

Half Yearly Information corresponding to:

Half Period: 1 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.

General Secretary.

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

Signed:

		Contents of half yearly report (mark those included with an X)		
			Individual	Consolidated
I.	Company Identification	001 0	X	
II.	Changes to the Consolidated Group	002 0		X
III.	Basis of presentation and valuation assumptions	003 0	X	X
IV.	Balance sheet	004 0	X	X
V.	Profit & loss account	005 0	X	X
VI.	Breakdown of Net Revenues by activity	006 0	X	X
VII.	Number of personnel	007 0	X	X
VIII.	Business performance	008 0		X
IX.	Distributed dividends	009 0		
X.	Relevant facts	010 0		X

XI.	Explanatory Annex of relevant facts	011 0		X
XII.	Auditors' special report	012 0		

G-2

II. Variation in companies forming part of the consolidated group (19)

Companies being incorporated into the consolidation:

Company name	Reason	Holding	Shareholding company
Construcciones y Depuraciones, S.A. (Codesa)	(1)	100%	Befesa Construcción y Tecnología Ambiental, S.A.
Gestión de Residuos del Cerrato, S.L.	(1)	100%	Befesa Gestión de Residuos Industriales, S.L.
Befesa Técnicas del Suelo, S.A.	(2)	80%	Alianza Medioambiental, S.L.
Agua y Gestión de Servicios Ambientales, S.A.	(1)	36%	Befesa Medio Ambiente, S.A. (18%), Construcciones y Depuraciones, S.A. (18%)

Companies being excluded from the consolidation :

Company name	Reason	Holding	Shareholding company
Ecomat Fabricación de Equipos, S.L.	(3)	100%	Befesa Tratamientos y Limpiezas Industriales, S.L.

Reasons

- (1) Acquisition of shareholding.
- (2) Constitution of company.
- (3) Disposal of shareholding.
- (4) Dissolution of company.

G-2b

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.
--

IV. Individual company balance sheet

Units: Thousands of Euros

<i>Assets</i>		Current year	Previous year
A) Due from shareholders for uncalled capital	0200		
I. Start up expenses	0210	61	92
II. Intangible assets	0220	7	9
II.1. Rights on leased assets	0221		
II.2. Other intangible assets	0222	7	9
III. Tangible fixed assets	0230	15	23
IV. Long term financial investments	0240	101.057	100.093
V. Long term treasury stock	0250		
VI. Long term operating receivables	0255		
B) Fixed and other non current assets (1)	0260	101.140	100.217
C) Deferred charges (2)	0280	294	487
I. Due from shareholders for capital called	0290		
II. Stocks	0300		
III. Accounts receivable	0310	70.758	46.364
IV. Short term financial investments	0320	7.772	1.330
V. Short term treasury stock	0330		
VI. Cash	0340	109	187
VII. Accrual Accounts	0350	25	155
D) Current assets	0360	78.664	48.036
Total assets (A + B + C + D)	0370	180.098	148.740

Liabilities

		Current year	Previous year
I. Capital stock	0500	81.612	81.612
II. Reserves	0510	33.040	22.137
III. Prior year's income (loss)	0520		
IV. Profit for the year	0530	115	242
V. Interim dividend paid during the year	0550		
A) Shareholders' equity	0560	114.767	103.991
B) Deferred revenues (3)	0590		
C) Provisions for contingencies and expenses	0600		
I. Debentures and other marketable securities	0610		
II. Payable to credit entities	0615	2.421	3.914
III. Payable to group and associated companies	0620	46.661	

IV. Long term operating payables	0625		
V. Other long term accounts payable	0630	432	
D) Long term debt	0640	49.514	3.914
I. Debentures and other marketable securities	0650		
II. Payable to credit entities	0655	10.324	10.611
III. Payable to group and associated companies	0660	5.028	29.428
IV. Trade accounts payable	0665	277	231
V. Other short term accounts payable	0670	188	565
VI. Accrual accounts	0680		
E) Current liabilities (4)	0690	15.817	40.835
F) Provisions for short term expenses and contingencies	0695		
Total shareholders' equity and liabilities (A + B + C + D + E + F)	0700	180.098	148.740

