

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	2003E	Cons	2004F	Cons	2005F	Cons
Germany	1.0	0.2	0.0	0.0	1.7	1.7	2.1	1.8
France	2.1	1.3	0.2	0.2	1.8	1.7	2.2	2.1
Italy	1.7	0.4	0.5	0.4	1.8	1.4	2.4	2.0
Spain	2.8	2.0	2.3	2.3	2.9	2.9	3.2	3.0
Portugal	1.7	0.4	-0.8	-0.4	1.0	1.4	2.2	2.3
Euro-12	1.6	0.9	0.4	0.5	1.9	1.7	2.3	2.1
UK	2.1	1.7	-	2.0	-	3.1	-	2.5
Argentina	-4.4	-10.9	8.7	7.3	6.8	6.2	3.0	4.1
Brazil	1.3	1.9	-0.2	0.1	3.8	3.5	4.0	3.6
Mexico	-0.3	0.9	1.3	1.2	3.2	3.2	4.0	3.6
Japan	0.4	0.2	-	2.7	-	2.2	-	1.7
US	0.3	2.5	2.8	3.1	3.5	4.6	2.5	3.7

CPI	2001	2002	2003E	Cons	2004F	Cons	2005F	Cons
Germany	2.0	1.3	1.0	1.1	0.8	1.1	1.2	1.2
France	1.6	2.0	2.0	2.1	1.3	1.8	1.5	1.6
Italy	2.7	2.5	2.7	2.7	1.9	2.2	2.0	2.1
Spain	3.6	3.5	3.0	3.0	2.8	2.5	2.5	2.5
Portugal	4.4	3.6	3.3	3.2	2.6	2.3	2.5	2.2
Euro-12	2.4	2.2	1.9	2.1	1.3	1.7	1.5	1.6
UK	2.1	2.2	-	2.6	-	1.6	-	1.7
Argentina	-1.5	41.0	3.7	3.9	6.0	7.1	9.0	6.6
Brazil	7.7	12.5	9.3	9.3	5.8	6.1	5.0	5.3
México	4.4	5.7	4.0	3.9	3.9	4.0	3.5	3.8
Japan	-0.7	-0.9	-	-0.2	-	-0.2	-	-0.2
US	2.8	1.6	2.4	2.3	1.6	1.7	1.5	1.9

Financial Indicators*	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)	1.00 (1.00)	1.75	2.75 (2.06)	3.25
10Y 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)	4.25 (4.53)	4.90	4.50 (4.13)	5.10
Exchange rates							
Euro-dollar	0.89 (0.89)	1.05 (0.95)	1.26 (1.14)	1.13 (1.15)	1.27	1.10 (1.11)	1.26

(*) Annual averages in brackets.

Source: Consensus forecasts (March 2004). Euro Zone Barometer (March 2004). Santander Central Hispano Investment and Santander Central Hispano 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		GDY (%)		P/BV (x)	
		03E	04F	05F		03E	04F	05F	03E		04F	05F	03E	04F	05F	04F	05F	04F	05F	
France (CAC40)	759,893	18.6	14.8	12.9	16.4	8.4	7.5	6.8	4.3	9.4	9.2	8.2	6.7	2.6	2.9	2.5	2.2			
Germany (DAX30)	520,324	19.0	14.3	12.0	34.2	7.3	6.1	5.3	4.6	7.8	7.1	6.6	4.7	2.6	2.9	2.0	1.8			
Italy (MIB30)	392,819	18.6	15.5	14.5	22.0	6.7	6.3	5.9	5.2	7.2	6.9	6.5	4.8	3.9	4.0	2.5	2.3			
Portugal (PSI20)	46,574	19.4	16.0	13.3	22.4	8.6	8.0	7.3	7.8	7.0	6.4	5.8	11.8	2.8	3.1	2.2	2.0			
Spain (IBEX35)	326,329	15.6	17.5	12.5	18.4	9.5	7.6	6.7	6.9	7.5	7.6	6.7	7.9	3.2	3.5	3.0	2.6			
DJ Stoxx 600	5,587,418	18.7	14.9	13.2	14.3	11.8	9.2	6.4	6.4	10.5	10.2	7.4	5.7	3.1	3.4	2.8	2.5			
DJ Stoxx 50	2,471,143	16.7	14.1	12.9	15.7	8.9	7.8	7.2	4.5	10.7	9.8	9.1	5.5	3.3	3.6	2.7	2.4			
DJ Eurostoxx 50	1,628,513	17.3	13.9	12.4	22.6	7.2	6.6	6.0	4.3	8.2	8.0	7.4	5.5	3.3	3.6	2.4	2.2			
Iberia Capital Goods	21,388	14.6	11.6	9.6	50.8	7.0	5.8	5.2	12.6	6.9	5.8	5.3	14.2	3.3	3.5	1.5	1.4			
Iberia Construction	16,287	15.6	14.1	12.5	5.4	10.1	8.4	7.6	13.9	9.8	8.8	7.9	3.7	2.1	2.4	1.8	1.7			
Iberia Consumer Goods	25,134	20.6	17.3	14.5	25.0	9.2	7.8	6.9	11.9	11.9	10.3	9.0	19.6	1.9	2.2	3.6	3.2			
Iberia Consumer Services	31,868	19.9	18.2	15.5	11.3	12.8	11.2	10.6	8.0	9.7	9.2	8.2	0.7	1.5	1.6	2.6	2.4			
Iberia Financials	122,979	16.2	14.2	13.5	12.1	NA	NA	NA	NA	NA	NA	NA	NA	3.1	3.1	2.0	2.0			
Iberia Oil & Gas	38,383	11.5	11.8	11.3	-3.2	5.8	5.8	5.5	5.1	5.3	5.7	5.4	2.3	3.3	3.7	1.6	1.5			
Iberia TMTs	125,675	30.9	23.6	19.4	-183.9	8.4	7.4	6.7	8.5	8.5	8.0	7.1	52.8	2.6	2.6	3.9	3.6			
Iberia Utilities	43,841	13.5	12.5	11.1	9.3	8.4	8.0	7.4	5.0	4.9	5.6	5.2	4.6	4.5	4.8	1.6	1.5			
Total Iberia	425,555	18.1	15.8	14.1	67.6	10.6	9.6	8.8	7.9	10.3	10.2	9.3	16.7	2.9	3.0	2.3	2.1			

