

Half yearly information corresponding to:

Half year period: 2 Year: 2004

I. Company Identification

Company Name: Befesa Medio Ambiente, S.A.

Company Address: Buen Pastor s/n 48903 Luchana Barakaldo Vizcaya

Tax ID Code (CIF): A-80689052

People responsible for this information who represent the company, their roles and identification of their powers or authorisations:

Mr Antonio Marín Hita.

Legal Adviser.

Ms Pilar López- Contreras, power of attorney dated 15/01/2003, Registered notary of Madrid under number 35.

Signed:

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(mark those included with an X)				
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II. Variation In Companies Forming Part Of The Consolidated Group (19)

The consolidation perimeter has varied with respect to the previous year's closure as a consequence of:

1- The sale of the company Ecomat Fabricación de Equipos, S.L.

2- Acquisition of 100% of Construcciones y Depuraciones, S.A. (Codesa)

3- Acquisition of 100% of Gestión de Residuos del Cerrato, S.L.

4- Incorporation within the consolidation perimeter of the company Agua y Gestión de Servicios Ambientales, S.A. (43.5%)

III. BASIS OF PRESENTATION AND VALUATION ASSUMPTIONS

(In the drafting of financial or accounting type data or information included in this periodically published data, the valuation rules and principles and accounting criteria specified under prevailing legislation for the drafting of financial or accounting information, must be applied to the drafting of the annual accounts and interim financial statements corresponding to the sector to which the company belongs. If exceptionally, the generally accepted accounting principles and criteria required under the corresponding prevailing legislation are not applied to data and information attached, this fact must be stated and sufficiently justified, explaining the impact that the non-application may have on the equity, financial status and the financial results of the company or its consolidated group. Furthermore, and with a similar scope to the previous point, any modifications that may have occurred to the accounting criteria used in the drafting of the attached information, in relation to the last audited annual accounts, as appropriate, must be stated and explained. If the same accounting principles, criteria and policies used in the last annual accounts have been applied, and if they correspond to that specified under prevailing accounting legislation that applies to the company, it must be expressly stated).

The same accounting principles, criteria and policies used in the last annual accounts have been applied, and they correspond to that specified under prevailing accounting legislation that applies to the company.
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IV. INDIVIDUAL COMPANY BALANCE SHEET

Units: Thousands of Euros

ASSETS

		CURRENT YEAR	PREVIOUS YEAR
A)	DUE FROM SHAREHOLDERS FOR UNCALLED CAPITAL	0200	
I.	Start up expenses	0210	45
II.	Intangible assets	0220	6
II.1.	Rights on leased assets	0221	
II.2.	Other intangible assets	0222	6
III.	Tangible fixed assets	0230	11
IV.	Long term financial investments	0240	179.352
V.	Long term treasury stock	0250	
VI.	Long term operating receivables	0255	
B)	FIXED AND OTHER NON CURRENT ASSETS (1)	0260	179.414
C)	DEFERRED CHARGES (2)	0280	40
I.	Due from shareholders for capital called	0290	
II.	Stocks	0300	
III.	Accounts receivable	0310	3.749
IV.	Short term financial investments	0320	32.102
V.	Short term treasury stock	0330	
VI.	Cash	0340	44
VII.	Accrual Accounts	0350	
D)	CURRENT ASSETS	0360	35.895
TOTAL ASSETS (A + B + C + D)		0370	215.349

LIABILITIES

		CURRENT YEAR	PREVIOUS YEAR
I.	Capital stock	0500	81.612
II.	Reserves	0510	24.906
III.	Prior year's income (loss)	0520	
IV.	Profit for the year	0530	9.549
V.	Interim dividend paid during the year	0550	-7.050
A)	SHAREHOLDERS' EQUITY	0560	109.017
B)	DEFERRED REVENUES (3)	0590	
C)	PROVISIONS FOR CONTINGENCIES AND EXPENSES	0600	11.000
I.	Debentures and other marketable securities	0610	
II.	Payable to credit entities	0615	1.911
III.	Payable to group and associated companies	0620	41.099

IV. Long term operating payables	0625		
1V. Other long term accounts payable	0630	788	
D) LONG TERM DEBT	0640	43.798	28.175
I. Debentures and other marketable securities	0650		
II. Payable to credit entities	0655	10.676	9.483
III. Payable to group and associated companies	0660	40.121	38.625
IV. Trade accounts payable	0665	233	138
V. Other short term accounts payable	0670	504	381
VI. Accrual accounts	0680		
E) CURRENT LIABILITIES (4)	0690	51.534	48.627
F) PROVISIONS FOR SHORT TERM EXPENSES AND CONTINGENCIES	0695		
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES (A + B + C + D + E + F)	0700	215.349	191.454

