



experience, profitability, commitment and trust



ACS, Actividades de Construcción y Servicios, S.A.

Ordinary General Shareholders' Meeting

By resolution of the Board of Directors of this Company, held on March 31, 2005, we call an Ordinary General Shareholders' Meeting, to be held in Madrid, at the Palacio Municipal de Congresos, Avenida de la Capital de España, Madrid s/n, Campo de las Naciones, at 12:30 on May 18, 2005, first call, and the following day, May 19, 2005, second call, with the following:

Agenda

1. Approval of the Annual Reports, Balance Sheets, Income Statements and Management Reports for 2004, of ACS and the consolidated accounts of the group of companies of which ACS, Actividades de Construcción y Servicios, S.A. is the Parent Company. Application of results. Annual Corporate Governance Report.
2. Approval of the management of the Board of Directors in 2004.
3. Ratification, dismissal and appointment, where applicable, of Directors.
4. Authorisation for derivative acquisition of treasury stock.
5. Appointment of Company and Group Auditors.
6. Authorisation for the Board of Directors to modify a Stock Option Plan authorised by the Shareholders Meeting of the Company in their decision of May 20, 2004.
7. Delegation of powers to execute and formalize resolutions.
8. Reading and approval, if applicable, of the minutes of the General Meeting.

Main Figures of the ACS Group

Millions of Euros

Financial and Operating Data	2000	2001	2002	2003	2004
Turnover	3,410.4	3,921.4	4,420.2	8,825.1	10,960.7
Operating Profit	214.3	267.8	305.3	573.5	711.0
Profit before tax	176.6	222.3	250.4	283.4	623.5
Attributable Net Profit	120.8	149.2	181.4	229.5	460.4
Cash-flow ^(*)	189.4	238.4	312.8	505.4	807.5
Dividends paid	25.0	32.0	38.4	46.1	96.8
Total Investments	307.6	201.7	1,050.7	657.5	1,196.4
Total Assets	3,338.7	3,880.6	4,914.5	11,226.3	12,609.4
Shareholders' Equity	814.9	910.8	980.4	1,796.4	2,103.9
Total Net Debt	212.6	124.7	594.5	1,230.6	1,423.9
Order Book	6,191.5	6,809.9	7,422.5	22,537.8	23,928.4
Number of Employees	28,910	30,804	32,555	97,112	107,748

^(*) Net Profit + Depreciation + Change in Provisions

Euros

Data per Share ⁽¹⁾	2000	2001	2002	2003	2004 ⁽²⁾
Earnings	0.63	0.78	0.94	0.76	1.30
Gross Dividend	0.17	0.20	0.24	0.27	0.39
Cash-flow	0.99	1.24	1.63	1.68	2.29
Shareholders' Equity	4.24	4.74	5.10	5.05	5.96

Stock Market Data	2000	2001	2002	2003	2004 ⁽²⁾
Listed Shares ⁽¹⁾	192,185,448	192,185,448	192,185,448	355,580,493	352,873,134
Market Capitalization (€ Million)	1,608.0	1,755.3	1,963.5	4,587.0	5,928.3
Year-end closing price ⁽¹⁾	8.37 €	9.13 €	10.22 €	12.90 €	16.80 €
Annual Revaluation	6.59%	9.16%	11.86%	26.26%	30.23%

Significant Ratios	2000	2001	2002	2003	2004
Operating Margin	6.3%	6.8%	6.9%	6.5%	6.5%
Net Margin	3.5%	3.8%	4.1%	2.6%	4.2%
ROE	16.4%	17.3%	19.2%	16.5%	23.6%
Gearing ⁽³⁾	23.3%	12.5%	54.9%	64.9%	64.1%
Dividend yield	2.0%	2.2%	2.3%	2.1%	2.3%

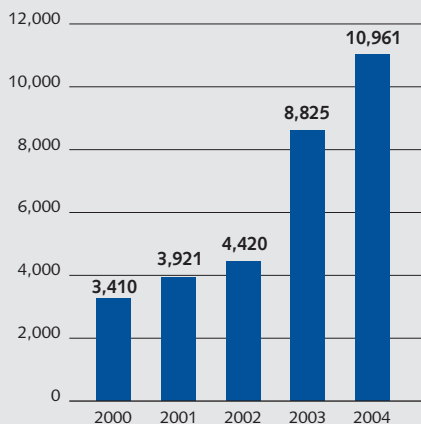
⁽¹⁾ Adjusted by the 3 x 1 Split of year 2004 (reduction of the nominal value of the shares from €1.50 to €0.50 with the consequent and simultaneous increase in the number of shares in proportion to the stock capital)

⁽²⁾ On June 10th, 2004, there was a reduction in the stock capital by a nominal amount of €1,353,679.5 through the redemption of 902,453 shares of treasury stock

⁽³⁾ Gearing: Net Debt / (Shareholders' Equity + Minority interests)

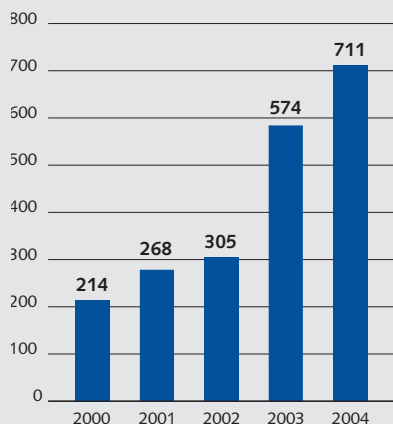
Turnover

Millions of Euros



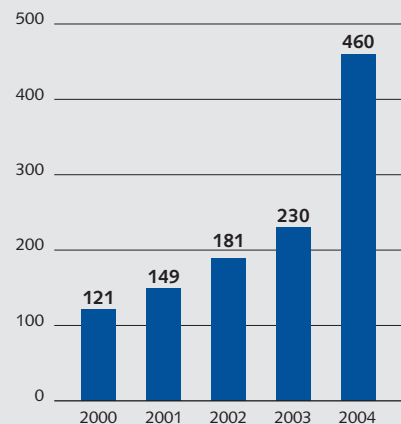
Operating profit

Millions of Euros

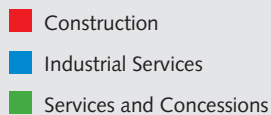
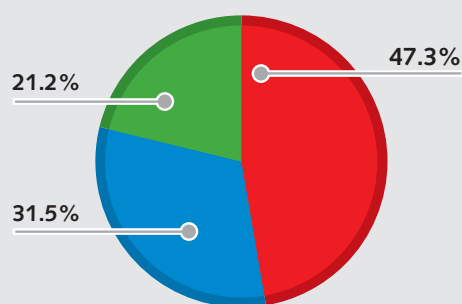


Attributable net profit

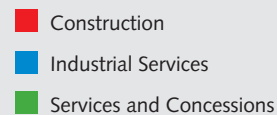
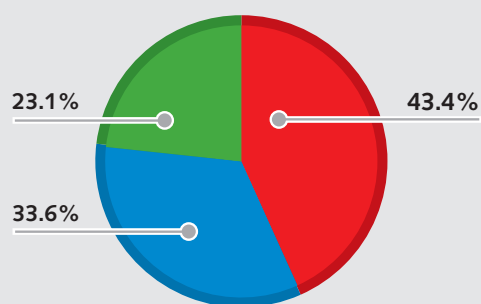
Millions of Euros



2004 Turnover by business



2004 Operating profit by business



Millions of Euros

Construction 2004

Turnover	5,230
<i>International</i>	9.3%
Net operating profit	319
<i>Margin</i>	6.1%
Net profit	217
<i>Margin</i>	4.2%
Employees	17,263

Millions of Euros

Industrial Services 2004

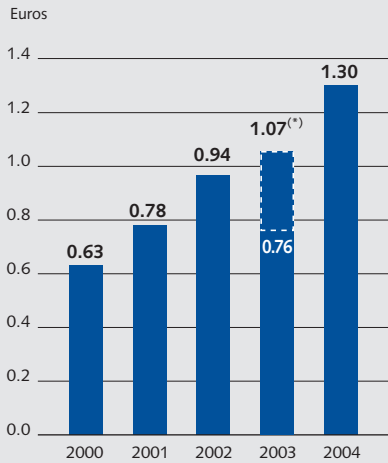
Turnover	3,491
<i>International</i>	31.1%
Net operating profit	247
<i>Margin</i>	7.1%
Net profit	149
<i>Margin</i>	4.3%
Employees	28,561

Millions of Euros

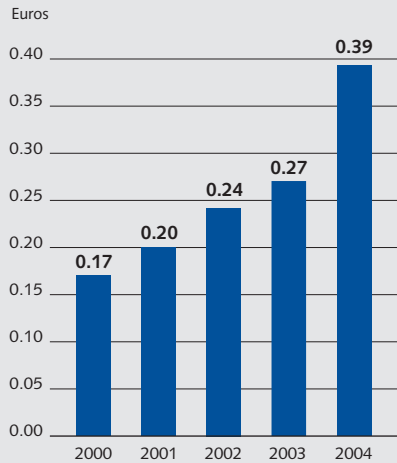
Services and Concessions 2004

Turnover	2,345
<i>International</i>	9.7%
Net operating profit	169
<i>Margin</i>	7.2%
Net profit	150
<i>Margin</i>	6.4%
Employees	61,844

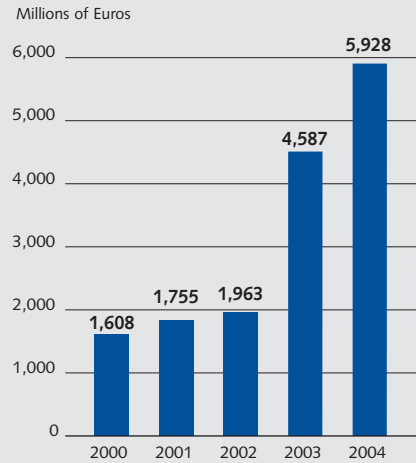
Earnings per share



Dividend per share

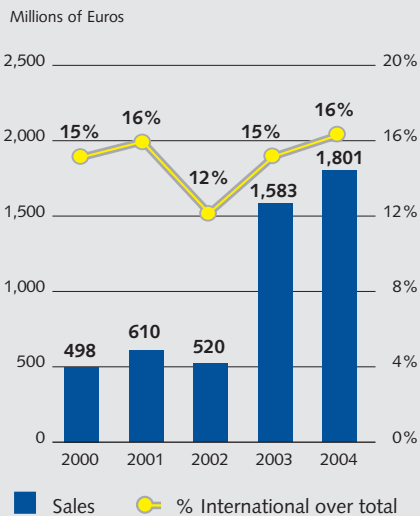


Market capitalization



^(*) Exclude extraordinary merger expenses

Internationalization



■ Sales ● % International over total



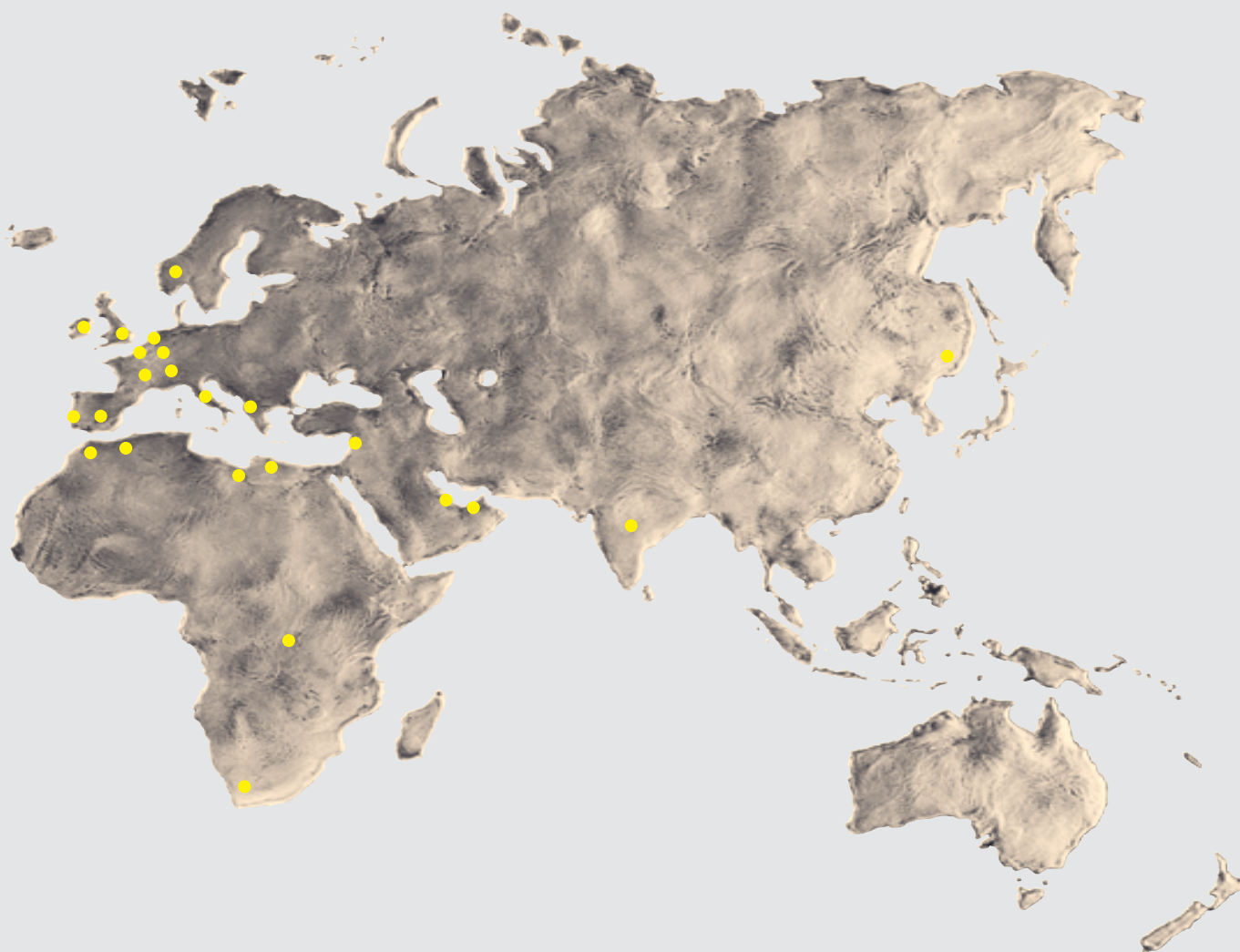
International presence

Countries in which the ACS Group is present

Abu-Dhabi	Germany	Morocco
Algeria	Greece	Nicaragua
Argentina	Guatemala	Norway
Belgium	Holland	Panama
Bolivia	Honduras	Peru
Brazil	India	Portugal
Canada	Iran	South Africa
Chile	Ireland	Spain
China	Israel	Switzerland
Colombia	Italy	Uganda
Dominican Republic	Kuwait	United Kingdom
Egypt	Libya	Venezuela
France	Mexico	

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Letter from the Chairman

2004 has been the first full year since we merged with Dragados Group, constituting a milestone in the history of the ACS Group as we have consolidated our leadership in the sector. During this year, we have met our proposed objectives, remarking the development of the operating aspects of the merger and the outstanding economic and financial performance. This has permitted to maintain a strategy of sustainable growth while satisfying the the expectations of the Group's shareholders, clients and employees, as well as those of society.

The merger process with Dragados Group has progressed significantly in the wake of the restructuring of the Group's business areas. The quality of its services has remained sound, and the Group has managed to maintain a good work environment and to achieve synergies surpassing our forecasts.

Our economic results reflect the solid performance of the Group: consolidated turnover reached close to €11 billion, and net profit totaled €460 million euros, equivalent to 1.30 euros per share, up by 22% from the previous year in comparable terms. This significant upturn is due to the sustained improvement of operating margins and to the greater contribution of equity-accounted subsidiaries, which contributed over 20% to our net profit.

The Group's results and the substantial improvement in working capital have led to a strong generation of over €1.2 billion in operating cash-flows. Investments made during the period - approximately the same amount as the cash-flows generated - were mainly directed to new projects in the different business lines with the aim of promoting the Group's growth and profitability, as well as consolidating our position as one of the reference shareholders in Abertis, without affecting significantly our gearing ratio.

The Construction area performance was very satisfactory. The higher margins, the increase in the order book to €8.5 billion, and the effort carried out in the management of working capital have allowed Dragados, the head company of the Construction area, to obtain the best results of its history and to strengthen its clear leadership in the sector, reaching €5.23 billion of sales.

The Industrial Services area has significantly increased turnover to €3.49 billion, improving at the same time its profitability and order book. These data confirm the ACS Group as one of the largest European companies of applied engineering, particularly in regard to its undertakings in energy, communications and control systems.

Turnover in the Services and Concessions area reached €2.345 billion. Increases in margins were registered in all activities, as environmental services, port and logistics services, facility management, passenger transport and infrastructure concessions, confirming the profitability improvement of these expanding sectors.

I am convinced that the credibility deriving from the meeting of our objectives, the company's proven capacity of cash generation, the investment policy seeking the creation of value, and the quality and commitment of all that work in the ACS Group have boosted the ACS share to reevaluate over 30% in 2004, while the Ibex35 increased by 17.4%.

Nonetheless, the Group's efforts are not only aimed at achieving immediate economic gain but at contributing value and well-being to the society of today and that of future generations. Consequently, in 2004, we placed special emphasis on matters associated with job safety, the implantation of environmental management systems - whose certification accounts for nearly 80% of production - and the transparency and good governance of the Group.



This latter undertaking led to the release of the first report on Corporate Social Responsibility of the ACS Group, which describes in economic, social and environmental terms the contribution of the Group to the development of society and the relations we maintain with the different stakeholders.

Finally, among the Group's initiatives undertaken in 2004 related to corporate governance, deserving special mention is the approval of the shareholders' general meeting by-laws, which includes measures designed to facilitate procedures for delegation of voting rights and to enhance reporting of information to shareholders. One of the first consequent measures in this regard was the implantation of an electronic voting system from the next Shareholders' Meeting onward.

I would like to express one more year my appreciation to shareholders, clients and employees for their confidence in our Group, expecting to respond with the same dedication and an even stronger desire to consolidate our leadership in the development and management of infrastructures.

March 31, 2005

A handwritten signature in blue ink, reading "Florentino Pérez Rodríguez". The signature is written in a cursive, flowing style.

Florentino Pérez Rodríguez

ACS Group

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experience

2.1

Management Bodies

Board of Directors

Mr. Florentino Pérez Rodríguez

Chairman and CEO ■ ■

Civil Engineer
Chairman and CEO of ACS Group since 1993
Member of the Board of Directors of ACS Group since 1989

Mr. Antonio García Ferrer

Executive Vice Chairman ■ ■

Civil Engineer
Member of the Board of Directors of ACS Group since 2003
Member of the Board of Directors of Abertis Infraestructuras
Member of the Board of Directors of Inmobiliaria Urbis

Mr. Pablo Vallbona Vadell

Vice Chairman ■ ■ ■

Naval Engineer and MBA from the IESE
Member of the Board of Directors of ACS Group since 1997
Executive Vice Chairman of Banca March
Vice Chairman of Corporación Financiera Alba
Vice Chairman of Abertis Infraestructuras

Mr. José María Loizaga Viguri

Member of the Board of Directors ■ ■ ■

Economist
Member of the Board of Directors of ACS Group since 1989
Chairman of Mercapital
Chairman of Cartera Hotelera
Chairman of Bodegas Lan
Vice Chairman of Zardoya Otis
Vice Chairman of Banco Urquijo

Mr. José María Aguirre González

Member of the Board of Directors ■ ■ ■

Doctorate in Civil Engineering
Member of the Board of Directors of ACS Group since 1995
Chairman of Banco Guipuzcoano
Member of the Board of Directors of Acerinox
Member of the Board of Directors of Siemens España

Mr. Agustín Batuecas Torrego

Member of the Board of Directors

Civil Engineer
Member of the Board of Directors of ACS Group since 1999
Chairman and CEO of Continental Auto
Vice Chairman of Fenebús



Atlantic motorway

Mr. Miguel Blesa de la Parra

Member of the Board of Directors

Lawyer. Tax Inspector
Member of the Board of Directors of ACS Group since 2003
Chairman of Caja de Ahorros de Madrid
Vice Chairman of Iberia Lineas Aéreas España
Member of the Board of Directors of Endesa
Chairman of Fundación General de la Universidad Complutense de Madrid

Mr. Álvaro Cuervo García

Member of the Board of Directors ■

Doctorate in Economics. Professor of Business Economics
Member of the Board of Directors of ACS Group since 1997
Member of the Advisory Board of Privatizations
Member of the Board of Directors of ThyssenKrupp
Member of the Board of Directors of Sonae Industria, Sonae SGPS and TAFISA

Mr. Isidro Fernández Barreiro

Member of the Board of Directors ■

Industrial Engineer
Member of the Board of Directors of ACS Group since 2003
CEO of Corporación Financiera Alba
Member of the Board of Directors of Banca March
Member of the Board of Directors of Prosegur

Mr. Joan-David Grimà i Terré

Member of the Board of Directors

Doctorate in Economics and Business Studies
Member of the Board of Directors of ACS Group since 2003
General Manager of Santander Central Hispano
Vice Chairman and CEO of Auna
Member of the Board of Directors of Antena 3, TV

Mr. Pedro López Jiménez

Member of the Board of Directors ■

Civil Engineer
Member of the Board of Directors of ACS Group since 1989
Chairman of Terratest
Member of the Board of Directors of Lingotes Especiales

Mr. Santos Martínez-Conde Gutiérrez-Barquín

Member of the Board of Directors ■

Civil Engineer
Member of the Board of Directors of ACS Group since 2001
General Manager of Corporación Financiera Alba
Member of the Board of Directors of Acerinox

Mr. Miquel Roca i Junyent

Member of the Board of Directors

Lawyer
Member of the Board of Directors of ACS Group since 2003
Secretary of the Board of Directors of Abertis Infraestructuras
Secretary of the Board of Directors of Banco de Sabadell

Mr. Julio Sacristán Fidalgo

Member of the Board of Directors ■

B.S. in Chemistry
Member of the Board of Directors of ACS Group since 1998

Mr. Javier Monzón de Cáceres

Member of the Board of Directors

B.A. in Economics
Member of the Board of Directors of ACS Group since 2003
Chairman of Indra

Mr. Javier Echenique Landiribar

Member of the Board of Directors ■ ■

B.A. in Economics
Member of the Board of Directors of ACS Group since 2003
Member of the Board of Directors of Telefónica Móviles
Member of the Board of Directors of Uralita

Mr. Manuel Delgado Solís

Member of the Board of Directors

B.S. in Pharmacy. Lawyer
Member of the Board of Directors of ACS Group since 2003

Mr. José Luis del Valle Pérez

Secretary General and

Member of the Board of Directors ■ ■ ■

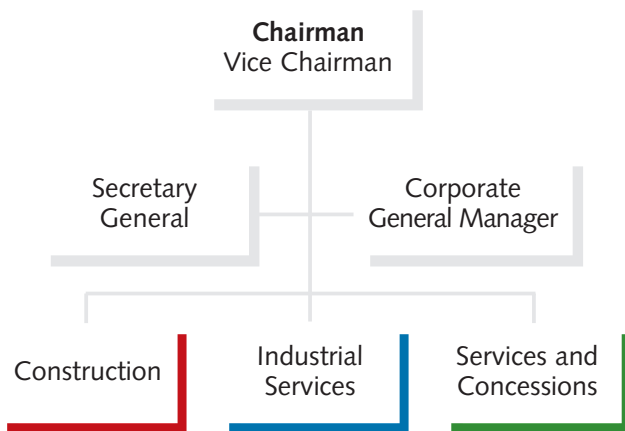
Lawyer and State Attorney
Member of the Board of Directors of ACS Group since 1989

■ Member of the Executive Committee

■ Member of the Audit Committee

■ Member of the Remuneration Committee

Management Committee



Mr. Florentino Pérez Rodríguez

Chairman and CEO

Born in 1947. Civil Engineer. Although Mr. Pérez started his career in the private sector, he held different posts in the Public Administration between 1976 and 1982 when he was Delegate for Sanitation and Environment of the Madrid City Council, General Manager of Transport Infrastructures in the Ministry for Transport, as well as Chairman of IRYDA in the Ministry of Agriculture. In 1983, he returned to the private sector as top executive of Construcciones Padrós, S.A., of which he was one of the main shareholders. Since 1993, he has been the Chairman and CEO of ACS Group, first as the chairman of OCP Construcciones S.A., and since 1997 as the chairman and CEO of the so-called ACS Group.

Mr. Antonio García Ferrer

Executive Vice Chairman

Born in 1945. Civil Engineer. Mr. García started his career in Dragados y Construcciones, S.A. in 1970. After assuming various positions of responsibility in the construction company, in 1989 he was appointed Regional Manager for Madrid. Then in 1998 he was placed at the head of the Building business and in 2001 he became General Manager of the Industrial and Services Divisions. In 2002 Mr. García was appointed as the Chairman of Grupo Dragados, S.A., and in December 2003 he became the Executive Vice Chairman of the ACS Group.

Mr. Ángel García Altozano

Corporate General Manager

Born in 1949. Civil Engineer and MBA, University of Dayton. Mr. García started his professional career in the construction sector. He was General Manager of the Instituto Nacional de Industria (INI) and President of Bankers Trust for Spain and Portugal. In 1997 he joined the ACS Group as Corporate General Manager with responsibility over the economic-financial areas, corporate development and financial shareholdings.

Mr. José Luis del Valle Pérez

Secretary General

Born in 1950. Lawyer and State Attorney. From 1974 until 1983 Mr. del Valle held various positions in the Public Administration and was a member of the Parliament from 1979 to 1982 and Deputy Secretary of the Ministry of Territorial Administration. He has been a member of the Board of Directors of the ACS Group since 1989 and has been the Secretary General to the Board of Directors since 1997.

Mr. Marcelino Fernández Verdes

*Chairman of
the Construction Area*

Born in 1955. Civil Engineer. Mr. Fernández joined the Group in 1987 and was appointed General Manager in 1994. In 1998 he became the CEO of ACS Proyectos, Obras y Construcciones S.A., and in 2001 was appointed Chairman of the company. From 2002 he took on the responsibility of the Construction area of the ACS Group. He is the Chairman of Dragados.

Mr. Ignacio Pérez Rodríguez

*Chairman of
the Industrial Services Area*

Born in 1952. Civil Engineer. After initiating his professional career in the construction sector, Mr. Pérez held several relevant management posts in Control Presupuestario and Bancoval, until 1991, when he joined the ACS Group as Chairman of Semi. He was named CEO of Grupo Cobra in 1997. At present he is Chairman of ACS, Servicios, Comunicaciones y Energía, the Services, Communications and Energy area of the ACS Group.

Mr. Demetrio Ullastres Llorente

*Chairman of
the Services and Concessions Area*

Born in 1945. Civil Engineer. Mr. Ullastres joined Grupo Dragados in 1969, and has carried out his entire professional career within the company where he has been head of the Building activity, Manager of Civil Engineering, International Director, Chairman of Dragados Industrial, Chairman of Dragados Construcción and General Manager of Grupo Dragados in charge of Concessions and Construction. He is currently the Chairman of ACS, Servicios y Concesiones, the Services and Concessions area of the ACS Group.



Management Team

ACS, Actividades de Construcción y Servicios

Mr. Florentino Pérez Rodríguez
Chairman and CEO

Mr. Antonio García Ferrer
Executive Vice Chairman

Mr. Ángel García Altozano
Corporate General Manager

Mr. José Luis del Valle Pérez
Secretary General



ACS head offices building

Dragados

Mr. Marcelino Fernández Verdes
Chairman and CEO

Mr. Juan Ernesto Pérez Moreno
Executive Assistant to the Chairman

Mr. Luis Nogueira Miguelsanz
Secretary General

Mr. José María López Piñol
Civil Engineering Manager

Mr. Ricardo Martín de Bustamante
Civil Engineering Manager

Mr. Gonzalo Gómez Zamalloa
Building Manager

Mr. Ignacio Segura Suriñach
Building Manager

Mr. Antonio Cortés Sánchez
International Manager

Mr. Octavio del Real Sánchez
Subsidiary Companies Manager

Mr. Maximiliano Navascués Redondo
Contracting Manager

Mr. Alfonso Costa Cuadrench
Technical Services Manager

Vías y Construcciones

Mr. Manuel Pérez Beato
Chairman and CEO

Mr. Antonio Alfonso Sánchez
General Manager

Mr. Manuel Álvarez Muñoz
Production Manager

Tecsa

Mr. Rafael Valero Sin
CEO

Drace

Mr. José Luis Sarabia Centeno
CEO

Geocisa

Mr. Francisco Javier Asencio Marchante
CEO

Cogesa

Mr. Enrique Pérez Rodríguez
CEO

ACS Servicios Comunicaciones y Energía

Mr. Ignacio Pérez Rodríguez
Chairman and CEO

Mr. José Alfonso Nebrera García
General Manager

Mr. José Romero de Ávila González-Albo
Secretary General

Cobra Group

Mr. Eugenio Llorente Gómez
CEO of COBRA

Mr. Daniel Vega Baladrón
CEO of SEMI and MAESSA

Mr. Juan Agustín Sánchez Bernal
Chairman of ETRA, API and IMES

Mr. José Reis Costa
Chairman of CME

Dragados Industrial

Mr. Lorenzo Díaz Revenga
Chairman and CEO

Mr. Carlos Rodríguez Méndez
General Manager of CYMI

Mr. Mateo Rodríguez-Sánchez
General Manager of Ingeniería Industrial y Plantas

Mr. Pedro Ascorbe Trian
General Manager of Dragados Offshore

Mr. Juan Enrique Ruiz González
General Manager of Sistemas

Mr. Antonio Benítez Vilches
General Manager of Masa

ACS Servicios y Concesiones

Mr. Demetrio Ullastres Llorente
Chairman and CEO

Mr. Juan Galvañ Morante
Secretary General

Services

Mr. Javier Polanco Gómez-Lavín
CEO of Urbaser

Mr. José Naranjo Hiraldo
General Manager of Urbaser

Mr. Juan Carlos Pery Paredes
CEO of Dragados SPL

Mr. Agustín Batuecas Torrego
Chairman and CEO of Continental Auto

Mr. Cristóbal Valderas Alvarado
CEO of Clece

Concessions

Mr. Jaime Álvarez López
Chairman

Mr. Víctor Revuelta García
General Manager

Mr. Manuel García Buey
General Manager

Mr. Francisco Fernández Lafuente
General Manager

2.2

Corporate Strategy

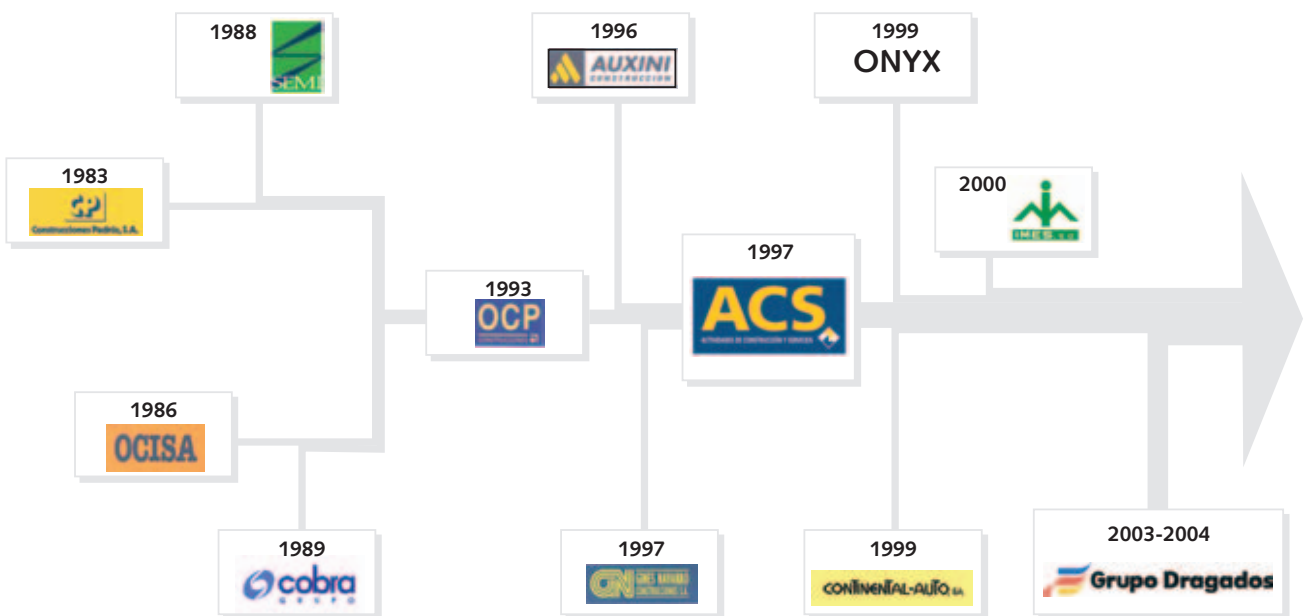
Our History

Although some of the companies of the group are over 70 years old, the ACS Group began in 1983 when a group of engineers acquired Construcciones Padrós, a financially troubled mid-sized construction company located in Badalona. After a restructuring process, the strategy was repeated with the acquisition of OCISA, a prestigious and larger mid-sized contractor in operation for over 40 years.