Note: CAGRs are calculated over 2002-05F.

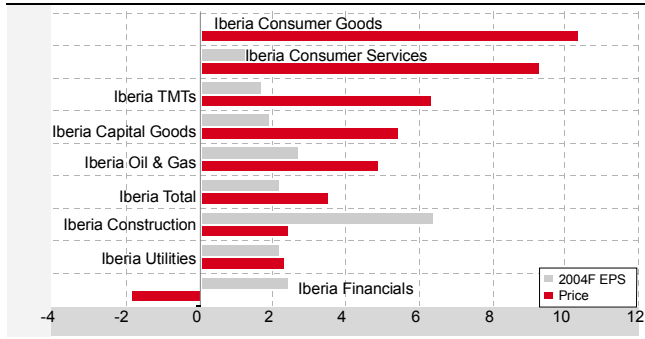
Source: Bloomberg, JCF and Santander Central Hispano Bolsa estimates and forecasts.

Market Performance (%)

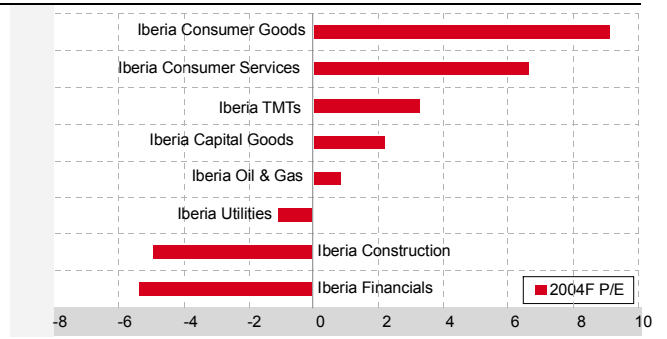
Index	Close 25-Feb	Last 12M			-1W	-1M	-3M	-6M	-12M	QTD	YTD	From	
		High	Low	12M High								12M Low	
France (CAC40)	3,570	3,789	2,597	-0.5	-3.9	1.7	11.0	28.1	0.4	0.4	-5.8	37.5	
Germany (DAX30)	3,812	4,175	2,396	-0.4	-4.9	-2.3	14.6	47.8	-3.9	-3.9	-8.7	59.1	
Italy (MIB30)	26,919	28,495	21,856	0.1	-3.5	0.9	7.0	17.6	0.8	0.8	-5.5	23.2	
Portugal (PSI20)	7,505	7,970	5,267	-1.0	-1.4	11.8	23.5	38.4	11.2	11.2	-5.8	42.5	
Spain (IBEX35)	7,915	8,376	5,829	1.2	-3.0	2.8	16.2	28.8	2.3	2.3	-5.5	35.8	
DJ Stoxx 600	234	248	175	0.0	-3.5	3.2	10.7	25.5	2.2	2.2	-5.4	33.8	
DJ Stoxx 50	2,645	2,804	2,081	-0.2	-4.1	0.4	8.1	18.3	-0.6	-0.6	-5.7	27.1	
DJ Eurostoxx 50	2,752	2,965	2,022	-0.3	-4.5	1.1	12.4	26.7	-0.3	-0.3	-7.2	36.1	
Iberia Capital Goods	NA	NA	NA	2.0	-0.9	5.7	25.0	45.5	5.4	5.4	-7.1	55.2	
Iberia Construction	NA	NA	NA	0.2	-2.3	2.5	11.8	22.6	2.4	2.4	-8.5	27.2	
Iberia Consumer Goods	NA	NA	NA	5.0	0.3	11.2	7.0	9.6	10.4	10.4	-17.5	26.0	
Iberia Consumer Services	NA	NA	NA	1.0	-2.2	9.1	17.3	31.8	9.3	9.3	-9.5	40.6	
Iberia Financials	NA	NA	NA	1.3	-3.1	-0.5	16.2	32.9	-1.9	-1.9	-8.2	42.0	
Iberia Oil & Gas	NA	NA	NA	-0.4	-0.3	6.0	11.8	23.7	4.9	4.9	-4.5	32.7	
Iberia TMTs	NA	NA	NA	-0.4	-5.2	5.9	22.0	40.7	6.3	6.3	-10.4	51.5	
Iberia Utilities	NA	NA	NA	1.0	-2.4	2.3	11.9	23.2	2.3	2.3	-6.8	29.5	
Total Iberia	NA	NA	NA	0.8	-3.0	4.0	16.7	31.5	3.5	3.5	-9.1	41.1	

Source: Bloomberg.