V. Individual company results

Units: Thousands of Euros	Current year		Previous year		
	Amount	%	Amount	%	
+ Net Revenue (5)	0800	357	100,00%	682	100,00%
+ Other revenue (6)	0810	265	74,23%	350	51,32%
+/- Variation in stocks, finished products and work in progress	0820				
= Total production value	0830	622	174,23%	1.032	151,32%
- Net purchases	0840				
+/- Variation in goods for resale, raw materials and other consumables.	0850				
- External and operating expenses (7)	0860	-504	141,18%	-377	-55,28%
= Adjusted value added	0870	118	33,05%	655	96,04%
+/- Other expenses and revenue (8)	0880				
- Personnel expenses	0890	-209	-58,54%	-222	-32,55%
= Gross operating profit	0900	-91	-25,49%	433	63,49%
- Period depreciation and amortisation	0910	-21	-5,88%	-24	-3,52%
- Provision to the reversion reserves	0915				
+/- Variation in current asset provisions (9)	0920				
= Net operating profit	0930	-112	-31,37%	409	59,97%
+ Revenues from financial investments	0940	1.273	356,58%	1.377	201,91%
- Interest charges	0950	-1.302	364,71%	-1.535	225,07%
+ Interest and capitalised exchange gains/losses	0960				
+/- Period depreciation and Financial investment provisions (10)	0970				
= Profit from ordinary activities	1020	-141	-39,50%	251	36,80%
+/- Loss on intangible assets, tangible fixed assets and control portfolio (11)	1021			-13	-1,91%
+/- Variation in provisions for intangible assets, tangible fixed assets and control portfolio (12)	1023				
+/- Profit/loss on transactions with treasury stock and own debentures (13)	1025				

+/- Prior years' income (loss) (14)					
-	1026	-5	-1,40%	-48	-7,04%
+/- Other extraordinary profit (15)					
-	1030	-4	-1,12%		0,00%
= Profit before taxes	1040	-150	-42,02%	190	27,86%
+/- Corporate income tax and other taxes					
-	1042	265	74,23%	52	7,62%
= Profit for the year	1044	115	32,21%	242	35,48%

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	2.735	4.022
II. Intangible assets	1220	15.575	21.162
II.1 Rights on leased assets	1221		
II.2 Other intangible assets	1222	15.575	21.162
III. Tangible fixed assets	1230	141.797	141.247
IV. Long term financial investments	1240	28.065	27.310
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	188.172	193.741
C) Consolidated goodwill	1270	85.712	83.004
D) Deferred charges (2)	1280	1.825	3.914
I. Due from shareholders for capital called	1290		
II. Stocks	1300	57.530	51.283
III. Accounts receivable	1310	170.501	169.699
IV. Short term financial investments	1320	8.592	3.490
V. Short term treasury stock of the controlling company	1330		
VI. Cash	1340	14.982	15.718
VII. Accrual Accounts	1350	1.988	1.766
E) Current assets	1360	253.593	241.956
Total Assets (A + B + C + D + E)	1370	529.302	522.615
<i>Liabilities</i>		Current year	Previous year
I. Capital stock	1500	81.612	81.612
II. Controlling company reserves	1510	33.040	22.137
III. Consolidated companies' reserves (16)	1520	67.549	70.135
IV. Translation differences (17)	1530	-10.116	-9.079
V. Profits attributable to controlling company	1540	3.560	3.289
VI. Interim dividend paid during the year	1550		
A) Shareholders' Equity	1560	175.645	168.094
B) External Shareholders	1570	10.295	12.874

C) Loss From Consolidation	1580	4.176	4.176
D) Deferred Revenues (3)	1590	5.899	10.869
E) Provisions for contingencies and expenses	1600	4.833	2.873
I. Debentures and other marketable securities	1610		
II. Payable to credit entities	1615	20.405	42.901
III. Long term operating payables	1625		
IV. Other long term accounts payable	1630	68.123	45.429
F) Long Term debt	1640	88.528	88.330
I. Debentures and other marketable securities	1650		
II. Payable to credit entities	1655	23.250	49.947
III. Trade accounts payable	1665	150.720	149.943
IV. Other short term accounts payable	1670	64.603	34.142
V. Accrual accounts	1680	1.353	1.367
G) Current Liabilities (4)	1690	239.926	235.399
H) Provisions for short term expenses and contingencies	1695		
Total Shareholders' Equity And Liabilities (A + B + C + D + E + F + G + H)	1700	529.302	522.615