V. INDIVIDUAL COMPANY RESULTS

Units: Thousands of Euros	CURRENT YEAR		PREVIOUS YEAR		
	Amount	%	Amount	%	
+ Net Revenue (5)	0800	713	100%	1.364	100%
+ Other revenue (6)	0810	499	69,99%	217	15,91%
+/- Variation in stocks, finished products and work in progress	0820		0,00%		0,00%
= TOTAL PRODUCTION VALUE	0830	1.212	169,99%	1.581	115,91%
- Net purchases	0840				
+/- Variation in goods for resale, raw materials and other consumables.	0850				
- External and operating expenses (7)	0860	-1.185	-166,20%	-768	56,30%
= ADJUSTED VALUE ADDED	0870	27	3,79%	813	59,60%
+/- Other expenses and revenue (8)	0880				
- Personnel expenses	0890	-325	-45,58%	-465	-34,09%
= GROSS OPERATING PROFIT	0900	-298	-41,8%	348	25,51%
- Period depreciation and amortisation	0910	-41	-5,75%	-45	-3,30%
- Provision to the reversion reserves	0915				
+/- Variation in current asset provisions (9)	0920				
= NET OPERATING PROFIT	0930	-339	-47,55%	303	22,21%
+ Revenues from financial investments	0940	11.547	1.619,5%	13.200	967,74%
- Interest charges	0950	-2.907	-407,71%	-2.950	-216,28%
+ Interest and capitalised exchange gains/losses	0960				
+/- Period depreciation and Financial investment provisions (10)	0970				
= PROFIT FROM ORDINARY ACTIVITIES	1020	8.301	1.164,24%	10.553	773,68%
+/- Loss on intangible assets, tangible fixed assets and control portfolio (11)	1021			-12	-0,88%
+/- Variation in provisions for intangible assets, tangible fixed assets and control portfolio (12)	1023	-1.295	-181,63%	169	12,39%
+/- Profit/loss on transactions with treasury stock and own debentures (13)	1025				
+/- Prior years' income (loss) (14)	1026	-12	-1,68%	-132	-9,68%

+/ Other extraordinary profit (15)	1030	-4	-0,56%	350	25,66%
-					
= PROFIT BEFORE TAXES	1040	6.990	980,36%	10.928	801,17%
+/ Corporate income tax and other taxes	1042	2.559	358,91%	-25	-1,83%
-					
= PROFIT FOR THE YEAR	1044	9.549	1.339,27%	10.903	799,34%

IV. CONSOLIDATED GROUP BALANCE SHEET

Units: Thousands of Euro

<i>ASSETS</i>		CURRENT YEAR	PREVIOUS YEAR
A) DUE FROM SHAREHOLDERS FOR UNCALLED CAPITAL	1200		
I. Start up expenses	1210	2.824	3.404
II. Intangible assets	1220	16.678	16.094
II.1 Rights on leased assets	1221	8.768	9.630
II.2 Other intangible assets	1222	7.910	6.464
III. Tangible fixed assets	1230	143.136	142.641
IV. Long term financial investments	1240	43.133	24.025
V. Long term treasury stock of the controlling company	1250		
VI. Long term operating receivables	1255		
B) FIXED AND OTHER NON CURRENT ASSETS (1)	1260	205.771	186.164
C) CONSOLIDATED GOODWILL	1270	85.209	86.581
D) DEFERRED CHARGES (2)	1280	1.199	2.175
I. Due from shareholders for capital called	1290		
II. Stocks	1300	56.054	50.415
III. Accounts receivable	1310	111.530	117.464
IV. Short term financial investments	1320	17.598	12.912
V. Short term treasury stock of the controlling company	1330		
VI. Cash	1340	12.683	12.491
VII. Accrual Accounts	1350	1.340	917
E) CURRENT ASSETS	1360	199.205	194.199
TOTAL ASSETS (A + B + C + D + E)	1370	491.384	469.119
<i>LIABILITIES</i>		CURRENT YEAR	PREVIOUS YEAR
I. Capital stock	1500	81.612	81.612
II. Controlling company reserves	1510	24.904	22.135
III. Consolidated companies' reserves (16)	1520	67.589	70.064
IV. Translation differences (17)	1530	-11.654	-10.594
V. Profits attributable to controlling company	1540	10.450	8.369
VI. Interim dividend paid during the year	1550	-7.050	
A) SHAREHOLDERS' EQUITY	1560	165.851	171.586
B) EXTERNAL SHAREHOLDERS	1570	10.789	9.709

