

# IBEX35

## Telecinco: The Clearest Candidate to Enter

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### Changes in the IBEX35

| Candidates for Entry | Volume Traded <sup>1</sup><br>(€ mn) | Weighting |      |
|----------------------|--------------------------------------|-----------|------|
|                      |                                      | Current   | Avg  |
| Telecinco            | 2,160.8                              | 0.77      | 0.76 |
| Sacyr Vallehermoso   | 536.9                                | 0.76      | 0.75 |
| Candidates for Exit  |                                      | Weighting |      |
| Exit                 | Volume Traded <sup>1</sup><br>(€ mn) | Current   | Avg  |
|                      |                                      |           |      |
| Banesto              | 282.0                                | 0.45      | 0.44 |
| Zeltia               | 222.3                                | 0.38      | 0.40 |

(1) Adjusted trading volumes from June 1 to September 30, 2004.  
Source: Sociedad de Bolsas and Santander Central Hispano Bolsa.

### Adjusted Monthly Volumes of Entry Candidates, May-Sep 2004

| (€ mn)      | May-04 | Jun-04 | Jul-04 | Aug-04 | Sep-04 | Total (6M) |
|-------------|--------|--------|--------|--------|--------|------------|
| Telecinco   | 0.0    | 913.2  | 659.1  | 209.0  | 379.5  | 2,160.8    |
| Sacyr Val   | 101.1  | 172.6  | 122.5  | 82.7   | 159.1  | 736.4      |
| Antena 3    | 113.1  | 103.7  | 112.7  | 44.0   | 143.8  | 674.2      |
| Ebro Puleva | 75.5   | 93.4   | 66.7   | 50.9   | 47.8   | 448.3      |

Source: Sociedad de Bolsas and Santander Central Hispano Bolsa.

### Adjusted Monthly Volumes of Exit Candidates, May-Sep 2004

| (€ mn)  | May-04 | Jun-04 | Jul-04 | Aug-04 | Sep-04 | Total (6M) <sup>1</sup> |
|---------|--------|--------|--------|--------|--------|-------------------------|
| Zeltia  | 110.3  | 89.0   | 49.8   | 31.4   | 52.2   | 417.7                   |
| Banesto | 102.5  | 94.5   | 79.4   | 54.3   | 53.8   | 470.6                   |
| REE     | 110.0  | 96.3   | 83.1   | 65.4   | 81.1   | 522.3                   |
| NHH     | 80.4   | 82.4   | 89.9   | 66.1   | 120.1  | 545.4                   |

(1) Adjusted trading volumes from May 1 to September 30, 2004.  
Source: Sociedad de Bolsas and Santander Central Hispano Bolsa.

This note discusses the possible changes arising from the upcoming revision of the IBEX35 Index (slated for December). The IBEX committee will take into account the trading volumes for the six months ending November 30. Considering the volumes traded in the past four months, we have reached the following conclusions:

**Telecinco, after four months of trading, seems to be the prime candidate to join the index in December.** According to the adjusted trading volumes recorded in the past four months, Telecinco ranks 9<sup>th</sup> amongst Spanish stocks. Its weighting in the IBEX35 would be around 0.77%.

**Sacyr Vallehermoso also appears to be well positioned to be considered as a candidate to enter the IBEX35 in the next revision.** The company was removed from the index last July, when Banco Sabadell joined, but looking at the numbers, the real estate company's traded volume has improved substantially in the past five months. Considering the accumulated volume in the last four months, the company ranks 28<sup>th</sup> (its weighting would be 0.76%).

**We believe the main candidates to leave the index are Banesto and Zeltia.** Trading volume in these companies' shares has fallen sharply in the past four months, bringing them to 37<sup>th</sup> and 41<sup>st</sup> place, respectively, in accumulated terms.

**Free float adjustments: Abertis down.** Regarding free float factors, we expect Abertis' free float factor to be reduced from 100% to 80% following recent acquisitions related to the company.