V. Consolidated Group Results

Units: Thousands of Euros	Current year		Previous year		
	Amount	%	Amount	%	
+ Net Revenue (5)	1800	164.212	100,00%	188.877	100,00%
+ Other revenue (6)	1810	1.098	0,67%	815	0,43%
+/- Variation in stocks, finished products and work in progress -	1820	3.925	2,39%	3.140	1,66%
= Total production value	1830	169.235	103,06%	192.832	102,09%
- Net purchases	1840	-96.242	-58,61%	-116.398	-61,63%
+/- Variation in goods for resale, raw materials and other consumables. -	1850				
- External and operating expenses (7)	1860	-29.964	-18,25%	-31.323	-16,58%
= Adjusted Value Added	1870	43.029	26,20%	45.111	23,88%
+/- Other expenses and revenue (8) -	1880				
- Personnel expenses	1890	-24.925	-15,18%	-25.505	-13,50%
= Gross operating profit	1900	18.104	11,02%	19.606	10,38%
- Period depreciation and amortisation	1910	-8.287	-5,05%	-8.165	-4,32%
- Provision to the reversion reserves	1915				
+/- Variation in current asset provisions (9) -	1920	287	0,17%	-65	-0,03%
= Net operating profit	1930	10.104	6,15%	11.376	6,02%
+ Revenues from financial investments	1940	331	0,20%	706	0,37%
- Interest charges	1950	-2.949	-1,80%	-4.550	-2,41%
+ 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	856	0,52%	219	0,12%
- Consolidated goodwill amortisation	2000	-2.710	-1,65%	-2.562	-1,36%
+ Reversal of consolidation losses	2010			74	0,04%
= Profit on ordinary activities	2020	5.632	3,43%	5.263	2,79%
+/- Loss on intangible assets, tangible fixed assets and control portfolio (11) -	2021	42	0,03%	-116	-0,06%
+/- Variation in provisions for intangible assets, tangible fixed assets and control portfolio (12) -	2023			-299	-0,16%
+/- Profit/loss on transactions with treasury stock and own debentures (13) -	2025				

+/- Prior years' income (loss) (14)	2026				
-					
+/- Other extraordinary profit (15)	2030	164	0,10%	316	0,17%
-					
= Consolidated profit before taxes	2040	5.838	3,56%	5.164	2,73%
+/- Corporate income tax	2042	-1.861	-1,13%	-1.857	-0,98%
-					
= Consolidated profit for the year	2044	3.977	2,42%	3.307	1,75%
+/- Loss attributable to external shareholders	2050	-417	-0,25%	-18	-0,01%
-					
= Profit for the year attributable to the controlling company	2060	3.560	2,17%	3.289	1,74%

G

Vi. Breakdown of net revenues by activity

Activity		Individual		Consolidated	
		Current yr.	Previous yr.	Current yr.	Previous yr.
Aluminium Residues Recycling	2100			58.294	62.031
Industrial Residues Management	2105			72.902	68.530
Environmental Engineering	2110			33.016	58.316
Others	2115	357	682		
	2120				
	2125				
	2130				
	2135				
	2140				
Started project pending certification (*)	2145				
Total Net Revenue	2150	357	682	164.212	188.877
Domestic market		357	682	134.804	149.977
Exports: European Union				18.848	27.111
OECD countries				1.662	1.374
Other countries				8.898	10.415

(*) 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	1.327	1.366

G-7b

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).

(figures in millions of euro)

	June 2004	June 2003	Variation (%)
Sales	164.2	188.9	-13.1%
Ebitda	18.1	19.6	-7.6%
Ebitda/Sales	11.0%	10.4%	6.3%
EBT	5.8	5.2	11.5%
EAT	3.9	3.3	18.2%
EAT Parent	3.6	3.3	9%

During the first half of the 2004 financial year, the Group's sales have fallen by 24.7 million euros (-13.1%) compared to the previous financial year as a result of:

- The removal of the water management organisations Abensurasa, A.I.E. (which takes part in the Empresa Mixta de Servicios Municipales de El Ejido, S.A. (Elsur),) and Aguas de Baena, A.I.E. from the scope of the consolidation.
- The delay in carrying out environmental engineering activity in the first half of 2004 compared to the equivalent period in 2003. Despite the above, it is hoped that this will be carried out with greater intensity in the second half of the year.