The diversification process was initiated in 1988 with the acquisition of SEMI, a longstanding company specialized in the maintenance and installation of electric lines. A year later, a majority shareholding was acquired in Cobra, which is one of the leading support services providers to electricity and telecommunication companies.

In the 1990s, OCP Construcciones was born, resulting from the merger of Construcciones Padrós and OCISA. This confirmed ACS as one of the leading corporate groups in Spain in the sectors of construction and services. In 1997, ACS, Actividades de Construcción y Servicios was created, as the result from the merger of OCP Construcciones and the companies Auxini and Ginés Navarro.

From that point onward, the Group has greatly developed its services activity by investing in the incorporation of new companies: In 1999, the Group acquired Continental Auto, which was dedicated to passenger transport by road, and Onyx, a provider of environmental services; In 2000, Grupo Imes, dedicated to public lighting services, integral maintenance and control systems, and Vertresa, the largest waste-treatment plant in Madrid, were absorbed.



With the turn of the century, the ACS Group undertook the largest investment of its history, consisting of €1.38 billion in the most relevant corporate development seen to date. This involved the acquisition of 23.5% stake in Grupo Dragados, subsequently increased by 10% through a take over bid.

In the wake of the recent merger with Grupo Dragados late in 2003, the ACS Group has become a worldwide reference in the promotion, development, construction and management of any type of infrastructure, being the third-ranked by market capitalization in Europe.

The Group's solid success story is based on its decentralized, dynamic and enterprising organization, complemented with a strategy of growth and diversification, with objectives of maximizing shareholder profitability while contributing to sustainable development.

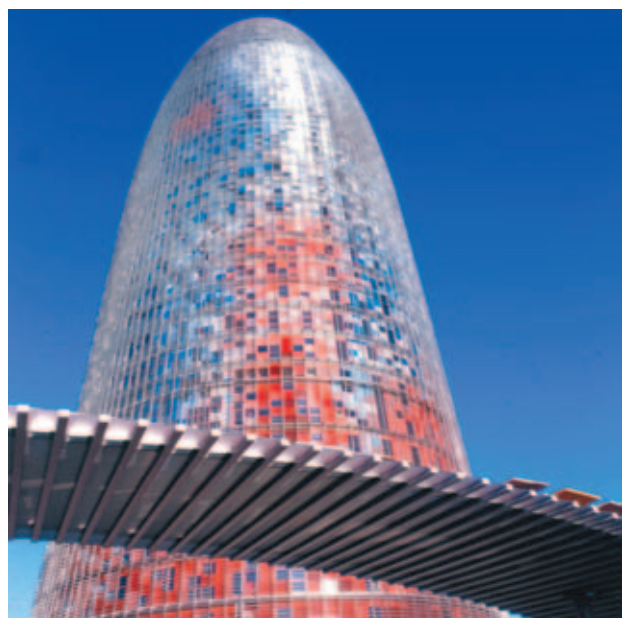
The corporate philosophy of the ACS Group consists of three distinguishing characteristics:

- A unique contractor culture tightly focused on satisfying customer's needs.
- Clear competitive edge as a result of the quality of its employees, technical excellence and ongoing innovation in each project.
- A constant commitment to the creation of long-term economic and social value.

Our Vision

The ACS Group leads the business of promotion, construction and management of infrastructures and services, being fully committed to social development. This dedication seeks to bring on improved welfare and sustainable growth of society through new projects, as:

- The development of infrastructures, covering a wide range of activities, such as civil works projects, industrial installations, energy power plants, telecommunication systems and waste treatment and purification plants.
- The providing of services in the fields of integral management of urban, logistical and industrial infrastructures.



Torre Agbar in Barcelona



Electrical substation

The wide range of products that the ACS Group offers in the markets of construction, applied engineering, services and concessions is characterized by the shared strategic values and the full dedication to serving customers. The former consist of solid know-how obtained through experience, the mutual trust cultivated with our customers, the ongoing search for profitability on managed assets and the commitment to sustainable development of society.

The creation of value of the Group is the result of the contribution of each activity. Hence, the Construction area contributes robust cash generation, Industrial Services offers a combination of growth, recurrence and profitability, and Services and Concessions is characterized by the diverse investment opportunities in capital intensive projects with long-term sustainable return.

Our Values

Experience

For over 60 years, the companies comprising the ACS Group have developed and incorporated the technical and human capacities needed to maintain and broaden the Group's competitive edge in increasingly specialized markets.

The Group's commitment to its customers is reflected in the ongoing management of know-how. Customers are provided with quality service to which new technical developments are incorporated in the different activities.

The Group combines mature businesses, which require experienced management, and new businesses, to which new technologies of design, construction and execution of projects are applied. This combination forms the base of the experience accumulated by our professionals and management, which constitute one of the Group's most valuable assets.

Trust

The long-term relationship we maintain with our customers is based on confidence built up over time and on reciprocal familiarity. This allows us to quickly adapt to individual needs and demands.

Clearly, one of the elements leading to this mutual trust is the dynamism and flexibility of our organization, which allow us to increase the efficiency of our activities by taking advantage of the commercial and productive capacity of each division. This fact, along with an appropriate cost base, heightens the competitiveness of our companies and guarantees that our results meet customers' demands.

Profitability

The profitability that we are able to generate from the resources we manage is key for our future. This is achieved by applying an active risk-control policy in each line of business, in both industrial and corporate terms.

This idea is present throughout the organization and forms a part of our corporate culture. It guarantees the strategic coherence of all the actions of the Group and allows for objective and consistent evaluation of management.

Commitment

The Group maintains a long-term commitment with its customers in its collaboration in their projects. This facilitates the ongoing adaptation to growing demands and quick anticipation of their future needs.

This is made possible by the commitment to excellence of our employees, allowing our Group to attract talent, promote professional development and provide incentives for creativity and dedication, in order to continue growing as a leading company.

Our track record has demonstrated our firm commitment to the creation of shareholder value through profitable and sustained growth, a strict policy of resource allocation and a strategy of investment in recurrent businesses. This allows us to contribute to the development and improvement of society, which we are able to serve in an efficient and ethically responsible manner.



Our Objectives

The strategy of the ACS Group pursues to achieve a leading role in the development of infrastructures in the markets in which we are present, through clearly defined objectives:

1. Meeting the needs of our customers

- Maintaining our high standards of quality, security and reliability in the different products and services that we offer, in order to promote stability and guarantee recurrent income.
- Increasing the supply of products and services that allow for the diversification of our portfolio of activities while reducing our exposure to economic cycles.



VAO bus control systems on the N-VI (Madrid)

- Expanding our current customer base through ongoing commercial effort in new markets.

2. Optimizing the profitability of the resources that we manage

- Through improvements in operating and financial efficiency, offering appealing return on capital.
- Applying rigorous investment criteria adapted to our strategy of expansion and growth.
- Maintaining a solid financial structure that facilitates the raising of resources at low cost.
- Offering an attractive dividend policy, sustainable in the long-term.

3. Improving the society in which we live

- Contributing to its economic growth, whether directly through the wealth generated by our activity and the promotion of investment and employment, or indirectly through improvements represented by the infrastructures that we develop.
- Improving social welfare through the creation of decent and fairly remunerated employment.
- Respecting the environmental and cultural context in each of the activities carried out by the Group, in accordance with the recommendations of leading domestic and international institutions.

2.3

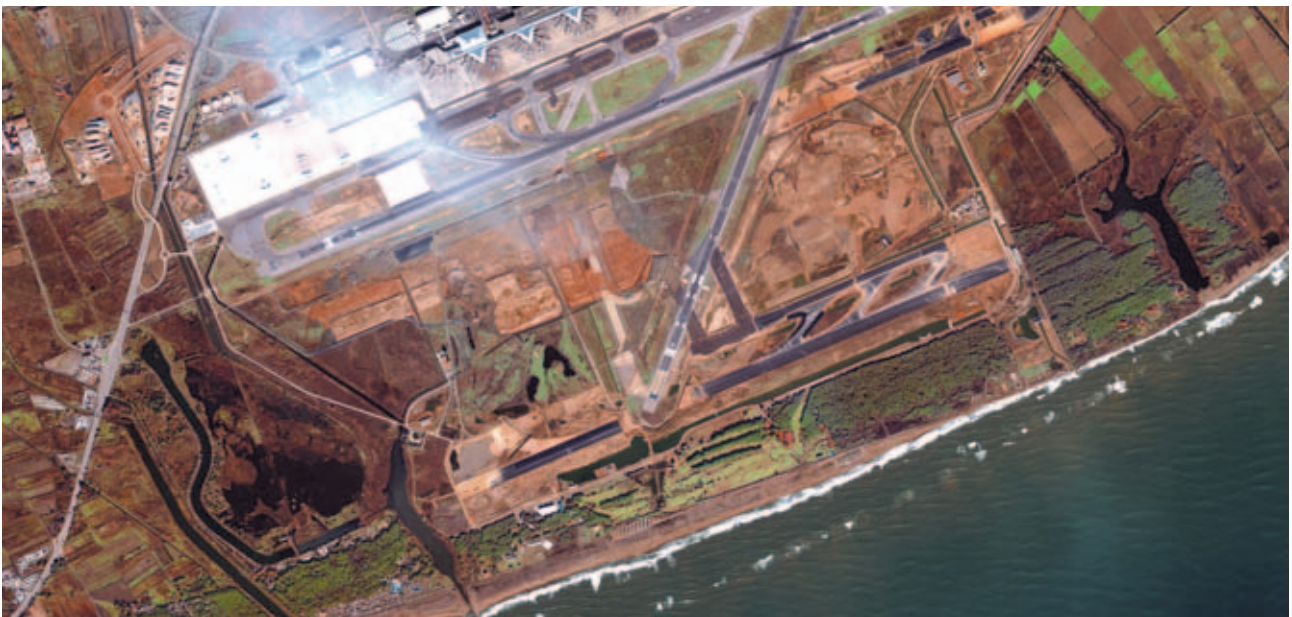
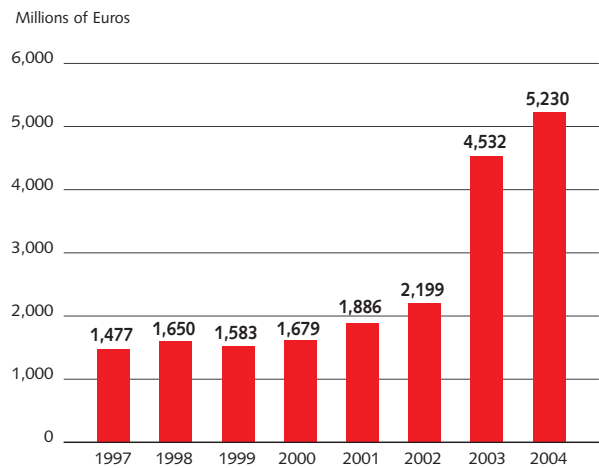
Activity Report

2.3.1. Construction

The Construction area of the ACS Group has consolidated its clear leader position in the sector in Spain, being one of the leading European contractors by net sales and profitability. This privileged position was achieved through the process of integration of ACS Proyectos Obras y Construcciones and DOPSA, completed in 2004, and through the consistent demand in the construction sector in Spain in recent years.

Consequently, turnover of the construction activity of the ACS Group has tripled since 1999, amounting to over €5.2 billion.

Turnover evolution



Third runway of Barcelona Airport

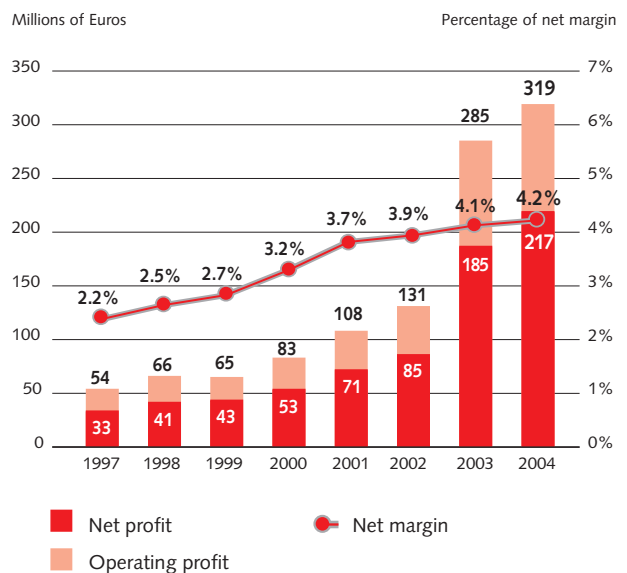


Miel Viaduct in Nerja (Málaga)

The leap in sales was achieved with substantial upturns in profitability, largely due to the application of a strategy focused on strict cost control and the adoption of a commercial policy aimed at highly specialized large-scale projects with high added value.

One of the keys to this outstanding performance is the Group's maintained focus on civil works, such as the construction of important projects of highways, motorways and roads, marine projects, hydraulic works, metropolitan infrastructures, airports, ports, etc. Specifically, this segment of activity accounts for around 60% of the total activity of the Construction area and benefits from a competitive edge worldwide due to the complexity, magnitude and quality of the projects carried out.

Profit evolution



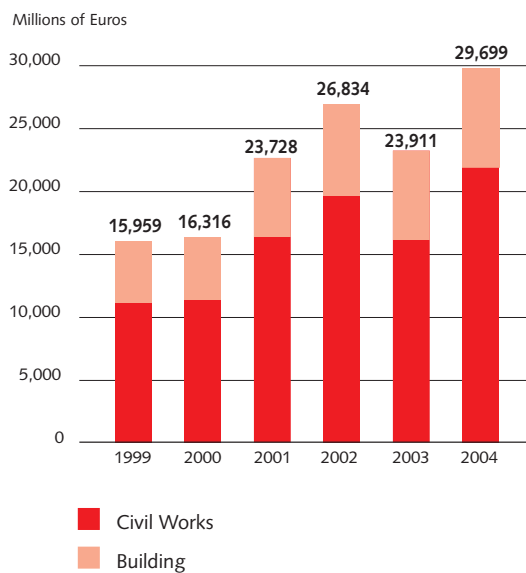


Three-support bridge in Sanchinarro (Madrid)

Prospects for the sector

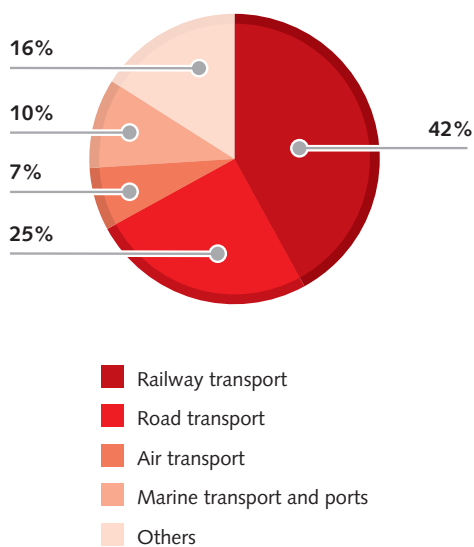
Forecasts for activity in Spain are very positive for 2005, backed by the sound performance of official tendering processes, solid demand in commercial building and the prolongation of the residential cycle.

Official bidding process evolution 1999-2004



Source: Civil Works Ministry

PEIT 2005-2020 forecast investment breakdown



Long-term forecasts have been significantly recovered with the Government's Strategic Plan on Infrastructures and Transport (PEIT), approved by the Council of Ministers in December 2004, aiming to improve the Spanish infrastructures over the period 2005-2020. Said plan substitutes the previous National Infrastructures Plan (2000-2010) and targets the following priorities:

- Promotion of economic development and competitiveness of the Spanish economy.
- Increase in quality and security of infrastructures and transport services.
- Sustained mobility and
- Strengthening of social and territorial cohesion.

The actions of the plan are focused on railways, roads, air transport, marine transport and ports, activities where the ACS Group holds significant competitive advantages.



Jerez-Los Barrios highway

The total foreseen investments of the plan amounts to €241.392 billion, with 60% of this amount charged to the national budget and the remaining 40% to financing schemes which combine private and public funding.

Organizational Structure





AVE, Puente Genil section (Córdoba)

Strategic Objectives

Construction is a mature and competitive business in which the main goal is satisfying customers' needs, which implies predominantly local management. The strategy of the construction business of the ACS Group is based on the maximization of the profitability of its projects through an increased focus on large-scale projects, which generate greater added value due to the inherent degree of specialization. The main strategic objectives of this activity are:

- Maintenance of the share of the domestic market and constant improvement of operating profitability, attaining sustainable and profitable growth.
- Selective international expansion through the development of own concessions and/or unique projects based on a high degree of specialization.

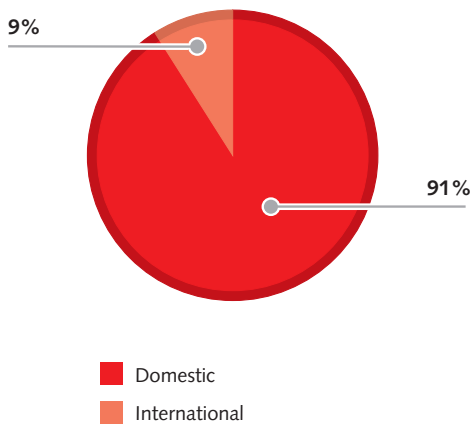
Additionally, this activity benefits from robust cash generation, which allows it to finance the development of other activities that strengthen the Group's long-term growth.

Activity in 2004

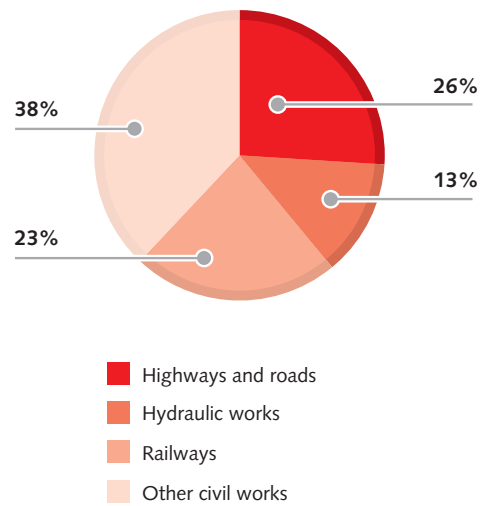
Dragados S.A., as the Group's head company in the construction activity, participates in all the infrastructure plans carried out in Spain. Its presence is noteworthy in the construction of important projects involving highways, motorways and other roads, marine works, hydraulic works, metropolitan infrastructures, airports, ports, etc. It is also highly competitive in the construction of buildings, including non-residential, for uses such as commerce, healthcare, educational, administration, cultural and sports events and the rehabilitation of unique buildings, and residential building throughout Spain, in its main cities, residential areas and tourist destinations.

In 2004, the turnover of Dragados amounted to €5.23 billion, with €217 million in net profit, being the highest amount ever reached. The company's international presence, which represented 9% of total construction turnover in 2004, primarily takes place in countries where the Group is active in the transport infrastructures concession projects.

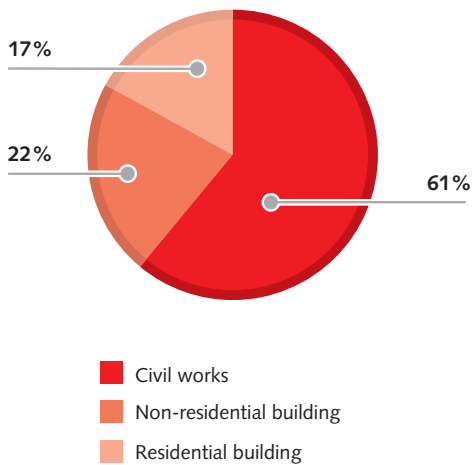
Turnover breakdown by market



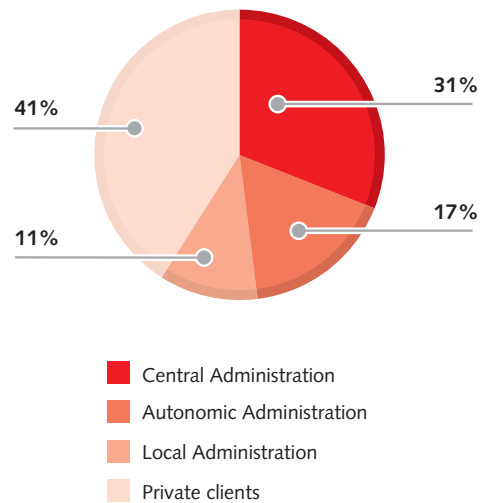
Domestic civil works turnover breakdown



Turnover breakdown by activity



Domestic turnover breakdown by type of client



In **motorways and roads**, the following projects deserve special mention:

- A-23 motorway from Levante to France passing through Aragón, section Escandón-Teruel.
- Vigo ring road, section Castrelos-Boozas.
- A-7 Mediterranean highway, section Nerja-Almuñécar.
- Planning, construction, conservation and operation of the section Toledo-Consuegra of the Viñedos highway.
- Construction of the fourth lane in the section Montmeló-El Papiol of the A-7 motorway.
- Planning of project and execution of construction in access roads of the A-1 highway between the M-30 and the M-40.
- New A-632 highway from Ribadesella to Lluvia, section Grases-Infanzón.



Radial 2 motorway in Madrid

- Conditioning of road surface of TF-5 highway from Santa Cruz de Tenerife to San Cristóbal de La Laguna.

In **railways**, which include high-speed, interurban and metropolitan projects, the following are the most significant:

- Planning and construction of the Pajares tunnels of the high-speed line León-Asturias.
- High-speed line Córdoba-Málaga, section Gobantes-East Abdalajis tunnel.
- Construction of infrastructure and stations along several sections of Line 9 of the Barcelona subway.
- Construction of interurban Line 1 of the Seville subway.
- New rail access to the North and Northeast of Spain, section Soto del Real-Segovia.
- Underground connection between the stations of Atocha and Nuevos Ministerios.
- Execution of the works for the line Málaga-Fuengirola.

Among the Group's accomplishments in **hydraulic works, coasts and ports**, the following stand out:

- Planning and construction of the Rules dam in Vélez de la Benaudalla (Granada).
- Construction of southern retaining wall for the Barcelona port.
- Enlargement of El Ferrol port.

The Group's most important projects in **airports** include the following:

- New area, including terminal, satellite structure, parking and outlying access, of the Madrid-Barajas airport.
- Runway 15L-335 and taxiing areas in the Madrid-Barajas airport.
- Enlargement of the operating area of the Barcelona-El Prat airport; new runway 07R-25L and taxiing areas.
- Second phase of construction of the Torre Marenostum buildings in Barcelona.
- Building of the Caixa de Galicia Foundation in La Coruña.
- Enlargement of the Museo Nacional del Prado de Madrid.

In **non-residential building**, the ACS Group participates in many public and private projects, including:

- Construction of the Santander Central Hispano Bank head offices in Boadilla del Monte (Madrid).
- Enlargement of the Museo Nacional Centro de Arte Reina Sofía de Madrid.



Harbour of El Ferrol (A Coruña)

- Construction of the Torre Agbar in Barcelona.
- Remodeling of the El Arcángel stadium in Córdoba.
- Construction of the Rockódromo pavilion, located in the fairgrounds of the Casa de Campo of Madrid.
- Construction of the meeting center for the Bilbao Exhibition Centre in Barakaldo (Vizcaya).
- Palacio de las Artes in the Ciudad de las Artes y las Ciencias in Valencia.

In **residential building**, the ACS Group continues carrying out projects for the leading developers of Spain in the construction of residential buildings and complexes throughout the country.

Contracts awarded in 2004

In 2004, the volume of awarded contracts rose to €5,867 billion. At year-end 2004, the order book amounted to €8,525 billion, up by 8.1% from the previous year. The following contracts are of particular interest:



Santander Central Hispano offices in Boadilla del Monte (Madrid)

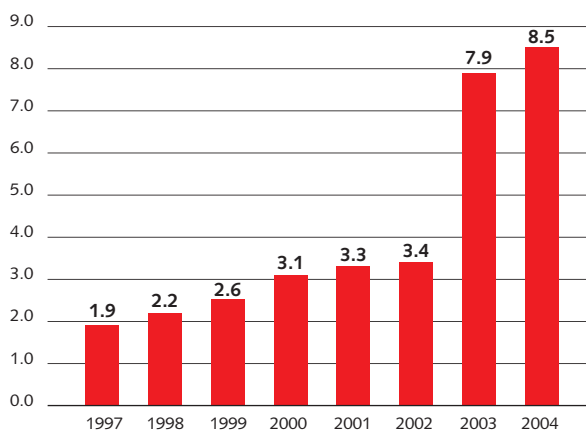
Millions of Euros

Most important contracts awarded

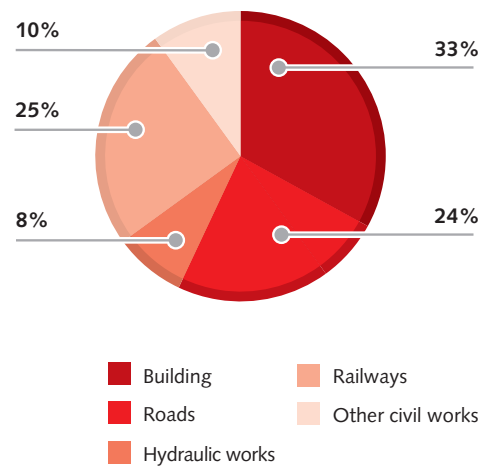
	Type of project	Awarded budget
Alicante ring toll road and toll-free section "El Campello"	Roads	353.8
International connection between Figueras and Perpignan of the high-speed railway line between Spain and France	Railways	263.2
New port installations in Punta Langosteira (Arteixo) in La Coruña	Hydraulic works and ports	233.9
Gijón port enlargement	Hydraulic works and ports	220.1
Right lane of connection of Paseo de Santa María de la Cabeza corresponding to the south tunnel of the M-30	Roads	205.2
Prolongation of Line 7 of the Madrid subway to Coslada and San Fernando de Henares	Railways	168.4
Platform of high-speed line Corredor Norte-Noroeste, section Lalín-Boqueixón (Pontevedra)	Railways	127.1
La Breña II dam	Hydraulic works and ports	120.3
Construction of water-sports center in the Parque Olímpico of Madrid	Non-residential building	109.4
Third tunnel of Guadarrama	Roads	87.4
Platform of high-speed line Corredor Norte-Noroeste, section Lalín Abeleda-Baxán (Pontevedra)	Railways	78.6

Order book evolution

Billions of euros



Order book breakdown by type of project



2.3.2. Industrial Services

The Industrial Services area of the ACS Group benefits from its broad and varied experience of over 75 years in the development of services of applied engineering, installation and maintenance of industrial infrastructures in the sectors of energy, communications and control systems in Spain, Portugal, with an international presence in more than 25 countries.

With €3.49 billion of turnover in 2004, it leads the sector in Spain, it is first-ranked in Europe, and it is a worldwide reference given its positioning as:

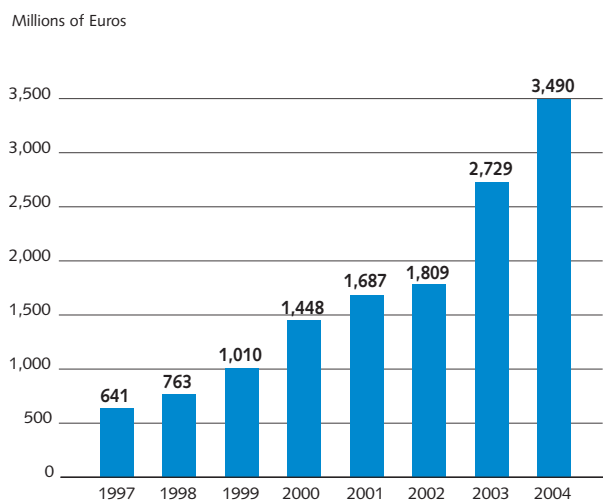
- Main supplier to water, gas and electricity companies in the development and maintenance of their generation and distribution installations.
- Leading agent in the development and maintenance of specialized installations, such as thermodynamic and mechanical, electric, railway (conventional and high speed) and telecommunications installations.
- One of the leading competitors worldwide in the development of large projects for the gas and oil industries, from the construction of offshore platforms and modules to turnkey projects of refineries and petrochemical plants.
- Leading company in energy power projects, such as combined cycle power plants, regassification plants and renewable energy.
- Leading domestic enterprise in the development and maintenance of technological systems related to telecommunications, road and railway traffic, public lighting and industrial control.

This activity promotes its commercial development by product and by client through a decentralized structure that encourages profitable efficiency and the search for new business opportunities.

