



06

Economic Performance

We have an environmental commitment to develop our activities while always considering the improvement of environmental conditions and maintaining lasting resources for future generations.

Economic Performance

In 2008, Befesa achieved consolidated net profits of 58.7 M€, an increase of 23.23% over the previous year.

The Befesa profit and loss account forms part of the Legal and Economic-Financial Report of 2008, which stresses the amount obtained from sales and services over the last three years:

2006= 555.3 M€

2007= 769.7 M€

2008= 873.5 M€

In addition to the exhaustive Economic-Financial information contained in the Legal and Economic-Financial Report of 2008, in this chapter we add a series of indicators of the impacts that Befesa has on its stakeholders, and on the local, national and world systems in which it operates.

Generation of direct employment

Befesa contributes to the generation of employment in the places where it operates:

Salary and wage expenses (M€)	2007	2008
Salaries and wages	74.3	79.6
Social charges	16.1	20.4
Share Purchase Plan		4.8
Total salary and wage expenses	90.4	104.8

Generation of indirect employment

The acquisition of goods and services by Befesa favors economic development in highly diverse sectors on a domestic as well as international level. The cost of all raw materials and merchandise acquired and all services contracted is as follows:

Cost of raw materials (M€)	2007	2008
Consumption and other external expenses	449.3	524.1
Other operating expenses	131.7	147.0

Remuneration to equity and borrowed capitals

During 2007 Befesa did not distribute dividends to its stockholders.

1. Financial expenses for interest on debts and loans: 39,399 M€.

The breakdown of debts with credit entities is as follows:

Financial Debt (k€)	2007	2008
Debts with credit entities L/T	9,047	11,105
Debts with credit entities S/T	19,186	12,945
Debts with affiliate companies	30,968	54,173
Temporary financial investments	-50,215	-51,777
Treasury	-53,588	-100,853
Total net debt	-44,602	-74,407
Financing without resource L/T	330,908	344,149
Financing without resource S/T	44,023	44,498

Economic Performance

Movements of stockholders' equity (k€)	Balance at 31/12/2007	Yield distribution 2007	Other movements	Balance at 31/12/2008
Share capital	81,612	-	-	81,612
Share issue premium	11,593	-	-	11,593
Reserve for revaluation of assets and liabilities unperformed	21,572	-	76,571	98,143
Legal reserves	5,160	3,519	-	8,679
Other voluntary reserves	14,294	31,670	-	45,964
Reserves in consolidated companies	74,749	12,451	(862)	86,338
Conversion differences	(1,083)	-	(3,422)	(4,505)
Dividend on account	-	-	-	-
Minority interests	12,920	-	35,137	48,057
Subtotal	220,817	47,640	107,424	375,881
Consolidated results of the year	48,013	(48,013)	62,744	62,744
Results attributed to external partners	(373)	373	(4,036)	(4,036)
Results attributed to the dominant company	47,640	(47,640)	58,708	58,708
Total stockholders' equity	268,457	-	166,132	434,589

As thoroughly reflected in the Legal and Economic-Financial Report for the year 2008, Befesa has received the following aid from public agencies and institutions:

Economic aid received (k€)	2007	2008
Capital subsidies transferred to results	2,273.0	1,877.0
Operating subsidies	840.0	1,207.0
Total	3,113.0	3,084.0

Contribution to society

The economic value distributed by Befesa increases with the payment of taxes and social charges, together with voluntary contributions to social and cultural projects.

Taxes constitute an important part of the economic contribution that Befesa makes to society. This indicator is variable and depends upon the various legislations applicable and to the evolution of profits.

The following is the total sum of all taxes paid by Befesa in 2007 and 2008.

List of countries (k€)	2007	2008
Spain	22,656	32,798
United Kingdom	493	387
Sweden	3	1,658
Germany	(6,326)	16,898
France	13,191	4,788
Brazil	-	-
Peru	247	334
Mexico	360	547
Chile	586	378
Argentina	383	1,145
Algeria	-	3
India	-	26
Total taxes paid	31,594	58,962

Of the total taxes paid in 2008, 32% correspond to withholdings and income on account for the personal income taxes of employees, made by the various companies and deposited by them with the Tax Authorities. 28% percent of the amounts paid corresponds to corporate income tax.

Furthermore, through its projects and investments in infrastructures, Befesa contributes to the benefit of the general public.

Economic Performance

List of infrastructure projects in 2008 that contribute to the benefit of the Community

Startup of a treatment plant for hazardous and harmless waste in the Atacama desert. (Chile)

Contract for the execution of extension and modernization works of the Waste Water Treatment Plant (WWTP) in Jerez de la Frontera. This action will benefit a population of 250,000 inhabitants. (Spain)

Award under a Joint Venture for the maintenance, preservation and operation of the WWTP of Tablada, with a daily flow of 50,000 m³, benefiting 200,000 inhabitants. (Spain)

Project for the design, construction, financing and operation for 25 years of the seawater desalination plant in Tenés-Chlef, which will make it possible to supply a population of 800,000 people. (Algeria)

In addition to the direct economic value that Befesa generates and distributes among its stakeholders, it also generates quite a significant indirect economic value in those societies in which it operates. These indirect effects go from the activity that stimulates the customers who work with the company by virtue of the services and products it renders to them, or the suppliers with whom it operates. Such effects may also be obtained from the most general contributions to the soundness and dynamism of the economic systems in which they take place.

The technological innovation and development undertaken by Befesa is a clear example of one of the indirect economic effects of greatest relevance. Investments in innovation have a positive economic impact, since they help local communities where they are made to grow and prosper. It is an efficient and necessary instrument for progress toward a society of sustainable development. Innovation is not an end in itself, as is sometimes the case with research, but instead has the mission of making society into something better. Endeavoring to evolve our current socioeconomic system, that is not sustainable for everyone, into another one that is sustainable and for everyone. Innovation is therefore our commitment to the future.