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

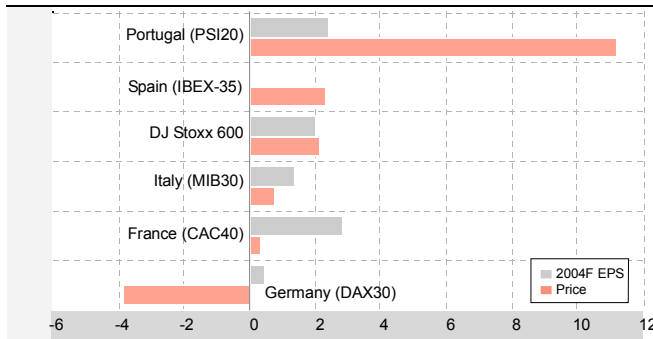


DJ Stoxx 600 – Relative Re-Rating/De-Rating in 2004F P/E by Sector (%)

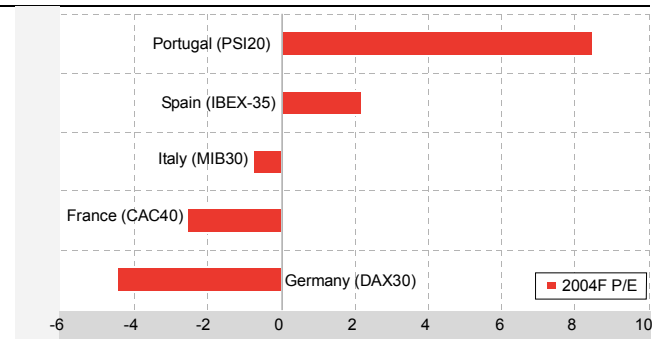


Source: Bloomberg, JCF and Santander Central Hispano Bolsa estimates.