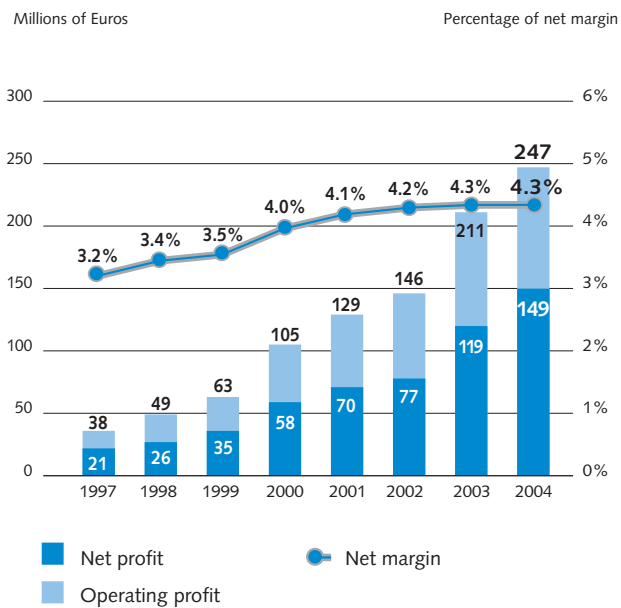
Hence, the ACS Group participates throughout the value chain of industrial services, offering from the promotion, engineering and construction of new projects, to integral maintenance of industrial installations.

This broad range of services leads to a recurrence in revenues of around 70%, which results in high visibility of the activity combined with sustained profitability.

Turnover evolution



Profit evolution



Industrial Services can be broken down into four lines of business:

- Networks:** This activity of maintenance of electric, gas and water distribution networks is backed by over 50 years of experience. Over this time, the Group has developed important competitive advantages, including profound knowledge of the business, high quality of service provided and a high degree of specialization by product and geographic area. These distinguishing characteristics have made the ACS Group a clear leader in this business, particularly in its constant innovation in assembly techniques and in the incorporation of specialized machinery, which, in many cases, is designed and manufactured by the company itself.



Sines-Setúbal gas pipeline (Portugal)



Underground storage of natural gas, Carricho (Portugal)

- **Specialized Products:** Combines the activities of installation and maintenance of high-tension electric lines, engineering, installation and maintenance of telecommunications systems, maintenance of railway installations, electric installation, mechanical assemblies and heating and cooling systems.
 - In **high-tension power lines**, the Group maintains a leading position in the sector, being involved in engineering, supply, assembly, start-up and maintenance of high-tension lines and substations. It is also a pioneer and leader in integral electric maintenance in transmission, distribution and substation tension lines, as well as in all steps of tension in substations.
 - **Telecommunications** includes all projects related to engineering, development, implantation and maintenance of networks and technical equipment used in fixed, wireless and cordless telephony for the local loop and fiber optics, as well as radio links, microwave systems and custom-made telecommunications systems, within others.
 - In **railways**, the Group handles the design, engineering, assembly, start-up and maintenance of railway systems, in specialized areas such as electrification, signaling, railway security systems, communications, support services related to access control, automatic dispatch, escalators, lighting, ventilation and heating and cooling.
 - The ACS Group offers **integral management of support services** in the industrial and manufacturing processes of a broad range of sectors both in Spain and abroad. This activity is comprised of unique projects requiring specialization, such as industrial refrigeration, heating and cooling systems, and mechanical and structural systems.

- **Integrated Projects:** The Group offers a variety of turnkey projects for a range of applications, from engineering to commercial operation. In these kinds of projects, experience, know-how, credibility and technical capacity are fundamental. These projects are broken down into the following groups:
 - **Energy projects:** Include the execution of large-scale projects such as combined cycle power plants, conventional thermal plants or desalination plants, as well as high-power electric installations such as substations and transformers for the transmission and distribution of energy and solutions for large-scale consumers.
 - **Renewable energies:** Through the promotion, turnkey construction and operation of wind farms. In 2004, the Group had 13 wind farms in operation totaling 267 MW installed, another 7 under construction totaling 222 MW, and 35 wind farms projected, amounting to a total of over 1,400 MW. In addition to this, it develops renewable energy projects for third parties.
 - **Industrial projects:** With over 40 years of solid experience, the Group is highly specialized in the management of turnkey projects. Newly developed management tools are used, which allow it to execute large-scale projects in the international arena. This activity integrates applied engineering services such as installation, construction and transformation in industrial plants, tankers, refineries, petrochemical plants, cement manufacturers, etc.
 - **Oil and gas platforms:** Dragados Offshore began to construct oil and gas platforms in 1972, and since then, it has gone on to become one of the industry leaders worldwide. Its business includes the construction of platforms and installations and floating systems in its own factories in Cádiz and Tampico (Mexico). It is also involved in modular

construction for refineries, processing plants, loading and unloading terminals, and equipment such as port cranes, sluiceways and lockgates, receptacles, tanks, etc.

- **High-speed railway systems:** Design, engineering, assembly, start-up and maintenance of installations for high-speed lines. Highly specialized in electrification, signaling, railway security installations, communications and other support services involved in global projects.
- **Control Systems:** The Group has become the leading provider of engineering, installation and operation of control systems for the industry and the urban services.
- **Traffic control and transport systems:** Characterized by a highly technological profile and constant requirements of new technological developments, this



Combined-cycle power station in Granadilla (Tenerife)

activity includes integral solutions for control and regulation of urban and interurban traffic, technology used in public transport through the management of operating-assistance resources (SAE), control of access to toll roads and parking; design and installation of new dynamic toll systems for highways; and installation and maintenance of lighting systems along public roads.

- **The integral maintenance of public infrastructures:** includes services that are highly specialized and flexible such as, signaling and integral conservation of roads; vertical, horizontal and containment-control signaling; services associated with hydraulic infrastructures, in distribution as well as in networks of treatment, purification and information systems; electric and fluid systems for ornamental fountains; intelligent management systems and automation centers in the integral maintenance of public buildings, and treatments used in forestry.

Prospects for the sector

The corporate dynamism of the ACS Group constitutes a solid base from which it is able to take advantage of opportunities of future growth, largely through its wide diversification of services and geographic presence.

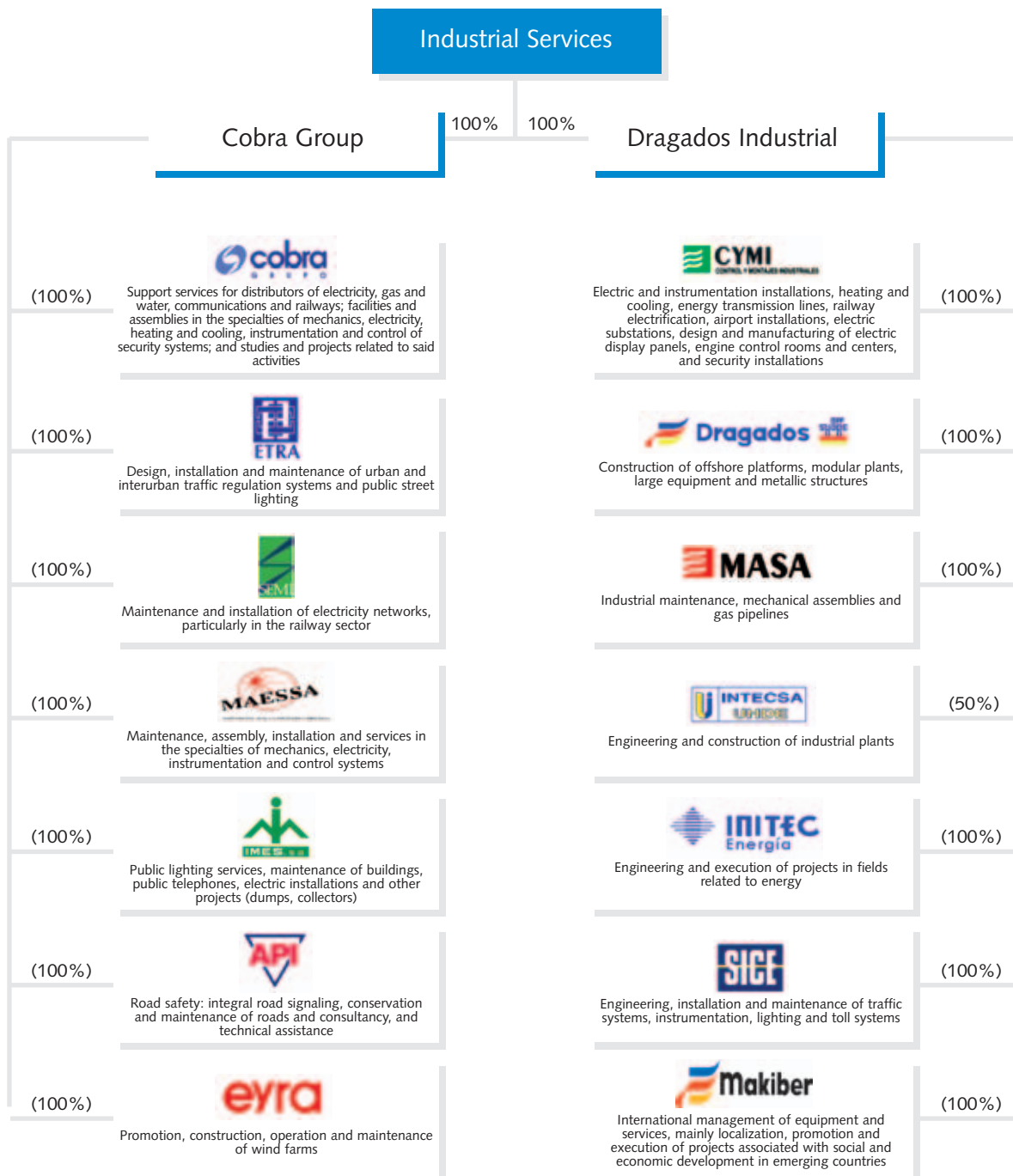
This growth is firmly backed by the need for investment in the energy sector, resulting from the constant growth in demand requiring supply and additional installed capacity to cover said growth. Additionally, this new demand requires an appropriate combination of sources of energy that maintains a competitive level of prices while assuming the requirements of the Kyoto Protocol.

- In the electric energy sector, construction of new generation plants is expected to continue, mainly combined cycle plants and renewable energy, as well as the maintenance of high and low tension power lines.
- In the sectors of oil and gas, the main developments foreseen are in the construction of installations for extraction, storage and refining of crude oil, and in the development and expansion of gas transmission and distribution networks.

Demand is also growing for services of operation and maintenance of installations, largely from public service companies and industrial corporations, as well as from public administrations:

- Many industrial companies are attempting to increase their productivity in order to be able to compete in increasingly liberalized sectors while offering greater flexibility for increasing efficiency and promote expansion to new activities in domestic and international markets.
- Public administrations are attempting to optimize expenditure in order to meet growing social demands, improving existing public services and developing new products and technologies that heighten quality.

Organizational Structure





Las Lomas wind farm

Strategic Objectives

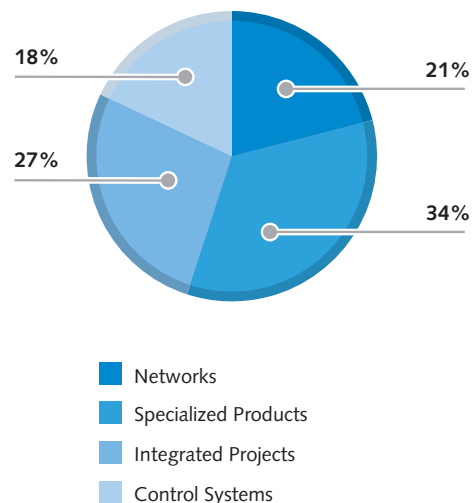
The solid basis of growth allow for the optimization of profitability by applying strict criteria of selection in new projects in relation to their potential creation of value. To this end, several clearly defined targets have been established in order to attain selective, sustainable and profitable growth:

- Continuing to lead future growth in the sector.
- Promote recurrent services, such as integral maintenance of installations.
- Increase the average profitability of the activity by strengthening the businesses with the highest added value, such as turnkey projects, while maintaining a strict policy of cost control.
- Promote new lines of business through investment in projects associated with renewable energies, both wind power and solar energy, and in traffic control and transport systems.
- Applying a policy of geographic expansion, meeting rigorous criteria of profitability and stability.

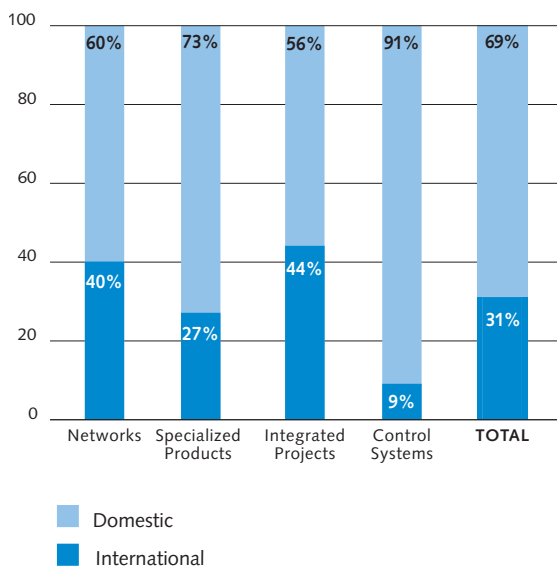
Activity in 2004

The activity evolution was characterized by a significant growth in the activity of Integrated Projects, with high added value and contributing future revenues to other activities through installation maintenance.

Turnover breakdown by activity



Turnover breakdown by market



The diversification of products guarantees constant growth, while the geographic diversification offers opportunities for growth in markets with increasing needs of development. In 2004, sales abroad accounted for 31% of the total.

Projects undertaken in 2004 in the maintenance of distribution **network** installations include the following:

- Maintenance of low tension lines in the central region for Unión Fenosa.
- Electromechanical assemblies in the Galapagar substations (Madrid) for Red Eléctrica Española (REE).
- Underground cabling of the line L/66 kV Albacete-Romica.
- Burial of aerial power lines in several Spanish cities.



Maintenance of the electrical grid

Specialized projects involving high tension electric grids include the following:

- Escombreras-El Palmar (Murcia) 400 kV high tension line, for REE.
- High tension line and 400 KV transformer substation of the Escatrón thermal power plant, for Heyno-Global.
- Electric submarine line in Mallorca, for Gesa-Endesa.
- Revision of the JINAMAR thermal power plant (Gran Canarias), for Unelco-Endesa.
- Substations, high and medium tension lines in Catalonia (Tramontana Plan), for Fecsa-Endesa.
- Repowering to 220 kV. of the Montouto-Frieira line, for Unión Fenosa.
- Modification of the 400 kV Escombreras-Rocamora line, for REE.
- Development, manufacturing and installation of remote control units for Endesa.
- Repowering to 220 kV of the San Cayetano-Santiago II line, for Unión Fenosa.
- Elancourt-Villejust (France) 225 kV high tension line.
- Construction of electricity transmission line in Paraná (Brazil).
- Eastern subtransmission in Veracruz (Mexico).



High-voltage electrical grid

In **telecommunications**, the following projects undertaken in 2004 deserve special mention:

- Wireless telephony infrastructure network in tunnels of new Madrid-Lérida railway line, for all operators.
- Supply, equipment and maintenance services for radio sites in Mexico and Chile for Telefónica Móviles.
- Integral maintenance contracts for communication lines for Telefónica in Spain and Peru.
- Maintenance and collection of public telephones in Madrid and Castilla-La Mancha for Telefónica.
- Installation and maintenance of base stations for Telefónica Móviles Chile.

In **railways**, the following projects are of particular interest:

- Projects involving energy distribution and electrification in the remodeling of Line 3 of the Madrid subway.
- Design and installation of the 25kV fixed overhead power cabling of the new Line 2 of the New Delhi subway in India.
- Modernization and compensation of the overhead power cabling in several lines of the Spanish network for RENFE.

Contracts signed in 2004 involving **the integral management of support services** include the following:

- Specialized assembly of components in the engine room of the minesweeper 0225 for Izar Cartagena.
- Mechanical maintenance, industrial cleaning and minor revision of the thermal power plants of Granadilla, Candelaria, Jinamar and Tirajana for Unelco-Endesa.

- Expansion of fire-alarm systems for Repsol Butano.
- Manipulation and operation of the slag treatment plant in the Aceralia factories in Avilés and Gijón.
- Maintenance of auxiliary equipment of turbine, mills and burners, the electric motors and the systems of instrumentation and control in the Endesa thermal power plant in Teruel.
- Installation and maintenance of heating and cooling systems in the new terminal of Barajas airport in Madrid.
- Installations of running water, heating and cooling, and electricity in the Trade Center hotel in Tarragona.
- Maintenance of heating and cooling systems in the Repsol YPF refinery in Tarragona.

In **energy projects**, contracts were signed involving the regassification of Sagunto and the construction of the combined cycle plants of Castellón, Castejón, Santurce, Amorebieta, Aceca, Castelnou, Cartagena and Skikda (Algeria). The following projects were also undertaken:

- PTA plant for Interquisa (Canada).
- Virgen del Milagro desalination plant (Murcia).
- Power plant in Nubaria (Egypt).
- Cacimbas-Vittoria gas pipeline for PETROBRAS, in Brazil.

In **renewable energies**, the Group has 10 wind farms in operation totaling 267 MW installed, and has another 7 wind farms under construction. Preliminary work has begun for the construction of the first solar-energy plant in Spain, to be located in Granada.

Wind farms in operation

Wind farms	Location	MW
L'Enderrocada	Tarragona	29.85
Monte da Serra	La Coruña	16.07
Monte Marban	La Coruña	11.40
Monte Villalbesa	La Coruña	22.20
Los Llanos	Málaga	33.40
Monte Redondo	La Coruña	49.50
Novo	La Coruña	18.75
Requeixo	La Coruña	11.69
Raposeras	Logroño	39.00
Serra de Outes	La Coruña	35.00
TOTAL		266.86

Wind farms under construction

Wind farms	Location	MW
Ortiga	Leiria (Portugal)	12.00
El Perul	Burgos	49.60
La Lastra	Burgos	11.20
Ecovent II	Tarragona	48.10
Touriñan IV	La Coruña	24.65
Marmellar	Burgos	49.40
El Colmenar II	Almeria	28.00
TOTAL		222.95

In **industrial projects**, and in relation to the petrochemical industry, contracts were signed involving upstream projects, refining, petrochemicals and fertilizers, including the following developments in 2004:

- HDT unit for Repsol in La Coruña.
- Plant for separation of gas, water and crude for Cepsa in Rhourde El Khrouf (Algeria).
- Cheshmeh Khosh (Iran) of 80.000 BOD, for Cepsa.
- Block 16 of 150,000 BOD for Repsol-YPF in Ecuador.
- NPK fertilizer plants in India, the Philippines and Saudi Arabia.

In **extraction platforms**, the following projects in execution are of particular interest:

- Manufacturing of platforms IPC 39, IPC 60, IPC 78 and PBU-KU-A2, for PEMEX (Mexico).
- Expansion of the Snohvit-Hammerfest (Norway) project for Statoil, consisting of the construction of a gas liquefaction plant (LNG). Total weight: 24,000 tons.
- Buzzard project, consisting of the natural construction of a crude and gas production module in the North Sea, for Encana.

In **control systems**, the contracts carried out in 2004 include:

- Maintenance of dynamic installations and control of the R-3 and R-5 motorways of Madrid.
- Supply and installation of operating-assistance system equipment for urban buses of Madrid and Bilbao.

- Automatic system of luggage handling in the Barcelona airport, for AENA.
- Maintenance of automatic system of hydrological information of the Ebro river in Aragón.
- Maintenance of lighting on public roads, fountains and monuments for several Spanish municipal governments.
- Maintenance, conservation and operations of installations of the Somport (Huesca) tunnel control center over a two-year period.
- Integral maintenance of several sections of main highways in Spain.



Snohvit-Hammerfest project (Norway)

Contracts awarded in 2004

At the end of 2004, the order book amounted to €3,415 billion after having obtained €3,856 billion in contracts. The most important contracts were the following:

Millions of Euros

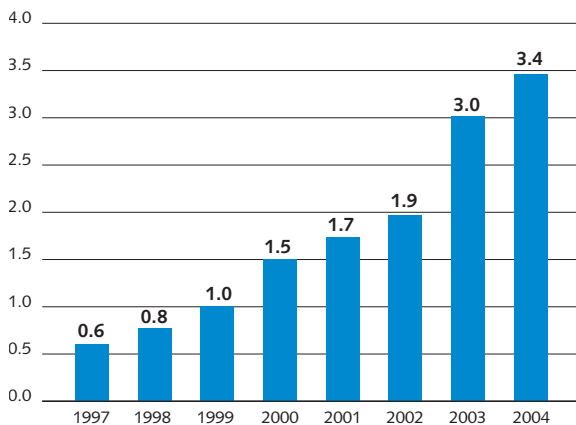
Most important contracts awarded

Budget

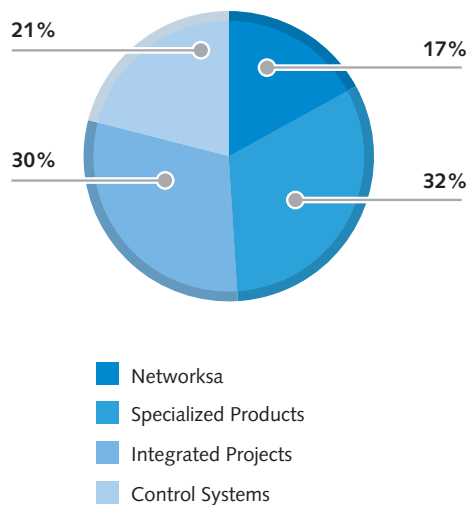
2 desalination plants in Algeria	263.9
Crude production platform PB-KU-A2	154.4
Buzzard project: Crude and gas production modules	72.5
Electric transmission line in Paraná (Brazil)	64.8
Installation of the coordinated security system of the Madrid subway	62.3
Closure of El Encino combined cycle plant in Mexico	60.9

Order book evolution

Billions of euros



Order book breakdown by type of project



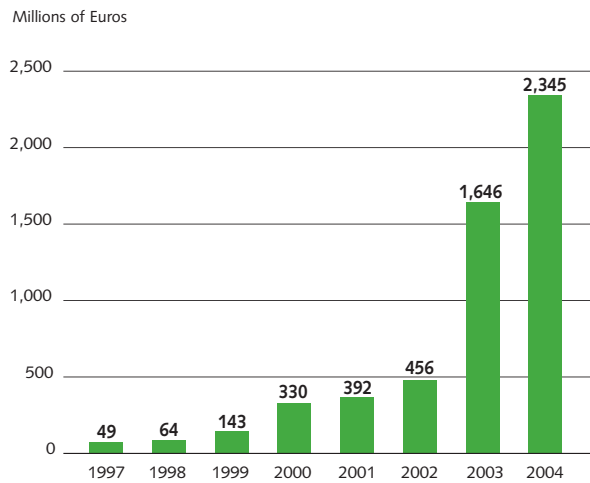


Solid urban waste treatment plant in Barcelona

2.3.3. Services and Concessions

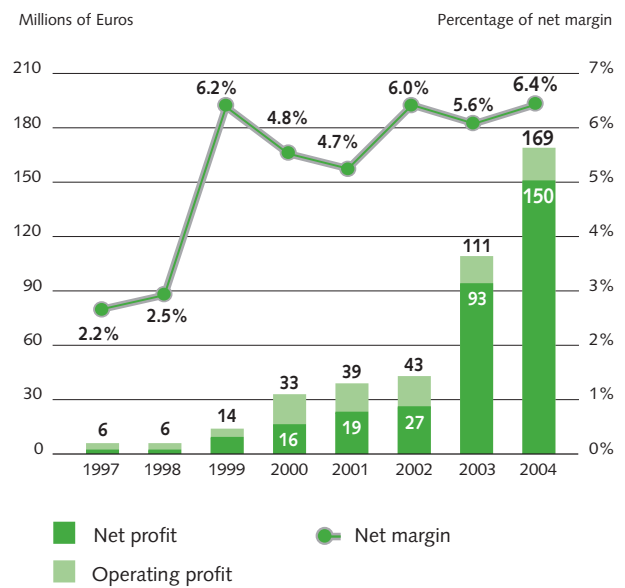
The Services and Concessions area groups together the activities of the ACS Group that attend the growing demands of society, both domestically and abroad, for services that contribute to the conservation and improvement of the environment, and those that allow for the outsourcing of facility management, as well as logistics and transport services, and those involving the development of transport infrastructures that make economic growth possible without deteriorating the national public budgets. These activities of the ACS Group led to a total turnover of €2.345 billion in 2004.

Turnover evolution



This Group of activities represents a diversified and high-quality offer. These businesses are capital intensive, highly recurrent and extremely long term, which provides the Group with stability in revenues. The critical mass and geographical scope of the business favor the obtaining of economies of scale, with the resulting consistent improvements in profitability.

Profit evolution



Gardening services in Granada

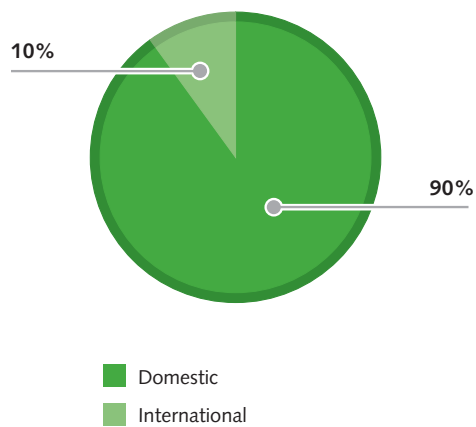
Services

The Services area is a domestic reference in environmental services, in which it leads the segment of solid urban waste, in facility management, and in the sector of port and logistics services, where it is the leader in the handling of containers. It is also a leading reference in the regular transport of passengers by road.

Sales of the ACS Group in the Services area in 2004 amounted to €2.329 billion. This area presents a multiple services offer divided into four main business lines, which are carried out in the domestic market and abroad:

- **Environmental services:** Specialized in waste management and treatment; street cleaning; collection and treatment of solid urban waste (SUW); construction and operation of treatment plants, clean points and dumps; integral management of special wastes, industrial and hospital; treatment and regeneration of used oils; management of renewable energies and cogeneration; and the water cycle management.
- **Facility management services:** including indoor cleaning; management and operation of real estate installations and services; airport services; gardening, reforestation and landscape restoration services; the restoration of large collectives; social attention for underprivileged collectives or those facing social risk; and management of advertising spaces in large installations and means of transport.
- **Port and logistics services:** which include port management and handling, shipping agency and forwarding, drydock management, combined transport and specialized logistics.

Turnover breakdown by market

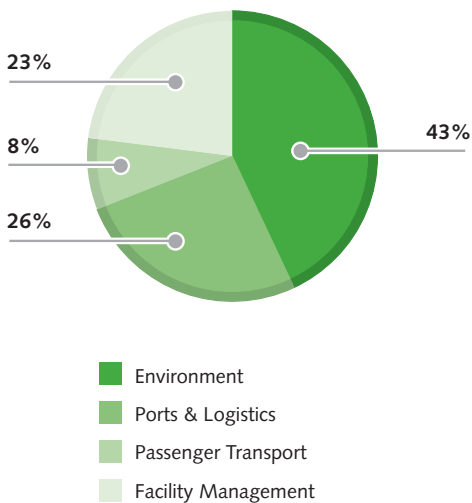


- **Passenger transport services:** regular transportation of passengers by road, being long distance, interurban and urban; operation of stations and interchanges. At present, service is provided covering four of the main regions of peninsular Spain: Madrid, northern Spain, Catalonia and Andalusia.



Cleaning service in Barcelona

Turnover breakdown by type of activity

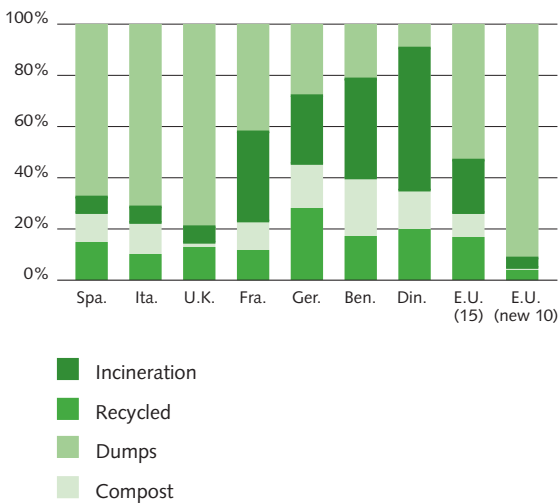


Prospects for the sector

The development of the welfare state and the growing sensitivity of public administrations towards the environment have led to ongoing improvements of public services. Hence, the different state institutions try to optimize public expenditure to meet growing social demands, improving existing services such as waste management, social attention, public transport, etc., and developing new technologies that optimize the services provided.

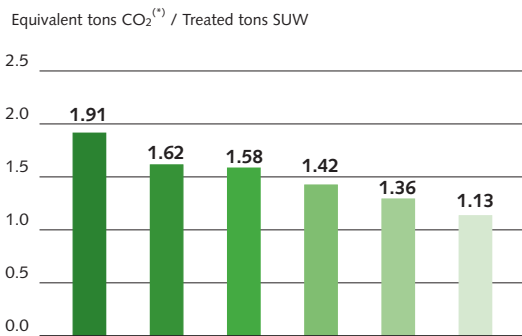
In this sense, there is still great potential for growth in Spain in the construction and operation of treatment plants and recycling of solid urban waste that substitute the existing controlled and uncontrolled landfills, following European directives on waste management and environmental issues. This type of installations also achieve a significant reduction in greenhouse gases, in accordance with the Kyoto Protocol objectives.

SUW treatment breakdown in Europe



Source: Eurostat

Factors of GHG emission in SUW plants



- Dump
- Selective collection + Compost + Dump
- Incineration
- Selective collection + Dry biogasification + Compost + Dump
- Selective collection + Compost + Incineration + Dump
- Selective collection + Wet biogasification + Compost + Incineration + Dump

(*) Equivalent tons of CO₂ correspond to the sum of generated CO₂ plus effects similar to those of CO₂ from other greenhouse gases, such as METHANE and PERSISTENT ORGANIC CONTAMINANTS.

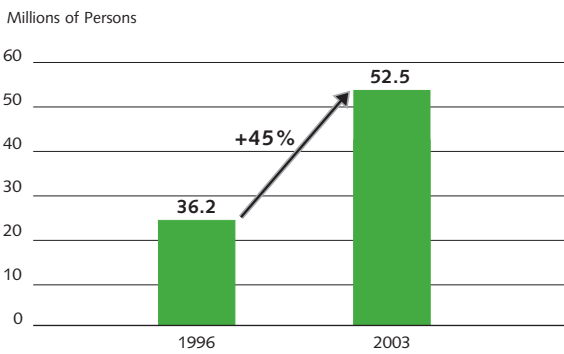
Source: Polytechnic University of Catalonia



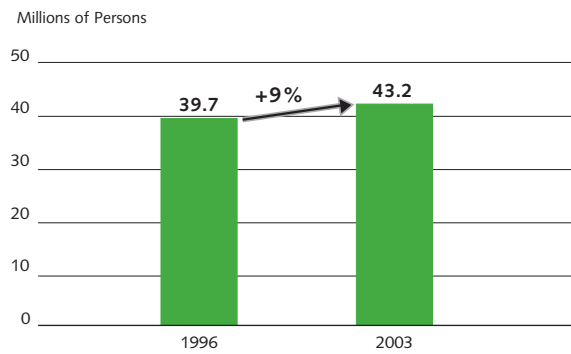
Social care services

Additionally, the future of this sector is firmly backed by the foreseen increase in outsourcing of this type of services by large corporations and by the significant increase in population and long-stays tourism in Spain.

