

THE IBERIAN QUANT OBSERVER

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I. MACROECONOMIC ESTIMATES AND FORECASTS

Europe, the US and Japan – Estimates and Forecasts, 2001-05F

GDP (*)	2001	2002	2003	2004E	Cons	2005F	Cons
Germany	1.0	0.2	-0.1	1.7	1.6	2.1	1.7
France	2.1	1.3	0.5	1.8	1.7	2.2	2.1
Italy	1.7	0.4	0.4	1.8	1.1	2.4	1.9
Spain	2.8	2.0	2.4	2.9	2.9	3.2	3.1
Portugal	1.7	0.4	-1.0	1.0	1.2	2.2	2.3
Euro-12	1.6	0.9	0.4	1.9	1.6	2.3	2.0
UK	2.1	1.7	-	-	3.1	-	2.6
Argentina	-4.4	-10.9	8.7	6.8	6.7	3.0	4.1
Brazil	1.3	1.9	-0.2	3.8	3.4	4.0	3.6
Mexico	-0.3	0.9	1.3	3.2	3.2	4.0	3.6
Japan	0.4	0.2	-	-	3.0	-	1.7
US	0.5	2.2	3.1	4.4	4.6	3.3	3.7

CPI	2001	2002	2003	2004E	Cons	2005F	Cons
Germany	2.0	1.3	1.1	0.8	1.2	1.2	1.2
France	1.6	2.0	2.1	1.3	1.8	1.5	1.6
Italy	2.7	2.5	2.8	1.9	2.1	2.0	2.1
Spain	3.6	3.5	3.1	2.8	2.5	2.5	2.5
Portugal	4.4	3.6	3.3	2.6	2.2	2.5	2.2
Euro-12	2.4	2.2	2.1	1.3	1.7	1.5	1.6
UK	2.1	2.2	-	-	1.5	-	1.8
Argentina	-1.5	41.0	3.7	6.0	6.9	9.0	6.7
Brazil	7.7	12.5	9.3	5.8	6.1	5.0	5.2
Mexico	4.4	5.7	4.0	3.9	4.2	3.5	3.8
Japan	-0.7	-0.9	-	-	-0.2	-	-0.2
US	2.8	1.6	2.3	1.9	2.2	1.5	1.9

Financial (*)	2001	2002	2003	2004E	Cons	2005F	Cons
Intervention rates							
Euro-zone	3.25 (4.23)	2.75 (3.21)	2.00 (2.25)	2.00 (2.00)	2.445	3.00 (2.81)	3.04
US	1.75 (3.73)	1.25 (1.67)	1.00 (1.10)	2.00 (1.35)	1.75	3.75 (3.06)	3.25
10-year bond yields							
Euro-zone	5.00 (4.83)	4.20 (4.77)	4.29 (4.09)	4.50 (4.46)	4.69	4.50 (4.57)	4.89
US	5.05 (4.96)	3.81 (4.53)	4.24 (3.99)	5.20 (4.79)	4.90	5.60 (5.30)	5.10
Currencies							
Euro-dollar	0.89 (0.89)	1.05 (0.95)	1.26 (1.14)	1.13 (1.18)	1.25	1.12 (1.10)	1.25

(*) Annual averages in brackets. Source: Consensus forecasts (April 2004). Euro Zone Barometer (April 2004). Santander Central Hispano Investment and SCH Bolsa estimates and forecasts.



II. COUNTRY AND SECTOR MONITOR

Valuation Multiples

	Mkt Cap (€mn)	P/E (x)			EPS CAGR (%)	EV/EBITDA (x)				EBITDA CAGR (%)	P/CF (x)			CF CAGR (%)	GDY (%)		P/BV (x)	
		03E	04F	05F		03E	04F	05F	03E		04F	05F	04F		05F	04F	05F	
France (CAC40)	767,625	17.3	14.8	13.0	15.7	8.4	7.5	6.9	4.4	9.7	9.2	8.3	7.1	2.6	2.9	2.5	2.2	
Germany (DAX30)	522,589	31.7	14.1	12.0	32.0	7.3	6.1	5.4	4.7	8.0	7.3	6.7	4.2	2.6	3.0	2.0	1.8	
Italy (MIB30)	401,992	20.1	15.7	14.6	21.6	6.7	6.2	5.8	5.9	7.1	6.8	6.4	5.1	4.4	4.1	2.6	2.4	
Portugal (PSI20)	45,469	19.9	16.0	13.2	22.1	8.6	7.8	7.2	7.9	6.8	6.3	5.7	11.6	3.0	3.5	2.1	2.0	
Spain (IBEX35)	332,963	15.8	15.3	13.8	18.8	8.1	7.7	6.8	7.1	7.7	7.6	6.8	8.6	3.2	3.5	3.1	2.7	
DJ Stoxx 600	5,623,425	18.4	14.5	13.1	15.0	9.0	6.2	6.1	6.9	9.3	7.7	7.0	7.7	3.1	3.4	2.8	2.6	
DJ Stoxx 50	2,510,622	16.7	14.2	12.8	15.6	8.9	8.0	7.3	4.5	10.9	10.0	9.2	6.1	3.3	3.6	2.7	2.5	
DJ Eurostoxx 50	1,618,676	20.8	13.7	12.3	21.4	7.2	6.5	6.0	4.3	8.0	7.8	7.3	5.6	3.3	3.7	2.4	2.2	
Iberia Capital Goods	21,398	14.6	11.6	9.6	51.1	7.0	5.8	5.2	12.6	6.9	5.8	5.3	14.3	3.3	3.5	1.5	1.4	
Iberia Construction	16,953	16.2	14.6	12.9	5.6	10.3	8.5	7.7	13.8	10.6	9.1	8.2	3.6	2.1	2.4	1.9	1.7	
Iberia Consumer Goods	24,936	20.4	17.0	14.3	25.3	9.1	7.7	6.8	12.0	11.8	10.2	8.9	19.7	1.9	2.2	3.5	3.1	
Iberia Consumer Services	32,132	19.9	18.5	15.7	11.1	12.8	11.3	10.7	7.9	9.6	9.3	8.2	0.7	1.4	1.6	2.7	2.4	
Iberia Financials	122,054	16.1	14.0	11.9	16.5	NA	NA	NA	NA	NA	NA	NA	NA	3.2	3.6	2.0	1.9	
Iberia Oil & Gas	38,822	11.6	11.9	11.4	-3.2	5.9	5.8	5.6	5.1	5.4	5.8	5.5	2.3	3.3	3.7	1.6	1.5	
Iberia TMTs	122,828	30.2	23.0	19.0	-184.0	8.2	7.3	6.6	8.5	8.3	7.8	7.0	52.9	2.6	2.7	3.8	3.5	
Iberia Utilities	44,397	13.7	12.5	11.1	9.8	8.3	7.9	7.3	5.7	4.9	5.6	5.2	4.8	4.5	4.9	1.6	1.5	
Total Iberia	423,520	18.0	15.6	13.5	69.7	10.6	9.6	8.8	8.1	10.3	10.1	9.2	16.7	2.9	3.2	2.3	2.1	

Note: CAGRs are calculated over 2002-05F.