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 25/03/04	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	38.5	2,533	U/W	36.2	-6.0	0.9	2.3	3.0	3.0	20.0	20.9	9.7	14.3	9.5	9.4	5.4	11.7	9.0	8.8	5.8	15.0	3.0	3.3	1.5	1.3	Acerinox									
Arcelor	SP	EUR	14.1	7,516	Buy	16.8	19.0	1.1	3.5	3.1	3.1	11.3	8.2	7.3	-303.8	5.2	4.2	4.1	15.8	4.8	3.8	6.7	15.6	3.5	3.5	0.9	0.8	Arcelor									
Cementos Portland Cimpor	SP	EUR	49.7	1,383	U/W	47.0	-5.4		-0.7	5.7	5.7	8.5	10.6	9.8	7.5	5.6	4.9	4.5	2.9	5.6	6.4	6.1	6.3	2.3	2.3	1.4	1.2	Cementos Portland Cimpor									
Ence	POR	EUR	4.2	2,829	U/W	4.1	-2.6	4.8	0.2	2.7	2.7	15.8	15.7	14.2	4.1	7.6	7.1	6.4	3.2	7.1	6.8	6.4	-1.5	4.2	4.6	2.7	2.5	Ence									
Gamesa	SP	EUR	21.8	555	Buy	24.5	12.5		2.2	27.0	27.0	13.4	8.4	6.0	46.9	10.5	7.4	4.6	20.3	6.2	5.0	4.0	32.0	3.0	3.4	1.3	1.1	Gamesa									
Tubacex	SP	EUR	32.8	2,656	Buy	44.0	34.4	0.7	-0.6	25.5	25.5	12.9	9.6	8.3	30.4	10.5	8.1	7.0	17.0	8.0	6.4	5.6	28.2	1.7	1.5	3.6	2.8	Tubacex									
Uralita	SP	EUR	1.6	210	Buy	1.9	21.5		-2.5	11.3	11.3	42.2	19.6	11.0	5.4	12.4	8.7	5.3	10.6	10.7	8.3	5.9	1.7	2.3	3.2	1.2	1.1	Uralita									
Zardoya Otis	SP	EUR	8.4	556	Buy	9.4	11.4		-3.4	14.4	14.4	18.9	14.0	12.4	-8.4	14.7	11.7	10.5	9.9	7.4	4.4	4.1	4.1	2.1	2.5	1.5	1.4	Zardoya Otis									
Capital Goods	SP	EUR	16.0	3,151	U/W	16.8	5.1		4.6	3.0	3.0	27.6	28.5	24.3	9.8	17.0	16.9	14.4	6.5	24.6	25.1	21.7	36.6	3.4	3.9	23.4	21.2	Capital Goods									
				21,388				2.7	4.8	4.8	2.0	5.4	5.4	14.6	11.6	9.6	50.8	12.6	12.6	6.9	5.8	5.3	14.2	3.3	3.5	1.5	1.4										
Acciona	SP	EUR	49.5	3,144	Hold	55.9	13.0	0.9	1.0	2.5	2.5	17.2	15.1	13.3	13.8	9.4	6.7	6.1	21.2	9.7	8.9	8.0	33.5	3.3	3.8	1.1	1.0	Acciona									
ACS	SP	EUR	38.7	4,582	Buy	45.0	16.4	1.6	-0.9	-0.1	-0.1	11.0	9.8	8.7	16.0	10.5	9.4	8.3	11.4	8.8	8.1	7.4	7.9	2.5	2.9	1.9	1.6	ACS									
FCC	SP	EUR	28.0	3,656	Buy	33.5	19.6	0.8	-0.1	4.2	4.2	12.0	10.9	9.9	10.6	6.2	5.4	4.8	6.4	6.9	6.4	5.7	8.4	2.4	2.6	1.7	1.3	FCC									
Ferrovial	SP	EUR	31.4	4,359	Buy	33.9	8.1	1.2	-3.2	21.2	21.2	23.8	12.1	11.5	43.3	8.1	6.4	5.5	18.5	10.8	8.8	7.9	-11.1	1.8	2.1	2.3	2.0	Ferrovial									
OHL	SP	EUR	6.1	545	U/W	6.1	0.2		-2.1	2.9	2.9	11.5	10.1	8.9	13.3	7.8	7.0	6.1	20.2	4.6	4.3	3.9	3.8	2.4	2.7	1.0	0.9	OHL									
Construction	SP	EUR		16,287				4.5	0.2	2.4	2.4	15.6	14.1	12.5	5.4	10.1	8.4	7.6	13.9	9.8	8.8	7.9	3.7	2.1	2.4	1.8	1.7	Construction									
Aldeasa	SP	EUR	21.8	458	U/W	22.8	4.6	2.5	-4.6	9.0	9.0	16.6	13.7	12.7	17.8	6.9	6.1	5.5	8.6	9.0	7.9	7.4	14.2	4.5	4.9	2.3	2.2	Aldeasa									
Altadis	SP	EUR	24.7	7,183	Buy	27.5	11.2		-1.0	9.9	9.9	17.2	14.2	11.2	14.6	9.7	6.8	6.4	9.2	10.8	9.2	7.7	18.9	3.5	4.4	4.5	4.3	Altadis									
Barón de Ley	SP	EUR	35.1	271	Buy	42.1	19.6		-2.5	-7.6	-7.6	23.8	12.1	10.3	9.3	7.3	7.7	6.5	14.7	9.2	6.0	8.0	7.9	0.0	0.0	1.7	1.5	Barón de Ley									
Cortefiel	SP	EUR	8.9	692	Hold	9.0	1.7		-3.2	21.2	21.2	17.0	15.5	13.5	50.9	5.3	4.7	4.1	3.7	7.2	6.8	6.2	6.7	3.0	3.0	2.0	2.0	Cortefiel									
Ebro Puleva	SP	EUR	9.7	1,494	U/W	10.0	2.8		1.3	8.0	8.0	12.7	11.5	10.2	15.5	7.9	6.9	6.4	2.4	7.1	6.6	6.1	14.0	2.6	3.0	1.5	1.4	Ebro Puleva									
Faes	SP	EUR	13.9	617	U/W	11.9	-14.1		-0.7	8.1	8.1	29.7	26.4	23.7	18.6	14.7	13.6	12.4	13.0	19.3	17.0	15.2	10.2	2.5	2.6	4.9	4.5	Faes									
Inditex	SP	EUR	18.6	11,563	U/R	-	NA	2.4	13.0	15.2	15.2	22.6	18.2	15.4	19.8	11.0	8.9	7.4	18.3	15.3	12.5	10.5	21.4	1.4	1.6	4.3	3.5	Inditex									
Jerónimo Martins	POR	EUR	8.8	844	U/W	7.2	-18.2	1.1	-5.7	-15.9	-15.9	49.6	24.0	17.1	-162.3	6.2	5.5	4.8	7.6	5.0	4.4	3.9	-352.5	0.0	0.0	8.6	5.7	Jerónimo Martins									
Sos Cuétara Koipe	SP	EUR	24.2	555	Buy	15.8	-34.8		0.3	12.2	12.2	30.9	24.0	18.0	30.0	11.1	6.4	5.2	20.7	12.2	8.6	7.5	-2.2	0.0	0.0	2.2	2.0	Sos Cuétara Koipe									
Viscofina	SP	EUR	7.9	374	Buy	8.9	16.2		-0.1	18.3	18.3	13.1	12.9	8.8	8.9	7.2	6.4	5.3	3.7	6.0	6.9	7.1	-0.5	2.1	3.3	1.4	1.3	Viscofina									
Zelitia	SP	EUR	5.4	1,084	U/W	4.7	-13.9	0.4	-1.9	-3.6	-3.6	114.8	-153.3	-77.7	-243.6	-320.4	91.2	412.9	-17.1	-17.1	57.3	220.0	546.3	-46.2	0.0	0.0	3.4	3.6	Zelitia								
Consumer Goods	SP	EUR		25,134				5.3	1.1	5.0	10.4	10.4	20.6	17.3	14.5	25.0	9.2	7.8	6.9	11.9	11.9	10.3	9.0	19.6	1.9	2.2	3.6	3.2	Consumer Goods								
NH Hoteles	SP	EUR	8.8	1,054	Buy	11.3	28.1	0.4	-0.2	-3.2	-3.2	25.9	15.9	16.1	-8.6	21.8	17.0	16.6	-2.3	8.9	7.7	8.0	-12.7	2.8	2.8	1.7	1.6	NH Hoteles									
Sol Meliá	SP	EUR	6.8	1,253	Buy	5.3	-21.8		-2.3	18.7	18.7	33.9	21.5	15.4	173.6	13.8	11.8	10.2	5.2	7.0	6.3	5.6	21.3	0.7	0.7	1.3	1.2	Sol Meliá									
TelePizaa	SP	EUR	1.4	322	U/W	1.3	-13.2		4.3	17.1	17.1	-11.8	18.1	16.3	53.9	7.8	6.9	5.9	0.2	-35.4	7.9	7.4	6.1	0.0	0.0	4.4	3.5	TelePizaa									
Amadeus	SP	EUR	4.8	2,665	U/W	5.9	33.6	0.7	2.7	-13.0	-13.0	17.0	15.5	13.5	10.9	5.3	4.7	4.1	3.7	7.2	6.8	6.2	6.7	1.6	2.2	3.0	2.6	Amadeus									
Iberia	SP	EUR	2.7	2,489	Hold	-	NA	0.9	2.7	18.0	18.0	18.5	11.6	6.7	32.8	14.9	11.7	12.3	-0.1	13.0	7.5	5.1	16.0	1.5	1.5	1.6	1.3	Iberia									
Logista	SP	EUR	26.4	1,222	U/W	22.3	-15.5		0.8	7.8	7.8	14.8	13.2	12.7	8.5	7.0	6.2	5.6	6.4	12.5	11.9	11.6	6.4	3.0	3.1	2.8	2.5	Logista									
Abertis	SP	EUR	13.1	6,920	-	-	NA	2.3	2.4	9.5	9.5	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	Abertis									
Brisa	POR	EUR	5.6	3,349	Buy	7.5	34.4	7.6	3.0	5.3	5.3	18.4	16.6	16.6	-1.9	12.1	12.0	11.7	7.8	11.1	10.3	9.9	-5.4	4.5	4.5	2.3	2.3	Brisa									
Inm. Colonial	SP	EUR	22.4	1,253	Buy	24.3	8.6		-3.3	17.7	17.7	14.4	13.0	13.2	9.1	11.4	10.7	11.0	7.8	10.3	9.5	9.6	13.0	4.6	4.6	1.7	1.6	Inm. Colonial									
Inm. Urbis	SP	EUR	9.5	1,208	Buy	9.5	0.3		1.4	20.6	20.6	16.5	13.2	10.4	12.6	11.6	10.4	15.5	8.3	7.2	10.1	-7.5	1.9	2.1	1.8	1.6	Inm. Urbis										
Metrovacesa	SP	EUR	30.1	1,374	U/W	30.5	1.4	0.6	-0.1	18.3	18.3	13.1	12.9	8.8	13.2	12.7	12.3	15.7	8.1	6.9	7.1	7.9	4.1	4.3	2.8	2.3	Metrovacesa										
Sacyr Vallehermoso	SP	EUR	13.2	3,245	U/W	12.5	-5.3	0.9	0.9	10.0	10.0	9.8	10.5	9.8	0.1	18.0	13.2	12.5	21.6	7.1	7.6	7.2	-10.6	2.4	2.6	2.2	1.9	Sacyr Vallehermoso									
Abengoa	SP	EUR	6.7	606	Buy	8.2	22.4		5.7	16.1	16.1	18.1	11.3	9.4	3.4	5.7	5.7	5.0	9.0	5.2	4.2	3.8	5.3	2.1	2.1	1.6	1.4	Abengoa									
Aguas Barcelona	SP	EUR	12.7	1,836	Buy	16.0	26.2		0.5	7.2	7.2	9.4	15.9	14.1	-0.9	6.5	7.1	6.6	1.0	5.2	12.0	5.7	-17.8	2.6	2.8	1.6	1.5	Aguas Barcelona									
Prosegur	SP	EUR	12.6	774	Buy	16.0	27.5		-2.2	-2.7	-2.7	17.0	12.9	10.7	21.1	7.1	6.1	5.1	6.9	7.7	6.7	5.8	-0.6	1.9	2.1	3.2	2.7	Prosegur									
Sonae SGPS	POR	EUR	0.9	1,860	Buy	1.0	7.5		-5.1	40.9																											