Tourist entries in Spain evolution

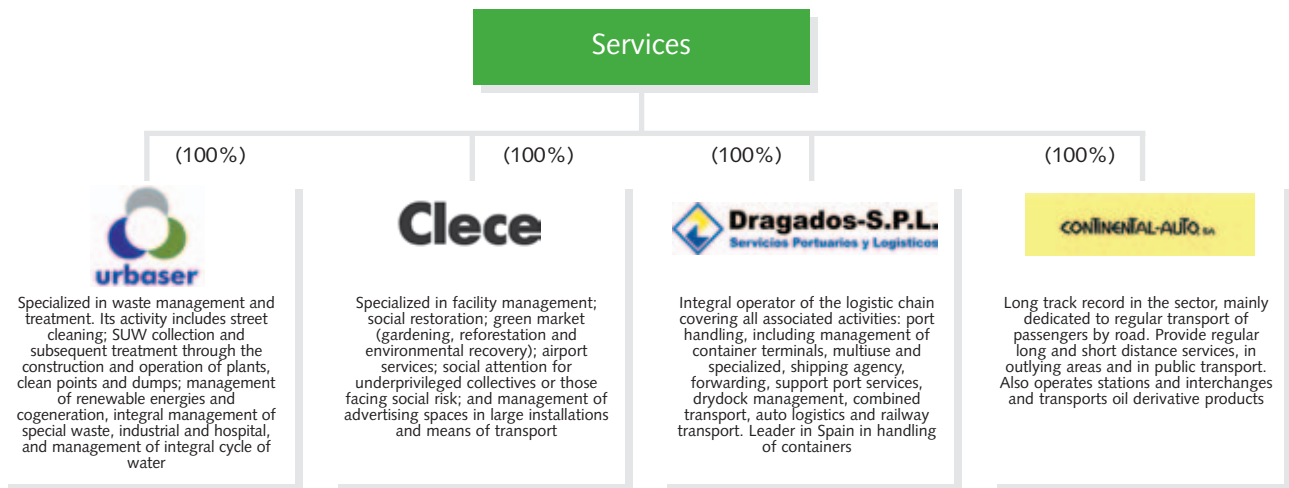


Spanish population evolution



Urgent cleaning services (Selur)

Organizational Structure



Strategic Objectives

In these activities, the ACS Group maintains its focus on sustainable and profitable growth, summarized as:

- Promoting organic growth of services and backing said growth with new acquisitions.
- Continuing to lead the sector of solid urban waste (SUW) treatment.
- Promoting the expansion of port and logistics services and passenger transport.
- Consolidating international activity with criteria of profitability.
- Improving operating efficiency.

Activity in 2004

Environmental Services

The ACS Group is the leader in management of SUW treatment plants in Spain. It currently manages 63 plants, of which 43 are in Spain, with an installed capacity of 8.2 million tons, which generated savings of CO₂ emissions of over 2.9 million tons. The investment carried out in these installations amounts to €685 million to date, worth mentioning:

- Tirmadrid, las Dehesas, La Paloma and Pinto plants in Madrid.
- Ecoparc I, II and III in Barcelona.
- Aldaba plant in La Coruña.
- Installations in Málaga and the Costa del Sol in Andalusia.
- Regio VII plant in León.
- Environmental Technology Park in Mallorca.

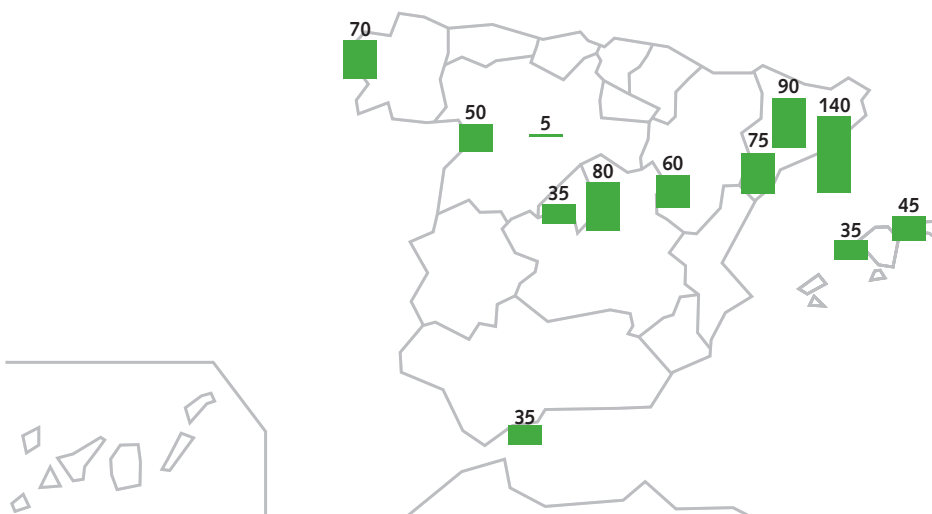


Harbour of Jing Tang (China)

One of the main objectives of this activity is the recovery of energy through biomethanization installations in 12 plants under the Group's management, of a total of 22 operating in Spain. The Group has 81 MW of installed power, which produced 533 GWh in 2004.

In street cleaning and SUW collection, the Group's most important contracts involve the Madrid neighborhoods of Argüelles, Latina-Carabanchel, Salamanca, Arganzuela, Puente de Vallecas, Chamberí and Moncloa; those of northern Barcelona; and those of the cities Ceuta, Elche, Jerez de la Frontera, León, Logroño, Santa Cruz de Tenerife and San Cristóbal de la Laguna.

Urbaser Biomethanization plants in operation



Port Services and Logistics

In 2004, the ACS Group consolidated its leadership as operator of container terminals in Spain, handling nearly 3.5 million TEUs. Worth special mention is its activity in the ports of Valencia, Las Palmas de Gran Canaria, Bilbao, Málaga and Caucedo (Dominican Republic).

- In other types of cargo, the Group has moved over 4 million tons, mainly in the ports of Santander, La Coruña, Castellón, Valencia and Iquique (Chile).
- In bulk materials, the Group has handled over 9.3 million tons. Its activity in the ports of Sagunto, La Coruña and Málaga deserve special mention.
- The Group transported nearly 500,000 vehicles through the ports of Barcelona and Santander.

In 2004, in the port of Santander, construction of the terminal for solid bulk mineral materials concluded, for which the Group had been awarded a 25-year contract, and, in China, work began on the container terminal of the port of Jing-Tang. Additionally, capacity was expanded for container terminals of the ports of Valencia, Las Palmas, Málaga and Caucedo (Dominican Republic).

Facility Management

In *indoor cleaning*, the following contracts in execution in 2004 are of particular interest:

- Cleaning of aircrafts, establishments and runway equipments for Iberia.
- Housing cleaning of the civil guard and national police.
- Cleaning of the Lines 1, 2, 3, 6, 10 and 11 of the Madrid subway.

- Cleaning of the Hospital Regional Universitario Carlos Haya, in Málaga.
- Cleaning of regional trains for RENFE.

In *socio-sanitary services*, the following contracts are worth mentioning:

- Integral catering service for the Defense Ministry throughout the country.
- Management of the at-home assistance public program for the Madrid municipal government.
- At-home assistance for the elderly and disabled for the Seville municipal government.
- Management of the Getafe residence for Alzheimer victims for the Autonomous Community of Madrid.

Integral maintenance services are provided for the following installations:

- Hospital Doctor Negrín of Las Palmas de Gran Canaria.
- Hospital Conxo and Hospital Clínico of Santiago de Compostela.
- Administration and educational buildings, urbanization and gardens of the Universidad de Valencia.
- Puertollano refinery (Ciudad Real) for Repsol Petróleo S.A.
- Buildings of the Universidad Autónoma de Madrid.

In *gardening services*, the following deserve special mention:

- Conservation of urban parks, gardens and trees in Melilla.
- Conservation, maintenance and improvement of green spaces for the Málaga municipal government.
- Maintenance of gardens, trees, irrigation systems and urban furnishings for the Granada municipal government.

Passenger Transport

The main figures of Continental Auto Group for 2004 are the following:

- €178 million in turnover.
- 58 million passengers transported.
- 2 million tons transported.
- 978 vehicles.
- 110 million kilometers traveled.
- 2,177 employees.

In the transport of goods, Continental Auto operates as a distributor of oil derivatives for Repsol in the areas of Burgos, Tarragona, Málaga, Granada, Motril, Córdoba, Seville, Cádiz and Almería.



Continental Auto route map



Continental Auto bus

Contracts awarded in 2004

The Services order book amounts to €11.988 billion. The most important contracts are the following:

Millions of Euros

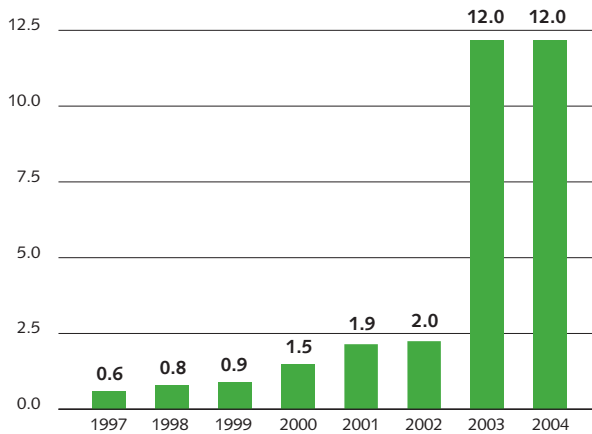
Most important contracts awarded

Budget

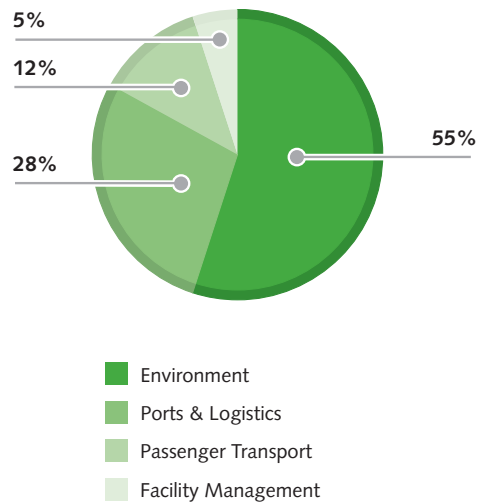
SUW cleaning and collection, Zone 4, Buenos Aires	36.0
Cleaning of the civil guard and national police buildings	26.0
SUW cleaning and collection of Salou	22.7
SUW cleaning and collection of Chiclana de la Frontera	21.0
Cleaning of various airports	20.8
Cleaning of vehicles of Cat Spain	20.0
Cleaning of Virgen las Nieves Hospital	18.9
Cleaning of La Paz Hospital	18.5
Management of at-home assistance services in Madrid	17.9

Order book evolution

Billions of euros



Order book breakdown by type of activity



Concessions

The Concessions area benefits from over 30 years of proven experience, backed by a solid track record in creation of value. This makes it an international point of reference in the promotion, financing and construction of new transport infrastructures.

With the experience accumulated through more than 50 projects, its technical and human resources and its sound financial standing, the ACS Group has been the worldwide leader in transport infrastructure concessions

for 11 years, as reported in the prestigious specialized magazine "Public Works Financing."

The ACS Group operates throughout the whole value chain of the concessionaire business in two complementary ways:

- Firstly, through the promotion, financing and construction of concessions. At present, the ACS Group participates in 23 concessionaires of roads, airports and railways. This represents approximately €714 million in investment, including contributions made and those committed.

Concession	Participation		Country	Activity	Stage	Km ⁽⁴⁾	Expiry date	Contribution ASC ⁽⁵⁾
A8 - Bidelan Guipuzkoako Autobideak	50.0%	E.A. ⁽¹⁾	Spain	Motorways	Operation	78	2013	3
Autopista Central Gallega (Santiago Orense)	13.3%	N.C. ⁽²⁾	Spain	Motorways	Constr./Oper.	57	2074	7
Autovía de La Mancha	66.7%	G.C. ⁽³⁾	Spain	Motorways	Construction	52	2033	17
Circunvalación de Alicante	50.00%	E.A. ⁽¹⁾	Spain	Motorways	Construction	147	2043	38
Radial 2 (R2 y M50)	35.00%	E.A. ⁽¹⁾	Spain	Motorways	Operation	80	2028	29
Radiales R3/R5 y M50	15.8%	N.C. ⁽²⁾	Spain	Motorways	Operation	92	2049	31
Ruta de los Pantanos	25.00%	E.A. ⁽¹⁾	Spain	Motorways	Operation	22	2024	4
Américo Vespucio Norte	54.00%	E.A. ⁽¹⁾	Chile	Motorways	Construction	29	2033	115
Autopista Central (Sistema Urbano Norte Sur)	48.00%	E.A. ⁽¹⁾	Chile	Motorways	Constr./Oper.	62	2031	154
Santiago Valparaiso (Rutas del Pacífico)	50.00%	E.A. ⁽¹⁾	Chile	Motorways	Operation	129	2025	53
Variante Vespucio El Salto - Kennedy	50.00%	E.A. ⁽¹⁾	Chile	Motorways	Awarded	4	2034	12
Dundalk	33.33%	E.A. ⁽¹⁾	Ireland	Motorways	Construction	54	2034	13
Scut da Beira Interior	20.00%	E.A. ⁽¹⁾	Portugal	Motorways	Construction	187	2029	15
A1 Darrington-Dishforth	25.00%	E.A. ⁽¹⁾	U.K.	Motorways	Construction	53	2036	7
A-13, Puerta del Támesis	25.00%	E.A. ⁽¹⁾	U.K.	Motorways	Constr./Oper.	22	2030	9
Proyecto Platinum	25.00%	E.A. ⁽¹⁾	South Africa	Motorways	Operation	381	2031	16
MOTORWAYS						1,449		521
SCL	14.78%	E.A. ⁽¹⁾	Chile	Airports	Operation	1	2018	5
Aerocali	33.33%	E.A. ⁽¹⁾	Colombia	Airports	Operation	1	2019	2
Montego Bay	35.00%	E.A. ⁽¹⁾	Jamaica	Airports	Constr./Oper.	1	2033	10
AMP (Aeropuertos Mexicanos del Pacífico)	28.16%	E.A. ⁽¹⁾	Mexico	Airports	Operation	12	2049 (pr. 2099)	71
AIRPORTS						15		87
Figueras Perpignan	50.00%	E.A. ⁽¹⁾	Spain-Fr	Railways	Construction	45	2054	51
Metro de Sevilla (Guadalmetro)	27.83%	E.A. ⁽¹⁾	Spain	Railways	Construction	19	2038	25
Fenoco	71.32%	G.C. ⁽³⁾	Colombia	Railways	Constr./Oper.	1,484	2030	29
RAILWAYS						1,548		106
TOTAL								714

⁽¹⁾ Equity-accounted

⁽²⁾ Not consolidated

⁽³⁾ Global consolidation

⁽⁴⁾ Units for Airports

⁽⁵⁾ Contributions made and committed as of December 2004

- Secondly, through Abertis as its main industrial partner, with a year-end 2004 stake of 17.58%.
- Obtaining appealing profitability by taking advantage of the capacities and experience of the Group throughout all stages of development of the concession.

Strategic Objectives

The strategic positioning of the ACS Group and its competitive edge allows it to invest selectively, assuming ambitious objectives, summarized as:

- Continuing to lead the worldwide market of the promotion of concessions.
- Continuing to develop a diversified project portfolio.
- Applying a policy of international expansion in economically stable countries.



Santiago-Valparaiso motorway (Chile)

Activity in 2004

Spain has been in a transition period in 2004, and there has been practically no tendering for new concessions. On the international market, tendering and resolution of bids have slowed. Both scenarios are expected to see an upturn in 2005.

The following are the most important contracts awarded:

- Concession of the Figueras-Perpignan railway for 50 years awarded by the governments of France and Spain, with subsidies from both countries. Investment for the project amounts to €1.087 billion. The project consists of financing, construction and operation of 44.5 Km. of double lane high-speed railway for passengers and cargo. It is the first concessionary project of this kind foreseen in the EU.

- Concession for 30 years of the section of the Western Dundalk by-pass motorway between Dublin and Belfast (Ireland). Investment amounts to €150 million.
- Concession for 40 years of the ring road of Alicante. Expected investment amounts to €440 million.
- Concession for 30 years of the Vespucio-El Salto-Kennedy (Chile) by-pass motorway, measuring 4.1 Km. in length. With this contract, the Group participates in three of the five urban motorways of Santiago. This section is the continuation of the Américo Vespucio Norte motorway. Expected investment amounts to €77 million.

The following transactions were made in relation to the financing of the concessionary projects:

- Long-term loan of €145.5 million for the financing of the Dundalk Western by-pass motorway in Ireland.



Montego Bay Airport (Jamaica)

- Loan granted by the European Investment Bank for €50 million, with an additional €210 million available, for the Seville subway.
- Long-term syndicated loan from eight financial entities for €105 million for the financing of the Autovía de los Viñedos highway, section Toledo-Consuegra.
- Issuance of 16.3 million UF (€356 million) for the financing of the autopista Vespucio Norte Express highway of Santiago de Chile. The transaction constitutes the largest private placement in the history of Chile, and was awarded by the magazine Latin Finance as the best structured financing of 2004.
- Refinancing of the Ruta de los Pantanos (Madrid) through a €82.2 million long-term loan.
- Bond issuance totaling 3 million UF (€65 million) for the financial restructuring of the Alfonso Benítez de Santiago airport of Chile.

In 2004, the following concessions were opened to traffic:

- Madrid trunk roads R-3 to Valencia and R-5 to Extremadura.
- Central Gallega motorway between Santiago de Compostela and Duzón.
- The first section of the urban motorway Sistema Norte-Sur of Santiago, which is the first in Latin America and the third worldwide to use the TAG system, which automatically registers users, thus avoiding the accumulation of vehicles at entry and exit points.



Central motorway (North-South urban system) in Chile

Economic and Financial Information

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profitability

3.1

Management Report of the Consolidated Group

1. Business performance of the ACS Group in 2004

1.1. Mains events

In 2004 the ACS Group was immersed in the merger process and took several organizational measures in the various business areas aimed at adapting them to the new organization chart and at achieving the cost savings targets set. The changes implemented included most notably the reorganization of the Construction activity, which now operates under the name of Dragados, and the merger of the various activities included in Environmental Services.

The variations in 2004 in the consolidated Group's main financial aggregates were as follows:

Millions of Euros

Main financial aggregates	2003 ⁽¹⁾	2003 Pf ⁽²⁾	2004	Var. 04/03	Var. 04/03 Pf
Net sales	8,825.1	10,733.6	10,960.7	+24,2%	+2,1%
Gross operating income	794.8	931.8	977.3	+23.0%	+4.9%
<i>Margin</i>	9.0%	8.7%	8.9%		
Net operating income	573.5	649.0	711.0	+24.0%	+9.6%
<i>Margin</i>	6.5%	6.0%	6.5%		
Ordinary income	473.4	537.3	645.4	+36.3%	+20.1%
Income before taxes	283.4	498.8	623.5	+120.0%	+25.0%
Net attributable income	229.5	380.3	460.4	+100.6%	+21.1%
EPS	0.76e	1.07e	1.30e	+71.1%	+22.0%
Total net corporate debt	1,230.6		1,423.9		+15.7%
Net corporate debt	914.4		958.0		+4.8%
LT bank financing	611.8		1,499.8		+145.2%
ST net debt / (Cash)	302.6		(541.8)		-279.1%
Project financing	316.2		465.9		+47.3%
Shareholders' equity	1,796.4		2,103.9		+17.1%
<i>Leverage*</i>	48.2%		43.1%		

* Net corporate debt / (Shareholders' equity + Minority interests).

⁽¹⁾ The figures for 2003 include the results of the ACS Group for the whole year plus those of the Dragados Group for the period from May to December (merger effective from May 1, 2003 for accounting purposes) and the extraordinary provision for extraordinary merger expenses recorded in December 2003.

⁽²⁾ In order to analyze the Group's performance in 2004 and to ensure greater uniformity in the year-on-year comparison of information, this report contains pro forma consolidated figures for 2003 which were obtained considering the merger with the Dragados Group to have been effective from January 1, 2003. In addition, the extraordinary provision recorded in December 2003 for extraordinary merger expenses was excluded from the analysis. The figures per books are also reported.

1.2. Consolidated income statements

Millions of Euros

	2003	%	2003 Pf	%	2004	%	Var. 04/03	Var. 04/03 Pf
Net sales	8,825.1	100.0%	10,733.6	100.0%	10,960.7	100.0%	+24.2%	+2.1%
Other revenues	283.8	3.2%	376.3	3.5%	418.4	3.8%	+47.4%	+11.2%
Total production value	9,108.9	103.2%	11,109.9	103.5%	11,379.1	103.8%	+24.9%	+2.4%
Operating expenses	(6,338.6)	(71.8%)	(7,695.3)	(71.7%)	(7,761.2)	(70.8%)	+22.4%	+0.9%
Personnel expenses	(1,975.6)	(22.4%)	(2,482.8)	(23.1%)	(2,640.6)	(24.1%)	+33.7%	+6.4%
Gross operating income	794.8	9.0%	931.8	8.7%	977.3	8.9%	+23.0%	+4.9%
Depreciation and amortization expense	(187.4)	(2.1%)	(233.5)	(2.2%)	(234.0)	(2.1%)	+24.9%	+0.2%
Provision to the reversion reserve	(4.7)	(0.1%)	(5.1)	(0.0%)	(5.6)	(0.1%)	+18.0%	+9.2%
Variation in operating allowances	(29.1)	(0.3%)	(44.2)	(0.4%)	(26.8)	(0.2%)	-8.1%	-39.5%
Net operating income	573.5	6.5%	649.0	6.0%	711.0	6.5%	+24.0%	+9.6%
Net financial loss	(106.3)	(1.2%)	(118.5)	(1.1%)	(96.4)	(0.9%)	-9.3%	-18.6%
Companies accounted for by the equity method	60.8	0.7%	67.8	0.6%	111.5	1.0%	+83.4%	+64.6%
Amortization of goodwill	(54.7)	(0.6%)	(61.0)	(0.6%)	(80.7)	(0.7%)	+47.7%	+32.5%
Income from ordinary activities	473.4	5.4%	537.3	5.0%	645.4	5.9%	+36.3%	+20.1%
Extraordinary loss	(190.0)	(2.2%)	(38.5)	(0.4%)	(21.9)	(0.2%)	-88.5%	-43.1%
Income before taxes	283.4	3.2%	498.8	4.6%	623.5	5.7%	+120.0%	+25.0%
Corporate income tax	(48.3)	(0.5%)	(109.7)	(1.0%)	(146.0)	(1.3%)	+202.3%	+33.1%
Consolidated income for the year	235.1	2.7%	389.2	3.6%	477.5	4.4%	+103.1%	+22.7%
Income attributable to minority interests	(5.6)	(0.1%)	(8.9)	(0.1%)	(17.1)	(0.2%)	+206.8%	+92.8%
Net income attributable to the Parent Company	229.5	2.6%	380.3	3.5%	460.4	4.2%	+100.6%	+21.1%

1.2.1. Net sales

Net sales amounted to €10,960.7 million in 2004, nearly 2.1% higher than the Group's pro forma sales in 2003.

The detail by business line, is as follows:

Millions of Euros								
Net sales	2003	%*	2003 Pf	%*	2004	%*	Var. 04/03	Var. 04/03 Pf
Construction	4,531.8	50.9%	5,594.9	51.7%	5,230.3	47.3%	+15.4%	-6.5%
Industrial Services	2,725.7	30.6%	3,072.6	28.4%	3,490.5	31.5%	+28.1%	+13.6%
Services and Concessions	1,646.0	18.5%	2,157.2	19.9%	2,344.6	21.2%	+42.4%	+8.7%
Consolidation adjustments	(78.4)		(91.1)		(104.7)			
TOTAL	8,825.1		10,733.6		10,960.7		+24.2%	+2.1%

* Percentages calculated based on total sales for all business lines

The sharp increase in sales in the Services areas offset the forecast slowdown in Construction activity. Additionally, all the activities abroad grew significantly:

Millions of Euros								
Sales in Spain	2003	%	2003 Pf	%	2004	%	Var. 04/03	Var. 04/03 Pf
Construction	4,296.9	92.7%	5,155.3	92.1%	4,746.0	90.7%	+10.4%	-7.9%
Industrial Services	1,777.7	73.9%	2,132.8	69.4%	2,405.8	68.9%	+35.3%	+12.8%
Services and Concessions	1,619.4	90.1%	1,942.9	90.1%	2,112.4	90.1%	+30.4%	+8.7%
Adjustments	(66.6)		(79.8)		(104.7)			
TOTAL	7,627.5	86.4%	9,151.1	85.3%	9,159.5	83.6%	+20.1%	+0.1%

Millions of Euros								
Sales abroad	2003	%	2003 Pf	%	2004	%	Var. 04/03	Var. 04/03 Pf
Construction	332.7	7.3%	439.6	7.9%	484.4	9.3%	+45.6%	+10.2%
Industrial Services	711.2	26.1%	939.8	30.6%	1,084.7	31.1%	+52.5%	+15.4%
Services and Concessions	162.2	9.9%	214.3	9.9%	232.2	9.9%	+43.2%	+8.3%
Adjustments	(8.5)		(11.2)					
TOTAL	1,197.6	13.6%	1,582.5	14.7%	1,801.3	16.4%	+50.4%	+13.8%

1.2.2. Gross operating income

Gross operating income amounted to €977.3 million in 2004, up 4.9% on the 2003 pro forma figure, boosted by the sound performance of the Industrial Services and Services and Concessions business lines, which reported growth of 6.5% and 17%, respectively, and the significant reduction of general expenses, as shown in the table below:

Millions of Euros

Gross operating income	2003		2003 Pf		2004		Var.	Var.
		%*		%*		%*	04/03	04/03 Pf
Construction	345.6	42.1%	424.3	43.7%	389.4	39.0%	+12.7%	-8.2%
Industrial Services	261.3	31.8%	278.0	28.7%	295.9	29.6%	+13.2%	+6.5%
Services and Concessions	213.8	26.0%	267.8	27.6%	313.1	31.4%	+46.5%	+16.9%
Parent Company / Adjustments	(25.9)		(38.3)		(21.1)			
TOTAL	794.8		931.8		977.3		+23.0%	+4.9%

* Percentages calculated based on the aggregate for all business lines

The gross operating margin (ratio of gross operating income to net sales) was 8.9%, 20 basis points more than the pro forma figure for 2003. This substantial improvement was due mainly to merger savings and the higher growth in the Services areas.

1.2.3. Net operating income

Net operating income amounted to €711 million, up 9.6% on the 2003 pro forma figure. This rise was due mainly to the reduction by nearly 40% in the provisions recorded in 2004. The depreciation and amortization expense remained steady with respect to the pro forma figure for 2003. The detail, by business line, is as follows:

Millions of Euros

Net operating income	2003		2003 Pf		2004		Var.	Var.
		%*		%*		%*	04/03	04/03 Pf
Construction	284.9	46.9%	330.9	47.6%	318.9	43.4%	+11.9%	-3.6%
Industrial Services	210.9	34.7%	227.3	32.7%	246.7	33.6%	+17.0%	+8.5%
Services and Concessions	111.5	18.4%	137.0	19.7%	169.4	23.1%	+52.0%	+23.7%
Parent Company / Adjustments	(33.7)		(46.2)		(24.0)			
TOTAL	573.5		649.0		711.0		+24.0%	+9.6%

* Percentages calculated based on the aggregate for all business lines

The net operating margin (ratio of net operating income to net sales) was 6.5%, 50 basis points more than the 2003 pro forma ratio.

1.2.4. Net financial loss

The net financial loss amounted to €96.4 million in 2004 (18.6% less than the 2003 pro forma figure), the detail being as follows:

Millions of Euros

	2003	2003 Pf	2004	Var. 04/03	Var. 04/03 Pf
Interest paid	(125.4)	(154.7)	(153.8)	+22.6%	-0.6%
Financial provisions	(5.0)	(4.7)	(1.2)	-76.3%	-75.0%
Exchange losses	(24.3)	(35.7)	(43.4)	+78.5%	+21.6%
Financial expenses	(154.7)	(195.1)	(198.4)	+28.2%	+1.7%
Interest received	48.4	66.2	68.7	+41.9%	+3.7%
Exchange gains		10.4	33.2		+219.9%
Financial revenues	48.4	76.6	101.9	+33.1%	+33.1%
Net interest accrued	(77.0)	(88.5)	(85.1)	+10.5%	-3.9%
Financial provisions	(5.0)	(4.7)	(1.2)	-76.3%	-75.0%
Net exchange losses	(24.3)	(25.3)	(10.1)	-58.3%	-59.9%
TOTAL	(106.3)	(118.5)	(96.4)	-9.3%	-18.6%

Financial expenses totaled €198.4 million in 2004, of which €153.8 million related mainly to interest on loans from credit institutions, €1.2 million to financial asset provisions and the remaining €43.4 million to exchange losses.

Total financial revenues in 2004 amounted to €101.9 million, of which €33.3 million related to exchange gains.

Therefore, net exchange losses amounted to €10.1 million, 60% less than the previous year.

1.2.5. Income from ordinary activities

Income from ordinary activities rose by 20.1% to €645.4 million, which represented 5.9% of sales. The net income contributed by investees accounted for by the equity method amounted to €111.5 million, of which €75.8 million arose from concessions (including the holding in Abertis, which contributed more than €70 million) and the remainder from Inmobiliaria Urbis and investees operating in the Construction and Services areas.

Goodwill amortization amounted to €80.7 million, up 32.5% on the pro forma figure for 2003. This variation was due, on the one hand, to the extraordinary amortization charge of €11 million recorded in the second quarter of 2004 to write-off the goodwill from some subsidiaries abroad and, on the other, to the goodwill arising from the purchase of a further holding in Abertis.

1.2.6. Extraordinary loss

The extraordinary loss amounted to 21.9 million in 2004, a 43.1% reduction with respect to the 2003 pro forma extraordinary loss, the breakdown being as follows:

- Gains on the sale of fixed assets: €20.1 million
- Gains on treasury stock transactions: €29.6 million
- Extraordinary provisions, mainly for telecommunications assets: -€27.4 million
- The remaining balance of -€44.2 million relates to extraordinary expenses, mainly in connection with restructuring processes implemented at various Group companies.

1.2.7. Net income attributable to the Parent Company

Net income attributable to the Parent Company amounted to €460.4 million, an increase of 21.1%, giving a sales margin of 4.2%, 70 basis points higher than in 2003.

The income tax charge amounted to €146 million, up 33% on the pro forma figure for 2003. The effective tax rate was 28.5%, as compared with 25.4% in 2003.