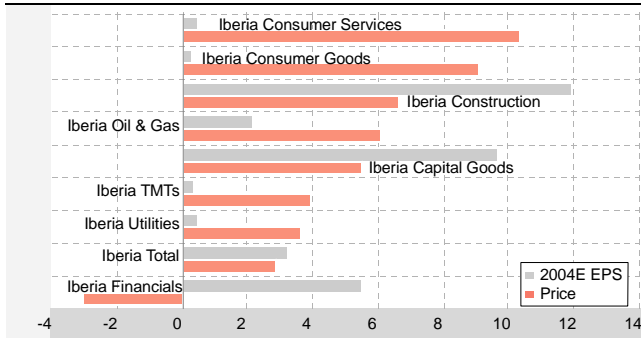
Source: Bloomberg, JCF and Santander Central Hispano Bolsa estimates and forecasts.

Market Performance (%)

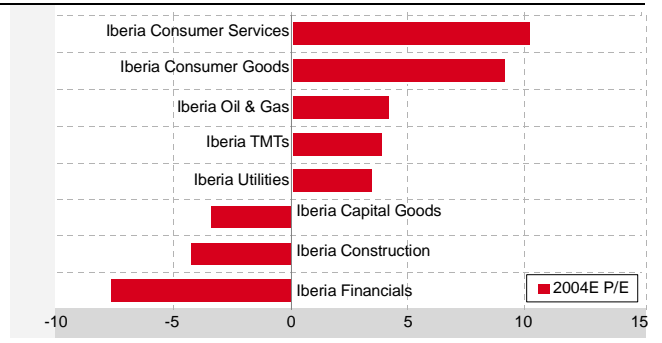
Index	Close 13-May	Last 12M			-1W	-1M	-3M	-6M	-12M	QTD	YTD	From	
		High	Low	12M High								12M Low	
France (CAC40)	3,614	3,832	2,814	-1.1	-4.3	-1.0	5.9	22.0	-0.3	1.7	-5.7	28.4	
Germany (DAX30)	3,825	4,175	2,769	-2.2	-6.1	-5.7	1.6	31.4	-0.8	-3.5	-8.4	38.1	
Italy (MIB30)	27,584	28,803	23,799	-1.0	-3.6	0.1	3.8	13.0	0.9	3.3	-4.2	15.9	
Portugal (PSI20)	7,326	7,970	5,574	-2.8	-4.5	-0.4	12.6	30.4	-2.8	8.6	-8.1	31.4	
Spain (IBEX35)	7,866	8,478	6,178	-3.1	-6.8	-4.1	8.4	23.4	-1.9	1.7	-7.2	27.3	
DJ Stoxx 600	236	248	188	-1.5	-4.5	-1.4	5.0	21.2	-0.4	2.7	-5.1	25.4	
DJ Stoxx 50	2,683	2,806	2,207	-1.4	-3.5	-1.1	4.1	16.4	0.7	0.8	-4.4	21.5	
DJ Eurostoxx 50	2,713	2,965	2,197	-1.9	-6.1	-5.2	2.9	17.3	-2.7	-1.7	-8.5	23.5	
Iberia Capital Goods	NA	NA	NA	-2.8	-3.4	-0.4	7.2	38.2	-2.4	5.5	-9.3	46.8	
Iberia Construction	NA	NA	NA	-3.6	-2.1	1.6	12.9	24.1	0.0	6.6	-6.4	28.9	
Iberia Consumer Goods	NA	NA	NA	0.3	-2.7	1.0	1.9	5.7	-1.6	9.1	-18.6	22.9	
Iberia Consumer Services	NA	NA	NA	-2.6	-3.8	0.0	10.0	30.6	-0.3	10.4	-11.5	37.0	
Iberia Financials	NA	NA	NA	-2.7	-5.4	-4.6	4.0	24.6	-2.1	-3.1	-9.5	31.2	
Iberia Oil & Gas	NA	NA	NA	-3.8	-4.7	0.1	11.5	25.2	-1.0	6.1	-7.5	30.2	
Iberia TMTs	NA	NA	NA	-4.8	-7.6	-8.0	12.2	30.7	-3.0	3.9	-12.6	37.4	
Iberia Utilities	NA	NA	NA	-1.9	-3.4	-0.5	11.9	18.7	-0.8	3.6	-7.2	21.4	
Total Iberia	NA	NA	NA	-3.2	-5.3	-3.7	8.6	25.4	-1.9	2.9	-10.6	32.3	

Source: Bloomberg.

DJ Stoxx 600 – YTD Changes in Prices and 2004E EPS Estimates by Sector (%)

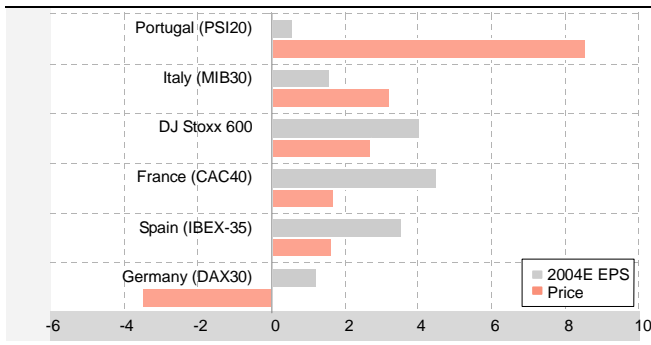


DJ Stoxx 600 – Relative Re-Rating/De-Rating in 2004E P/E by Sector (%)

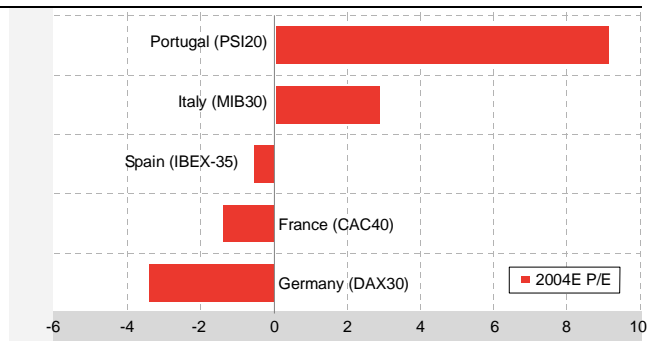


Source: Bloomberg, JCF and Santander Central Hispano Bolsa estimates.