IV. MOMENTUM MONITOR

1M Stock Market Performance (%)			
Ten Highest		Ten Lowest	
Acerinox	5.2	Aldeasa	-11.0
Ferrovial	4.4	Cortefiel	-9.7
TelePizza	4.3	Sogecable	-9.1
Inditex	3.9	Jazztel	-8.3
Abertis	2.3	OHL	-7.6
Sos Cuétara Koip	1.4	Jerónimo Martins	-7.4
Ebro Puleva	1.1	Telefónica Móvil	-6.9
Unión Fenosa	0.8	NH Hoteles	-6.6
Ence	0.6	Corp. Mapfre	-6.2
Gamesa	0.5	Endesa	-6.0

Performance from 12M High (%)			
Ten Highest		Ten Lowest	
Abertis	-0.8	Zeltia	-41.9
Sos Cuétara Koipe	-1.5	Jazztel	-34.0
Metrovacesa	-1.7	Amadeus	-33.0
BPI	-1.8	Inditex	-22.7
BES	-2.0	Jerónimo Martins	-20.4
Cimpor	-2.3	Prosegur	-18.2
Ence	-2.6	Aldeasa	-15.4
Iberdrola	-3.2	NH Hoteles	-15.4
Logista	-3.3	Sogecable	-15.2
Abengoa	-3.5	Sol Meliá	-13.7