Dam in Caruachi (Venezuela)

1.3. Consolidated balance sheet

December 31st

Millions of Euros

	2003	%	2004	%	Var. 04/03
Due from shareholders for uncalled capital	8.9	0.1%	4.5	0.0%	-49.7%
Start-up expenses	15.9	0.1%	10.6	0.1%	-33.2%
Intangible assets	421.3	3.8%	485.7	3.9%	+15.3%
Tangible fixed assets	1,533.8	13.7%	1,847.1	14.6%	+20.4%
Long-term investments	1,383.6	12.3%	1,723.5	13.7%	+24.6%
Total fixed and other noncurrent assets	3,354.6	29.9%	4,066.9	32.3%	+21.2%
Goodwill	1,039.9	9.3%	1,257.4	10.0%	+20.9%
Deferred charges	43.4	0.4%	56.0	0.4%	+28.8%
Inventories	424.9	3.8%	403.6	3.2%	-5.0%
Accounts receivable	5,159.2	46.0%	5,176.5	41.1%	+0.3%
Short-term investments	744.4	6.6%	1,139.1	9.0%	+53.0%
Treasury stock	26.9	0.2%	29.1	0.2%	+8.4%
Cash	383.1	3.4%	451.0	3.6%	+17.7%
Accrual accounts	40.9	0.4%	25.4	0.2%	-38.0%
Total current assets	6,779.4	60.4%	7,224.7	57.3%	+6.6%
TOTAL ASSETS	11,226.3	100.0%	12,609.4	100.0%	+12.3%
Shareholders' equity	1,796.4	16.0%	2,103.9	16.7%	+17.1%
Minority interests	99.3	0.9%	119.1	0.9%	+20.0%
Negative consolidation differences	3.6	0.0%	4.4	0.0%	+22.8%
Deferred revenues	135.6	1.2%	161.4	1.3%	+19.0%
Project financing	316.2	2.8%	465.9	3.7%	+47.3%
Provisions for contingencies and expenses	405.7	3.6%	258.1	2.0%	-36.4%
Payable to credit institutions	611.8	5.4%	1,499.8	11.9%	+145.2%
Other long-term payables	116.9	1.0%	183.2	1.5%	+56.7%
Total long-term debt	728.7	6.5%	1,683.0	13.3%	+131.0%
Payable to credit institutions	1,456.9	13.0%	1,077.5	8.5%	-26.0%
Trade accounts payable	5,053.7	45.0%	5,507.6	43.7%	+9.0%
Other payables	1,230.2	11.0%	1,228.5	9.7%	-0.1%
Total current liabilities	7,740.8	69.0%	7,813.6	62.0%	+0.9%
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	11,226.3	100.0%	12,609.4	100.0%	+12.3%

1.3.1. Long-term assets

Fixed and other noncurrent assets increased by 22% to €4,123 million. This considerable jump was the result of the investment policy implemented by the Group in 2004. The net balance of goodwill amounted to €1,257 million. This year-on-year increase was due mainly to the purchase of a further holding in Abertis.

1.3.2. Working capital

At 2004 year-end the net working capital deficiency amounted to -€1,130 million, a year-on-year improvement of 70%. In days of sales the year-on-year variation improved by 15 days and stood at 38 days, mainly as a result of the Group's working capital management policy in the Construction area, which in 2004 gave priority to reducing working capital rather than increasing production, and in the Services area.

1.3.3. Net debt

The net on-balance-sheet debt totaled €1,424 million as of December 31, 2004, up 15.7% on the figure at 2003 year-end, the detail being as follows:

Millions of Euros

Breakdown of net debt	2003	2004	Var. 04/03
Project financing	(316.2)	(465.9)	47.3%
Net corporate debt	(914.4)	(958.0)	4.8%
LT payables to credit institutions	(611.8)	(1,499.8)	145.2%
ST payables to credit institutions	(1,456.9)	(1,077.5)	-26.0%
Cash + ST investments + Treasury stock	1,154.4	1,619.3	40.3%
TOTAL NET DEBT	(1,230.6)	(1,423.9)	15.7%
Leverage*	48.2%	43.1%	

* Net corporate debt / (Shareholders' equity + Minority interests)

The net corporate debt amounted to €958 million, thus reducing the leverage ratio to 43.1% (calculated as the ratio of corporate net debt to equity plus minority interests). Specifically, €1,500 million related to the long-term payables to credit institutions and €542 million to the Group's net cash position as of December 31, 2004.

In order to restructure the Group's debt, on March 9, 2004, the Group arranged a long-term syndicated loan of €900 million with several credit institutions maturing in 2008 and 2009 and with interest tied to Euribor plus a variable spread based on compliance with certain ratios.

Of the total debt, which amounted to €1,424 million at 2004 year-end, €466 million related to without-recourse project financing.

1.3.4. Shareholders' equity

Shareholders' equity amounted to €2,104 million, net of the 2004 interim dividend of €0.14 per share, totaling €49.4 million, approved on December 16, 2004.



Facilities of the Airport of Asturias

1.4. Consolidated cash flow statement

Millions of Euros

	2003 Pf	2004	Var. 04/03 Pf
Gross operating income	931.8	977.3	+4.9%
add: Dividends received from investees	57.3	36.2	
add: Interest received	66.2	68.6	
less: Interest paid	(154.7)	(153.8)	
less: Extraordinary operating loss	(47.1)	(17.6)	
less: Corporate income tax	(109.7)	(146.0)	
Funds obtained from operations	743.8	764.7	+2.8%
Decr/(Incr) Trade receivables, completed work pending certification and other accounts receivable	(370.4)	(17.3)	
Decr/(Incr) Inventories	(10.4)	21.3	
Incr/(Decr) Trade accounts payable	363.4	448.4	
Incr/(Decr) Other payables and provisions	92.0	12.7	
Variation in net working capital	74.6	465.1	+523.2%
Net cash flows from operating activities	818.4	1,229.8	+50.3%
less: Investments in tangible fixed assets and intangible assets	(381.2)	(326.6)	
less: Investments in concession projects	(175.2)	(412.0)	
less: Long-term investments	(101.1)	(510.0)	
Fixed and other noncurrent asset investments	(657.5)	(1,248.6)	+89.9%
Fixed and other noncurrent asset divestments	114.5	52.2	
Net cash flows from investment activities	(543.0)	(1,196.4)	+120.3%
Incr/(Decr) Short-term bank loans	431.5	(379.4)	
Incr/(Decr) Project financing	10.9	149.7	
Incr/(Decr) Long-term bank loans	(18.2)	888.0	
Bank financing	424.2	658.3	+55.2%
less: Dividends paid	(56.3)	(96.5)	
less: Acquisition of treasury stock ⁽¹⁾	(384.5)	(29.1)	
Own financing	(440.8)	(125.6)	-71.5%
Other sources of financing	(86.6)	(103.4)	+19.4%
Net cash flows from financing activities	(103.2)	429.5	n.a.
Incr/(Decr) Cash and short-term investments	172.3	462.7	
Cash and short-term investments at the beginning of the year	955.2	1,127.5	+18.0%
Cash and short-term investments at year-end	1,127.5	1,590.2	+41.0%

⁽¹⁾ The 2003 figure includes the amount paid (€384.5 million) for the purchase of 10% of Dragados through the tender offer launched in the first quarter of 2003

1.4.1. Net cash flows from operations

The net cash flows from operations amounted to €1,229.8 million in 2004, up 50.3% on the pro forma figure for 2003, as a result of the following events:

- The funds obtained from operations amounted to €764.7 million, up 2.8% on the pro forma figure for 2003, which included the extraordinary dividend of Aurea, amounting to €30 million, and a lower tax rate.
- Working capital management enabled the Group to generate a further €465 million, which was a significant improvement with respect to the preceding year.

1.4.2. Investments and divestments

Total Group investments in 2004 amounted to €1,248.5 million, the detail being as follows:

Millions of Euros

Breakdown of investments	Gross Investments	Disposals	Net Investments
Construction	127.5	(33.5)	94.0
Industrial services	239.2	(1.3)	237.9
Services	230.7	(15.6)	215.1
Concessions	172.6	(1.8)	170.8
Parent Company	478.5		478.5
TOTAL	1,248.5	(52.2)	1,196.3

Noteworthy was the acquisition of a 5.76% holding in Abertis for €451.6 million. The other investments include most notably the following:

- Investments in construction machinery and facilities in the Construction area.
- In the Industrial Services area, mention should be made of the investments in wind-powered facilities. Also, investment continued in concession projects for high-voltage lines, industrial facilities and technical equipment.
- In the Services area, investments were earmarked for environmental assets, port and logistics services assets and the partial renewal of Continental Auto's fleet.
- In the Concessions area, the main projects were the cross-border railroad connection between Figueras and Perpignan, the La Mancha highway, the Sevilla subway, the Alicante bypass and the Central Highway in Chile.

Divestments totaled €52.2 million, including most notably the sale of fixed assets at Dragados and the disposal of buses at Continental Auto as part of the renewal of its fleet.

Net investments amounted to €1,196.3 million, more than twice the aggregate net figure for the two companies in 2003, disregarding the tender offer for 10% of Dragados which amounted to €385 million.

1.5. Earnings by business line

1.5.1. Construction

Millions of Euros

Main aggregates	2003 Pf	2004	Var. 04/03 Pf
Sales	5,594.9	5,230.3	-6.5%
Gross operating income	424.3	389.4	-8.2%
<i>Margin</i>	7.6%	7.4%	
Net operating income	330.9	318.9	-3.6%
<i>Margin</i>	5.9%	6.1%	
Ordinary income	341.3	337.3	-1.2%
<i>Margin</i>	6.1%	6.4%	
Net income	214.8	217.3	+1.2%
<i>Margin</i>	3.8%	4.2%	

The variation in sales reflects the effect of adapting domestic production, basically civil works, to the customers' budget allocations. This construction policy enabled the Group to improve substantially the working capital of the Construction area, particularly through the reduction of completed work pending certification by more than €150 million in the last 12 months.

Sales abroad experienced an upswing in 2004, particularly in the last quarter, as a result of the seasonality of concession projects in austral countries such as Chile, Argentina or South Africa. The breakdown of Construction sales is as follows:

Millions of Euros

Breakdown by activity	2003 Pf	2004	Var. 04/03 Pf
Spain	5,144.4	4,745.9	-7.7%
Civil works	2,940.6	2,664.5	-9.4%
Building construction	2,203.8	2,081.4	-5.6%
Abroad	450.5	484.4	+7.5%
TOTAL	5,594.9	5,230.3	-6.5%

Gross operating margin was 7.4%, a decrease with respect to the 2003 pro forma margin mainly as a result of the accounting treatment of an exceptional transaction performed in Argentina in the third quarter of 2003, which was recognized for sales and gross operating income purposes but, since a full provision was recorded, it had no effect on net operating income.

The net operating margin improved by 20 basis points in 2004 and stood at 6.1% as a result of the lower level of provisions recorded.

Net income amounted to €217 million, similar to the 2003 figure, and the related margin increased by 40 basis points to 4.2% of sales.

At 2004 year-end the construction backlog amounted to €8,525 million, up 8% on December 2003, equivalent to approximately 20 months of production. The excellent performance of the order book in Spain, which grew by over 13%, confirms a steady market share in the public works segment in Spain, which largely offsets the decrease in the international order book.

1.5.2. Industrial Services

Millions of Euros

Main aggregates	2003 Pf	2004	Var. 04/03 Pf
Sales	3,072.6	3,490.5	+13.6%
Gross operating income	278.0	295.9	+6.5%
<i>Margin</i>	9.0%	8.5%	
Net operating income	227.3	246.7	+8.5%
<i>Margin</i>	7.4%	7.1%	
Ordinary income	199.1	226.6	+13.8%
<i>Margin</i>	6.5%	6.5%	
Net income	133.3	149.0	+11.8%
<i>Margin</i>	4.3%	4.3%	

Consolidated sales increased by 13.6% to €3,490.5 million, the breakdown by activity being as follows:

Millions of Euros

Breakdown by activity	2003 Pf	2004	Var. 04/03 Pf
Networks	637.9	722.2	+13.2%
Specialized Products	1,139.2	1,170.2	+2.7%
Integrated Projects	659.3	954.8	+44.8%
Control Systems	636.2	643.3	+1.1%
TOTAL	3,072.6	3,490.5	+13.6%



Buzzard Project in the North Sea

- The Networks activity grew by over 13%, underpinned by its leadership as a service provider to the industry in general and, particularly, to electricity, water and gas distribution companies. Noteworthy was the 22% increase in international sales, which account for 40% of this segment's revenues.
- Specialized Products grew by nearly 3% and started to show signs of recovery both in the domestic market and in the international market, as evidenced by the more than 25% growth in the backlog of this activity in 2004.
- Integrated Projects grew significantly, by almost 45%, boosted by the increase in energy projects through the installation of new power plants, particularly combined-cycle and renewable energy plants, and the development and construction of off-shore platforms.
- Control Systems, which includes traffic, transportation and lighting control systems, and integral public infrastructure maintenance, grew by slightly more than 1% with respect to 2003.

Operating margins increased steadily in 2004, with the gross operating margin standing at 8.5% at 2004 year-end and the net operating margin at 7.1%. As compared with the preceding year, the Integrated Projects activity increased, mainly for large turnkey projects whose value added is substantially higher although gross margins are lower, with the consequent impact on margins.

Net income increased by 11.8% to €149 million and the sales margin was 4.3% despite the higher tax rate.

The backlog amounted to €3,415 million, up 12% on 2003. This figure and the sound base of maintenance contracts not included in the backlog, enable the Group to maintain the promising prospects for this business line in the coming years.

1.5.3. Services and Concessions

1.5.3.1. Services

Millions of Euros

Main aggregates	2003 Pf	2004	Var. 04/03 Pf
Sales	2,153.8	2,329.3	+8.2%
Gross operating income	274.8	314.9	+14.6%
<i>Margin</i>	12.8%	13.5%	
Net operating income	142.7	171.5	+20.2%
<i>Margin</i>	6.6%	7.4%	
Ordinary income	89.8	118.3	+31.7%
<i>Margin</i>	4.2%	5.1%	
Net income	61.8	85.6	+38.4%
<i>Margin</i>	2.9%	3.7%	

Consolidated Services sales totaled €2,329.3 million in 2004, the breakdown by activity being as follows:

Millions of Euros

Breakdown by activity	2003 Pf	2004	Var. 04/03 Pf
Environment	982.3	1,000.4	+1.8%
Ports and Logistics	552.1	606.3	+9.8%
Passenger Transportation	157.4	178.1	+13.1%
Facility Management	462.0	544.5	+17.9%
TOTAL	2,153.8	2,329.3	+8.2%

- The Environmental activity recorded moderate growth as a result of the delay in construction of several treatment plants in Spain.
- The Ports and Logistics activity grew by 10% owing, mainly, to the expansion of capacity at Terminales Marítimas del Sudeste de Málaga and Terminal de Caucedo, and the substantial growth in demand from the industry.
- Passenger Transportation grew by 13% as a result of the increase in passengers using the long-distance and suburban lines and the investment in new routes.
- Facility Management grew by 18% as a result of the new contracts awarded and the development of new business lines.

Gross operating income increased by nearly 15%, bringing the sales margin to 13.5%, a 70-basis point rise with respect to 2003. All activities recorded improved margins in 2004. Net operating income rose by 20%, leading to an 80-basis point improvement in the sales margin to 7.4%.

Net income jumped by 38% to €85 million, thus confirming the increased profitability of the Services area.

At 2004 year-end the environmental services backlog amounted to €7,177 million, guaranteeing almost 5 years of activity. The backlog for the other activities, mainly port, logistics and transport services, totaled €4,811 million relating to the long-term contracts or concessions that were in force at year-end.

1.5.3.2. Transport infrastructure concessions

Millions of Euros

Main aggregates	2003 Pf	2004	Var. 04/03 Pf
Sales	3.4	15.3	n.a.
Gross operating income	-7.1	-1.8	n.a.
Net operating income	-5.7	-2.0	n.a.
Ordinary income	44.8	75.8	+69.2%
Net income	55.3	64.4	+16.5%

The contribution of Abertis to the ACS Group's income from companies accounted for by the equity method was €70.7 million in 2004, 78% more than the contribution made in 2003.

The remaining balance (€5.1 million) of the income from companies accounted for by the equity method was contributed by various concessions that have already commenced operations.

On June 24, 2004, Sociedad Concesionaria Vespucio Norte Express S.A., a 54%-owned investee of ACS, made the largest private placement of bonds in the history of Chile, since it issued in a single series a total of UF16 million (US\$ 428 million - €356 million). The quality and soundness of the financial asset (urban tollroad in Santiago de Chile) and the features of the issue (24.5-year term and AAA rating due to MBIA monoline guarantee) facilitated the great success of the issue, since demand almost doubled placing the effective rate at 5.25%.

On September 21, 2004, the ACS Group and la Caixa acquired on the market, in two equal halves, Autostrade's 4.98% holding in Abertis. Consequently, ACS acquired a 2.49% stake for €200.5 million. In 2004, the Group gradually acquired on the market a further holding in Abertis for €251.1 million, representing 3.27% of capital stock, thus increasing ACS's holding in this company to 17.58% as of December 31, 2004.

1.5.4. Other

The contribution of Inmobiliaria Urbis to the ACS Group's income amounted to €24.6 million, 41% more than in 2003.

2. Treasury stock

As of December 31, 2004, the Parent Company owned 1,726,969 shares of treasury stock, of €0.5 par value each, representing 0.489% of capital stock, with a book value of €29,131 thousand which is recorded under the "Short-Term Parent Company Shares" caption.

As required by Article 79.3 of the Spanish Corporations Law, the Parent Company has recorded a reserve for treasury stock, amounting to €29,131 thousand, with a charge to voluntary reserves. This reserve is unrestricted until the shares are disposed of or retired.

The variations in treasury stock in 2004 were as follows:

	Shares	Thousands of Euros	Par Value (euros)
Balance at December 31, 2003	902,453	26,875	1,353,679.5
Purchases before stock split	1,895,439	75,823	2,843,158.5
Retirement of treasury stock	(902,453)	(33,125)	(1,353,679.5)
Balance after stock split	5,686,317	69,573	2,843,158.5
Purchases	6,144,713	93,486	3,072,356.5
Sales	(10,104,061)	(133,928)	(5,052,031)
Balance at December 31, 2004	1,726,969	29,131	863,484.5

The gain on the sale of treasury stock amounted to €29,611 thousand and was recorded as an extraordinary income in the statement of income.

3. Research and development activities

One of the cornerstones of the ACS Group's commitment to provide integrated customer services is technological innovation in the development of new products and services. Innovation is a key aspect on which the Group has focused traditionally with a view to improving productivity and competitiveness.

In this connection, the ACS Group has its own planned research program aimed at developing new know-how applicable to the design of processes, systems, new materials, etc. in each activity.

This firm commitment was reaffirmed through the establishment of various committees at the various Group companies responsible for performing an exhaustive quality control of the products, processes and services. The main function of these committees is to analyze and promote technological development and innovation initiatives, in the fields of new techniques, machinery and equipment and of procedure improvement. The committees are also responsible for setting Innovation Policies and fostering the active presence of technicians at different forums sponsored by various Spanish and European organizations and institutions, in which innovative industry guidelines are weighted and channeled within the framework of joint actions.

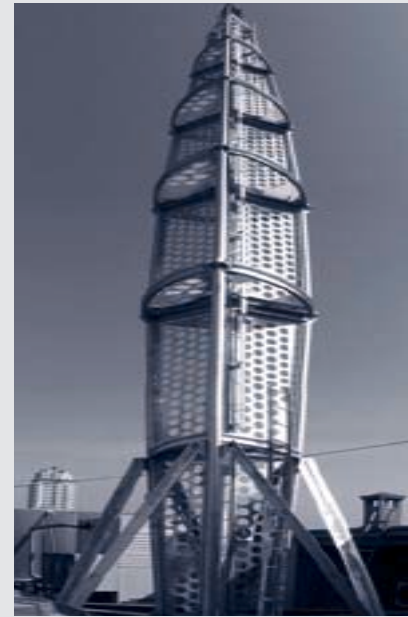
In keeping with this line of action, in 2004 the Group commenced the following significant projects:

Construction area

- TECNOSEGUR Project: aimed at improving occupational safety and health in the construction industry.
- TECNOTUNEL Project: aimed at developing new technologies for the construction of tunnels and underground works.
- MANUBUILD (Open Building Manufacturing) Project, with a budget of €24 million, and TUNCONSTRUCT (Technology Innovation in Underground Construction) Project, with a budget of €35 million, supported by the European Union as part of the 7th Framework Program. Spain has a significant involvement in the two projects, which will be implemented in the next four years and in which DRAGADOS plays a leading role as a member of the respective management committees.

Industrial Services area

- Development of the project "Design of Advanced Configurations for the Catenary of High Speed Railroads" in cooperation with Instituto de Investigación Tecnológica (Institute for Technological Research) of Universidad Pontificia de Comillas.
- Research and Development on Filter Miniaturization Techniques for Broadcasting in cooperation with Instituto Técnico Eléctrico.



Camouflaging of antennas

- Research and development on a new echo cancellation system for single frequency digital terrestrial television networks, in cooperation with Universidad Politécnica de Madrid.
- Information and early warning system for air quality monitoring networks, in cooperation with the Fraunhofer Institute for Applied Information Technology (Germany), the Aristóteles University of Thessaloniki (Greece) and the Norwegian Institute for Air Research (Norway).
- Research and development on new dielectric material for antenna screening in cooperation with Universidad Politécnica de Madrid.
- DUPLO (Universal Toll, Localization and Operation Device) Project for the electromechanical and functional design, development, manufacture and operation of an intelligent device for application in passenger transport systems which is able to perform all the tasks involved.

Services and Concessions area

- Research, development and real-scale testing of biomethanization of urban solid waste by the wet-process.
- Development and innovations in underground containers and industrial-scale tests.
- Research on molten carbonate fuel cell technology using biogas as fuel.

This innovation effort and commitment gave rise not only to the Group's leadership in the technological research and development activities in which it participates, but also to increased competitiveness of the Group and the Spanish industry in general.

4. Significant events subsequent to year-end

On January 24, 2005, pursuant to the resolution adopted by the Company's Board of Directors on December 16, 2004, the ACS Group paid its shareholders a gross interim dividend out of 2004 income of €0.14 per share, equal to 51% of the total dividend paid in 2003.

5. Outlook for 2005

The prospects for the Construction activity continue to be favorable thanks mainly to the Spanish Government's National Infrastructures and Transport Plan (PEIT) of December 2004, which is aimed at improving Spanish infrastructures in the period from 2005 to 2020. This Plan replaces the former National Infrastructures Plan (2000-2010) and its priority objectives are as follows:

- to foster the economic development and competitiveness of the Spanish economy,
- to increase the quality and safety of transport infrastructures and services,
- sustainable mobility; and
- to strengthen social and territorial cohesion.

This Plan focuses on railroads, roads and air and sea transport, in which the ACS Group has significant competitive advantages.

The projected total investment under the Plan amounts to €241,392 million, 60% of which is funded by the State Budget and the remaining 40% is financed using mixed public-sector and private financing.

Growth in the Industrial Services area is strongly supported by the need for investment in the energy field in Spain:

- On the one hand, the sharp increase in demand for energy forces the supply side and the additional installed capacity to meet the new market demand, with an appropriate mix of energy sources, while maintaining competitive energy prices and complying with the Kyoto Protocol. Therefore, in electricity terms, Industrial Services will grow through the construction and maintenance of generating plants, mainly C.C.G.T. and renewable energy, and the installation and maintenance of high- and low-voltage lines.
- As regards oil and gas, the focus is mainly on the construction of operations and drilling structures, the development of storage facilities, the construction and expansion of pipelines, the installation and maintenance of industrial networks and the development of gas distribution to households.

There is also an increasing demand for outsourcing services, mainly from public utility companies, industrial corporations and public authorities.

- Many industrial companies try to raise productivity in order to be able to compete in increasingly deregulated industries, while introducing greater flexibility in order to improve efficiency and promoting expansion into new activities in the domestic and international markets.
- Public authorities try to optimize public spending in order to respond to increasing social demands by improving current public services, such as waste and water management, traffic systems, etc., and developing new products and technologies which expand the service offering.

In the Services area, the Group has multiple opportunities for development:

- The Environmental segment has a strong growth potential for new businesses as a result of the increasingly stricter legislation and the evident greater social concern. The industry trend points towards a higher degree of technification in waste treatment and recycling, the development of activities related to the green business, the improved management of water resources and the optimization of industrial processes. In this field, the Group has highly-competitive proprietary technology which enables it to be a leader in the promotion and management of urban solid waste treatment and recycling plants, precisely in the most dynamic business areas.
- Significant business growth is forecast for Port and Logistics Services, which will grow and consolidate their presence in the industry with special emphasis on outdoor container terminals and on automobile logistics, since the ACS Group owns the first containers company in the Mediterranean region.
- The prospects for Passenger Transport Services are very promising in the area of urban transport by bus, urban and suburban light railroad networks, etc., also taking into account that the road passenger transport is currently in the consolidation stage.
- The Facility Management area also offers very promising prospects in view of the increasing outsourcing of services of this kind by large companies and the entry into new areas of activity.

Finally, in the Concessions area, the ACS Group will continue to develop the projects already initiated and to expand its operations provided that the principles of prudence and profitability are strictly complied with. The areas with the highest growth potential are tollroads, transport interchanges, light trains and airports.



Harbour of Hayovel (Israel)

3.2

Consolidated Balance Sheets as of December 31, 2004 and 2003

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Note 24). In the event of a discrepancy, the Spanish-language version prevails.

Thousands of Euros

ASSETS	12/31/04	12/31/03
DUE FROM SHAREHOLDERS FOR UNCALLED CAPITAL	4,495	8,940
FIXED AND OTHER NONCURRENT ASSETS		
Start-up expenses (Note 7)	10,563	15,525
Intangible assets (Note 8)	276,232	239,640
Cost	386,876	336,965
Accumulated amortization	(110,644)	(97,325)
Long-term assets in projects (Note 9)	872,726	641,922
Tangible fixed assets (Note 10)	1,183,892	1,073,899
Land and structures	429,939	345,004
Plant and machinery	940,344	876,815
Other tangible fixed assets	558,809	560,300
Advances and construction in progress	201,716	140,799
Accumulated depreciation	(946,916)	(849,019)
Long-term investments	1,723,456	1,383,603
Investments accounted for by the equity method (Note 6)	1,350,556	1,081,186
Loans to companies accounted for by the equity method	56,963	30,519
Long-term investment securities (Note 11)	153,068	152,584
Other receivables	231,414	181,951
Allowances (Note 11)	(68,545)	(62,637)
TOTAL FIXED AND OTHER NONCURRENT ASSETS	4,066,869	3,354,589
CONSOLIDATION GOODWILL (Note 5)		
Fully consolidated companies	951,535	1,007,325
Companies accounted for by the equity method	305,844	32,569
TOTAL GOODWILL	1,257,379	1,039,894
DEFERRED CHARGES	55,969	43,440
CURRENT ASSETS		
Inventories (Note 12)	403,562	424,894
Accounts receivable (Note 13)	5,176,533	5,159,247
Trade receivables for sales and services	4,478,888	4,301,859
Companies accounted for by the equity method	45,617	35,346
Other accounts receivable	754,767	914,489
Allowances	(102,739)	(92,447)
Short-term investments	1,139,137	744,362
Short-term investments securities (Note 11)	697,550	410,375
Other loans	443,279	335,655
Allowances	(1,692)	(1,668)
Short-term Parent Company shares	29,131	26,875
Cash	451,011	383,140
Accrual accounts	25,351	40,910
TOTAL CURRENT ASSETS	7,224,725	6,779,428
TOTAL ASSETS	12,609,437	11,226,291

* The accompanying Notes 1 to 24 and Exhibits I to IV are an integral part of the consolidated balance sheet as of December 31, 2004

Thousands of Euros

SHAREHOLDERS' EQUITY AND LIABILITIES	12/31/04	12/31/03
SHAREHOLDERS' EQUITY (Note 14)		
Capital stock	176,437	177,791
Additional paid-in capital	897,294	897,294
Revaluation reserve	2,124	2,124
Other reserves of the Parent Company	485,024	236,182
Unrestricted reserves	420,601	216,769
Restricted reserves	64,423	19,413
Reserves at fully or proportionally consolidated companies	320,504	429,382
Reserves at companies accounted for by the equity method	16,709	76,403
Translation differences	(205,154)	(209,575)
At fully or proportionally consolidated companies	(146,266)	(204,006)
At companies accounted for by the equity method	(58,888)	(5,569)
Income attributable to the Parent Company	460,385	229,508
Consolidated income	477,489	235,081
Income attributed to minority interests	(17,104)	(5,573)
Interim dividend paid during the year	(49,402)	(42,670)
TOTAL SHAREHOLDERS' EQUITY	2,103,921	1,796,439
MINORITY INTERESTS (Note 15)	119,097	99,269
NEGATIVE CONSOLIDATION DIFFERENCE	4,405	3,588
DEFERRED REVENUES (Note 16)	161,419	135,599
PROJECT FINANCING (Note 9)	465,911	316,207
PROVISIONS FOR CONTINGENCIES AND EXPENSES (Note 17)	258,087	405,729
LONG-TERM DEBT		
Payable to credit institutions (Note 18)	1,499,811	611,791
Payable to companies accounted for by the equity method	27,215	32,004
Other payables	147,347	84,182
Other long-term payables	8,614	698
TOTAL LONG-TERM DEBT	1,682,987	728,675
CURRENT LIABILITIES		
Payable to credit institutions (Note 18)	1,077,498	1,456,943
Payable to companies accounted for by the equity method	7,011	5,568
Trade accounts payables	5,507,635	5,053,659
Other nontrade payables (Note 18)	986,879	1,008,592
Operating allowances	204,262	192,256
Accrual accounts	30,325	23,767
TOTAL CURRENT LIABILITIES	7,813,610	7,740,785
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	12,609,437	11,226,291

Consolidated Income Statements for the years ended December 31, 2004 and 2003

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Note 24). In the event of a discrepancy, the Spanish-language version prevails.

Thousands of Euros

DEBIT	12/31/04	12/31/03
EXPENSES		
Cost of materials used and other external expenses	6,589,778	5,332,730
Decrease in finished goods and work-in-process inventories	21,692	1,837
Personnel expenses	2,640,577	1,975,527
Wages, salaries and similar expenses	2,035,142	1,516,870
Employee welfare expenses	605,435	458,657
Depreciation and amortization expense	234,006	192,094
Variation in operating allowances	26,758	29,129
Other operating expenses	1,176,963	1,005,865
Operating income	710,995	573,547
Financial expenses	150,073	125,275
Losses on short-term investments	3,701	159
Variation in investment valuation allowances	1,175	4,965
Exchange losses	43,412	23,935
Translation losses	-	387
Financial income	-	-
Share in losses of companies accounted for by the equity method	5,306	1,629
Amortization of goodwill (Note 5)	80,843	55,010
Income from ordinary activities	645,355	473,372
Losses on fixed assets	14,621	7,195
Variation in intangible asset, tangible fixed asset and control portfolio allowances	-	10,787
Losses on disposals of investments accounted for by the equity method	11,964	-
Extraordinary expenses (Note 21)	73,377	229,282
Prior years' expenses and losses	8,324	6,163
Extraordinary income	-	-
Consolidated income before taxes	623,469	283,370
Corporate income tax (Note 19)	145,980	48,289
Consolidated income for the year	477,489	235,081
Income attributed to minority interests (Note 21)	(17,104)	(5,573)
Income for the year attributed to the Parent Company (Note 21)	460,385	229,508

The accompanying Notes 1 to 24 and Exhibits I to IV are an integral part of the 2004 consolidated income statements

Thousands of Euros

CREDIT	12/31/04	12/31/03
REVENUES		
Net sales (Note 21)	10,960,656	8,825,118
Capitalized expenses of Group work on fixed assets	64,776	48,558
Other operating revenues	375,337	237,053
Operating loss	-	-
Revenues from shareholdings	100	-
Other financial revenues	64,288	46,605
Income from short-term investments	4,284	1,790
Exchange gains	33,269	-
Financial loss	96,420	106,326
Share in the income of companies accounted for by the equity method	116,823	62,451
Reversal of negative consolidation differences	106	339
Loss on ordinary activities	-	-
Gains on fixed assets (Note 21)	34,478	25,300
Gain on disposals of investments in fully or proportionally consolidated companies	243	7,225
Gains on disposal of investments in companies accounted for by the equity method	-	7,399
Gains on transactions involving treasury stock (Note 14)	29,611	-
Capital subsidies transferred to income for the year	3,061	2,100
Extraordinary revenues	13,781	18,571
Prior years' revenues and income	5,226	2,830
Extraordinary loss	21,886	190,002

Notes to Consolidated Financial Statements for the year ended December 31, 2004

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Note 24). In the event of a discrepancy, the Spanish-language version prevails.