DJ Stoxx 600 – YTD Changes in Prices and 2004F EPS Estimates by Country (%)



DJ Stoxx 600 – Relative Re-Rating/De-Rating in 2004F P/E by Country (%)



Source: Bloomberg, JCF and Santander Central Hispano Bolsa estimates.

III. STOCK RATING AND VALUATION MULTIPLES

Company	Ctry	Cury	Price 13/05/04	Mkt Cap (€mn)	SCH Bolsa Recom	Target Price	Upside Potential (%)	Weighting (%)		Mkt Perform (%)			P/E (x)			EV/EBITDA (x)			02-05F EPS CAGR (%)			02-05F EBITDA CAGR (%)			P/CF (x)			02-05F CFPS CAGR (%)			GDY (%)			P/BV (x)			Company
								IBEX 35	PSI 20	-1W	QTD	YTD	03	04E	05F	03	04E	05F	03	04E	05F	03	04E	05F	03	04E	05F	04E	05F	04E	05F	04E	05F				
Acerinox	SP	EUR	42.1	2,770	U/W	36.2	-14.0	1.0		-2.8	5.7	12.6	21.9	22.8	10.6	14.3	10.2	10.1	5.9	11.7	9.9	9.7	6.3	15.0	2.8	3.1	1.6	1.5	Acerinox								
Arcelor	SP	EUR	13.2	7,047	Buy	16.8	26.9	1.0		-4.9	-10.4	-3.3	10.6	7.7	6.9	-303.8	5.0	4.1	4.0	15.8	4.5	3.6	5.5	15.6	3.8	3.8	0.8	0.8	Arcelor								
Cementos Portland	SP	EUR	49.1	1,368	U/W	47.0	-4.4			-2.7	-1.3	4.6	8.4	10.5	9.7	7.5	5.5	4.9	4.4	2.9	5.5	6.3	6.0	6.3	2.3	2.3	1.4	1.2	Cementos Portland								
Cimpor	POR	EUR	4.4	2,984	U/W	4.1	-7.7	5.2		1.6	5.7	8.3	16.7	16.5	15.0	4.1	7.9	7.4	6.7	3.2	7.4	7.2	6.8	-1.5	4.0	4.3	2.8	2.6	Cimpor								
Ence	SP	EUR	21.8	555	Buy	28.4				-2.6	-2.2	27.1	13.3	7.2	5.3	53.1	11.8	6.6	3.9	22.9	6.1	4.5	3.6	3.2	3.0	3.4	1.3	1.1	Ence								
Gamesa	SP	EUR	33.5	2,718	Buy	44.0	31.3	0.8		-3.5	0.6	28.5	13.2	9.8	8.5	30.4	10.7	8.2	7.1	17.0	8.2	6.5	5.7	28.2	1.3	1.5	3.7	2.8	Gamesa								
Tubacex	SP	EUR	1.6	217	Buy	1.9	17.8			-4.1	-1.8	14.8	43.5	20.2	11.3	5.4	12.7	8.9	5.4	10.6	11.1	8.5	6.1	1.7	2.6	3.1	1.2	1.1	Tubacex								
Uralita	SP	EUR	8.7	570	Buy	9.4	8.5			-4.3	-1.6	17.3	19.4	14.3	13.1	-8.4	15.1	11.9	10.8	18.9	7.6	4.5	4.3	4.1	2.0	2.4	1.5	1.4	Uralita								
Zardoya Otis	SP	EUR	16.1	3,168	U/W	16.8	4.5			-1.2	0.6	-2.4	27.8	28.6	24.4	9.8	17.1	17.0	14.5	6.5	24.7	25.3	21.8	36.6	3.4	3.9	23.5	21.4	Zardoya Otis								
Capital Goods				21,398				2.7	5.2	-2.8	-2.4	5.4	14.6	11.6	9.6	51.1	7.0	5.8	5.2	12.6	6.9	5.8	5.3	14.3	3.3	3.5	1.5	1.4	Capital Goods								
Acciona	SP	EUR	50.6	3,212	Hold	55.9	10.6	0.9		-3.0	1.0	4.8	17.5	15.4	13.6	13.8	9.6	6.9	6.2	21.2	9.9	9.1	8.2	33.5	3.2	3.7	1.1	1.0	Acciona								
ACS	SP	EUR	39.5	4,679	Buy	45.0	14.0	1.7		-4.2	-0.8	2.0	11.2	10.0	8.9	16.0	10.7	9.6	8.5	11.4	9.0	8.2	7.5	7.9	2.5	2.8	1.9	1.6	ACS								
FCC	SP	EUR	29.7	3,873	Buy	33.5	12.9	0.8		-2.4	0.3	1.4	12.5	11.2	10.2	11.5	6.1	5.3	4.7	6.1	8.4	6.7	6.1	8.2	2.7	3.0	1.9	1.6	FCC								
Ferrovial	SP	EUR	32.9	4,611	Buy	38.7	17.7	1.3		-4.3	-1.6	17.3	16.3	15.1	13.1	-8.4	15.1	11.9	10.8	18.9	11.3	9.3	8.3	-11.1	1.7	2.0	2.4	2.1	Ferrovial								
OHL	SP	EUR	6.5	578	U/W	6.1	-5.6			-5.4	2.1	9.1	12.2	10.7	9.4	13.3	8.0	7.1	6.2	20.2	4.9	4.5	4.2	3.8	2.2	2.5	1.1	1.0	OHL								
Construction				16,953				4.7	0.0	-3.6	0.0	6.6	16.2	14.6	12.9	5.6	10.3	8.5	7.7	13.8	10.6	9.1	8.2	3.6	2.1	2.4	1.9	1.7	Construction								
Aldeasa	SP	EUR	23.4	491	Buy	27.5	17.6	2.5		-2.1	6.1	17.0	17.2	13.5	11.2	25.5	7.3	6.3	5.2	13.6	10.2	8.3	7.2	17.9	4.5	4.9	2.5	2.3	Aldeasa								
Altadis	SP	EUR	24.6	7,151	Buy	27.5	11.7	2.5		-4.7	-0.1	9.4	17.2	14.2	11.1	14.6	7.7	6.8	6.3	9.2	10.8	9.1	7.7	18.9	3.5	4.5	4.4	4.2	Altadis								
Barón de Ley	SP	EUR	33.9	262	Buy	42.1	24.2			-4.5	-4.8	10.8	11.9	11.6	10.0	9.3	9.0	7.4	6.3	14.7	8.8	8.7	7.7	7.9	0.0	0.0	1.6	1.4	Barón de Ley								