C) LOSS FROM CONSOLIDATION	1580	4.176	4.176
D) DEFERRED REVENUES (3)	1590	5.528	6.227
E) PROVISIONS FOR CONTINGENCIES AND EXPENSES	1600	16.099	2.957
I. Debentures and other marketable securities	1610		
II. Payable to credit entities	1615	25.928	29.091
III. Long term operating payables	1625	41.422	25.260
IV. Other long term accounts payable	1630	11.831	15.381
F) LONG TERM DEBT	1640	79.181	69.732
I. Debentures and other marketable securities	1650		
II. Payable to credit entities	1655	24.172	23.671
III. Trade accounts payable	1665	157.798	141.748
IV. Other short term accounts payable	1670	25.950	37.874
V. Accrual accounts	1680	1.840	1.439
G) CURRENT LIABILITIES (4)	1690	209.760	204.732
H) PROVISIONS FOR SHORT TERM EXPENSES AND CONTINGENCIES	1695		
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES (A + B + C + D + E + F + G + H)	1700	491.384	469.119

V. CONSOLIDATED GROUP RESULTS

Units: Thousands of Euros

		CURRENT YEAR		PREVIOUS YEAR	
		Amount	%	Amount	%
+ Net Revenue (5)	1800	359.142	100%	356.455	100%
+ Other revenue (6)	1810	8.169	2,27%	4.541	1,27%
+/- Variation in stocks, finished products and work in progress	1820				
-					
= TOTAL PRODUCTION VALUE	1830	367.311	102,27%	360.996	101,27%
- Net purchases	1840	-211.770	-58,97%	-213.390	-59,86%
+/- Variation in goods for resale, raw materials and other consumables.	1850			-50	-0,01%
-					
- External and operating expenses (7)	1860	-68.251	-19,00%	-58.675	-16,46%
= ADJUSTED VALUE ADDED	1870	87.290	24,31%	88.881	24,93%
+/- Other expenses and revenue (8)	1880				
-					
- Personnel expenses	1890	-49.271	-13,72%	-50.736	-14,23%
= GROSS OPERATING PROFIT	1900	38.019	10,59%	38.145	10,70%
- Period depreciation and amortisation	1910	-18.242	-5,08%	-17.296	-4,85%
- Provision to the reversion reserves	1915				
+/- Variation in current asset provisions (9)	1920	147	0,04%	-383	-0,11%
-					
= NET OPERATING PROFIT	1930	19.924	5,55%	20.466	5,74%
+ Revenues from financial investments	1940	801	0,22%	1.368	0,38%
- Interest charges	1950	-6.564	-1,83%	-8.435	-2,37%
+ Interest and capitalised exchange gains/losses	1960				
+/- Period depreciation and Financial investment provisions (10)	1970				
-					
+/- Translation gains/losses (18)	1980				
-					
+/- Profit from holdings in companies consolidated by equity method	1990	1.287	0,36%	527	0,15%
-					
- Consolidated goodwill amortisation	2000	-5.610	-1,56%	-5.125	-1,44%
+ Reversal of consolidation losses	2010				
= PROFIT ON ORDINARY ACTIVITIES	2020	9.838	2,74%	8.875	2,49%
+/- Loss on intangible assets, tangible fixed assets and control portfolio (11)	2021	230	0,06%	5.200	1,46%
-					
+/- Variation in provisions for intangible assets, tangible fixed assets and control portfolio (12)	2023	-732	-0,20%	-1.459	-0,41%
-					
+/- Profit/loss on transactions with treasury stock and own debentures (13)	2025				
-					

+/- Prior years' income (loss) (14)	2026	980	0,27%	312	0,09%
-					
+/- Other extraordinary profit (15)	2030	-748	-0,21%	-3.476	-0,98%
-					
= CONSOLIDATED PROFIT BEFORE TAXES	2040	9.568	2,66%	9.452	2,65%
+/- Corporate income tax	2042	1.706	0,48%	-1.499	-0,42%
-					
= CONSOLIDATED PROFIT FOR THE YEAR	2044	11.274	3,14%	7.953	2,23%
+/- Loss attributable to external shareholders	2050	-824	-0,23%	416	0,12%
-					
= PROFIT FOR THE YEAR ATTRIBUTABLE TO THE CONTROLLING COMPANY	2060	10.450	2,91%	8.369	2,35%