1. Activities of the consolidated Group

The main activities of the ACS Actividades de Construcción y Servicios, S.A. Group and Subsidiaries are as follows:

1. Performance of all manner of private- or public-sector construction projects, performance of studies and provision of counseling and technical assistance and, in general, of all manner of construction-related services.
2. Transport infrastructure concessions.
3. Management of services, mainly relating to urban cleaning, waste treatment, cleaning of interiors and integral building maintenance.
4. Management of logistics and port services.
5. Industrial plant engineering and construction, performance of studies, projects and execution of all manner of construction, installation and erection work in relation to energy production and distribution.
6. Vertical and horizontal signposting of public roads, industrial paint and coatings, maintenance of installations and buildings and integral road maintenance.
7. Undertaking and marketing of real estate developments.
8. Activities relating to change of image and the re-launch of companies or trade names, and all aspects relating to the manufacture and installation of advertising items.
9. Development, installation and maintenance of projects and construction work relating to traffic and lighting and research and development of related software and hardware.
10. Environmental activities which range from consulting and engineering and the operation of water treatment facilities to the management of industrial, urban, agricultural and hospital waste.
11. Construction, maintenance, operation and sale of electricity obtained through the use of wind power and other forms of renewable energy.
12. Regular road passenger transportation, distribution of oil products by road, operation and management of bus stations and the transportation of urgent packages.
13. Provision of lighting, urban maintenance, electrical installation, industrial cleaning and integral building maintenance services.
14. Performance of all manner of telecommunications activities.
15. The provision of all manner of services, integral computer support, lease of goods and equipment and provision of supplies to surgical, sanitary and hospital establishments.
16. Other supplementary activities encompassing the business activities not included in the foregoing categories.

Grupo Dragados, S.A. was merged into ACS, Actividades de Construcción y Servicios, S.A. in 2003, effective from May 1, 2003, for accounting purposes.

2. Companies composing the ACS Group

The ACS Group is formed by the Parent Company ACS, Actividades de Construcción y Servicios, S.A. and the subsidiaries and associated companies detailed in Exhibits I, II and III.

Under Royal Decree 1815/1991 regulating the rules for the preparation of the consolidated financial statements, the subsidiaries detailed in Exhibit III were excluded from consolidation since they are presently inactive or are of scant interest with respect to the true and fair view given by the consolidated financial statements as a whole.

The associated and multigroup companies included in the scope of consolidation of the ACS, Actividades de Construcción y Servicios Group are listed in Exhibit II.

3. Basis of presentation of the consolidated financial statements

a) Consolidation principles

The accompanying consolidated financial statements were prepared from the 2004 accounting records of ACS, Actividades de Construcción y Servicios, S.A. and of its subsidiaries whose respective individual financial statements were prepared by their respective directors in accordance with the Spanish National Chart of Accounts. All the amounts in these consolidated financial statements are expressed in thousands of euros.

The financial statements of ACS, Actividades de Construcción y Servicios, S.A. and its subsidiaries, which were prepared by its directors, will be submitted for approval by the respective Shareholders' Meetings and it is considered that they will be approved without any changes.

The companies detailed in Exhibit I in which a majority of the voting rights in their representation and decision-making bodies is held or in which, although there is not such a majority, effective management is exercised, were fully consolidated. The multigroup companies which are managed jointly with third parties were proportionally consolidated.

The companies in which significant influence is exercised but a majority of the voting rights is not held or effective management is not exercised were accounted for by the equity method.

The proportionally consolidated companies and the companies accounted for by the equity method are detailed in Exhibit II.

The equity of minority interests in the net worth and results of the fully consolidated subsidiaries is presented under the "Minority Interests" caption on the liability side the consolidated balance sheet and under the "Income Attributed to Minority Interests" caption in the consolidated statement of income, respectively.

b) Comparative information

As required by Spanish corporate law, the financial statements must show, in addition to the 2004 figures for each item in the balance sheet and statement of income, the figures for 2003.

As a result of the merger with Grupo Dragados, S.A. in 2003, the figures for 2004 in the statement of income are not comparable with the figures for 2003 since the latter include through April 30 the holding in the Dragados Group accounted for by the equity method; however, from May 1 through December 31, 2003, they include all the revenues and expenses for this period of all the companies belonging to the former Dragados Group.

c) Variations in the scope of consolidation

The most significant variations in the scope of consolidation in 2004 were as follows:

Inclusions and increases in ownership interest:

- Urbaser Libertador, C.A. (Formation)
- TP Ferro Concesionaria S.A. (Formation)
- Dragados Dundalk Ireland (Formation)
- Celtic Road Group Dundalk, Ltd. (Formation)
- Trenmedia, S.A. (Formation)
- Desarrollo de Concesiones Aeroportuarias, S.L. (Formation)
- Desarrollo de Concesiones Ferroviarias, S.L. (Formation)
- Circunvalación Alicante, S.A. (Formation)
- Jintang International Container Terminal Co. Ltd. (Formation)
- Mepsa, Servicios y Operaciones, S.A. (Formation)
- Urbaenergía Tratamiento y Generación, S.L. (Formation)
- La Lora II Energía, S.L. (Formation)
- La Lora I Parque Eólico, S.L. (Formation)
- Sistemas Energéticos Seron, S.A. (Formation)
- Sistemas Energéticos Carrascal, S.A. (Formation)
- Sistemas Energéticos La Cerradilla, S.A. (Formation)
- Sistemas Energéticos Tinadas, S.A. (Formation)
- Sistemas Energéticos La Mata, S.A. (Formation)
- Sistemas Energéticos El Chaparral, S.A. (Formation)
- Sistemas Energéticos Tíjola, S.A. (Formation)
- Desarrollos Energéticos Asturianos, S.L. (Formation)
- Eyra, Energías y Recursos Ambientais Ltd. (Formation)
- Eyra Barrigoso, S.L. (Formation)
- Coinsal Instalaciones y Servicios S.A. de CV (Formation)

Drace Prefabricados de Edificación, S.L. (Formation)
Antennea Technologies, S.L. (Formation)
Burgos Visión, S.L. (Formation)
Dragados Offshore de México KU - A2 S.A. de C.V. (Formation)
France Semi, S.A. (Formation)
AW Augusta Wind, S.L. (Formation)
Foresta Individual 1, S.A. (Formation)
Viabal Manteniment i Conservació, S.A. (Formation)
Electromur, S.A. (Acquisition)
Emurtel, S.A. (Acquisition)
Ecocivil Electromur, G.E. S.L. (Acquisition)
Venture Infrastructure Limited (Acquisition)
Andasol 1, S.A (Acquisition)
Roads Users Services (Formation)
Abertis Infraestructuras, S.A. (5.76% increase in ownership interest)
Hijos de Simón Maestra, S.A. (35.24% increase in ownership interest)
Intebe, S.A. (33% increase in ownership interest)
Lafuente Alicante, S.L. (19% increase in ownership interest)
Limpiezas Lafuente, S.L. (18.27% increase in ownership interest)
Inmobiliaria Urbis, S.A. (0.3672% increase in ownership interest)
Xfera Móviles, S.A. (3.13% increase in ownership interest)

Exclusions from the scope of consolidation:

Empresa Navarro, S.L. (Sale of a 37.36% stake)
Gizaintza, S.L. (Sale)
Marina del Portixol, S.A. (Sale)
Nevada Bus, S.A. (Dissolution)
Control and Applicatios Asia Pte, Ltd. (Sale)
Constructora de Equipos de Compresión S.A. de C.V. (Dissolution)
Ejido Medio Ambiente, S.A. (Sale)
C.A. Group (Sale)
Columar, S.A. (Sale)
Vía Dragados, S.A. (Sale)
Rashid Dragados Industrial Ltd. (Dissolution)
Servicios Sociosanitarios Generales S.L. (Sale)
Inrev S.A. (Liquidation)
Tecnologías Integrales de Telecomunicaciones S.A. (Sale)
Parque Avila, S.A. (Dissolution)
Proconvías, S.A. (Dissolution)
Promotora Inmobiliaria la Cima C.V. (Sale)

The changes in the scope of consolidation that had a significant impact are explained in the related notes to financial statements.

As a result of the merger of ACS, Actividades de Construcción y Servicios, S.A., the main Group subsidiaries were reorganized as follows:

- a. Non-monetary contribution of Dragados Obras y Proyectos, S.A. to ACS, Proyectos, Obras y Construcciones, S.A. for the net carrying value per individual books, and the latter company changed its name to Dragados, S.A. after the merger of the two companies.
- b. Non-monetary contribution of Dragados Concesiones de Infraestructuras, S.A., Continental Auto, S.L. and Técnicas Medioambientales, Tecmed, S.A. to ACS, Servicios y Concesiones, S.L. (formerly Dragados Desarrollo y Gestión de Servicios, S.L.) for their carrying value per individual books.
- c. Non-monetary contribution of Dragados Industrial, S.A. to ACS, Servicios, Comunicaciones y Energía, S.L. for its carrying value per individual books.
- d. Sale of Inversora de Infraestructuras, S.L. to Dragados Concesiones de Infraestructuras, S.A. for its underlying book value. Subsequently, ACS Chile, S.A. was contributed (non-monetary contribution) to Inversora de Infraestructuras, S.L. and this holding was subsequently sold to Dragados Concesiones de Infraestructuras, S.A. Infraestructuras y Radiales, S.A. and Ruta de los Pantanos, S.A. had previously been contributed to Inversora de Infraestructuras, S.L.
- e. Sale of DHM, S.A. to Inversora de Infraestructuras, S.L. for its net carrying value.
- f. Acquisition of a 100% holding in ACS Telefonía Móvil, S.L. to which the shares of Xfera Móviles, S.A. directly owned by ACS, Actividades de Construcción y Servicios, S.A. were subsequently contributed.

d) Joint ventures

The various captions in the balance sheets and income statements of the joint ventures in which the Group companies have an ownership interest are included in proportion to the holding owned therein. The main joint ventures operating in the year ended December 31, 2004, are detailed in Exhibit IV.

4. Valuation standards

The main valuation methods applied in preparing the accompanying consolidated financial statements were as follows:

a) Goodwill and negative consolidation difference

Goodwill was calculated as the positive difference between the cost of the investment in each of the consolidated companies at the date of consolidation and the underlying book values of these holdings per the available balance sheets prepared closest to the acquisition date.

Goodwill arising from the acquisition of a company with a currency other than the euro is treated as an asset in the country in which the investment is made and, accordingly, is translated at the year-end exchange rate.

If the positive difference relates to unrealized gains on the subsidiary's asset items and can be reliably estimated, it is recorded as an increase in the value of these assets.

Goodwill is systematically amortized over the estimated period during which it will contribute to the generation of income for the Group (up to 20 years).

The negative consolidation difference was calculated as the negative difference between the cost of the investment and the underlying book value of the holding at the date of its inclusion in the Group.

If the negative difference relates to contingent or undervalued liabilities, it is recorded as an increase in the amount of these liabilities.

This negative difference is recorded in the statement of income at the date on which the gain that generated this difference is realized or the holding is disposed of.

b) Transactions between consolidated companies

In the preparation of the consolidated financial statements, all material balances and revenue and expense transactions between consolidated companies were eliminated in consolidation.

c) Standardization of items

In order to uniformly present the items included in the consolidated financial statements, the valuation principles and standards adopted by the Parent Company, regulated in the Commercial Code, the Corporations Law and related enacting regulations and in the Spanish National Chart of Accounts and the adaptations thereof for the related industries were applied at all the consolidated companies.

The main uniformity adjustments relate to foreign toll-road concession-holders in accordance with the Ministerial Order dated December 30, 1998, enacting the standards for adaptation of the Spanish National Chart of Accounts for toll-road, tunnel, bridge and other tollway concession-holders, and to water supply and treatment companies in accordance with the Ministerial Order dated December 10, 1998, enacting the standards for adaptation of the Spanish National Chart of Accounts for water supply and treatment companies.

d) Translation of financial statements denominated in foreign currencies of companies abroad

The assets and liabilities in the financial statements of the foreign subsidiaries included in consolidation were translated to euros at the year-end exchange rate, capital and reserves were translated at historical exchange rates, and income statement accounts were translated by applying the average exchange rates for the year. The resulting translation difference is recorded under the "Shareholders' Equity - Translation Differences" caption, net of the portion relating to minority shareholders, which is included under the "Minority Interests" caption on the liability side of the consolidated balance sheet.

The financial statements of Group companies in certain South American countries were adjusted for the effect of inflation, in accordance with the legislation in force in the countries concerned and with generally accepted accounting principles. This adjustment gave rise to a nonmaterial variation in consolidated reserves and income.

e) Start-up expenses

Start-up expenses, which comprise capital increase and preopening expenses, are recorded at cost and relate to public deed and registration expenses and taxes. These costs are recorded net of amortization, which is taken over a maximum period of 5 years.

f) Intangible assets

This caption comprises:

1. Rights on assets leased under financial lease contracts, which are recorded as intangible assets at the cash cost of the leased assets and the lease payments payable plus the amount of the purchase option are recorded as a liability. The difference between the lease liability and the net value of the assets is recorded as deferred charges.

The assets under the financial lease contracts are amortized in accordance with the years of estimated useful life thereof at the date of their original acquisition.

The related interest is recorded as an expense on an accrual basis by the interest method.

2. Administrative concessions are recorded at the amount paid by the companies as the operating fee, plus the amount of the costs of the construction and assembly of facilities used in administrative concessions. The administrative concessions are amortized on a straight-line basis over the concession term.
3. The expenses incurred in research and development projects whose technical results are satisfactory are capitalized and amortized over a maximum period of 5 years once the project is considered to be commercially and economically viable. If the results are not favorable, or the circumstances enabling the expenses to be capitalized vary, the unamortized portion is taken to income in the same period in which these circumstances become known.
4. Patents, licenses and similar rights are recorded at cost and amortized over 5 years.
5. Computer software acquired from third parties is valued at cost and amortized on a straight-line basis over a period ranging from 3 to 4.

g) Long-term assets in projects

This caption includes the amount of the investments in transport, energy and environmental infrastructures which are operated by ACS Group subsidiaries and which are financed by the Project Finance method (financing without recourse applied to projects).

These financing structures are applied to projects capable in their own right of providing sufficient guarantee to the participating financial institutions with regard to the repayment of the funds borrowed to finance them. Each project is performed through specific companies in which the project's assets are financed, on the one hand, through a contribution of funds by the developers, which is limited to a determined amount, and on the other, generally of a larger amount, through

borrowed funds in the form of long-term debt. The debt servicing of these credit facilities or loans is mainly supported by the cash flows generated by the project in the future.

These assets are valued at the costs directly allocable to construction incurred through their entry into operation (studies and designs, expropriations, reinstatement of services, project execution, project management and administration expenses, installations and facilities and similar items) and the portion relating to other indirectly allocable costs, to the extent that they relate to the construction period.

Also included in this caption are the financial expenses incurred prior to the entry into operation of the assets arising from external financing thereof.

Repair and maintenance expenses which do not lead to a lengthening of the useful life of the assets or an extension of their production capacity are expensed currently.

Concession-holders cover all the investment made on completion of the concession term by way of amortization. Accordingly, amortization is calculated by applying the proportion of toll road/landing fee revenues for each year with respect to total projected toll road/landing fee revenues for the full concession term to total projected investment on completion of the concession term, in accordance with the economic and financial plans of the various concessions. In view of the nature of this amortization, any excess over the depreciation of the assets on the basis of their useful lives is recorded as a reversion reserve on the liability side of the consolidated balance sheet.

h) Tangible fixed assets

Tangible fixed assets are valued at cost, revalued pursuant to the applicable enabling legislation which, in the case of certain Group companies, includes Royal Decree-Law 7/1996.

The costs of expansion, modernization or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalized.

The replacement and maintenance expenses which do not lead to a lengthening of the useful lives or to increased production capacity of the related assets are expensed currently.

Group work on its own fixed assets is valued at construction cost.

The Group companies depreciate their tangible fixed assets by the straight-line method at annual rates based on the following years of estimated useful life:

	Years of estimated useful life
Structures	33-50
Plant and machinery	3-20
Other fixtures, tools and furniture	3-14
Other tangible fixed assets	4-12

Concession-related tangible fixed assets are depreciated over their years of useful life. When the term of the concession contracts is shorter than the years of useful life, the depreciation expense is supplemented by the reversion reserve (see Note 4-p-2).

i) Short-term and long-term marketable securities

Short- and long-term marketable securities include the cost of holdings in nonconsolidated companies, that of companies excluded from the scope of consolidation (see Exhibit III) and the short-term investments in government debt securities.

The holdings in nonconsolidated companies are valued at cost, net, where appropriate, of the required allowances for decline in value, in order to reflect the lower of acquisition cost or underlying book value of the holding, adjusted by the amount of the unrealized gains disclosed at the time of acquisition and still existing at the date of subsequent valuation.

Short-term investments in government debt securities are valued at cost plus accrued interest at year-end.

The valuation methods are as follows:

1. Listed securities: At the lower of cost or market. The market value was taken to be the lower of average official market price in the last quarter or closing market price on the last trading day of the year.
2. Unlisted securities: At acquisition or formation cost, net, where appropriate, of the necessary allowances for decline in value, if cost was higher than the underlying book value of the holding at year-end, adjusted by the amount of the unrealized gains disclosed at the time of acquisition and still existing at the date of subsequent valuation.

j) Nontrade loans

Nontrade loans are recorded at face value. Loans repayable in under 12 months from year-end are classified as short-term loans and those repayable at over 12 months as long-term loans.

These loans earn interest at market rates. Interest is recorded on an accrual basis, and the uncollected portion is recorded under this caption at long or short term, as appropriate.

k) Deferred charges

This caption includes the financial expenses relating to the financing of fully consolidated concessions for transport infrastructure and services, and other unaccrued financial expenses. Since there is reasonable evidence for the recovery through future year rates of the concession-related financial expenses incurred from when each infrastructure section enters into operation, these expenses are allocated to income as follows:

1. Financial expenses are charged to income each year based on the proportion of fee revenues for the year with respect to total projected fee revenues for the concession period, applied to the total projected financial expenses, in accordance with the economic and financial plans of the concession.
2. The positive difference between the projected financial expense and the expense to be charged to income as described in paragraph 1) above is capitalized to the "Deferred Charges" caption; if the difference is negative, it will be charged to income by the method described above.

l) Inventories

The Group values its inventories as follows:

1. Assets received in settlement of receivables are recorded at the amount due, plus the necessary expenses arising from the transaction. Should the realizable value be lower, the related allowance for decline in value is recorded to adjust the net book value.
2. The Group's building lots and real estate developments are valued at cost increased, where appropriate, by development and construction costs and other acquisition-related costs, and reduced, where appropriate, by the allowance required to reduce these inventories to their estimated realizable value.
3. Raw materials and supplies, consumables and replacement materials are valued at the lower of cost or net realizable value.

4. Ancillary work and initial project expenses include mainly work on site facilities, both specific and general, valued at acquisition or production cost, and the costs incurred before the contract date. These expenses are allocated to the cost of the project on the basis of the completed construction work. Should the project finally not be awarded, these costs are allocated to income for the year.
5. Work-in-process includes the cost of the work performed and materials used at the end of each year for corporate image and traffic regulation activities and other facilities.

m) Parent Company shares held by the Group

The shares are valued at the lower of average acquisition cost or consolidated underlying book value, adjusted by the amount of the unrealized gains still existing at the date of valuation.

The related restricted reserve was included under the "Shareholders' Equity" caption.

As of December 31, 2004, the Group owned 1,726,969 Parent Company shares.

n) Subsidies

The ACS Group was granted subsidies by various public agencies mainly to finance environmental tangible fixed assets. Evidence of compliance with the conditions in the relevant decisions granting the subsidies was provided to the relevant competent agencies.

These subsidies are included under the "Deferred Revenues" caption in the accompanying consolidated balance sheet and are charged to income each year in proportion to the depreciation on the subsidized assets.

o) Provisions for pensions and similar obligations

ACS, Actividades de Construcción y Servicios, S.A. (as a result of the merger by absorption of Grupo Dragados, S.A. in 2003) and, to an insignificant extent, three subsidiaries are required, under certain conditions, to make monthly payments to their employees to supplement the mandatory standard social security benefits for retirement, disability, death of spouse and death of parent.

In 2000 Grupo Dragados, S.A. (absorbed by ACS, Actividades de Construcción y Servicios, S.A.) partially externalized the aforementioned commitments of the Parent Company and of one of the subsidiaries, and in 2002 it externalized those

relating to the other two subsidiaries as well as the retirement bonus commitments pursuant to collective labor agreements of the subsidiaries bound by these commitments. The insurance taken out guarantees the mortality tables and interest rates.

Based on the valuation made, €95.114 thousand and €163,730 thousand were required to meet the commitments to serving and retired employees, respectively, as of December 31, 2004. The actuarial assumptions used are those indicated below, with the exception of the assumed interest rate applied, which fell as a result of the interest rate cut and ranged from 5.93% to 3.51%:

Annual rate of increase of maximum social security pension benefit	2.00%
Annual wage increase	2.35%
Annual growth rate of the Consumer Price Index (CPI)	2.00%
Mortality table (*)	PERMF-2000 P

(*) Guaranteed assumptions which will not vary

Additionally, ACS, Actividades de Construcción y Servicios, S.A. has certain commitments with certain members of the management team and the Board of Directors. These commitments have been formalized through several defined contribution group savings insurance policies which provide benefits in the form of a lump sum. The total accumulated contribution was €15,490 thousand as of December 31, 2004.

The amounts recorded in the accompanying 2004 statement of income in connection with pension commitments are as follows:

1. €866 thousand recorded under the "Financial Expenses" caption relating to the interest on the portion that was financed in 2000 and fell due in 2004.
2. €2,402 thousand relating to the net premium accrued by the Parent Company in 2004, of which €1,378 thousand related to prepayments made in 2003. The remaining amount of €1,024 thousand was recorded under the "Personnel Expenses" caption in 2004.
3. €2,107 thousand recorded under the "Personnel Expenses" caption for premiums paid by other Group companies.

The amount of the net premium accrued disclosed in paragraph 2) above includes the pension plan obligations, amounting to €1,803 thousand, relating to the Parent Company's directors who performed executive duties in 2004.

p) Other provisions for contingencies and expenses

The Group records "Other Provisions for Contingencies and Expenses" as follows:

1. Provision for third-party liability and contingencies: The Group has recorded provisions for contingencies and expenses relating to the estimated amount required for probable or certain third-party liability and to obligations outstanding whose exact amount cannot be determined or whose date of payment is uncertain, since it depends on compliance with certain conditions. This provision is recorded when the liability or obligation arises.

Additionally, in accordance with the opinion of the external lawyers dealing with the legal aspects of this matter, the Group considers that no economic risk exists in relation to the claim filed by Boliden-Apirsa in 2004.

2. Reversion reserve. A reversion reserve is recorded for the assets used in administrative concessions that are reverted to public agencies on completion of the concession terms. The reserve is calculated with the aim of supplementing the depreciation of the related assets, so that their net book value is zero on completion of the concession term.

The companies consider that the periodic maintenance plans, whose cost is allocated to expenses in the year they are incurred, are sufficient to ensure that the assets used are reverted in good working condition on completion of the concession terms and that, accordingly, no significant expenses will arise as a result of the reversion.

3. Severance costs. Under current labor legislation, the consolidated companies are required to pay severance to employees terminated under certain conditions.

Management of the companies consider that, on the basis of estimates of the severance pay payable for possible terminations of permanent employees, the accrued liability for severance costs is reasonably covered by the provision for restructuring due to merger.

Also, pursuant to current legislation, the companies recorded an allowance under the "Operating Allowances" caption on the liability side of the balance sheet to meet the cost of temporary employee terminations.

4. Provision for restructuring due to merger. The Group maintained a portion of the provision recorded to meet the expenses arising from restructuring due to the merger by absorption of Grupo Dragados, S.A. in 2003.

q) Classification of debt

Short- and long-term debts are recorded at face value. Debts maturing in under 12 months from year-end are classified as current liabilities and those maturing at over 12 months as long-term debt.

These debts are increased by the unmatured accrued interest thereon, and are recorded by the same method as the principal amount. Interest is recorded in the year in which it accrues.

r) Corporate income tax

The corporate income tax expense for the year at each company is calculated on the basis of book income before taxes, increased or decreased, as appropriate, by the permanent differences from taxable income, net of tax relief and tax credits.

The Spanish companies in which the Parent Company has more than a 75% ownership interest file consolidated tax returns pursuant to current regulations as part of Tax Group 30/99.

s) Foreign currency transactions

Foreign currency transactions are translated to euros at the exchange rates ruling at the transaction date. The balances of foreign currency accounts are adjusted at year-end to the year-end exchange rates. The net translation losses are charged to the statement of income and the net translation gains are deferred until they are realized.

t) Revenues and expenses

Revenues and expenses are generally recognized on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

However, in accordance with the accounting principle of prudence, the Group only records realized income at year-end, whereas foreseeable contingencies and losses, including possible losses, are recorded as soon as they become known.

In the construction business, the Group recognizes each year as the period result on construction projects the difference between production and the costs incurred in the year.

Since in the construction industry estimated revenues and costs of construction projects are susceptible to variations during the performance period which cannot be readily foreseen or objectively quantified, the consolidated companies that engage in construction activities recognize as the period result on their construction projects the difference between production each year and the actual costs incurred during the projects. Production each year is valued at certification price of the units completed in the period that, since they are covered in the contract entered into with the owners, or in approved addenda or amendments thereto, do not give rise to any doubts regarding their certification. In addition, production is valued at certification price of other project units that have already been completed for which management of the consolidated companies consider there is reasonable assurance of recovery.

On the basis of the latest cost and revenue projections prepared by the consolidated companies for the projects in progress, the result recognized by them, under the above-mentioned method, does not significantly differ from that that would have been obtained under the percentage-of-completion method. Under this method, the result from projects with expected final income would be that arising from the application thereto of the percentage arising from comparison between the actual costs incurred and total estimated costs; in the event of construction projects for which a final loss is expected, the result would be the full amount of the loss from the moment in which it is determined.

Should the amount of production from inception, valued at certification price, of each project be greater than the amount certified through the balance-sheet date, the difference between the two amounts is recorded under the "Completed Production Pending Certification" caption on the asset side of the consolidated balance sheet. Should the amount of production from inception be lower than the amount of the certificates issued, the difference is recorded under the "Trade Accounts Payable – Customer Advances" caption on the liability side of the consolidated balance sheet.

Inspection fee expenses, estimated costs for site clearance and other expenses that may be incurred from completion of the project through final settlement thereof are accrued over the execution period on the basis of production volumes and are recorded under the "Operating Allowances" caption on the liability side of the consolidated balance sheets.

The real estate companies record sales and the cost of sales when sale contracts have been entered into with customers and construction of the units for sale is substantially completed (i.e. at least 80%), in which case a provision is recorded for the estimated future costs to be incurred in completing the buildings.

Revenues on turnkey industrial construction and engineering projects are generally recognized by applying the expected percentage margin on total estimated costs (which are updated constantly) to the costs actually incurred.

u) Activities with an impact on the environment

Any operation, the main aim of which is to prevent, reduce or repair environmental damage is considered to be an environmental activity.

However, the business activities carried on by the Group include street cleaning, collection of solid urban waste, water treatment and quality control and other activities involving the provision of environmental services to third parties. Also, most of the construction contracts include a study of environmental impact and the performance of work to preserve, maintain and restore the environment.

The Group does not treat as environmental assets and expenses those relating to the provision of the aforementioned services since they are performed for third parties. Notwithstanding this, the environmental claims and obligations are included regardless of whether they involve in-house operations or operations performed for third parties.

Investments arising from environmental activities are valued at cost and capitalized as an addition to fixed assets in the year in which they are incurred in accordance with the methods described in Note 4-h.

Expenses arising from environmental protection and improvement are charged to income in the year in which they are incurred, regardless of when the resulting monetary or financial flow arises.

The provisions for probable or certain third-party liability, litigation in progress or outstanding indemnity payments or obligations of undetermined amount of an environmental nature, which are not covered by the insurance policies taken out by the Group, are recorded when the liability or obligation giving rise to the indemnity or payment arises.

5. Consolidation goodwill

The variations in the balance of this caption in the consolidated balance sheet were as follows:

Thousands of Euros

Balance at December 31, 2003	1,039,894
Additions	317,806
Amortization	(80,843)
Reductions	(17,460)
Translation difference	(2,018)
Balance at December 31, 2004	1,257,379

The main addition to consolidation goodwill relates to the acquisition by ACS, Actividades de Construcción y Servicios, S.A. of a further 5.76% holding in Abertis Infraestructuras, S.A. for €283,609 million in 2004.

The detail, by company, of goodwill as of December 31, 2004, is as follows:

Thousands of Euros	Goodwill	Accumulated Amortization	Net Amount
Parent Company			
Merger with Grupo Dragados, S.A.	842,603	(103,794)	738,809
Concessions			
Abertis Infraestructuras, S.A.	294,363	(9,494)	284,869
Construction			
Tecsa Empresa Constructora, S.A. and other	9,194	(9,065)	129
Industrial			
Injar, S.A.	3,559	(541)	3,018
Electromur, S.A.	9,210	(189)	9,021
Sistemas Radiantes F. Moyano, S.A.	6,146	(1,222)	4,924
S.I.C.E., S.A.	15,616	(4,689)	10,927
Other subsidiaries	13,799	(3,222)	10,577
Services			
Urbaser, S.A.	52,141	(13,903)	38,238
Consenuer, S.A.	6,026	(2,117)	3,909
Aguas del Huesna, S.L.	2,924	(731)	2,193
KDM, S.A.	6,044	(1,805)	4,239
Servicios Urbanos y Medio Ambiente, S.A.	3,509	(595)	2,914
Ecolube, S.L.	9,647	(1,305)	8,342
Continental Auto, S.L.	32,939	(8,728)	24,211
Empresa Navarro, S.L.	2,678	(297)	2,381
Autobuses García, S.L.	2,833	(499)	2,334
Grupo Hijos de Simón Maestra, S.L.	7,345	(678)	6,667
Limpiezas Lafuente, S.L.	2,828	(399)	2,429
TV Transit, S.A.	8,204	(5,103)	3,101
New and Publicity, S.A.	5,936	(2,723)	3,213
CSX World T. Dominicana, Ltd.	6,565	(329)	6,236
Grupo Sintax	35,383	(4,825)	30,558
Marítima del Mediterráneo, S.A.	15,978	(3,853)	12,125
Operaciones Portuarias Canarias, S.A.	11,192	(2,112)	9,080
Other subsidiaries	47,147	(14,212)	32,935
TOTAL	1,453,809	(196,430)	1,257,379

6. Investments in companies accounted for by the equity method

The variations in the balance of this caption in 2004 were as follows:

Thousands of Euros

Balance at December 31, 2003	1,081,186
Change in consolidation method	7,578
Acquisitions and capital subscriptions	283,336
Income for the year	111,517
Sales	(4,506)
Decreases	(70,175)
Translation difference	(8,925)
Dividend distribution	(49,455)
Balance at December 31, 2004	1,350,556

The acquisitions and capital subscriptions relate mainly to the purchase of a 5.76% holding in Abertis Infraestructuras, S.A. in 2004. Noteworthy was the purchase made on September 21, 2004, whereby ACS and La Caixa acquired on the market, in two equal halves, Autostrade's 4.98% holding in Abertis. Consequently, ACS acquired a 2.49% stake for €200,567 thousand. In 2004, ACS gradually acquired a further holding in Abertis representing 3.27% of capital stock, thus increasing its total holding in this company to 17.58% as of December 31, 2004. At the date of preparation of these financial statements, the ownership interest in Abertis Infraestructuras, S.A. was 19.5%.