Cortefiel	SP	EUR	8.2	643	U/W	9.0	9.5			-6.0	-3.4	18.3	16.3	15.1	13.1	-43.3	7.6	6.0	5.1	18.5	6.0	6.4	5.5	21.6	1.4	2.0	3.4	2.9	Cortefiel								
Ebro Puleva	SP	EUR	9.9	1,529	U/W	10.0	0.4			-1.2	4.1	10.6	13.0	11.2	10.4	15.6	8.0	7.0	6.5	2.4	7.2	6.5	6.3	14.0	2.7	2.9	1.5	1.4	Ebro Puleva								
Faes	SP	EUR	13.6	606	U/W	11.9	-12.6			-1.7	-1.2	6.2	29.2	25.9	23.3	18.6	14.4	13.4	12.2	13.0	18.9	16.7	15.0	10.2	2.5	2.6	4.9	4.5	Faes								
Inditex	SP	EUR	18.0	11,232	U/R	-	NA	2.4		-0.5	-4.1	11.9	22.0	17.7	14.9	19.8	10.7	8.7	7.1	18.3	14.9	12.2	10.2	21.4	1.4	1.7	4.2	3.4	Inditex								
Jerónimo Martins	POR	EUR	9.1	872	Hold	10	-20.9	1.1		0.3	2.9	-13.0	51.3	24.8	17.7	-162.3	6.3	5.6	4.9	7.6	5.2	4.5	4.0	-352.5	0.0	0.0	8.9	5.9	Jerónimo Martins								
Sos Cuétara Koipe	SP	EUR	22.8	651	U/W	14.0	-38.3			-2.4	-1.1	13.4	27.8	19.9	15.4	34.4	11.5	7.9	6.6	19.8	11.5	8.2	7.1	-2.6	0.0	0.0	1.4	1.3	Sos Cuétara Koipe								
Viscofan	SP	EUR	7.7	375	Buy	8.9	16.0			-2.7	-1.2	8.9	13.2	12.9	9.5	8.9	7.2	6.4	5.3	12.4	6.0	6.0	5.1	-0.5	4.3	3.3	1.4	1.3	Viscofan								
Zelitia	SP	EUR	5.6	1,122	U/W	4.7	-16.8	0.4		-1.8	2.0	-0.2	118.8	-158.7	-80.5	-243.6	-332.6	429.4	427.2	-17.1	59.3	228.1	565.6	-46.2	0.0	0.0	3.5	3.7	Zelitia								
Consumer Goods				24,936				5.3	1.1	0.3	-1.6	9.1	20.4	17.0	14.3	25.3	9.1	7.7	6.8	12.0	11.8	10.2	8.9	19.7	1.9	2.2	3.5	3.1	Consumer Goods								
NH Hoteles	SP	EUR	8.6	1,027	U/W	9.9	15.3	0.4		-1.2	0.1	-5.7	20.1	21.1	20.2	-16.0	21.2	19.2	18.1	-5.8	6.6	7.9	8.1	-13.6	2.3	2.3	1.6	1.5	NH Hoteles								
Sol Meliá	SP	EUR	6.8	1,247	U/W	5.3	-21.5			-1.2	-6.0	-18.2	33.8	21.4	15.3	173.6	13.8	11.8	10.2	5.2	7.0	6.3	5.5	21.3	0.7	0.7	1.3	1.2	Sol Meliá								
TelePizza	SP	EUR	1.6	356	U/W	1.3	-21.4			-4.2	2.5	29.3	-13.0	20.0	18.0	53.9	8.5	7.6	6.5	0.2	-39.1	8.7	8.2	6.1	0.0	0.0	4.8	3.8	TelePizza								
Amadeus	SP	EUR	2.4	2,390	U/W	2.6	16.3	0.8		-4.2	0.1	-2.3	19.0	17.4	15.2	10.0	5.9	5.3	4.7	3.7	8.1	7.4	7.0	6.7	1.4	2.0	3.4	2.9	Amadeus								
Iberia	SP	EUR	2.4	2,193	Hold	3.0	NA	0.8		-4.4	-10.6	3.9	16.3	10.2	5.9	32.8	14.0	11.1	11.6	-0.1	11.4	6.6	4.5	16.0	1.7	1.7	1.4	1.2	Iberia								
Logista	SP	EUR	26.6	1,229	U/W	22.3	-16.0			0.4	-1.7	8.4	14.9	13.2	12.8	8.5	7.0	6.2	5.6	6.4	12.5	12.0	11.7	6.4	3.0	3.1	2.8	2.5	Logista								
Abertis	SP	EUR	14.0	7,336	-	-	NA	2.4		-0.5	4.2	16.6	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	Abertis								
Brisa	POR	EUR	5.6	3,379	Buy	7.5	33.2	7.8		-2.3	1.4	6.2	18.6	16.6	16.8	-1.9	12.2	12.0	11.7	7.8	11.2	10.4	10.0	-5.4	4.5	4.5	2.4	2.3	Brisa								
Inm. Colonial	SP	EUR	20.0	1,120	Buy	24.3	21.5			-5.3	-10.7	5.3	12.9	11.6	11.8	9.1	10.6	9.9	10.2	7.8	9.2	8.5	8.5	10.0	5.2	5.1	1.5	1.4	Inm. Colonial								
Inm. Urbis	SP	EUR	1.1	1,141	Buy	9.5	6.3			-0.7	-5.4	13.9	15.6	12.5	11.0	18.3	12.2	11.2	9.9	16.6	7.8	6.8	9.3	-6.0	2.0	2.3	1.7	1.5	Inm. Urbis								
Metrovacesa	SP	EUR	30.9	1,861	U/W	30.5	-1.1	0.7		1.2	-1.2	19.3	9.8	12.9	9.5	13.2	12.7	12.9	12.4	15.7	8.3	7.1	7.1	7.9	4.3	4.2	2.8	2.4	Metrovacesa								
Sacyr Vallehermoso	SP	EUR	12.3	3,016	U/W	12.5	1.9	0.9		-4.3	-7.7	23.9	9.1	9.7	9.1	0.1	17.6	12.9	12.3	21.6	6.6	7.1	6.7	-10.6	2.6	2.8	2.0	1.7	Sacyr Vallehermoso								
Abengoa	SP	EUR	7.2	647	Buy	8.2	14.7			-0.7	3.0	23.9	19.3	12.0	10.0	3.4	5.9	5.9	5.2	9.0	5.6	4.5	4.1	5.3	2.0	2.0	1.7	1.5	Abengoa								
Aguas Barcelona	SP	EUR	13.4	1,937	Buy	16.0	19.1			-3.6	5.0	13.5	10.0	16.8	14.9	-0.9	6.7	7.4	6.8	1.0	5.5	12.7	6.0	-17.8	2.5	2.6	1.7	1.6	Aguas Barcelona								
Prosegur	SP	EUR	12.9																																		