VI. BREAKDOWN OF NET REVENUES BY ACTIVITY

ACTIVITY		INDIVIDUAL		CONSOLIDATED	
		Current yr.	Previous yr.	Current yr.	Previous yr.
Aluminium Residues Recycling	2100			133.279	104.180
Industrial Residues Management	2105			145.858	139.955
Environmental Engineering	2110			80.005	112.320
Others	2115	713	1.364		
	2120				
	2125				
	2130				
	2135				
	2140				
Started project pending certification (*)	2145				
Total Net Revenue	2150	713	1.364	359.142	356.455
Domestic market		713	1.364	287.687	288.163
Exports: European Union				50.694	53.603
OECD countries				2.782	4.029
Other countries				17.979	10.660

(*) To be completed only by construction companies

VII. AVERAGE NUMBER OF PERSONNEL EMPLOYED DURING THE PERIOD

		INDIVIDUAL		CONSOLIDATED	
		Current yr.	Previous yr.	Current yr.	Previous yr.
TOTAL PERSONNEL EMPLOYED	3000	4	4	1.316	1.388

VIII. BUSINESS PERFORMANCE

(The information to be included within this section, in addition to complying with that specified in the instructions for the completion of this half-yearly information, must expressly detail the following aspects: variations in revenues and the costs attached to those revenues; breakdown and analysis of the principal transactions that have occurred in obtaining extraordinary results; comments on the most relevant investment and divestment transactions, explaining their effect on the company's working capital and in particular on the funding relating to it; sufficient explanation of the nature and effects of the parties that may have produced a significant variation in revenues or on the company's results, during the current six month period in relation to the corresponding figures reported for the previous six months).

The 2004 financial year has been characterized by the consolidation of the different activity areas and of the business units in which Befesa concentrates its efforts, once the restructuring undertaken in previous financial years had been done and brought to an end in 2004 with the setting up of three large Business Units in which all the Group companies have been integrated. Therefore, the 2004 financial year can be considered the starting-out point and the foundation for future financial years in Befesa, with expectations for the future being optimistic now that its organization has been firmly cemented and is undergoing a continuous enhancement process.

A summary of the evolution of the Group's main highlights is given here-below (millions of euro):

Befesa	31.12.04	31.12.03	Change (%)
Sales	359.1	356.4	0.8%
EBITDA	38	38.1	-0.3 %
EBITDA/Sales	10.6%	10.7%	
Attributable EAT	10.45	8.37	24.9%

More specifically and in relation to the three Business Units, the evolution was as follows:

- Industrial Waste Management. The number of treated tons of waste increased 10.6% on the 2003 financial year figure and reached 1,250 thousand tons. Within the subgroups it is structured into, the performance of the zinc and industrial waste recycling activity is noteworthy. These are nuclei in continuous expansion in which large sums are, and will continue to be invested.

- Engineering and Services. During the 2004 financial year, the objectives set at its beginning have been met and the contracting portfolio for coming years has been strengthened, which will lead to the generation of business in these years. Important contracts have been obtained abroad (Algeria...), and a large number of tenders and offers were presented for calls and open competitions for all kinds of works of an environmental nature.

- Aluminum Waste Recycling. Following the in-depth restructuring done in 2003, to suit the Group's structure to the market conditions, there was an increase in the number of tons treated during the year with the figure reaching 115 thousand tons of waste, a 17% increase on the previous year's figures, and this has led to a significant improvement in the subgroup's results for the year.

As regards investments, the 2004 financial year was one marked by Befesa's investment effort to strengthen the areas in which the greatest potential lies, with its main effort being dedicated to company growth, although companies with businesses closely related to the Group's strategic areas (environmental engineering, industrial waste management ...) were also acquired.

During the 2004 financial year, provisions have been made to cover risks and any corresponding costs, basically, to the amounts estimated to cover possible liabilities that, if it were the case, could arise from proceedings under way and tax obligations. Said epigraph of the consolidated balance sheet at December 31, 2004 is for 16 million euro, approximately.

Another noteworthy fact of a positive nature was the evolution of the net debt which has gone from 27.4 million euro in 2003, to 19.8 million euro at the close of the 2004 financial year.

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IX. DIVIDENDS DISTRIBUTED DURING THE PERIOD:

(All dividends effectively paid since the beginning of the economic year must be stated).

