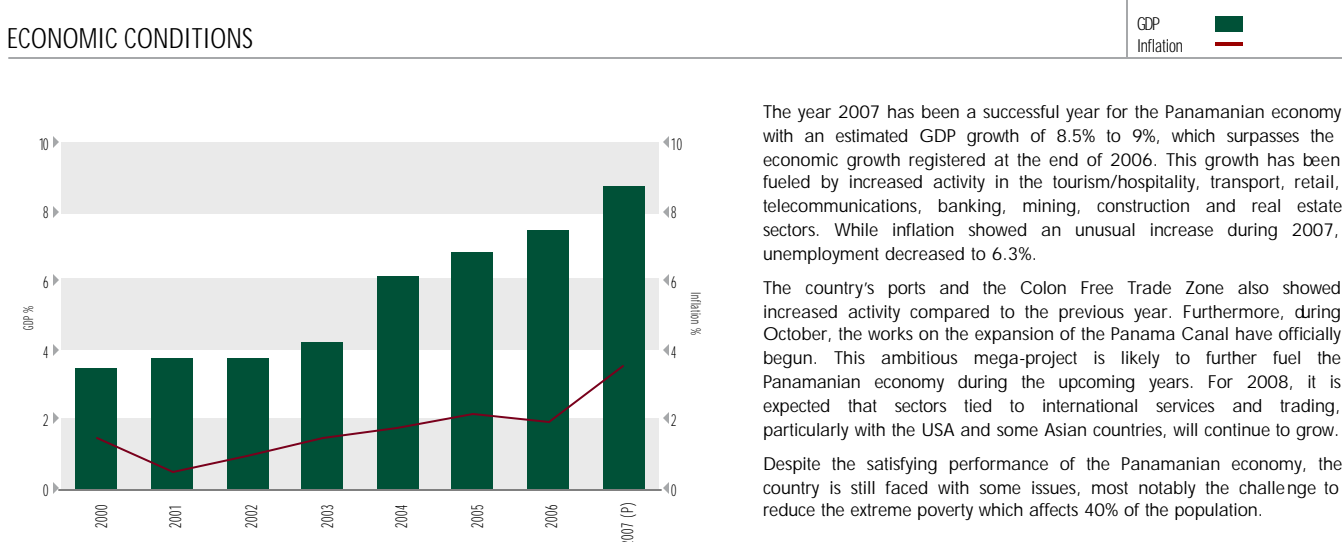
AVERAGE ASKING RENTS

Rent ■ \$12.92 (\$/m²/mo)



Rents for Class A and B apartments increased during 2007 to an average of \$12.92 per square meter per month. The submarkets with the highest prices are the Coast Line and Costa del Este. Rents remain stable in spite of the high volume of new projects on the market, mostly because a large part have not yet been delivered. There is a risk of oversupply of vacant units which have been purchased speculatively. As a result, it is likely that rents will be compromised for units of similar quality. Most of residential lease contracts are for one year term maintenance costs are included in the rental rate.

ECONOMIC CONDITIONS



The year 2007 has been a successful year for the Panamanian economy with an estimated GDP growth of 8.5% to 9%, which surpasses the economic growth registered at the end of 2006. This growth has been fueled by increased activity in the tourism/hospitality, transport, retail, telecommunications, banking, mining, construction and real estate sectors. While inflation showed an unusual increase during 2007, unemployment decreased to 6.3%.

The country's ports and the Colon Free Trade Zone also showed increased activity compared to the previous year. Furthermore, during October, the works on the expansion of the Panama Canal have officially begun. This ambitious mega-project is likely to further fuel the Panamanian economy during the upcoming years. For 2008, it is expected that sectors tied to international services and trading, particularly with the USA and some Asian countries, will continue to grow.

Despite the satisfying performance of the Panamanian economy, the country is still faced with some issues, most notably the challenge to reduce the extreme poverty which affects 40% of the population.