IV. MOMENTUM MONITOR

1M Stock Market Performance (%)			
Ten Highest		Ten Lowest	
Cimpor	5.0	Iberia	-16.5
B. Sabadell	4.1	Prisa	-14.2
Aldeasa	3.7	Corp. Mapfre	-11.8
Amadeus	3.7	Inm. Colonial	-11.1
Aguas Barcelona	3.2	Sacyr Vallehermo	-9.2
Jerónimo Martins	2.2	Barón de Ley	-9.1
Altadis	1.7	Arcelor	-8.8
Ebro Puleva	1.5	Jazztel	-8.8
TelePizza	1.3	Telefónica	-8.6
Sonae SGPS	1.1	Grupo Santander	-8.5

3M Stock Market Performance (%)			
Ten Highest		Ten Lowest	
TelePizza	16.9	Corp. Mapfre	-18.2
Acerinox	16.0	Iberia	-17.1
Gamesa	15.0	Cortefiel	-13.7
Ferrovial	12.8	Arcelor	-11.8
Abertis	11.5	Jazztel	-11.4
Ence	10.4	Inm. Colonial	-11.1
Inditex	6.3	NH Hoteles	-10.7
Tubacex	5.8	Sogecable	-9.8
Metrovacesa	5.4	Telefónica	-9.4
Unión Fenosa	4.7	Barón de Ley	-8.5

Performance from 12M High (%)			
Ten Highest		Ten Lowest	
Cimpor	-0.9	Zeltia	-39.8
BES	-2.5	Jazztel	-29.5
Logista	-2.9	Inditex	-24.9
Ebro Puleva	-3.3	Amadeus	-24.8
Gas Natural	-3.7	Corp. Mapfre	-22.5
REE	-4.0	Iberia	-20.2
Iberdrola	-4.1	Jerónimo Martins	-17.6
FCC	-4.5	NH Hoteles	-17.6
B. Sabadell	-4.7	Prisa	-17.0
Sos Cuétara Koipe	-4.8	Cortefiel	-17.0

Performance from 12M Low (%)			
Ten Highest		Ten Lowest	
Sogecable	202.7	Prosegur	8.6
Sonae SGPS	151.4	Zeltia	10.7
Prisa	113.9	B. Popular	12.5
Gamesa	96.0	Bankinter	13.4
Sol Meliá	91.2	Terra Lycos	13.4
Cortefiel	67.4	BES	13.8
TelePizza	67.4	Endesa	14.1
Iberia	62.3	Corp. Mapfre	15.7
Uralita	57.2	ACS	16.8
Ence	53.0	Iberdrola	18.0

3M Consensus Recommendation ¹			
Ten Highest		Ten Lowest	
Jazztel	2.8	Arcelor	1.2
BES	2.6	Ferrovial	1.4
Terra Lycos	2.5	ACS	1.4
B. Valencia	2.5	PT Multimedia	1.5
B. Guipuzcoano	2.5	Telefónica	1.5
Faes	2.5	Sonae SGPS	1.5
Zeltia	2.5	Ebro Puleva	1.5
BCP	2.5	Aldeasa	1.5
Zardoya Otis	2.5	Acciona	1.6
TelePizza	2.4	B. Popular	1.6

3M Positive to Negative Recommendations (x)			
Ten Highest		Ten Lowest	
Sonae SGPS	All Posit.	Terra Lycos	0.0
ACS	All Posit.	Jazztel	0.0
Arcelor	All Posit.	B. Guipuzcoano	0.0
Ferrovial	16.0	B. Valencia	0.0
Telefónica	14.0	BCP	0.0
Iberia	9.0	Faes	0.0
B. Popular	9.0	Zardoya Otis	0.1
Iberdrola	9.0	BES	0.1
Prosegur	7.0	Metrovacesa	0.2
Aguas Barcelo	5.0	Cementos Portland	0.2

2004 Consensus EPS / SCH 2004E EPS (%)			
Ten Highest		Ten Lowest	
Jerónimo Martins	115.3	Sonae SGPS	NM
Jazztel	85.6	Zeltia	-86.0
CF Alba	69.9	Terra Lycos	-67.5
Sogecable	62.6	TPI	-19.3
Acerinox	59.9	Viscofán	-17.4
PT Multimedia	45.1	Ence	-16.9
Telefónica	44.3	Sol Meliá	-14.3
Cimpor	30.0	Gamesa	-13.7
Portugal Telecom	26.8	Metrovacesa	-13.2
OHL	23.3	Barón de Ley	-11.7

Most Recommended Stocks (% of Buys)			
Ten Highest		Ten Lowest	
Arcelor	95.8	Terra Lycos	0.0
Ferrovial	72.7	Jazztel	0.0
Telefónica	71.8	B. Guipuzcoano	0.0
Aldeasa	71.4	B. Valencia	0.0
B. Popular	66.7	BCP	0.0
PT Multimedia	66.7	Faes	0.0
ACS	66.7	Zardoya Otis	8.3
Ebro Puleva	64.3	BES	11.1
Ence	61.5	Metrovacesa	11.8
Sogecable	61.1	OHL	12.5

(1) 1 = Buy; 2 = Hold; 3 = Sell.

Source: Bloomberg, JCF and Santander Central Hispano Bolsa estimates and forecasts.