3M Consensus Recommendation ¹			
Ten Highest		Ten Lowest	
Jazztel	2.8	Arcelor	1.4
BES	2.7	Sonae SGPS	1.5
B. Valencia	2.6	Telefónica	1.5
OHL	2.6	Iberdrola	1.5
B. Guipuzcoano	2.5	Ferrovial	1.6
Zeltia	2.5	Aguas Barcelona	1.6
Terra Lycos	2.5	B. Popular	1.6
Zardoya Otis	2.5	Ence	1.6
TelePizza	2.5	Acciona	1.6
Metrovacesa	2.4	ACS	1.6

2004 Consensus EPS / SCH 2004F EPS (%)			
Ten Highest		Ten Lowest	
Jerónimo Martins	124.6	Sonae SGPS	NM
Jazztel	83.0	Zeltia	-113.0
CF Alba	59.8	TPI	-20.2
PT Multimédia	56.5	Terra Lycos	-18.9
Acerinox	48.5	Gamesa	-18.4
Telefónica	43.9	Sol Meliá	-15.5
Sogecable	37.0	Viscofán	-15.0
Cimpor	33.3	NH Hoteles	-14.5
Portugal Telecom	26.6	Arcelor	-13.8
Sos Cuétara Koip	26.0	Metrovacesa	-13.8

3M Stock Market Performance (%)			
Ten Highest		Ten Lowest	
Sonae SGPS	40.9	Jerónimo Martins	-16.2
TPI	33.6	Amadeus	-13.0
Ence	27.4	Jazztel	-8.3
Cortefiel	23.1	Grupo Santander	-5.2
Gamesa	23.0	Corp. Mapfre	-5.2
Inm. Urbis	22.4	Barón de Ley	-4.9
Prisa	22.0	FCC	-4.8
Sogecable	21.4	Endesa	-4.4
Iberia	18.5	Zeltia	-4.3
TelePizza	18.0	NH Hoteles	-4.1

Performance from 12M Low (%)			
Ten Highest		Ten Lowest	
Sogecable	441.6	Zeltia	6.9
Sonae SGPS	158.3	Amadeus	11.2
Prisa	151.4	Terra Lycos	15.7
Sol Meliá	134.6	Iberdrola	15.8
Iberia	110.2	BES	20.2
Cortefiel	109.7	Abertis	20.6
Gamesa	100.2	Acciona	20.7
Arcelor	77.4	B. Sabadell	20.7
TPI	75.5	Inditex	22.0
PT Multimédia	66.7	B. Popular	22.3

3M Positive to Negative Recommendations (x)			
Ten Highest		Ten Lowest	
Sonae SGPS	All Posit.	Terra Lycos	0.0
Acciona	All Posit.	OHL	0.0
Telefónica	13.0	Jazztel	0.0
Iberdrola	11.0	BES	0.0
Iberia	9.0	B. Guipuzcoano	0.0
Abertis	9.0	B. Valencia	0.0
ACS	9.0	Zardoya Otis	0.1
B. Popular	8.5	B. Sabadell	0.1
Aguas Barcelo	8.0	TelePizza	0.1
Arcelor	7.7	BCP	0.2

Most Recommended Stocks (% of Buys)			
Ten Highest		Ten Lowest	
Arcelor	82.1	BES	0.0
Telefónica	70.3	Terra Lycos	0.0
Iberdrola	68.8	Jazztel	0.0
B. Popular	68.0	OHL	0.0
Sonae SGPS	66.7	B. Guipuzcoano	0.0
PT Multimédia	66.7	B. Valencia	0.0
Aldeasa	64.3	B. Sabadell	7.1
Ferrovial	63.6	Zardoya Otis	8.3
Ence	61.5	Bankinter	9.1
Ebro Puleva	61.1	TelePizza	9.1

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

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



V. VALUE MONITOR

2004F P/E (x)			
Ten Highest		Ten Lowest	
PT Multimédia	52.3	Zeltia	-153.3
Prisa	36.0	Sogecable	-145.4
Zardoya Otis	28.5	Sonae SGPS	-37.8
Faes	26.4	Terra Lycos	-23.8
Sos Cuétara Koipe	24.0	Jazztel	-4.0
Jerónimo Martins	24.0	Arcelor	8.2
Telefónica	23.7	Ence	8.4
Sol Meliá	21.5	Metrovacesa	8.4
CF Alba	21.1	Gamesa	9.6
Indra	20.9	ACS	9.8

2004F GDY (%)			
Ten Highest		Ten Lowest	
Endesa	5.0	PT Multimédia	0.0
REE	4.8	Terra Lycos	0.0
TPI	4.6	Sonae SGPS	0.0
Inm. Colonial	4.6	Sogecable	0.0
Iberdrola	4.6	Barón de Ley	0.0
Brisa	4.5	Jerónimo Martins	0.0
Aldeasa	4.5	Zeltia	0.0
EDP	4.4	Sos Cuétara Koipe	0.0
Cimpor	4.2	Jazztel	0.0
Portugal Telecom	4.1	TelePizza	0.0