At the date of preparation of these financial statements, the holding in Inmobiliaria Urbis, S.A. was 22.0%.

The change in consolidation method arose mainly from the accounting of Bidelan Guipuzkoako Autobideak, S.A. by the equity method.

The translation differences caption relates mainly to the Chilean peso and the Mexican peso.

The detail, by company, of the balance of this caption as of December 31, 2004, is as follows:

Thousands of Euros

Company**Construction**

Covisur, S.A.	3,220
Other subsidiaries	3,344

Industrial

Red Eléctrica del Sur, S.A.	4,333
Expansión de Transmisión Eléctrica Brasil, S.A.	5,443
Transmissão Itumbiara Marimondo, S.A.	4,240
Cachoeira Paulista Transmisora de Energía, S.A.	5,971
Serra de Moncoso Cambas, S.L.	2,516
Cygnus Air, S.A.	2,467
Nordeste Transmisora de Energía, Ltda.	20,946
STE – Sul Transmisora de Energía, Ltda.	9,968
Other subsidiaries	11,682

Services

Tirme, S.A.	4,123
Aguas del Gran Buenos Aires, S.A.	3,183
American Forestry Technology, Inc.	2,195
E.M. de Aguas del Ferrol, S.A.	2,740
Ecoparc, S.A.	2,505
Estaciones El Pilar, S.A.	2,872
Foresta Individual 1, S.A.	4,959
Remolcadores de Barcelona, S.A.	10,649
Terminal Marítima Servicesa, S.A.	2,082
CSX World T. Dominicana, Ltd.	7,184
A.T.M. Cartera, S.A.	2,458
Iquique Terminal Internacional, S.A.	3,364
Operaciones Portuarias Canarias, S.A.	16,673
Other subsidiaries	15,028

Concessions

Abertis Infraestructuras, S.A.	658,994
Aeropuertos Mejicanos del Pacífico, S.A. de C.V.	49,196
Sociedad Concesionaria Autopista Central, S.A.	40,022
Sociedad Concesionaria Autopista Vespucio Norte, S.A.	32,312
Infraestructuras y Radiales, S.A.	28,202
Scutvias Autoestradas da Beira Interior, S.A.	16,398
Ruta de los Pantanos, S.A.	3,909
Bakwena Platinum Corridor Concessionaire, Ltd.	7,099
Bidelan Guipuzkoako Autobideak, S.A.	3,237
Metro de Sevilla Sdad. Concesionaria de la Junta de Andalucía, S.A.	23,931
SCL Terminal Aéreo Santiago, S.A., Sociedad Concesionaria	2,366
TP Ferro Concesionaria, S.A.	17,132
Circunvalación Alicante, S.A.	25,084
Rutas del Pacífico, S.A.	46,320
Other subsidiaries	1,779

Other companies

Inmobiliaria Urbis, S.A.	181,438
Xfera Móviles, S.A.	58,632
Other subsidiaries	360

TOTAL**1,350,556**

As of December 31, 2004, the Group had an effective ownership interest of 32.47% in the capital stock of Xfera Móviles, S.A. through ACS Telefonía Móvil, S.L. Xfera Móviles, S.A. is in the start-up phase of its business. As a result of the current technological and regulatory framework, Xfera Móviles, S.A. has adapted the economic variables of its initial business plan, which was updated and transformed into a business plan different from that prepared when the tender bid for the license was submitted, which demonstrates its viability. This business plan was prepared under the basic assumptions that the commercial launch will take place as soon as the technological framework and the market conditions permit it, and that the company will operate using its own network and the roaming and infrastructure sharing agreements entered into with other operators, adapting the investments and contracts to the new strategy.

As a result of the foregoing, the Group recorded an allowance for the losses incurred, adjusting the investment to the underlying book value of its holding.

In addition to the allowances recorded to adjust the investment to the underlying book value of the holding, and as a result of the general situation of uncertainty and slowdown currently affecting the telecommunications industry, which will affect the recovery period of the investments made, the Group, in accordance with the principle of prudence, recorded additional provisions totaling €60,594 thousand (€6,085 thousand of which were recorded in the year) as a reduction of the value of accounting Xfera Móviles, S.A. by the equity method, which are shown as decreases in the period variations.

In 2004 the Group acquired for €12,816 thousand, through an arbitral award, 9,674,513 shares of Xfera Móviles, S.A. from Vodafone Holding GmbH, and the related counter-guarantees were replaced.

7. Start-up expenses

The variations in the balance of this caption in 2004 were as follows:

Thousands of Euros

Balance at 12/31/03	15,525
Additions	2,047
Amortization	(4,883)
Variations in the scope of consolidation and other	(1,960)
Translation difference	(166)
Balance at 12/31/04	10,563

The additions relate mainly to preopening expenses incurred at the new companies formed in the year.

8. Intangible assets

The variations in the balance of this caption in 2004 were as follows:

Thousands of Euros	Balance at 12/31/03	Transfers	Variations in the Scope of Consolidation	Additions or Provisions	Translation Differences	Retirements or Reductions	Balance at 12/31/04
Investment	336,965	(11,355)	5,341	82,595	(246)	(26,424)	386,876
Accumulated amortization	(97,325)	3,934	(1,858)	(30,844)	145	15,304	(110,644)
TOTAL	239,640	(7,421)	3,483	51,751	(101)	(11,120)	276,232

The main additions are leased assets relating to the fleet of Continental Auto buses and machinery for logistics and port services. Also noteworthy in the additions column are the computer software and administrative concessions relating to logistics and port services.

The main retirements relate to computer software and R&D expenses.

The detail of intangible assets as of December 31, 2004, is as follows:

Thousands of Euros	Cost	Accumulated Amortization	Net Amount
Concept			
Research and development expenses	16,284	(12,788)	3,496
Administrative concessions	82,212	(22,346)	59,866
Intellectual property	3,285	(3,232)	53
Goodwill	3,499	(518)	2,981
Leasehold assignment rights	261	(17)	244
Computer software	40,855	(27,612)	13,243
Rights on leased assets	201,173	(41,832)	159,341
Advances on intangible assets	20,441	-	20,441
Other	18,866	(2,299)	16,567
TOTAL	386.876	(110.644)	276.232

The main characteristics of the principal financial lease contracts are as follows:

Thousands of Euros	
Original cost of leased assets	201,173
Lease payments payable (including purchase option)	145,158

9. Long-term assets in projects

The balance of the "Long-term Assets in Projects" caption on the asset side of the consolidated balance sheet as of December 31, 2004, includes the costs incurred by the fully consolidated companies in the construction of infrastructures whose operation constitutes the corporate purpose of the respective companies, the detail being as follows:

Thousands of Euros

Company	Type of Infrastructure	Investment	Accumulated Depreciation	Net Value of Long-Term Assets in Projects
Parques eólicos de Subgrupo Tecneira	Wind-powered facility	42,624	-	42,624
Energías Ambientales de Somozas, S.A.	Wind-powered facility	46,878	(10,553)	36,325
Sociedad Eólica de La Enderrocada, S.A.	Wind-powered facility	28,481	(8,279)	20,202
Energías Ambientales de Vimianzo, S.A.	Wind-powered facility	49,394	(8,926)	40,468
Energías Ambientales de Novo, S.A.	Wind-powered facility	17,633	(2,785)	14,848
Energía Ambientales de Outes, S.A	Wind-powered facility	37,850	(844)	37,006
Somozas Energía Renovables, S.A.	Wind-powered facility	11,254	(430)	10,824
Parque Eólico Valdecarro, S.L.	Wind-powered facility	1,010	-	1,010
Ortiga Energía Eólica, S.A.	Wind-powered facility	7,904	-	7,904
Ecovent Parc Eolic, S.A.	Wind-powered facility	16,981	(2)	16,979
Parque Eólico El Peru, S.L.	Wind-powered facility	35,387	(23)	35,364
Parque Eólico Marmellar, S.L.	Wind-powered facility	566	-	566
Vertresa RWE Senda UTE Las Dehesas (*)	Integral urban solid waste treatment plant	53,921	(11,191)	42,730
Tecmed BKU UTE Albada	Integral urban solid waste treatment plant	61,660	(4,343)	57,317
Servicios de Aguas de Misiones, S.A.	Water supply	3,887	(547)	3,340
Tirmadrid, S.A.	Waste treatment	127,468	(47,207)	80,261
Aguas del Huesna, S.L.	Water supply	113,975	(16,673)	97,302
Artemis Transmissora de Energia Ltda	Electricity transmission	14,423	-	14,423
Munirah Transmissora de Energia Ltda	Electricity transmission	9,383	-	9,383
Intercambiador de Transportes Avda. de América, S.A.	Transport interchange	22,854	(6,769)	16,085
Autovia de La Mancha, S.A.C.J.CC.CLM	Road	77,487	-	77,487
Aufé, S.A. Concesionaria (Dycasa)	Road	10,679	(6,259)	4,420
Servicios de Mantenimiento de Carreteras, S.A. (Semacar)	Road	49,287	(49,287)	-
Aunor, S.A. (Dycasa)	Road	4,878	(1,100)	3,778
Ferrocarriles del Norte de Colombia, S.A.	Railroad	113,407	-	113,407
Inversiones Nocedal, S.A.	Road	43,066	(19)	43,047
Taurus Holdings Chile, S.A.	Road	45,626	-	45,626
TOTAL COST		1,047,963	(175,237)	872,726

(*) Includes €51 thousand of start-up expenses

The variations in 2004 in the balance of this caption were as follows:

Thousands of Euros	Balance at 12/31/03	Variations in the Scope of Consolidation	Additions or Provisions	Translation Differences	Retirements or Reductions	Balance at 12/31/04
Investment	799,227	67,509	189,250	(4,416)	(3,607)	1,047,963
Accumulated depreciation	(157,305)	(2)	(24,445)	5,717	798	(175,237)
TOTAL	641,922	67,507	164,805	1,301	(2,809)	872,726

The "Project Financing" caption on the liability side of the balance sheet includes the amount of financing allocated to the projects. The breakdown, by company, as of December 31, 2004, is as follows:

Thousands of Euros		Short Term	Long Term	Total
Company				
Parques Eólicos Subgrupo Tecneira		-	35,432	35,432
Energías Ambientales de Somozas, S.A.		2,951	30,322	33,273
Sociedad Eólica de La Enderrocada, S.A.		1,904	12,587	14,491
Energías Ambientales de Vimianzo, S.A.		2,515	34,794	37,309
Energías Ambientales de Novo, S.A.		543	10,710	11,253
Energías Ambientales de Outes, S.A.		255	31,804	32,059
Somozas Energías Renovables, S.A.		12,585	-	12,585
Ortiga Energía Eólica, S.A.		-	3,851	3,851
Ecovent Parc Eolic, S.A.		65	16,669	16,734
Parque Eólico El Perul, S.L.		-	30,650	30,650
Servicios Aguas de Misiones, S.A.		1,167	5,917	7,084
Vertresa RWE Senda UTE Las Dehesas		3,114	28,062	31,176
Tecmed – BKU UTE Albada		2,278	27,598	29,876
Intercambiador de Transportes Avda. de América, S.A.		199	11,500	11,699
Autovía de La Mancha, S.A. C.J.CC.CLM.		-	69,478	69,478
Aufé, S.A. Concesionaria (Dycasa)		499	-	499
Aunor, S.A.		500	1,749	2,249
Aguas del Huesna, S.L.		1,809	34,274	36,083
Tirmadrid, S.A.		6,661	43,469	50,130
TOTAL		37,045	428,866	465,911

The detail, by maturity, of the portion maturing at long term is as follows:

Thousands of Euros	Maturity in				Total
	2006	2007	2008	2009 and Subsequent Years	
Balance at December 31, 2004	49,749	38,718	42,246	298,153	428,866

Noteworthy, due to its relative importance, is the financing relating to:

- Wind-powered facilities. These are loan agreements tied to variable Euribor based on certain ratios, maturing between 2013 and 2019.
- Integral urban solid waste treatment plants. The loans, maturing in 2016, bear interest tied to MIBOR or Euribor, which varies depending on the debt ratios and the repayment percentage.
- Tirmadrid, S.A. Comprises the following loans:
 - Loans for €54,091 thousand, with a fixed annual rate of 5.3%, systematically repayable in 10% annual installments through 2011. At 2004 year-end the outstanding principal amounted to €37,865 thousand.
 - Syndicated loan and subordinated loan from the shareholders, at interest rates tied to MIBOR, repayable in variable installments through 2010. At year-end the outstanding amounts totaled €10,789 thousand and €4,099 thousand, respectively.
- Aguas del Huesna, S.L. Outstanding loans amounting to €20,932 thousand and €15,151 thousand, with interest tied to MIBOR and Euribor, repayable in annual installments. The last installment will be paid in 2009 and 2019, respectively.
- Autovía de la Mancha, S.A. Long-term loan amounting to €118,000 thousand, of which €105,000 thousand are earmarked to finance project costs, with a grace period of four years and maturing in 2028. The other two tranches of €10,000 thousand and €3,000 thousand are assigned to possible additional costs and working capital requirements. There is a fixed interest rate of 4.8% for €84,000 and a floating interest rate formula for the remaining amount
- The Group has arranged various interest rate hedging contracts in connection with the aforementioned financing.

10. Tangible fixed assets

The variations in tangible fixed asset accounts and in the related accumulated depreciation in 2004 were as follows:

Thousands of Euros	Balance at 12/31/03	Variations in Scope of Consolidation	Additions or Provisions	Retirements or Reductions	Translation Difference	Transfers	Balance at 12/31/04
Land and structures	345,004	5,192	85,025	(12,170)	(759)	7,647	429,939
Plant and machinery	876,815	(8,886)	130,767	(81,019)	(1,968)	24,635	940,344
Other tangible fixed assets	560,300	5,841	83,931	(72,203)	(1,693)	(17,367)	558,809
Advances and construction in progress	140,799	832	92,449	(30,506)	(16)	(1,842)	201,716
Total tangible fixed assets	1,922,918	2,979	392,172	(195,898)	(4,436)	13,073	2,130,808
Accumulated depreciation	(849,019)	(3,604)	(174,529)	84,513	2,750	(7,028)	(946,916)
Total tangible fixed assets, net	1,073,899	(625)	217,643	(111,385)	(1,686)	6,045	1,183,892

As indicated in Note 4-h), the consolidated companies revalued their tangible fixed assets in accordance with current legislation.

There are mortgage loans on "Land and Structures" with an unmatured principal amount of €26,474 thousand.

Tangible fixed assets located abroad amounted to €223,383 thousand and the related accumulated depreciation to €117,683 thousand.

Of the Group's tangible fixed assets as of December 31, 2004, assets with a historical cost of €299,508 thousand had been depreciated in full and were in use.

The Group takes out the insurance policies to cover the possible risks to which its tangible fixed assets are subject.

The most significant amounts relating to assets that must revert to public-sector agencies on expiration of the concession period are recorded under the "Long-Term Assets in Projects" caption (see Note 4).

11. Marketable securities

a) Long-term marketable securities

The variations in the balance of this caption in 2004 were as follows:

Thousands of Euros	Cost	Allowances
Balance at 12/31/03	152,584	(60,123)
Additions or provisions	16,812	(8,077)
Retirements or reductions	(16,328)	7,661
Balance at 12/31/04	153,068	(60,539)

The detail of the balance of this caption as of December 31, 2004, is as follows:

Thousands of Euros	Cost	Allowance	Net Balance
Parent company			
Broadnet Consorcio, S.A.	11,722	(11,722)	-
World Trade Center Barcelona, S.A.	2,404	(518)	1,886
Construction			
Build 2 Build, S.A.	3,113	(2,242)	871
Can Brians 2, S.A.	10,355	-	10,355
Cleon, S.A.	25,337	(51)	25,286
Transportes Ferroviarios Madrid, S.A.	3,414	(1,442)	1,972
Compañía Nueva Plaza de Toros de Barcelona, S.A.	4,361	(152)	4,209
Parque Temático de Madrid, S.A.	5,924	(5,924)	-
Sacresa Belgique, S.A.	4,086	-	4,086
Industrial			
Saneamiento Norte, S.A.	3,667	(3,667)	-
Services			
Terra Mítica, S.A.	4,357	(4,357)	-
Concessions			
Autopista Central Gallega, Concesionaria Española, S.A.	4,296	-	4,296
Accesos Madrid, Concesionaria Española, S.A.	31,343	-	31,343
Autopista del Sol, S.A.	8,889	(8,889)	-
Other investments	29,800	(21,575)	8,225
TOTAL	153,068	(60,539)	92,529

The "Other Investments" caption includes mainly the cost of holdings in companies excluded from the scope of consolidation due to their scant materiality, and the cost of other investments that do not form part of the consolidated Group.

b) Other loans

The main items recorded under the "Other Loans" caption relate to the Securitization SPV, as indicated in Note 13.

c) Short-term investment securities

The balance of this caption includes investments in government debt securities amounting to €697,550 thousand made in order to place cash surpluses. These investments relate to high-liquidity and high-rotation assets that generate market returns.

d) Marketable securities in foreign currencies

The marketable securities in foreign currencies as of December 31, 2004, amounting to €30,653 thousand, are mainly in Chilean pesos and are recorded as long-term investment securities.

12. Inventories

The detail of the "Inventories" caption as of December 31, 2004, is as follows:

Thousands of Euros

Property products for sale	10,733
Raw materials and other supplies	219,673
Work-in-process, semifinished goods and finished goods	32,403
Advances	66,906
Precontract expenses	48,320
Facilities	24,857
Assets received in settlement of receivables	3,368
Allowances	(2,698)
TOTAL	403,562

Property products for sale relate to building lots, apartments, commercial premises and parking spaces belonging to Group companies that are earmarked for sale.

As of December 31, 2004, the foreign currency inventory balance relates mainly to the Chilean peso (€12,355 thousand), the Mexican peso (€9,260 thousand) and the Brazilian real (€8,807 thousand).

As of December 31, 2004, a mortgage had been arranged on a residential development in Las Tablas (Madrid) for €2,100 thousand, maturing at short term.

13. Accounts receivable

a) Trade receivables for sales and services

The detail of the balance of this caption as of December 31, 2004, is as follows:

Thousands of Euros

Trade receivables and notes receivable	3,544,293
Completed work pending certification	934,595
Total	4,478,888
Advances received on orders	(1,113,042)
Allowances for bad debts	(77,838)
TOTAL NET TRADE RECEIVABLES BALANCE	3,288,008

The detail of the net trade receivables balance, by activity, is as follows:

Thousands of Euros

Construction	1,455,844
Industrial	1,155,879
Services	720,515
Parent company, other and eliminations	(44,230)
TOTAL	3,288,008

The detail, by customer type, of the net balance receivable for construction-related activities is as follows:

Thousands of Euros

Public sector	
Central government	352,275
Autonomous Community governments	119,192
Municipal Councils	113,488
Autonomous agencies and state-owned companies	173,452
Private sector	697,437
TOTAL	1,455,844

The "Completed Work Pending Certification" caption reflects the difference at year-end between the amount of production from inception on each of the projects and contracts in progress at December 31, 2004, and the amount certified for each of them.

Consequently, the amount of this caption relates to the valuation at certification price of the construction units completed and of the services provided at year-end which have already been approved by the related customer or which, although pending approval, do not give rise to any doubts regarding their immediate approval, and which, accordingly, will be subsequently certified.

The average age of the balances receivable from the public sector in connection with construction is three months.

The "Trade Receivables and Notes Receivable" balance as of December 31, 2004, was reduced by €167,900 thousand relating to certificates receivable assigned through factoring without recourse in the construction area, €98,300 thousand in the industrial services area and €127,700 thousand in the services area.

The "Trade Receivables and Notes Receivable" balance was also reduced by the amounts received from the CAP – TDA1 "Fondo de Titulización de Activos", a securitization SPV which was set up on June 25, 2003.

Securitization involves the transformation of receivables into bonds marketed through the SPV acquiring the claims and issuing the securities. The bond issued by the securitization SPV, consisting of the accounts receivable of the ACS Group backlog, received the AAA rating from the rating agencies.

The amount of the receivables sold to the securitization SPV was €239,692 thousand as of December 31, 2004, of which €81,140 thousand were recorded as a current account with the securitization SPV included under the "Short-Term Investments – Other Short-Term Receivables" caption in the accompanying balance sheet.

b) Nontrade loans

Other short-term accounts receivable

The detail of the balance of this caption as of December 31, 2004, is as follows:

Thousands of Euros

Employee receivables	8,047
Taxes receivable	423,165
Other	323,555
TOTAL	754,767
ALLOWANCES	(24,901)

Nontrade loans in foreign currencies as of December 31, 2004, relate mainly to the Brazilian real (€7,911 thousand), the Argentine peso (€5,742 thousand), the pound sterling (€3,416 thousand) and the Mexican peso (€2,758 thousand).

14. Shareholders' equity

The variations in consolidated equity accounts in 2004 were as follows:

Thousands of Euros	Additional			Reserves of the Parent Company		Reserves at Consolidated Companies		Translation Differences	Income for the Year	Interim Dividend	Total
	Capital Stock	Paid-in Capital	Revaluation Reserve	Restricted Reserves	Other Reserves	Fully Consolidated Companies	Equity Accounted Companies				
Balance at 12/31/03	177,791	897,294	2,124	19,413	216,769	429,382	76,403	(209,575)	229,508	(42,670)	1,796,439
Retirement of treasury stock	(1,354)	-	-	-	(31,771)	-	-	-	-	-	(33,125)
Distribution of income:											
Reserves	-	-	-	15,879	263,467	(86,310)	(60,720)	-	(132,316)	-	-
Dividends	-	-	-	-	1,238	-	-	-	(97,192)	42,670	(53,284)
2004 interim dividend	-	-	-	-	-	-	-	-	-	(49,402)	(49,402)
Reserve for treasury stock	-	-	-	29,131	(29,131)	-	-	-	-	-	-
Variations in the scope of consolidation and other	-	-	-	-	29	(22,568)	1,026	24,051	-	-	2,538
Translation differences	-	-	-	-	-	-	-	(19,630)	-	-	(19,630)
Income for the year	-	-	-	-	-	-	-	-	460,385	-	460,385
Balance at 12/31/04	176,437	897,294	2,124	64,423	420,601	320,504	16,709	(205,154)	460,385	(49,402)	2,103,921

a) Capital stock

As of December 31, 2004, the capital stock consisted of 352,873,134 fully subscribed and paid bearer shares of €0.5 par value each, all with the same voting and dividend rights.

On May 20, 2004, the Shareholders' Meeting adopted the following resolutions:

- To reduce capital stock by 1,353,679.50 (par value) through the retirement of 902,453 shares of treasury stock, leaving the capital stock amount at €176,436,567.
- To reduce the par value of the shares from €1.5 to €0.50 with the consequent simultaneous increase in the number of shares of capital stock, which after the reduction mentioned in the preceding paragraph increased from 117,624,378 shares of €1.5 par value each to 352,873,134 shares of €0.50 par value each.

The shares of ACS, Actividades de Construcción y Servicios, S.A. are listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and traded through the Spanish computerized trading system.

Apart from the Parent Company, the companies included in the scope of consolidation whose shares are listed on securities markets are Abertis Infraestructuras, S.A. and Inmobiliaria Urbis, S.A. (on the Spanish stock markets) and Dragados y Construcciones Argentina, S.A.I.C.I. (on the Buenos Aires Stock Exchange).

As of December 31, 2004, the sole shareholder with a holding equal to or exceeding 10% of the capital stock of the Parent Company was the Banca March Group with a holding of 15.55%.

As of December 31, 2004, the shareholders with a holding equal to or exceeding 10% of the capital stock of the Group's main investees were as follows:

Group Company	Percentage of Ownership	Shareholder
Sopol, S.A.	49.9 %	Silger Sgps, S.A.
Tirmadrid, S.A.	18.6 %	Unión Fenosa Renovables, S.A.
	15.0 %	Endesa Cogeneración y Renovables, S.A.
Procme, S.A.	25.0 %	José Reis Costa
Rutas del Pacífico, S.A.	50.0 %	Itinere Infraestructuras, S.A.
Abertis Infraestructuras, S.A.	23.99 %	Caja de Ahorros y Pensiones de Barcelona, S.A.
Inmobiliaria Urbis, S.A.	51.28 %	Banco Español de Crédito, S.A.

b) Additional paid-in capital

The revised Corporations Law expressly permits the use of the additional paid-in capital balance to increase capital and establishes no specific restrictions as to its use for other purposes.

c) Revaluation reserve

Pursuant to Royal Decree Law 7/1996, the Parent Company availed itself of account revaluation and recorded a revaluation reserve of €2,124 thousand, net of the single 3% tax.

The balance of this account may be used, free of taxes, to eliminate recorded losses, both accumulated losses and current losses, or losses which may be incurred in the future, and to increase capital. Once a ten-year period has elapsed, the balance may be taken to unrestricted reserves, provided that the monetary surplus has been realized. The surplus will be deemed to have been realized in respect of the portion on which depreciation has been taken for accounting purposes or when the revalued assets have been transferred or retired from the accounting records.

If this balance were used in a manner other than that provided for in Royal Decree-Law 7/1996, it would be subject to tax.

d) Other reserves of the Parent Company

Restricted reserves

Under the revised Corporations Law, 10% of income for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of capital stock. The legal reserve may not be distributed to shareholders, except in the event of liquidation of the Company.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased capital stock amount.

Except as mentioned above, until the legal reserve exceeds 20% of capital stock, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

The legal reserve at the Parent Company amounted to €35,130 thousand.

This caption also includes the reserve for redenomination of capital stock to euros amounting to €162 thousand, which is restricted.

Treasury stock

As of December 31, 2004, the Parent Company owned 1,726,969 shares of treasury stock, of €0.5 par value each, representing 0.489% of capital stock, with a book value of €29,131 thousand which is recorded under the "Short-Term Parent Company Shares" caption.

As required by Article 79.3 of the Spanish Corporations Law, the Parent Company has recorded a reserve for treasury stock, amounting to €29,131 thousand, with a charge to voluntary reserves. This reserve is unrestricted until the shares are disposed of or retired.

The variations in treasury stock in 2004 were as follows:

Thousands of Euros	Shares	Amount
Balance at 12/31/03	902,453	26,875
Purchases before stock split	1,895,439	75,823
Retirement of treasury stock	(902,453)	(33,125)
Balance after stock split	5,686,317	69,573
Purchases	6,144,713	93,486
Sales	(10,104,061)	(133,928)
Balance at 12/31/04	1,726,969	29,131

The gain on the sale of treasury stock amounted to €29,611 thousand.

Unrestricted reserves

These reserves are voluntary and are not subject to any regulations restricting their use.

e) Reserves at fully consolidated companies and at companies accounted for by the equity method

The amounts contributed to reserves by the Group's main Business Units, taking into account the net worth effect of the companies included therein, are as follows:

Thousands of Euros

Fully and proportionally consolidated companies

Construction	51,450
Industrial	123,298
Services and Concessions	142,311
Other	3,445
TOTAL	320,504

Companies accounted for by the equity method

Construction	(2)
Industrial	1,418
Services and Concessions	36,743
Other	(21,450)
TOTAL	16,709

f) Translation differences

Translation differences at fully or proportionally consolidated companies

Translation losses amounted to €146,266 thousand as of December 31, 2004, the detail being as follows:

Thousands of Euros

Construction	(34,569)
Industrial Services	(16,944)
Services and Concessions	(94,451)
Other	(302)
TOTAL	(146,266)

Translation differences at companies accounted for by the equity method

Translation losses amounted to €58,888 thousand as of December 31, 2004, the detail being as follows:

Thousands of Euros

Industrial services	(861)
Services	(21,667)
Concessions	(36,360)
TOTAL	(58,888)

g) Interim dividend paid during the year

At the meeting on December 16, 2004, the Parent Company's Board of Directors resolved to distribute an interim dividend of €0.14 per share, totaling €49,402 thousand, which was paid on January 24, 2005. On October 31, 2004, the Company prepared the liquidity statement required under Article 216 of the revised Corporations Law in this connection. This interim dividend paid is recorded under the "Interim Dividend Paid During the Year" caption as a reduction of "Shareholders' Equity".

15. Minority interests

This caption in the accompanying consolidated balance sheet reflects the proportional amount of the equity of minority interests in the Group companies. The variations in 2004, by item, were as follows:

Thousands of Euros

Balance at 12/31/03	99,269
Income for the year	17,104
Dividends received	(7,121)
Variation in the scope of consolidation	5,023
Capital variations	5,161
Translation differences and other	(339)
Balance at 12/31/04	119,097

The breakdown of the balance of this caption as of December 31, 2004, is as follows:

Thousands of Euros	Capital Stock	Reserves	Income for the Year	Total
Construction	8,204	4,828	9,562	22,594
Industrial Services	18,448	5,044	1,508	25,000
Services and Concessions	47,537	17,932	6,034	71,503
TOTAL	74,189	27,804	17,104	119,097

16. Deferred revenues

The variations in the "Deferred Revenues" caption in 2004 were as follows:

Thousands of Euros	Balance at 12/31/03	Variation in Scope of Consolidation	Translation Difference	Additions	Transfers	Allocation to Income for the Year	Balance at 12-31-04
Subsidies	119,678	(4,295)	2,639	26,763	5,091	(3,061)	146,815
Other deferred revenues	15,921	17	91	9,378	(6,073)	(4,730)	14,604
TOTAL	135,599	(4,278)	2,730	36,141	(982)	(7,791)	161,419

The subsidies were granted by various public agencies mainly to finance investments in tangible fixed assets. Evidence of compliance with the conditions established in the relevant decisions granting the subsidies was provided to the relevant competent agencies.

Certain subsidies are assigned to various administrative concessions. The most significant subsidies were those granted to Aguas del Huesna, S.L., Ferrocarriles del Norte de Colombia, S.A. and Tecmed BKU UTE Albada. The Group allocates these subsidies to income over the concessions term.