V. VALUE MONITOR

2004E P/E (x)			
Ten Highest		Ten Lowest	
PT Multimedia	51.4	Zeltia	-158.7
Prisa	35.7	Sogecable	-145.4
Zardoya Otis	28.6	Sonae SGPS	-37.8
Faes	25.9	Terra Lycos	-23.7
Jerónimo Martins	24.8	Jazztel	-3.8
Telefónica	23.0	Ence	7.2
Acerinox	22.8	Arcelor	7.7
CF Alba	21.6	Metrovacesa	8.6
Sol Meliá	21.4	Sacyr Valleherm	9.7
NH Hoteles	21.1	Gamesa	9.8

2004E GDY (%)			
Ten Highest		Ten Lowest	
Inm. Colonial	5.2	PT Multimedia	0.0
Endesa	5.0	Terra Lycos	0.0
TPI	4.8	Sonae SGPS	0.0
REE	4.8	Sogecable	0.0
Iberdrola	4.7	Barón de Ley	0.0
Brisa	4.5	Jerónimo Martins	0.0
Aldeasa	4.5	Zeltia	0.0
Portugal Telecom	4.4	Sos Cuétara Koipe	0.0
EDP	4.4	Jazztel	0.0
Cimpor	4.0	TelePizza	0.0

2004E P/CF (x)			
Ten Highest		Ten Lowest	
Zeltia	228.1	Arcelor	3.6
CF Alba	108.0	Sonae SGPS	4.0
Terra Lycos	33.3	Ence	4.5
Zardoya Otis	25.3	Uralita	4.5
Sogecable	17.8	Abengoa	4.5
PT Multimedia	17.4	Jerónimo Martins	4.5
Faes	16.7	OHL	4.5
Indra	14.3	Repsol YPF	4.6
Aguas Barcelona	12.7	Endesa	4.8
Prisa	12.5	EDP	5.2

2004E P/BV (x)			
Ten Highest		Ten Lowest	
Zardoya Otis	23.5	Jazztel	0.6
Sogecable	13.0	Arcelor	0.8
TPI	9.5	Terra Lycos	1.0
Jerónimo Martins	8.9	Acciona	1.1
PT Multimedia	6.5	OHL	1.1
Faes	4.9	EDP	1.2
TelePizza	4.8	Tubacex	1.2
Altadis	4.4	Ence	1.3
Prisa	4.2	Sol Meliá	1.3
Inditex	4.2	Corp. Mapfre	1.3

Revisions to 2004E EPS YTD (%)			
Ten Highest		Ten Lowest	
Jazztel	29.7	Zeltia	NM
PT Multimedia	29.4	Sonae SGPS	-89.9
Iberia	18.2	Terra Lycos	-55.5
Prisa	18.2	Sogecable	-19.9
Arcelor	14.6	NH Hoteles	-15.1
OHL	14.6	Viscofán	-14.6
Gamesa	14.3	Tubacex	-12.7
Inm. Urbis	12.9	Faes	-12.6
Cortefiel	12.5	Prosegur	-10.8
Metrovacesa	10.8	Altadis	-10.2

2004E CFPS/DPS (%)			
Ten Highest		Ten Lowest	
Sol Meliá	21.6	Zardoya Otis	1.2
Prisa	12.4	CF Alba	1.9
Gamesa	11.8	TPI	2.0
Abengoa	11.4	Brisa	2.1
Uralita	11.0	Inm. Colonial	2.3
OHL	9.8	Faes	2.4
Amadeus	9.7	Aldeasa	2.7
Iberia	9.0	Logista	2.8
Prosegur	7.8	Iberdrola	3.0
Ence	7.5	Altadis	3.1

2004E D/E (%)			
Ten Highest		Ten Lowest	
Sacyr Vallehermo	401.4	Zardoya Otis	NM
Sogecable	366.8	Logista	-56.6
Metrovacesa	292.8	Terra Lycos	-51.1
Telefónica Móvil	262.7	Iberia	-50.7
Sonae SGPS	257.3	Indra	-37.9
REE	245.5	Inditex	-24.6
Jerónimo Martins	199.8	CF Alba	-20.5
Ferrovial	197.6	Aldeasa	-15.5
Brisa	181.3	Zeltia	-8.1
Unión Fenosa	174.2	Amadeus	0.3

2004E ROE (%)			
Ten Highest		Ten Lowest	
Zardoya Otis	86.7	Jazztel	-13.4
TPI	58.9	Sonae SGPS	-9.0
Telefónica Móviles	44.2	Sogecable	-7.9
Gamesa	43.7	Terra Lycos	-4.0
Jerónimo Martins	43.5	Zeltia	-2.2
Metrovacesa	42.3	Tubacex	6.0
Altadis	31.5	Sol Meliá	6.3
TelePizza	27.5	Acerinox	7.2
Inditex	26.1	NH Hoteles	7.8
Prosegur	25.6	CF Alba	7.8

Source: Bloomberg, JCF and Santander Central Hispano Bolsa estimates and forecasts.

VI. GROWTH MONITOR

2002-05F EPS CAGR (%)			
Ten Highest		Ten Lowest	
Sol Meliá	173.6	Arcelor	-303.8
TelePizza	53.9	Zeltia	-243.6
Ence	53.1	Sogecable	-200.0
Cortefiel	43.3	Telefónica Móvil	-186.0
Sos Cuétara Koipe	34.4	PT Multimedia	-184.6
Iberia	32.8	Telefónica	-180.9
Gamesa	30.4	Jerónimo Martins	-162.3
Uralita	27.4	Terra Lycos	-75.7
Portugal Telecom	25.8	Jazztel	-55.4
Aldeasa	25.5	Sonae SGPS	-25.6

2002-05F DPS CAGR (%)			
Ten Highest		Ten Lowest	
Sol Meliá	71.0	B. Sabadell	-7.4
TPI	40.3	BCP	-6.6
Indra	34.2	Ferrovial	-1.0
Portugal Telecom	34.1	Iberia	0.0
B. Pastor	29.7	CF Alba	0.0
BPI	29.3	Sacyr Vallehermos	0.1
Inditex	29.0	B. Valencia	1.8
Banesto	27.9	Cementos Portlan	1.8
Amadeus	25.2	Prisa	2.3
Viscofán	24.4	Endesa	4.5

2002-05F EBITDA CAGR (%)			
Ten Highest		Ten Lowest	
Sogecable	50.9	Jazztel	-199.7
PT Multimedia	44.2	Terra Lycos	-179.0
Ence	22.9	CF Alba	-37.5
REE	22.7	Zeltia	-17.1
Sacyr Vallehermos	21.6	NH Hoteles	-5.8
Acciona	21.2	Iberia	-0.1
OHL	20.2	TelePizza	0.2
Sos Cuétara Koip	19.8	Aguas Barcelona	1.0
Ferrovial	18.9	Endesa	1.1
Cortefiel	18.5	Repsol YPF	2.2