2004F P/CF (x)			
Ten Highest		Ten Lowest	
Zeltia	220.4	Arcelor	3.8
CF Alba	105.5	Sonae SGPS	4.0
Terra Lycos	33.4	Abengoa	4.2
Zardoya Otis	25.1	OHL	4.3
Sogecable	17.8	Jerónimo Martins	4.4
PT Multimédia	17.7	Uralita	4.4
Faes	17.0	Repsol YPF	4.5
Indra	16.3	Endesa	4.8
Prisa	12.6	Ence	5.0
Inditex	12.5	EDP	5.1

2004F P/BV (x)			
Ten Highest		Ten Lowest	
Zardoya Otis	23.4	Jazztel	0.6
Sogecable	13.0	Arcelor	0.9
TPI	9.9	Terra Lycos	1.0
Jerónimo Martins	8.6	OHL	1.0
PT Multimédia	6.6	Acciona	1.1
Faes	4.9	Tubacex	1.2
Altadis	4.5	EDP	1.2
Indra	4.4	Sol Meliá	1.3
TelePizza	4.4	Ence	1.3
Inditex	4.3	Repsol YPF	1.3

Revisions to 2004F EPS YTD (%)			
Ten Highest		Ten Lowest	
PT Multimédia	39.6	Zeltia	NM
Jazztel	27.9	Sogecable	-32.5
Iberia	18.7	Sonae SGPS	-26.7
Terra Lycos	11.2	Acerinox	-15.4
Metrovacesa	10.0	Viscofán	-12.1
Aldeasa	8.1	Faes	-11.1
Gamesa	8.1	Tubacex	-11.0
Uralita	7.5	NH Hoteles	-9.3
Inm. Colonial	7.2	Prosegur	-8.8
Bankinter	7.0	CF Alba	-8.3

2004F 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	Logista	2.8
Iberia	9.0	Aldeasa	2.8
Prosegur	7.8	Iberdrola	2.9
Repsol YPF	7.3	Altadis	3.1

2004F 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	-35.5
REE	245.5	Inditex	-24.6
Jerónimo Martins	199.8	CF Alba	-20.5
Ferrovial	197.6	Aldeasa	-16.7
Brisa	181.3	Zeltia	-8.1
Unión Fenosa	173.8	Amadeus	0.3

2004F 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	CF Alba	7.8
Prosegur	25.6	Acciona	7.9

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	46.9	Sogecable	-200.0
Cortefiel	43.3	Telefónica Móviles	-186.0
Iberia	32.8	PT Multimédia	-184.6
Gamesa	30.4	Telefónica	-180.9
Sos Cuétara Koipe	30.0	Jerónimo Martins	-162.3
Uralita	27.4	Terra Lycos	-75.7
Portugal Telecom	25.8	Jazztel	-55.4
TPI	23.0	Sonae SGPS	-25.6

2002-05F DPS CAGR (%)			
Ten Highest		Ten Lowest	
Sol Meliá	71.0	BCP	-6.6
TPI	40.3	Ferrovial	-1.0
Portugal Telecom	34.1	Iberia	0.0
B. Pastor	29.7	CF Alba	0.0
BPI	29.3	BBVA	0.0
Inditex	29.0	Sacyr Vallehermos	0.1
Banesto	28.6	B. Valencia	1.8
Amadeus	25.2	Cementos Portlan	1.8
Viscofán	24.4	Prisa	2.3
Gas Natural	24.3	Endesa	4.5

2002-05F EBITDA CAGR (%)			
Ten Highest		Ten Lowest	
Sogecable	50.9	Jazztel	-199.7
PT Multimédia	44.2	Terra Lycos	-179.0
REE	22.7	CF Alba	-37.5
Sacyr Vallehermos	21.6	Zeltia	-17.1
Acciona	21.2	NH Hoteles	-2.3
Sos Cuétara Koipe	20.7	Iberia	-0.1
Ence	20.3	TelePizza	0.2
OHL	20.2	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	21.9	BBVA	-1.4
Sogecable	18.4	Repsol YPF	-1.2
Inditex	18.3	Ebro Puleva	-0.5
Ferrovial	17.1	Jerónimo Martins	1.2
Faes	14.7	Cementos Portland	1.4
Acerinox	14.3	Viscofán	1.6
B. Pastor	14.1	Unión Fenosa	1.9
Indra	13.9	Aguas Barcelona	2.1

2004F 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	28.3	Sonae SGPS	-0.7
Metrovacesa	27.3	Jerónimo Martins	0.9
Barón de Ley	26.5	Corp. Mapfre	2.3
Bankinter	25.6	Sos Cuétara Koipe	2.4
BBVA	25.0	Uralita	2.5
Inm. Colonial	23.4	OHL	2.8
B. Sabadell	23.0	Abengoa	3.0

2002-05F CFPS CAGR (%)			
Ten Highest		Ten Lowest	
PT Multimédia	128.4	Jerónimo Martins	-352.5
Telefónica	122.6	Terra Lycos	-165.8
Zardoya Otis	36.6	Zeltia	-46.2
Sogecable	36.1	CF Alba	-40.8
Acciona	33.5	Jazztel	-35.1
Portugal Telecom	32.0	Aguas Barcelona	-17.8
Ence	32.0	NH Hoteles	-12.7
Gamesa	28.2	Ferrovial	-11.1
Unión Fenosa	21.7	Sacyr Vallehermos	-10.6
Cortefiel	21.6	Inm. Urbis	-7.5