			% Nominal	Euros per share (x,xx)	Amount (thousands of Euros)
1.	Ordinary shares	3100	18,6	0,56	15.184
2.	Preference shares	3110			
3.	Non-voting shares	3120			
Additional information on dividend distribution (payment details, supplementary dividends, etc.) Annex on the following sheet (G-8b)					

X. RELEVANT FACTS (*)					
				YES	NO
1.	Acquisitions or transfers of shareholdings in the capital of listed companies subject to reporting responsibilities specified under article 53 of the Securities Market Act (LMV) (5 for 100 and multiples thereof)	3200			X
2.	Treasury stock acquisitions subject to the reporting responsibilities under additional provision 1 of the Corporations Law (LSA) (1 for 100).	3210			X
3.	Other significant increases or decreases in fixed assets (shareholdings greater than 10% in non-listed companies, relevant significant investments or divestments, etc.).	3220			X
4.	Increases or decreases in the company's capital or of the nominal share value.	3230			X
5.	Loans issued, repaid or cancelled	3240			X
6.	Changes to the directors or the board of directors.	3250			X
7.	Amendments to company by-laws.	3260			X
8.	Restructurings, mergers or divisions.	3270			X
9.	Changes to the sector's institutional regulation with significant impact on the economic or financial situation of the company or group.	3280			X
10.	Lawsuits, litigation or disputes that may significantly impact the company or group's equity.	3290			X
11.	Insolvency situations, payment suspensions, etc.	3310			X
12.	Special agreements of restriction, suspension or cancellation, total or partial, of the economic or statutory rights of the company's shares.	3320			X
13.	Strategic agreements with national or international groups (exchange stock offers, etc.).	3330			X

14.	Other important facts.				3340	X		
(*)	For affirmative responses, mark the corresponding box with an "X", attaching an explanatory annex in which the dates on which the data was communicated to the CNMV and the SRBV are specified.							

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Additional information on the distribution of dividends (payment details, supplementary dividends, etc.)

_ The General Shareholders' Meeting of 22.06.04 agreed the share-out of a dividend for the 2003 financial year of a gross payment of 0.3 euro per share, and this payment was made on 15.12.04 by Bancoval, S.A.

_ On 14.12.04, the Board of Directors agreed on the share-out of a dividend on account of the results of the 2004 financial year for a gross sum of 0.26 euro per share, and this payment was made by Bancoval, S.A. on 22.12.04.

XI. EXPLANATORY ANNEX - RELEVANT FACTS

From July 1 to December 31, 2004, the following notifications were forwarded to the CNMV:

- Written document of October 14, 2004, notifying the CNMV of the appointment of Mr. Juan Albizu Etxebarria as the new Consolidation and Internal Audit Officer. This was sent to the CNMV by Cifradoc system, document entry registration number via telematics 2004097233.
- Written document of November 23, 2004, notifying the CNMV of the calling of an Extraordinary General Shareholders' Meeting for December 14. This was sent to the CNMV by Cifradoc system, document entry registration number via telematics 2004115753.
- Written document of December 16, 2004, notifying the CNMV of the resolutions adopted by the Extraordinary General Shareholders' Meeting held on December 14. This was sent to the CNMV by Cifradoc system, document entry registration number via telematics 2004120169.
- Written document of December 16, 2004, notifying the CNMV of the resolution adopted by the Company's Board of Directors at its meeting on December 14, 2004, in relation to the payment of a dividend to shareholders on account of the 2004 financial year. This was sent to the CNMV by Cifradoc system, document entry registration number via telematics 2004120171.

XII. Special Auditors Report.

(This section must only include the information relating to the first six months of the year following its completion and audit, and will apply to those issuing companies that, in accordance with that specified in section thirteen of the Ministerial Order of January 18, 1991, are obliged to present a special report of their accounts' auditors, when the audit report of the annual accounts of the year immediately preceding, would have rejected the report's opinion or would have contained an adverse opinion or an opinion with reservations. This will include and make reference to, the aforementioned special report of the accounts' auditors, attached as an annex to the half-yearly information, as well as a copy of the information or complaints stated or made by the Directors of the company relating to the updated situation of the auditor's reservations included in his audit report of the previous year's annual accounts and that, in accordance with the applicable technical audit regulations, would have served as a basis for the drafting of the aforementioned special report).

INSTRUCTIONS FOR COMPLETING THE HALF-YEARLY REPORT (GENERAL)

- The numerical data requested, except as indicated to the contrary, must be expressed in thousands of Euros, without decimal places, tabulated and rounded.

- Negative values must be shown with a minus sign (-) before the corresponding number.