**Figure 1. Ranking by Total Adjusted Volume, May 2004-September 2004 (€ mn)**

| Rank | Code | Company            | Apr-04      | May-04       | Jun-04      | Jul-04      | Aug-04      | Sep-04      | Total (6M)      | Total (4M)      |             |
|------|------|--------------------|-------------|--------------|-------------|-------------|-------------|-------------|-----------------|-----------------|-------------|
| 1    | TEF  | Telefónica         | 8,279.2     | 10,319.8     | 7,195.5     | 7,296.6     | 5,590.5     | 7,797.3     | <b>46,478.9</b> | <b>27,879.9</b> | IBEX        |
| 2    | SAN  | Grupo Santander    | 4,622.0     | 5,955.2      | 4,154.5     | 5,110.4     | 3,330.5     | 5,449.3     | <b>28,621.9</b> | <b>18,044.6</b> | IBEX        |
| 3    | BBVA | BBVA               | 3,841.4     | 4,036.8      | 3,492.6     | 4,672.7     | 3,139.6     | 3,819.4     | <b>23,002.4</b> | <b>15,124.3</b> | IBEX        |
| 4    | REP  | Repsol YPF         | 3,354.8     | 2,914.2      | 3,111.8     | 2,683.4     | 2,790.4     | 3,038.8     | <b>17,893.3</b> | <b>11,624.4</b> | IBEX        |
| 5    | ELE  | Endesa             | 2,005.6     | 1,774.2      | 2,125.9     | 1,918.4     | 1,140.6     | 1,598.1     | <b>10,562.8</b> | <b>6,783.0</b>  | IBEX        |
| 6    | IBE  | Iberdrola          | 1,421.6     | 1,393.2      | 1,428.7     | 1,296.0     | 876.3       | 1,199.6     | <b>7,615.4</b>  | <b>4,800.7</b>  | IBEX        |
| 7    | ALT  | Altadis            | 1,251.9     | 1,138.9      | 1,119.4     | 821.5       | 608.3       | 837.9       | <b>5,777.8</b>  | <b>3,387.0</b>  | IBEX        |
| 8    | POP  | Banco Popular      | 737.5       | 609.8        | 695.6       | 943.3       | 556.9       | 664.8       | <b>4,207.8</b>  | <b>2,860.5</b>  | IBEX        |
| 9    | TL5  | Telecinco          | 0.0         | 0.0          | 913.2       | 659.1       | 209.0       | 379.5       | <b>2,160.8</b>  | <b>2,160.8</b>  |             |
| 10   | SGC  | Sogecable          | 648.5       | 446.7        | 414.0       | 652.4       | 461.5       | 514.9       | <b>3,138.0</b>  | <b>2,042.8</b>  | IBEX        |
| 11   | ITX  | Inditex            | 593.6       | 560.0        | 492.1       | 484.1       | 322.3       | 663.2       | <b>3,115.3</b>  | <b>1,961.7</b>  | IBEX        |
| 12   | AMS  | Amadeus            | 424.7       | 493.9        | 371.2       | 425.3       | 514.3       | 634.9       | <b>2,864.4</b>  | <b>1,945.8</b>  | IBEX        |
| 13   | ACX  | Acerinox           | 538.9       | 403.3        | 487.0       | 442.6       | 309.2       | 252.6       | <b>2,433.6</b>  | <b>1,491.5</b>  | IBEX        |
| 14   | UNF  | Unión Fenosa       | 342.2       | 322.4        | 288.6       | 284.9       | 265.1       | 356.5       | <b>1,859.6</b>  | <b>1,195.1</b>  | IBEX        |
| 15   | ACS  | ACS                | 394.4       | 334.2        | 315.0       | 275.6       | 268.0       | 314.5       | <b>1,901.7</b>  | <b>1,173.1</b>  | IBEX        |
| 16   | IBLA | Iberia             | 208.7       | 435.2        | 345.2       | 271.4       | 233.6       | 280.1       | <b>1,774.1</b>  | <b>1,130.2</b>  | IBEX        |
| 17   | GAM  | Gamesa             | 182.3       | 237.3        | 304.9       | 229.3       | 295.9       | 237.2       | <b>1,486.8</b>  | <b>1,067.2</b>  | IBEX        |
| 18   | GAS  | Gas Natural        | 259.4       | 323.0        | 419.1       | 260.4       | 173.3       | 205.9       | <b>1,641.1</b>  | <b>1,058.7</b>  | IBEX        |
| 19   | TEM  | Telefónica Móviles | 221.9       | 223.2        | 329.8       | 244.2       | 176.3       | 268.6       | <b>1,463.8</b>  | <b>1,018.8</b>  | IBEX        |
| 20   | LOR  | Arcelor            | 296.5       | 312.1        | 219.2       | 348.6       | 187.7       | 234.2       | <b>1,598.2</b>  | <b>989.6</b>    | IBEX        |
| 21   | ABE  | Abertis            | 295.2       | 239.3        | 219.6       | 230.2       | 224.3       | 301.2       | <b>1,509.8</b>  | <b>975.4</b>    | IBEX        |
| 22   | SAB  | Banco Sabadell     | 166.9       | 144.9        | 335.9       | 274.8       | 113.9       | 195.7       | <b>1,232.1</b>  | <b>920.3</b>    | IBEX        |
| 23   | FER  | Ferrovial          | 206.1       | 169.8        | 211.3       | 237.6       | 184.1       | 243.7       | <b>1,252.5</b>  | <b>876.7</b>    | IBEX        |
| 24   | ANA  | Acciona            | 149.3       | 124.9        | 160.8       | 130.1       | 157.0       | 208.9       | <b>931.0</b>    | <b>656.8</b>    | IBEX        |
| 25   | IDR  | Indra              | 173.6       | 126.6        | 189.1       | 165.2       | 135.9       | 133.8       | <b>924.2</b>    | <b>624.0</b>    | IBEX        |