Despite the reduction in sales, the EBITDA on sales has increased from 10.4% in June 2003 to 11% in June 2004. That is, a lower volume of sales is being obtained because of disinvestments and the delay, but with slightly better margins than in the last financial year.

In terms of EBT, EAT and EAT Parent, progress is significantly positive as a consequence of the improvement in net borrowing caused by the disinvestments we have already mentioned, which have enabled financial costs to be cut down and because of the lower tax burden resulting from the new investments.

Progress by Business Groups has been as follows:

-Industrial Waste Management: It continues to maintain positive progress compared with last year. Up to June 2003, 414 thousand tonnes were handled, whereas up to June 2004 the number of tonnes has increased by 2.2%, reaching about 423 thousand tonnes.

-Engineering and Services: As mentioned before, there are two main conditioning factors. Firstly the strategic disinvestment in Water Management activities carried out at the end of last year and, secondly, the delay in the date of carrying out activities. However, as has been mentioned, something of a recovery is expected between now and the end of the year.

-Aluminium Waste Recycling: The progress of this activity has been positive compared with the past financial year, due largely to the restructuring process carried out during 2003, which has allowed an improvement in the profit and loss account. Recovery in this activity can be seen in terms of both volume and margins.

As we have commented previously it is observed a reduction of the clear debt with regard to the previous financial year due to the exit of the perimeter in December, 2003 of the societies of water management.

The number reported of average staff to June, 2003 (1.171 persons) has been modified since this number was not including the staff of the societies in whom Befesa takes part in 50 %, and in this way to be comparative with the number reported in this period.

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			
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.								

G-8b

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

No dividends have been paid during the period

XI. Explanatory Annex - Relevant Facts

A) Relevant facts included in the period

- 1.- Annual Corporate Governance Report for the 2003 Financial Year, sent to the CNMV by the Cifradoc system on 9 February 2004, telematic document input record number 2004013994.
- 2.- Document of 1 March 2004, CNMV input record number 021992, concerning the change in the post of Chairman of the Audit Committee and the Appointments and Remuneration Committee.
- 3.- 2003 Annual Report of Befesa Medio Ambiente, sent to the CNMV by the Cifradoc system on 5 April 2004, telematic document input record number 2004030110.
- 4.- Document of 6 May 2004, CNMV input record number 048992, providing original copies of the Auditors' Report and individual and consolidated Annual Accounts of Befesa Medio Ambiente.
- 5.- Document of 10 May 2004, CNMV input record number 050021, notifying of the entry in the Mercantile Register of Vizcaya of the Regulations Concerning Annual General Meetings of Shareholders and the Board Regulations, copies of both attached.
- 6.- Notification to the CNMV of the appointment of Ms. Marta Deprit García as new Head of the Company's Dept. of Consolidation and Audit, sent by the Cifradoc system on 12 May 2004, telematic document input record number 2004051196.
- 7.- Report on compliance with specific information requirements as an issuing company with securities admitted to trading in the New Market business segment, sent to the CNMV by the Cifradoc system on 2 June 2004, telematic document input record number 2004058860.
- 8.- Document of 2 June 2004, CNMV input record numbers 058848 and 058857, notifying of and attaching the call to the Ordinary General Meeting of Shareholders and additional documents.
- 9.- Written notification of the holding of the Ordinary General Meeting of Shareholders and resolutions adopted by it, sent to the CNMV by the Cifradoc system on 25 June 2004, telematic document input record number 2004064970.
- 10.- Written notification of the resolution of the Ordinary General Meeting of Shareholders concerning the distribution among shareholders of the dividend for the 2003 financial year, sent to the CNMV by the Cifradoc system on 25 June 2004, telematic document input record number 2004064971.
- 11.- Document of 25 June 2004, CNMV input record number 064963, attaching the amended Internal Code of Conduct concerning the Stock Market.

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.