- The figure from the corresponding period from the previous year must be displayed next to each number expressed, except where indicated to the contrary

- The information to be included under the Business Performance section must allow investors to form an opinion, with knowledge of sufficient cause, about the activity carried out by the company and the results obtained during the period covered by the balance sheet, as well as the financial situation and other essential data relating to the general handling of company affairs.

- Definitions:

(1) The distinct captions that comprise Fixed Assets will be presented net of accumulated depreciation and provisions.

(2) Deferred Charges will comprise debt arrangement expenses (expenses from issuing and modifying fixed income securities and debt arrangement, among which expenses for registration, taxes, origination and other similar items are included), deferred interest expenses from marketable securities (the difference between the redemption amount and the issue price of fixed income securities and similar liabilities) and the deferred interest charges (difference between the redemption amount and the amount received in fixed income securities different to those represented). Companies from the electricity sector will also include under this caption, their own accrual accounts for their sector.

(3) Deferred Revenues will comprise capital subsidies, exchange gains, deferred interest revenues (interest compounded into the nominal for loans provided under normal operations, whose inclusion in the results must be carried out in future years) and other revenues to be recorded in other years.

(4) The part of long term debt that has a maturity of less than 12 months must be restated under the corresponding caption in Current Liabilities.

(5) Net Revenues will comprise amounts from the sale of products and services provided relating to the company's ordinary activities with discounts and other reductions on sales, as well as the VAT and other taxes directly related to the aforementioned Revenue figure, all deducted.

(6) Non-core operating revenue, work carried out by the company on fixed assets (except interest and capitalised exchange gains/losses) and operating subsidies (not including capital subsidies transferred to the period's profit/loss) are all included under the Other Revenue caption.

(7) The following are included under the Operating and External Expenses Caption:

- * Work carried out by other companies, external services (leases, repairs, transport, insurance, energy, etc.) taxes (except tax on profits), and other management expenses.

- * Provisions for contingencies and operating expenses (significant repairs, etc. excluding provisions for pensions and similar obligations that must be stated under Personnel Expenses).

(8) Other Expenses and Revenues will comprise the profits or losses which relate to non-managerial participants in transactions regulated by articles 239 and 243 of the Código de Comercio (Business code) and in other transactions of similar characteristics.

(9) Variation in the Working Capital Provisions will comprise those provisions carried out during the period, less overstatement and release of provisions destined to make corrections in values for reversible depreciation in stocks, clients and accounts receivable. Likewise it will include loan losses on client and accounts receivable companies.

(10) Provisions for Period Amortisation and Depreciation and Financial Investment will comprise the provisions made during the period, less overstatement and release of provisions destined to make corrections in values for reversible depreciation on transferable securities (except those that correspond to shareholdings in the capital of group or associated companies) and other marketable securities and on short and long term non-trade loans.

(11) Profits or Losses on Intangible Assets, Tangible Fixed Assets and Control Portfolio will comprise profits or losses from disposals of intangible assets or tangible fixed assets and long-term shareholdings in group, multigroup or associated companies, or for the total or partial reduction in stocks as a result of losses from irreversible depreciation in these assets.

(12) Variation in Provisions for Intangible Assets, Tangible Fixed Assets and Control Portfolio will comprise provisions carried out in the period, less overstatement and release of provisions destined to make corrections in values for reversible depreciation on intangible and tangible fixed assets as well as in long-term shareholdings in group or associated companies.

(13) Profits or losses on Transactions with Treasury Stock or Own Debentures will comprise profits or losses arising from the amortisation of debentures or from the disposal of shares and debentures issued by the company.

(14) Prior Years' Income (loss) will comprise the relevant profits or losses corresponding to previous years and that due to their relative importance may not be recorded due to their characteristics.

(15) Other Extraordinary Profits/losses will comprise:

- * The amount of capital subsidies transferred to profit or loss for the period.

* Extraordinary revenues and expenses of significant amount, which are not considered recurrent on assessing the company's future results.

(16) Consolidated Companies Reserves will include both those corresponding to companies consolidated by full and proportional consolidation, as well as those corresponding to companies consolidated by the equity method.

(17) and (18) The captions of Translation Differences and Translation Gains/Losses (only used in consolidation) will include the translation gains/losses that arise from the conversion of balances in foreign currencies from consolidated companies (both for full and proportional consolidation and the equity method).

(19) Variation in Companies that comprise the Consolidated Group: This will exclusively include those companies that, in relation to the previous year's closed consolidated annual accounts, would have been actively included or excluded from the consolidation process.