2002-05F Revenues CAGR (%)			
Ten Highest		Ten Lowest	
Gamesa	24.9	CF Alba	-21.4
Sacyr Vallehermos	23.3	Enagás	-5.2
Sos Cuétara Koipe	22.3	Repsol YPF	-1.2
Sogecable	18.4	BBVA	-1.1
Inditex	18.3	Ebro Puleva	-0.5
B. Sabadell	17.4	Jerónimo Martins	1.2
Ferrovial	17.1	Cementos Portland	1.4
Faes	14.7	Viscofán	1.6
Acerinox	14.3	Unión Fenosa	1.8
B. Pastor	14.1	Aguas Barcelona	2.1

2004E Net Margin (%)			
Ten Highest		Ten Lowest	
Brisa	37.2	Terra Lycos	-18.5
B. Popular	29.5	Jazztel	-18.3
B. Valencia	28.7	Sogecable	-2.0
Banesto	27.9	Sonae SGPS	-0.7
Metrovacesa	27.3	Jerónimo Martins	0.9
Barón de Ley	26.5	Corp. Mapfre	2.3
Bankinter	25.6	Uralita	2.5
BBVA	24.7	Sos Cuétara Koipe	2.7
Inm. Colonial	23.4	OHL	2.8
B. Guipuzcoano	21.6	Abengoa	3.0

2002-05F CFPS CAGR (%)			
Ten Highest		Ten Lowest	
PT Multimedia	128.4	Jerónimo Martins	-352.5
Telefónica	122.6	Terra Lycos	-165.8
Zardoya Otis	36.6	Zeltia	-46.2
Ence	36.2	CF Alba	-40.8
Sogecable	36.1	Jazztel	-35.1
Acciona	33.5	Aguas Barcelona	-17.8
Portugal Telecom	32.0	NH Hoteles	-13.6
Gamesa	28.2	Ferrovial	-11.1
Cortefiel	21.6	Sacyr Vallehermos	-10.6
Inditex	21.4	Inm. Urbis	-6.5

2004E EBITDA Margin (%)			
Ten Highest		Ten Lowest	
Brisa	84.2	Terra Lycos	-1.2
REE	51.0	Zeltia	3.7
Telefónica Móviles	46.3	Jerónimo Martins	8.1
Inm. Colonial	44.3	Iberia	8.9
Barón de Ley	44.0	ACS	9.1
Telefónica	43.2	OHL	9.5
Portugal Telecom	41.3	Sos Cuétara Koipe	9.5
Cimpor	38.7	Acerinox	9.8
TPI	37.2	Acciona	9.9
Metrovacesa	36.0	Jazztel	10.1

Potential to SCH Target Price (%)			
Ten Highest		Ten Lowest	
B. Popular	30.5	Sos Cuétara Koipe	-38.3
Ence	28.4	BES	-28.3
Arcelor	26.9	B. Valencia	-26.7
Endesa	26.2	B. Guipuzcoano	-22.6
Telefónica Móvil	25.0	Sol Meliá	-21.5
Prosegur	24.3	TelePizza	-21.4
Barón de Ley	24.2	Jerónimo Martins	-20.9
Unión Fenosa	23.1	Zeltia	-16.8
B. Pastor	22.7	Logista	-16.0
Telefónica	22.2	PT Multimedia	-14.6

Source: Bloomberg, JCF and Santander Central Hispano Bolsa estimates and forecasts.



VII. M&A AND CORPORATE ACTIVITY

M&A and Corporate Activity – Ongoing Deals Involving Targets in Our Universe of Coverage

Date of Announc	Exp Comp	Name	Target		Business	Acquirer	Deal Type	Price Offered		Comments
			Ticker	Ctry				Per Share (€)	Prem (Disc) (%)	
29-Dec-03	Mar-04	Parques Reunidos	PQR.MC	SP	Leisure	Advent	Minority buyout	6.25	0.0	Minority buyout in cash for remaining 9.4%.
06-Feb-04	NA	Banco Atlantico	ATL.MC	SP	Banks	Banco Sabadell	NA	NA	NA	Offer
09-Mar-04	ND	Aguas Barcelona	AGS.MC	SP	Utilities	Market	NA	NA	NA	To be sold by Endesa

Source: Companies, Bloomberg, Reuters and Santander Central Hispano Bolsa.

M&A and Corporate Activity – Most Recently Completed Deals Involving Targets in Our Universe of Coverage

Date Announced	Name	Target		Business	Acquirer	Stake (%)	Total (€mn)	Price Offered		Comments
		Ticker	Ctry					Per Share (€)	Prem (Disc) (%)	
09-Dec-03	Repsol YPF	REP.MC	SP	Oil & Gas	Institutional investors	4.8	NA	NA	NA	Exchangeable bond issue by Pemex to be exercised in 2010, with a coupon of 4-4.5% and a premium of 30-35%.
11-Dec-03	Grupo Prisa	PRS.MC	SP	Media	Institutional investors	5.0	NA	NA	NA	Exchangeable bond issue by Prisa to be exercised in 2008, with an exchange price of €14.85/share.
17-Dec-03	Sacyr-Vallehermoso	SYV.MC	SP	Real Estate	Institutional investors	1.1	NA	NA	NA	Acquired from Amancio Ortega.
17-Dec-03	Sacyr-Vallehermoso	SYV.MC	SP	Real Estate	Institutional investors	0.5	NA	NA	NA	Acquired from Alicia Koplowitz.
17-Dec-03	Terra Lycos	TRR.MC	SP	Internet	Terra Lycos	4.4	NA	NA	NA	Acquired from Citibank. This allows Telefónica to raise its stake in Terra Lycos from 72% to 75.3%.
19-Dec-03	Sogecable	SGC.MC	SP	Media	Telefónica	2.6	NA	NA	NA	Acquired in the market. Added to Telefónica's 22.2% stake.
23-Dec-03	Ence	ENC.MC	SP	Pulp & Paper	Alberto Alcocer and Alberto Cortina	3.1	13	16.71	-3.4	Acquired from Barclays (formerly in hands of Banco Zaragozano).
12-Jan-04	Banco Popular	POP.MC	SP	Banks	Mutua Madrileña	2.5	NA	NA	NA	Acquired in the market. Added to Mutua Madrileña's 3.0% stake.
20-Jan-04	Unión Fenosa	UNF.MC	SP	Electricity	Institutional investors	2.0	NA	NA	NA	Acquired in the market.
21-Jan-04	Iberdrola	IBE.MC	SP	Electricity	Group of six Spanish savings banks	5.0	NA	NA	NA	Convertible bond issue by Prisa to be exercised in 2008, with a conversion price of €14.85/share.
30-Jan-04	Gas Natural	GAS.MC	SP	Oil & Gas	La Caixa	1.2	NA	NA	NA	Acquired in the market. Added to La Caixa's 31.1% stake.
02-Feb-04	Telefónica	TEF.MC	SP	Telecoms	Institutional investors	NA	NA	NA	1.5	NA
02-Feb-04	Repsol YPF	REP.MC	SP	Oil & Gas	Institutional investors	NA	NA	NA	2.8	NA
02-Feb-04	Iberdrola	IBE.MC	SP	Electricity	Institutional investors	NA	NA	NA	0.4	NA
02-Feb-04	Gas Natural	GAS.MC	SP	Oil & Gas	Institutional investors	NA	NA	NA	2.3	NA
02-Feb-04	Endesa	ELE.MC	SP	Electricity	Institutional investors	NA	NA	NA	0.5	NA
05-Feb-04	Campofrío	CPF.MC	SP	Food	Smithfield	NA	NA	NA	15.0	70
12-Feb-04	BCP	BCP.IN	SP	Banks	BPI	NA	NA	NA	5.0	NA
12-Feb-04	Amadeus	AMS.MC	SP	Soft & Comp Serv	Market	13.2	394	5.05	-3.2	Lufthansa places a 13.2% stake.
26-Feb-04	Ebro Puleva	EVA.MC	SP	Food	Market	14.2	196.5	9.00	-6.2	NA
05-May-04	Charter One	CF.N	US	Banks	RBoS	100.0	11			
06-May-04	Agbar	AGS.MC	SP	Water	Market	11.6	238	14.20	3.0	Acquired from Endesa.