| 26   | BKT  | Bankinter          | 113.5       | 80.8         | 119.2       | 142.9       | 109.0       | 241.7       | <b>807.1</b>    | <b>612.8</b>    | IBEX        |
| 27   | MVC  | Metrovacesa        | 117.7       | 204.3        | 170.5       | 137.4       | 107.9       | 178.8       | <b>916.6</b>    | <b>594.6</b>    | IBEX        |
| 28   | SYV  | Sacyr Vallehermo   | 98.4        | 101.1        | 172.6       | 122.5       | 82.7        | 159.1       | <b>736.4</b>    | <b>536.9</b>    |             |
| 29   | FCC  | FCC                | 173.4       | 137.8        | 155.1       | 114.3       | 100.7       | 165.2       | <b>846.5</b>    | <b>535.3</b>    | IBEX        |
| 30   | PRS  | Prisa              | 274.2       | 148.5        | 113.1       | 147.8       | 107.8       | 163.9       | <b>955.1</b>    | <b>532.5</b>    | IBEX        |
| 31   | ENG  | Enagás             | 102.6       | 141.5        | 134.0       | 120.2       | 72.8        | 162.6       | <b>733.9</b>    | <b>489.7</b>    | IBEX        |
| 32   | TPI  | TPI                | 218.8       | 229.0        | 148.8       | 126.9       | 80.3        | 103.5       | <b>907.3</b>    | <b>459.5</b>    | IBEX        |
| 33   | MAP  | Corp. Mapfre       | 237.4       | 162.5        | 127.8       | 87.6        | 100.9       | 126.1       | <b>842.2</b>    | <b>442.3</b>    | IBEX        |
| 34   | A3TV | Antena 3           | 156.9       | 113.1        | 103.7       | 112.7       | 44.0        | 143.8       | <b>674.2</b>    | <b>404.2</b>    |             |
| 35   | NHH  | NH Hoteles         | 106.7       | 80.4         | 82.4        | 89.9        | 66.1        | 120.1       | <b>545.4</b>    | <b>358.4</b>    | IBEX        |
| 36   | REE  | REE                | 86.4        | 110.0        | 96.3        | 83.1        | 65.4        | 81.1        | <b>522.3</b>    | <b>325.9</b>    | IBEX        |
| 37   | BTO  | Banesto            | <b>86.2</b> | <b>102.5</b> | <b>94.5</b> | <b>79.4</b> | <b>54.3</b> | <b>53.8</b> | <b>470.6</b>    | <b>282.0</b>    | <b>IBEX</b> |
| 38   | EVA  | Ebro Puleva        | 114.1       | 75.5         | 93.4        | 66.7        | 50.9        | 47.8        | <b>448.3</b>    | <b>258.8</b>    |             |
| 39   | FTX  | NA                 | 0.0         | 0.0          | 0.0         | 0.0         | 0.0         | 243.7       | <b>243.7</b>    | <b>243.7</b>    |             |
| 40   | FAD  | Fadesa             | 0.0         | 231.3        | 65.1        | 59.3        | 33.9        | 73.6        | <b>463.2</b>    | <b>231.9</b>    |             |
| 41   | ZEL  | Zeltia             | <b>85.0</b> | <b>110.3</b> | <b>89.0</b> | <b>49.8</b> | <b>31.4</b> | <b>52.2</b> | <b>417.7</b>    | <b>222.3</b>    | <b>IBEX</b> |
| 42   | JAZ  | Jazztel            | 27.3        | 26.6         | 16.4        | 17.9        | 7.8         | 159.5       | <b>255.5</b>    | <b>201.6</b>    |             |
| 43   | COL  | Colonial           | 26.7        | 31.6         | 74.8        | 64.2        | 32.1        | 30.4        | <b>259.7</b>    | <b>201.4</b>    |             |
| 44   | AGS  | Aguas Barcelona    | 43.6        | 66.7         | 46.6        | 40.0        | 36.5        | 41.1        | <b>274.5</b>    | <b>164.2</b>    |             |
| 45   | LOG  | Logista            | 8.7         | 9.8          | 12.1        | 27.1        | 59.5        | 34.4        | <b>151.7</b>    | <b>133.2</b>    |             |
| 46   | CTF  | Cortefiel          | 45.9        | 20.0         | 33.4        | 33.1        | 18.6        | 42.3        | <b>193.4</b>    | <b>127.5</b>    |             |
| 47   | AVZ  | Avanzit            | 0.0         | 0.0          | 0.0         | 42.5        | 42.5        | 31.1        | <b>116.1</b>    | <b>116.1</b>    |             |
| 48   | PSG  | Prosegur           | 43.4        | 33.8         | 29.8        | 34.6        | 14.8        | 32.2        | <b>188.7</b>    | <b>111.5</b>    |             |
| 49   | SOL  | Sol Meliá          | 32.4        | 29.2         | 34.4        | 28.4        | 26.8        | 16.3        | <b>167.4</b>    | <b>105.8</b>    |             |

Source: Sociedad de Bolsas and Santander Central Hispano Bolsa.

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### Key to Investment Codes<sup>1</sup>

|                    |                          |
|--------------------|--------------------------|
| <b>Buy</b>         | Upside of more than 20%. |
| <b>Hold</b>        | Upside of 15%-20%.       |
| <b>Underweight</b> | Upside of less than 15%. |

(1) Target prices set from January to June are for December 31 of the current year. Target prices set from July to December are for December 31 of the following year.

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