2004F 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	Acerinox	9.8
Cimpor	38.7	Sos Cuétara Koipe	9.8
TPI	37.2	Acciona	9.9
Metrovacesa	36.0	Jazztel	10.1

Potential to SCH Target Price (%)			
Ten Highest		Ten Lowest	
Amadeus	30.6	Telefónica	-100.0
NH Hoteles	28.1	Sos Cuétara Koipe	-34.8
Prosegur	27.5	BES	-28.6
B. Popular	27.2	B. Valencia	-27.3
Aguas Barcelona	26.2	B. Guipuzcoano	-23.1
Telefónica Móvil	25.4	Sol Meliá	-21.8
B. Pastor	25.0	Jerónimo Martins	-18.2
Indra	23.6	PT Multimédia	-16.1
Abengoa	22.4	Logista	-15.5
Tubacex	21.5	Faes	-14.1

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 Announcement	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	Agua 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) (%)	
05-Dec-03	ACS	ACS.MC	SP	Construction	Florentino Pérez	0.1	NA	NA	NA	Acquired in the market. Added to Mr Pérez's 9.0% stake.
05-Dec-03	Cortefiel	CTF.MC	SP	Retail	Hidafa (Gómez Sáinz family)	5.2	NA	NA	NA	Acquired in the market.
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

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	710	447	63	BBK (15% stake), Kutxa (10% stake)
BPI	BPIN.IN	POR	Banks	2,432	1,313	54	BBVA, Banco Popular, Banco Sabadell
Barón de Ley	BDL.MC	SP	Beverages	271	193	71	Diageo, Allied Domecq
Cementos Portland	CPL.MC	SP	Building materials	1,383	456	33	FCC (58% stake)
Uralita	URA.MC	SP	Building materials	556	244	44	Lafarge, Saint-Gobain
Vidrala	VID.MC	SP	Building materials	265	122	46	Owens Illinois, BSN Group
FCC	FCC.MC	SP	Construction	3,656	1,389	38	Acciona (8.7% stake)
Unión Fenosa ¹	UNF.MC	SP	Electricity	5,049	3,483	69	EDP, Enel
Zardoya Otis	ZOT.MC	SP	Engineering & Machinery	3,151	1,197	38	UTH
SOS Cuétara	SOS.MC	SP	Food	555	250	45	Large food multinationals (e.g. Nestlé)
TelePizza	TPZ.MC	SP	Food	322	261	81	Domino's Pizza, Tricon
Viscofán	VIS.MC	SP	Food	374	374	100	Private equity fund
Ence	ENC.MC	SP	Forestry & Paper	555	344	62	Portucel (8% stake)
Amper	AMP.MC	SP	IT Hardware	119	90	76	Tecnocom, Indra
NH Hoteles	NHH.MC	SP	Lodging	1,054	633	60	Hilton, InterContinental
PT Multimedia	PTMN.IN	POR	Media	2,824	1,017	36	Portugal Telecom (66.7% stake)
Recoletos ¹	REC.MC	SP	Media	827	157	19	Pearson (79% stake), Vocento
Brisa	BRIS.IN	POR	Motorways	3,349	1,541	46	Abertis (10% stake)
Cepsa ¹	CEP.MC	SP	Oil & Gas	7,241	579	8	Total (45% stake)
Repsol YPF	REP.MC	SP	Oil & Gas	20,059	16,047	80	Total, any US supermajor
Zeltia	ZEL.MC	SP	Pharmaceuticals	1,084	770	71	Johnson & Johnson
Inmob. Urbis ¹	URB.MC	SP	Real Estate	1,208	338	28	Caltagirone, Fadesa, Inmob. Colonial
Indra	IDR.MC	SP	Software & Computer Serv	1,618	1,376	85	Large IT companies (e.g. Tietoanator)
ServicePoint	SPS.MC	SP	Software & Computer Serv	105	100	96	Xerox, OCE
Terra Lycos	TRR.MC	SP	Software & Computer Serv	3,007	752	25	Telefónica (75% stake)
TPI	TPI.MC	SP	Software & Computer Serv	2,165	866	40	Telefónica (60% stake)
Tubacex	TUB.MC	SP	Steel & Other Materials	210	191	91	Tubos Reunidos
Prosegur	PSG.MC	SP	Support Services	774	294	38	Group 4 Falck, UTC
Transportes Azkar	TAZ.MC	SP	Support Services	261	86	33	TNT Post, Deutsche Post, La Poste
Jazztel	JAZ.MC	SP	Telecom Services	187	162	87	Auna, ONO, Uni2
Sonae.com	SNCP.IN	POR	Telecom Services	688	117	17	France Telecom, Vodafone
Telef. Móviles	TEM.MC	SP	Telecom Services	36,420	2,549	7	Telefónica (93% stake)
Cortefiel	CTF.MC	SP	Textile	692	305	44	El Corte Inglés
Altadis	ALT.MC	SP	Tobacco	7,183	7,040	98	BAT, Imperial
Iberia	IBLA.MC	SP	Transport	2,489	1,369	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 March 25, 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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