Source: Companies, Bloomberg, Reuters and Santander Central Hispano Bolsa.

M&A and Corporate Activity – Main Target Companies in our Universe of Coverage

Target name	Ticker	Ctry	Business	Market Cap ²		Free Float		Potential Partner
				(€mn)	(€mn)	%	%	
Banco Guipuzcoano	GUI.MC	SP	Banks	705	444	63		BBK (15% stake), Kutxa (10% stake)
BPI	BPIN.IN	POR	Banks	2,295	1,239	54		BBVA, Banco Popular, Banco Sabadell
Mediobanca	MDBI.MI	ITA	Banks	7,162	3,868	54		Capitalia (8.4% stake), UniCredito (7.9% stake)
Barón de Ley	BDL.MC	SP	Beverages	262	186	71		Diageo, Allied Domecq
Cementos Portland	CPL.MC	SP	Building materials	1,368	451	33		FCC (58% stake)
Uralita	URA.MC	SP	Building materials	570	251	44		Lafarge, Saint-Gobain
Vidrala	VID.MC	SP	Building materials	251	115	46		Owens Illinois, BSN Group
FCC	FCC.MC	SP	Construction	3,873	1,472	38		Acciona (8.7% stake)
Unión Fenosa ¹	UNF.MC	SP	Electricity	5,198	3,587	69		EDP, Enel
Zardoya Otis	ZOT.MC	SP	Engineering & Machinery	3,168	1,204	38		UTH
SOS Cuétara	SOS.MC	SP	Food	651	293	45		Large food multinationals (e.g. Nestlé)
TelePizza	TPZ.MC	SP	Food	356	288	81		Domino's Pizza, Tricon
Viscofán	VIS.MC	SP	Food	375	375	100		Private equity fund
Ence	ENC.MC	SP	Forestry & Paper	555	344	62		Portucel (8% stake)
Amper	AMP.MC	SP	IT Hardware	115	87	76		Tecnocom, Indra
NH Hoteles	NHH.MC	SP	Lodging	1,027	616	60		Hilton, InterContinental
PT Multimedia	PTMN.IN	POR	Media	2,774	999	36		Portugal Telecom (66.7% stake)
Recoletos ¹	REC.MC	SP	Media	823	156	19		Pearson (79% stake), Vocento
Brisa	BRIS.IN	POR	Motorways	3,379	1,554	46		Abertis (10% stake)
Cepsa ¹	CEP.MC	SP	Oil & Gas	6,957	557	8		Total (45% stake)
Repsol YPF	REP.MC	SP	Oil & Gas	20,584	16,467	80		Total, any US supermajor
Zeltia	ZEL.MC	SP	Pharmaceuticals	1,122	797	71		Johnson & Johnson
Inmob. Urbis ¹	URB.MC	SP	Real Estate	1,141	319	28		Caltagirone, Fadesa, Inmob. Colonial
Indra	IDR.MC	SP	Software & Computer Serv	1,584	1,346	85		Large IT companies (e.g. Tietoanator)
ServicePoint	SPS.MC	SP	Software & Computer Serv	100	96	96		Xerox, OCE
Terra Lycos	TRR.MC	SP	Software & Computer Serv	2,995	749	25		Telefónica (75% stake)
TPI	TPI.MC	SP	Software & Computer Serv	2,081	832	40		Telefónica (60% stake)
Tubacex	TUB.MC	SP	Steel & Other Materials	217	197	91		Tubos Reunidos
Prosegur	PSG.MC	SP	Support Services	794	302	38		Group 4 Falck, UTC
Transportes Azkar	TAZ.MC	SP	Support Services	272	90	33		TNT Post, Deutsche Post, La Poste
Jazztel	JAZ.MC	SP	Telecom Services	175	152	87		Auna, ONO, Uni2
Sonae.com	SNCP.IN	POR	Telecom Services	670	114	17		France Telecom, Vodafone
Telef. Móviles	TEM.MC	SP	Telecom Services	36,550	2,558	7		Telefónica (93% stake)
Cortefiel	CTF.MC	SP	Textile	643	283	44		El Corte Inglés
Altadis	ALT.MC	SP	Tobacco	7,151	7,008	98		BAT, Imperial
Iberia	IBLA.MC	SP	Transport	2,193	1,206	55		BA

Note: Grouped by business sector.

(1) Grupo Santander has a stake of 3% or more in this company.

(2) Market prices as of April 15, 2004.

Source: Companies, Bloomberg, Reuters and Santander Central Hispano Bolsa.

ANALYST CERTIFICATION: We, Jesús Gómez, Antonio Espasa, Cristina Bergón and Manuel Preto, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject companies and their securities. We also certify that we have not been promised compensation, either directly or indirectly, for expressing the recommendations in this report.

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Key to Investment Codes¹

Buy	Upside of more than 20%.
Hold	Upside of 15%-20%.
Underweight	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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