17. Provisions for contingencies and expenses

The variations in 2004 were as follows:

Thousands of Euros

Balance at 12/31/03	405,729
Variations in the scope of consolidation	(24)
Translation difference	(241)
Period provisions	72,505
Transfers	(61,139)
Amounts used or reductions	(158,743)
Balance at 12/31/04	258,087

€26,693 thousand of the balance of this caption relate to the reversion reserves contributed by various Group companies.

The balance of this caption was recorded to meet probable third-party liability, as described in Notes 4-p and 6. This caption also includes, in accordance with the principle of utmost prudence, the provisions for possible contingent risks associated with various international projects. €60,594 thousand of the transfers (€6,085 thousand of which were recorded in the year) relate to the provision recorded by Xfera Móviles, S.A., which was reported as a reduction of the value of accounting this holding by the equity method (see Note 6).

The amounts used relate mainly to payments made as a result of the restructuring made after the merger with Grupo Dragados, S.A.

18. Long- and short-term nontrade payables

The detail of the payables to credit institutions is as follows:

Thousands of Euros

	Short Term	Long Term	Total
Secured loans	20,749	22,743	43,492
Drawdowns against credit facilities	934,929	1,338,308	2,273,237
Discounted bills and notes	10,338	-	10,338
Discounted construction certificates	39,918	-	39,918
Financial lease payments payable	33,699	111,459	145,158
Unmatured interest payable	14,993	-	14,993
Other loans	22,871	27,302	50,173
TOTAL	1,077,497	1,499,812	2,577,309

The limit on the credit facilities granted to the Group is €2,789,453 thousand, of which €516,216 thousand had not been drawn down as of December 31, 2004.

The most significant secured loan relates to the mortgage loan of €5,409 thousand to the subsidiary COGESA. This loan matures in 2009 and is secured by the building at Avenida de Pío XII, 102, Madrid, the cost of which is recorded under the "Tangible Fixed Assets" - "Land and Structures" caption in the accompanying consolidated balance sheet.

There is also a loan of €2,100 thousand secured by mortgage on a property development in Las Tablas (Madrid), which is currently in process and is earmarked for sale, maturing at short term.

In order to restructure its debt as a result of the acquisition of a 33.5% holding in Grupo Dragados, S.A., in March 2004 the Parent Company arranged a long-term syndicated loan with various credit institutions, the main features of which are as follows:

- Agent entities and underwriters: Caja de Ahorros y Monte de Piedad de Madrid and Caixa d'Estalvis i Pensions de Barcelona
- Loan amount. €900,000 thousand
- Maturity: 50% in 2008 and 50% in 2009
- Interest at market rates tied to Euribor
- The Group must comply with certain financial ratios which are being met.

The "Payable to Credit Institutions" caption includes €42,857 thousand at long term and €85,117 thousand at short term relating to a syndicated loan, with repayment of part of the principal in 2005 and with final maturity in 2006. This loan bears market interest tied to Euribor. The agent bank for the loan is Santander Central Hispano and the grant conditions establish compliance with certain consolidated financial ratios that the Group meets. The Parent Company has arranged various interest rate hedging contracts in connection with this loan.

The interest accrued on the financial debt was tied to Mibor and Euribor, plus a spread based on market conditions.

The detail, by maturity, of "Long-term Debt" – "Payable to Credit Institutions" caption as of December 31, 2004, is as follows:

Thousands of Euros	2006	2007	2008	2009	2010 and Subsequent Years	Total
Balance at December 31, 2004	226,583	109,570	524,468	564,635	74,555	1,499,811

The foreign currency amount included in nontrade payables relates mainly to the Venezuelan bolivar (€12,610 thousand), to the Chilean peso (€7,571 thousand) and to the Mexican peso (€7,095 thousand).

As of December 31, 2004, foreign currency amounts payable to credit institutions included €21,754 thousand in Chilean pesos and €13,774 thousand in Egyptian pounds.

The Group has arranged various interest rate hedging contract in connection with significant long-term projects.

19. Tax matters

The reconciliation of consolidated income for the year per books to the taxable income for corporate income tax purposes is as follows:

Thousands of Euros	Increases	Decreases	Amount
Income per books before taxes			623,469
Net income from equity accounting			(114,655)
Permanent differences:			
Individual companies	46,028	60,198	(14,170)
Consolidation adjustments	34,548	12,895	21,653
2004 tax losses available for carryforward			29,662
Offset of prior years' tax losses			(10,803)
ADJUSTED INCOME			535,156
Tax charge (35% of adjusted income)			187,305
Tax credits and tax relief			(28,214)
Differential due to effective taxation abroad			(1,500)
Adjustments to corporate income tax			(11,611)
CORPORATE INCOME TAX EXPENSE			145,980

The Group companies resident in Spain which qualify for the consolidated tax regime file consolidated tax returns. The "Corporate Income Tax" caption in the consolidated statement of income reflects the tax charge relating to the Tax Group, plus the tax charges of companies which submit individual tax returns.

€10,803 thousand of "Prior-Years' Tax Losses" were offset in 2004. Under current tax legislation, the tax loss of a given year can be carried forward to offset against the taxable income of the following 15 years.

The 2003 tax losses available for carryforward, totaling €29,662 thousand, relate to losses at companies outside the Tax Group, the tax effect of which has not been recorded.

The tax losses available for carryforward at Group companies resident in Spain as of December 31, 2004, amounted to €46,671 thousand, the detail by tax years being as follows:

Thousands of Euros

Year

1994 - 2000	3,899
2001	13,527
2002	19,425
2003	3,327
2004	6,494

In accordance with the principle of prudence in valuation, the positive tax effect of these tax losses on the corporate income tax for the coming years has not been recorded in the accompanying consolidated balance sheet, with the exception of non-material amounts for which there are no doubts as to their future recoverability.

In 2004, ACS, Actividades de Construcción y Servicios, S.A., as the Parent Company of the Tax Group, was notified of the tax audit of years 1999 through 2002. The outcome of this tax audit has not yet been documented.

20. Guarantee commitments to third parties

As of December 31, 2004, the Group has received from financial institutions and insurance companies guarantees provided to third parties for a total amount of €4,077,281 thousand, mainly in connection with the performance of projects.

Also, ACS, Actividades de Construcción y Servicios, S.A. has provided guarantees of €115,314 thousand to secure the performance of commitments acquired to receive the telecommunications licenses (Xfera Móviles S.A. and Broadnet Consorcio, S.A.), the costs of which are borne by these companies.

Group management considers that any unforeseen liabilities at 2004 year-end which might arise from the guarantees provided would not be material.

21. Revenues and expenses

a) Breakdown of net sales

The breakdown of the Group's net ordinary sales is as follows:

Thousands of Euros

By activity

Construction	5,230,330
Civil works	3,092,470
Building construction	2,137,860
Industrial	3,490,487
Services and Concessions	2,344,613
Intercompany and Parent Company eliminations	(104,774)
TOTAL	10,960,656

By market

Domestic market	9,159,383
Foreign market	1,801,273
Europe	843,546
America	831,155
Other	126,572
TOTAL	10,960,656

The detail of net sales relating to the Construction area, by type of customer, is as follows:

Thousands of Euros

Central Government	1,486,070
Autonomous Community Governments	819,490
Municipal Councils	509,970
Private Entities	1,930,420
Exports	484,380
TOTAL CONSTRUCTION	5,230,330

In 2004, foreign currency transactions relating to sales and services rendered amounted to €785,681 thousand and those relating to purchases and services received amounted to €615,882 thousand.

b) Backlog

The backlog by line of business as of December 31, 2004, was as follows:

Thousands of Euros

Construction	8,525,450
Industrial	3,414,883
Environmental Services	7,177,455
Port, Logistics and Transport Services	4,810,625
TOTAL	23,928,413

The detail of the Construction backlog, by type of project, is as follows:

Thousands of Euros

Domestic market:	7,932,150
Civil works	5,063,870
Building construction	2,868,280
Foreign market	593,300
TOTAL	8,525,450

c) Personnel

The average number of employees at the Group companies in 2004 was 106,994, of whom 67 were employees of the Parent Company.

The detail of the average number of employees, by professional category, is as follows:

Category	Number of Employees
University graduates	5,339
Junior college graduates	4,883
Non-graduate line employees	6,486
Clerical personnel	5,769
Other personnel	84,517
TOTAL	106,994

The distribution of employees in 2004, by line of business, was as follows:

	Number of Employees
Parent and other companies	82
Construction	17,533
Industrial	28,302
Services	60,491
Concessions	586
TOTAL	106,994

d) Extraordinary revenues and expenses

Extraordinary revenues and expenses were mainly as follows:

- Gain on the sale of treasury stock amounting to €29,611 thousand.
- The gains on fixed assets relate mainly to the sale of vehicles belonging to Continental Auto and to assets not required for the Group's business activity.
- The extraordinary expenses relate mainly to the restructuring of various Group companies and to the coverage of possible risks in the telecommunications industry.

e) Contribution of each line of business to consolidated income

The detail of the contribution from each line of business to 2004 consolidated income was as follows:

Thousands of Euros	Aggregate Income	Minority Interests	Income Attributed to the Parent Company
Construction	226,493	(9,570)	216,923
Industrial	150,407	(1,500)	148,907
Services and concessions	152,973	(6,034)	146,939
Parent company, others and adjustments	(52,384)	-	(52,384)
TOTAL	477,489	(17,104)	460,385

22. Other information

Directors' compensation

In 2004 the members of the Parent Company's Board of Directors received compensation for wages and professional fees amounting to €5,948 thousand and bylaw-stipulated directors' fees amounting to €2,220 thousand related to statutory attendance payments from the Group companies of which they are directors or board members. Additionally, they earned €4 thousand of life insurance premiums. These amounts do not include the commitments referred to in Note 4.o) of these notes to consolidated financial statements.

Stock Options Plans

At the meetings held on December 16, 1999, on June 13, 2000, and finally on March 21, 2002, and by virtue of the authorization granted by the Shareholders' Meeting on June 29, 1999, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. resolved to establish a Stock Options Plan on the shares of ACS, Actividades de Construcción y Servicios, S.A. with the following salient features:

Number of shares covered by plan: initially 1,095,000 shares, later increased to 192,235 shares. As a result of the stock split described in Note 10, the number of shares increased to 3,285,000 and 576,705, respectively.

Beneficiaries: 24 managers in four categories: 1st category: 1 beneficiary with 906,354 shares; 2nd category: 5 beneficiaries with options on between 443,010 and 210,000 shares each; 3rd category: 13 beneficiaries with 184,000 shares each and 4th category: 5 beneficiaries with 45,000 shares each.

The acquisition price is €9.10 per share for a total of 3,285,000 shares and €10.19 per share for the remaining 576,705 shares.

The options will be exercisable in three equal parts and may be accumulated at the beneficiary's option in the fourth, fifth and sixth year after January 1, 2000, inclusively. As of December 31, 2004, 444,902 options had already been exercised.

The tax withholdings and applicable taxes will be borne by the beneficiaries.

Additionally, on July 1, 2004, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A., in keeping with the resolutions adopted by the Shareholders' Meeting on May 20, 2004, set up a new Stock Options Plan with the following features:

Number of shares of the Plan: 7,038,000 shares

Beneficiaries: 33 managers: 1 manager with 1,710,000 shares; 6 managers with between 900,000 and 300,000 shares; 16 managers with 108,000 shares, 10 managers with between 75,000 and 45,000 shares.

Acquisition price: €13.91 per share.

The other features are the same as for the aforementioned plan.

The Parent Company has externalized these commitments and transferred them to a financial institution. The Parent Company reports annually the costs incurred by this institution as a result of the externalization.

The stock market price of ACS shares as of December 31, 2004, was €16.80 and, therefore, no risk arose for the Company at that date.

Environmental matters

The main environmental measures taken by the ACS Group in 2004 were as follows:

- Preparation of Good Environmental Practices manuals.
- Certification of Environmental Management Systems.
- Training programs.
- Awareness campaigns with the main construction companies with the highest environmental impact.
- Campaign for the recycling of construction waste and the demolition and recycling of goods.
- Cooperation in research projects relating to the generation of waste in construction.
- ANTENNEA Project to reduce the radio impact for wireless telephony networks.
- Ecoparc Program for the creation of environmental spaces in port environments.
- Measures aimed at reducing CO₂ emissions basically in the Services area.

Environmental assets

The main environmental assets are the purifying facilities, biofilters and other assets, the purpose of which is to minimize damage to the environment. As of December 31, 2004, the value of these assets, net of depreciation, was €34,215 thousand.

Environmental expenses

The environmental expenses incurred in 2004 had no material impact on the statement of income.

Long-term obligations and contingent liabilities

The directors of the ACS Group consider that any environmental contingencies which might arise are sufficiently covered by the third-party liability insurance policies that have been taken out. The amount of the provisions for probable or certain third-party liability, litigation in progress and indemnity payments recorded under the "Provision for Contingencies and Expenses" caption (see Note 18) is not material.

The guarantees provided to secure the implementation of the plans to restore the land on which the Group has set up plants or carried on its production activity amount to €683 thousand.

Auditors' fees

The fees for financial statement audit services provided to the various companies composing the Consolidated Group in 2004 amounted to €2,992 thousand.

The Group paid €500 thousand to audit firms for other services, mainly accounting services.

Detail of directors' equity interests in companies engaging in similar business activities and performance by directors, as independent professionals or as employees, of similar activities

Pursuant to Article 127 ter.4 of the Spanish Corporations Law, introduced by Law 26/2003, which amends Securities Market Law 24/1988, and the revised Spanish Corporations Law, in order to reinforce the transparency of listed corporations, following is a detail of the companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the corporate purpose of ACS, Actividades de Construcción y Servicios, S.A. in which the members of the Board of Directors own equity interests, and of the functions, if any, that they discharge thereat:

Director	Investee	Line of Business	Holding	Function
Miguel Blesa de la Parra	Cintra, Concesiones de Infraestructuras de Transportes S.A.	Infrastructure concessions	0.001%	None
Pedro José López Jiménez	Terratest Técnicas Especiales, S.A.	Special foundations	45%	Chairman (through Fapindus, S.L.)
José Luis del Valle Pérez	Inmobiliaria Paredes, S.A.	Real estate	13.57%	Sole director
	Del Valle Inversiones, S.A.	Real estate	33.33%	Director acting severally
	Inversiones Montecarmelo, S.A.	Real estate	23.49%	None
	Sagital, S.A.	Security and cleaning	5.10%	None
Antonio García Ferrer	Inmobiliaria Urbis, S.A.	Real estate	0.000%	Director
Santos Martínez-Conde Gutierrez-Barquin	FCC, S.A.	Construction and services	0.003%	None
	Ferrovial, S.A.	Construction and services	0.001%	None
	Abengoa, S.A.	Engineering and assembly	0.002%	None
	Gamesa, S.A.	Wind-powered facilities	0.000%	None
	Abertis Infraestructuras, S.A.	Infrastructure concessions	0.000%	None
Isidro Fernández Barreiro	FCC, S.A.	Construction and services	0.001%	None
Javier Monzón de Cáceres	Indra Sistemas, S.A.	Information technologies and defense systems	0.039%	Chairman

Also pursuant to the aforementioned law, following is a detail of the activities performed by the directors, as independent professionals or as employees, that are identical, similar or complementary to the activity that constitutes the corporate purpose of ACS, Actividades de Construcción y Servicios, S.A., excluding the companies controlled by the ACS Group:

Director	Activity	Type of Arrangement	Company through which the Activity is Performed	Position or Function at the Company
Miguel Blesa de la Parra	Holding of equity interests empresariales	Employee	Corporación Financiera de Caja Madrid, S.A.	Chairman of the Board of Directors
Pedro José López Jiménez	Engineering	Employee	Ghesa Ingeniería y Tecnología, S.A.	Director
	Marketing of machinery	Employee	Atlas Copco, SAE	Director
José Luis del Valle	Tyres and other automobile products	Employee	Continental Industrias del Caucho, S.A.	Chairman
	Franchise of automobile products	Employee	FSC Servicios de Franquicia, S.A.	Chairman
	Parking lots	Employee	Saba Aparcamientos, S.A.	Director
	Wireless telephony	Employee	Xfera Móviles, S.A.	Director
	Tollroad concessions	Employee	Iberpistas, S.A.C.E.	Director-Secretary
Pablo Vallbona Vadell	Tollroad concessions	Employee	Abertis Infraestructuras, S.A.	Director-Deputy Chairman
	Tollroad concessions	Employee	Iberpistas, S.A.C.E.	Director-Chairman
Santos Martínez Conde	Tollroad concessions	Employee	Autopistas Concesionaria Española (ACESA)	Director
Javier Echenique Landiribar	Maritime	Employee	Erhardt y Compañía	Director
	Wireless telephony	Employee	Telefónica Móviles, S.A.	Director
	Construction components	Employee	Uralita, S.A.	Director
Julio Sacristán Fidalgo	Tollroad concessions	Employee	Autopistas Aumar, S.A.C.E.	Director
Antonio García Ferrer	Infrastructure concessions	Employee	Abertis Infraestructuras, S.A.	Director
Miguel Roca Junyent	Infrastructure concessions	Employee	Abertis Infraestructuras, S.A.	Nondirector Secretary

Director	Activity	Type of Arrangement	Company through which the Activity is Performed	Position or Function at the Company
Javier Monzón de Cáceres	Information technologies and defense systems	Employee	Indra Sistemas, S.A.	Chairman
	Information technologies	Employee (Argentina)	Indra SI., S.A. accionista Indra Sistemas, S.A.	Director in representation of the shareholder Indra Sistemas, S.A.
	Consulting	Employee	Europraxis - Atlante, S.L.	Chairman of the Board in representation of the shareholder Indra Sistemas, S.A.
	Activities related to computer and telematic systems	Employee	Inversis Networks, S.A.	Director in representation of the shareholder Indra Sistemas, S.A.
	On-line financial institution	Employee	Banco Inversis Net, S.A.	Director in representation of the shareholder Indra Sistemas, S.A.
	Venture capital	Employee	Marco Polo Investments, S.C.R.	Individual in representation of the Board of Indra Sistemas, S.A.
Isidro Fernández Barreiro	Security	Employee	Prosegur, S.A.	Director
Álvaro Cuervo García	Construction components	Employee	TAFISA, Tableros de Fibras, S.A.	Director
José María Loizaga Viguri	Elevators	Employee	Zardoya Otis, S.A.	Deputy Chairman
	Venture capital	Independent professional	Mercapital, S.L.	Chairman
	Venture capital	Independent professional	Capital Stock	Chairman

In 2004 the ACS Group had commercial relationships with companies in which certain of its directors hold management functions. All these commercial relationships were performed in the ordinary course of business on an arm's-length basis and related to transactions usually performed by the Group companies.

23. Transition to International Financial Reporting Standards (IFRSs)

Under Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002, all companies governed by the law of an EU Member State and whose securities are admitted to trading on a regulated market of any Member State must prepare their consolidated financial statements for the years beginning on or after January 1, 2005, in conformity with the International Financial Reporting Standards (IFRSs) previously adopted by the European Union. In conformity with this Regulation,

the Group will have to present its consolidated financial statements for 2005 in accordance with the IFRSs adopted by the European Union. In Spain, the obligation to present consolidated financial statements under the IFRS approved in Europe has been regulated in Final Provision 11 of Law 62/2003 on Tax, Administrative, Labor and Social Security Measures (Spanish Official State Gazette of December 31, 2003).

Under IFRS 1, First-Time Adoption of International Financial Reporting Standards, approved by Commission Regulation (EC) 707/2004 dated April 6 (OJEU of April 17), although the first consolidated financial statements prepared in accordance with IFRSs will, in the case of the Group, be those for the year ending December 31, 2005, it will be necessary to include, for comparison purposes, the figures for the preceding year (2004) prepared on a basis consistent with that used to calculate the figures for 2005. Accordingly, an opening balance sheet will have to be prepared as of the date of transition to IFRS accounting methods (January 1, 2004, in the case of the Group), also in accordance with the IFRSs in force as of December 31, 2005.

In order to meet the obligation imposed by Regulation (EC) no. 1606/2002 and the provisions of Law 62/2003, the Group has established a plan for the transition to IFRSs that includes, inter alia, the following steps:

1. Analysis of the differences between the methods provided for in the National Chart of Accounts in force in Spain and in IFRSs, and of the effects of these differences on the estimates required to prepare the financial statements.
2. Selection of the methods to be used in cases or areas in which IFRSs permit alternative accounting treatments to be applied.
3. Assessment and determination of the appropriate changes to or adaptations of the operating procedures and systems used for compiling and providing the information required in order to prepare the consolidated financial statements.
4. Assessment and determination of the changes that have to be made in the planning and organization of the process involved in the compilation of information and the conversion and consolidation of the information of Group and associated companies.
5. Preparation of the opening consolidated financial statements, as of the transition date, in accordance with IFRSs.

Since the aforementioned plan is currently being implemented and will be finally completed in 2005, it is not possible to estimate fully and reliably at present, with all the relevant information available, the possible effects of the transition taking into account the following matters:

- As a result of the requirements of IFRS 1, the final determination of these possible effects will be subject to the International Financial Reporting Standards (IFRS) and interpretations (IFRIC) thereof that are ultimately in force as of the date of the first consolidated financial statements that the Group prepares in accordance with IFRSs, i.e. December 31, 2005, in the case of the Group.
- Lastly, the Company has not yet adopted final decisions in connection with the selection of the methods to be used in cases in which alternative accounting treatments are permitted under IFRSs.

24. Explanation added for translation to English

These consolidated financial statements are presented on the basis of accounting principles generally accepted in Spain. Certain accounting practices applied by the Group that conform with generally accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries.



Valverde-Ardón highway (León)

Exhibit I

Fully consolidated companies

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
PARENT COMPANY						
ACS, Actividades de Construcción y Servicios, S.A. <i>Avda. de Pío XII, 102, Madrid</i>	A Parent Company					
ACS Colombia, S.A. <i>Santa Fe de Bogotá (Colombia)</i>	Construction	92.00	8.00	100.00	628	Dragados, S.A.
Sociedad Promotora de Proyectos Integrados, PR PISA, S.A. <i>Avda. de Burgos, 16-D, 3º dcha., Madrid</i>	Concession Studies and Promotion	66.67	33.33	100.00	270	Cobra Instalaciones y Servicios, S.A.
Nexo 50 Correduría de Seguros, S.A. <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>	Insurance brokers	99.99	0.01	100.00	307	Villanova, S.A.
Novovilla, S.A. <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>	Acquisition of movable and immovable property	99.99	0.01	100.00	3,588	Villanova, S.A.
Villanova, S.A. <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>	Acquisition of movable and immovable property	99.99	0.01	100.00	343	Novovilla, S.A.
CONSTRUCTION						
Dragados S.A. <i>Avda. de Pío XII, 102, Madrid</i>	A Construction	100.00		100.00	342,472	ACS Actividades y Comunidades Gestionadas, S.A.
Acainsa, S.A. <i>Orense, 34. Madrid</i>	Real estate		99.99	99.99	2,984	Dragados, S.A.
Aparcamiento Tramo C. Rambla- Coslada.S.L. <i>Orense, 34. Madrid</i>	Parking lot operation		99.99	99.99	2,299	Dragados, S.A.
Cariátide, S.A. <i>Orense, 34. Madrid</i>	Real estate holding company		99.99	99.99	1,785	Dragados, S.A. (99.99%) and Aparc. Tramo C. Rambla-Coslada, S.L. (0.01%)
Castellano Leonesa de Minas, S.A. <i>Prado de la Guzpeña-León</i>	Mining. Inactive		100.00	100.00	447	Dragados, S.A.
Comunidades Gestionadas, S.A. (COGESA) <i>Orense, 34 Madrid</i>	A Real estate	99.99	0.01	100.00	18,282	Dragados, S.A.
Construcciones Especiales y Dragados, S.A. (Drace) <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>	A Construction		100.00	100.00	16,612	Dragados, S.A. (99.99%) and Villanova, S.A. (0.01%)
Constructora Dycven, S.A. <i>Veracruz, Edificio Torreón, Piso 3 Urbanización Las Mercedes Caracas</i>	C Construction		100.00	100.00	2,460	Dragados, S.A.
Constructora Vespucio Norte, S.A. <i>Avda. Américo Vespucio, 1565 Quilicura. Santiago de Chile</i>	C Construction		54.00	54.00	7	Dragados, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Corporación Constructora del Sur, S.A. de C.V. <i>Cuernavaca (Mexico)</i>	Construction		99.88	99.88	0	Dragados, S.A.
Drace Prefabricados de Edificación, S.L. <i>Camino de la Vega, Parcela 69, 70, 71. Chiloeches - 19160 Guadalajara</i>	Construction		100.00	100.00	6	Construcciones Especiales y Dragados, S.A. (Drace) (98.33%) and Dragados, S.A. (1.67%)
Dragados Maroc, S.A. <i>C/ 63 Moulay Youssef, Residence Adriana Casablanca Morocco</i>	M Construction		100.00	100.00	0	Dragados, S.A. (99.99%) and other (0.01%)
Dragados Roads, Ltd. <i>Stonemason's Court. Cementery Pales Rookwood Woking GU24 OBI (United Kingdom)</i>	A Construction		100.00	100.00	0	Dragados, S.A.
Dragados y Construcciones Argentina, S.A.I.C.I. (Dycasa) <i>Avda. Leandro N. Alem., 986. 1001 Buenos Aires (Argentina)</i>	L Construction		66.10	66.10	12,508	Dragados, S.A.
Drasel, S.A. <i>Route de Versonnex, 5 Cessy 7500 France</i>	Construction		60.00	60.00	5	Dragados, S.A.
Electren, S.A. <i>Raimundo Fdez. Villaverde, 53 - Madrid</i>	A Specialized construction		99.99	99.99	1,503	Vias y Construcciones.S.A.
Gasoductos y Redes Gisca, S.A. <i>Orense, 11. Madrid</i>	Construction		52.50	52.50	1,250	Vias y Construcciones.S.A.
Geotecnia y Cimientos, S.A. <i>Los Llanos de Jerez, 10 y 12. 28820 Coslada Madrid</i>	A Construction		100.00	100.00	3,972	Dragados, S.A. (99.99%) and Villanova, S.A. (0.01%)
Gestifisa, S.A. <i>Orense, 34. Madrid</i>	Real estate		100.00	100.00	109	Aparcamiento Tr. C. Rambla- Coslada, S.L.
Ginés Navarro Construcciones, S.A. de C.V. <i>Mexico</i>	Construction		100.00	100.00	0	Dragados, S.A.
Hullera Oeste de Sabero.S.A. <i>Ramiro Valbuena, 16. León</i>	Mining. Inactive		100.00	100.00	304	Dragados, S.A. (99.99%) and Aplicación de Pinturas API, S.A.
Inmobiliaria Alabega, S.A. <i>Orense, 34. Madrid</i>	Real estate		99.99	99.99	5,993	Dragados, S.A.
Lucampa, S.A. <i>Orense, 34. Madrid</i>	Real estate		99.99	99.99	1,683	Dragados, S.A.
Promotora Inmobiliaria La Cima, C.V. <i>Mexico</i>	Real estate		99.84	99.84	0	Dragados, S.A.
Protide, S.A. <i>Orense, 34. Madrid</i>	Real estate		100.00	100.00	60	Aparcamiento Tr. C. Rambla- Coslada, S.L.
Residencial Leonesa, S.A. <i>Ramiro Valbuena, 12. León</i>	Real estate		100.00	100.00	60	Aparcamiento Tr. C. Rambla- Coslada, S.L.
Residencial Montecarmelo, S.A. <i>Orense, 34. Madrid</i>	Real estate		100.00	100.00	481	Comunidades Gestionadas, S.A. (COGESA) and Roperfeli, S.L.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Roperfeli S.L. <i>Orense, 34. Madrid</i>	Real estate		100.00	100.00	9,000	Comunidades Gestionadas, S.A. (COGESA) and Dragados S.A.
Sopol, S.A. <i>Rua de Sao Bento, 644 6º Lisbon Portugal</i>	C Construction		50.36	50.36	9,836	Dragados, S.A.
Técnicas e Imagen Corporativa, S.L. <i>La Cañada, 53. 28850 - Torrejón de Ardoz (Madrid)</i>	A Construction		75.47	75.47	415	Construcciones Especiales and Dragados S.A.
Tecsa, Empresa Constructora, S.A. <i>Avda. Madariaga 1 - 4º 48014 Bilbao</i>	A Construction		100.00	100.00	18,509	Dragados, S.A. (99.99%) and Villanova, S.A. (0.01%)
Vías y Construcciones Portugal, S.G.P.S., S.A. <i>Portugal</i>	Holding Company		100.00	100.00	2,620	Vías y Construcciones.S.A.
Vías y Construcciones, S.A. <i>Orense, 11. Madrid</i>	A Construction	99.99		99.99	47,567	
INDUSTRIAL						
ACS, Servicios, Comunicaciones y Energía, S.L. <i>Avda. Pío XII, 102. Madrid</i>	A Services	99.67	0.33	100.00	214,620	Comunidades Gestionadas, S.A. (COGESA)
Actividades de Instalaciones y Servicios, Cobra, S.A. <i>Carrera, 77 nº 76 - 64 - A.A. 9050 - Santa Fé de Bogotá D.C. Colombia</i>	Services		100.00	100.00	153	Cobra Sistemas y Redes, S.A., Atil Cobra, S. A., Cobra Instalaciones y Servicios, S.A., Hidrogestión, Moncobra, S.A.
Actividades de Montajes y Servicios, S.A. <i>C/ Ntra. Señora de Fátima, 38 - 15007 A Coruña</i>	Services		100.00	100.00	60	Cobra Instalaciones y Servicios, S.A., Moncobra, S.A.
Actividades de Montajes y Servicios, S.A. de C.V. <i>Melchor Ocampo, 193 Torre C14 °D 11300 Colonia Verónica Anzures Delegación Miguel Hidalgo Mexico</i>	H Services		100.00	100.00	50	Cobra Instalaciones y Servicios, S.A.
Actividades de Servicios e Instalaciones, Cobra, S.A. <i>43 Calle A, 5-01 - Zona 12 Guatemala City</i>	Services		98.00	98.00	12	Cobra Instalaciones y Servicios, S.A.
Agrupación Offshore 60 S.A. de C.V. <i>Presa de Tetuxtepec 32 5º Col Irrigacion Mexico DF 11500</i>	D Industrial engineering and construction		100.00	100.00	0	Dragados Offshore, S.A.
Albatros Logistic Maroc, S.A.. <i>Casablanca - Morocco</i>	Storage and distribution of telecommunications equipment		75.00	75.00	303	Albatros Logistic, S.A.
Albatros Logistic, S.A. <i>Doctor Franklin, 13 - 24 Pol. Indust. San Marcos - Getafe - Madrid</i>	A Storage		100.00	100.00	2,892	Instalaciones y Montajes Eléctricos, S.A. (IMES) and Contratas y Servicios, S.A. (Cosersa)
Andasol, S.A. <i>Pza Rodrigo s/n. Granada</i>	Energy production		70.00	70.00	46	Cobra Sistemas y Redes, S.A.
Antennea Technologies, S.L. <i>C/ Sepúlveda, 6 - Alcobendas 28100 Madrid</i>	Telecommunications services		93.96	93.96	2,886	Dragados Sistemas (55.29%) and S.R.F. Moyano (38.67%)

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
API Conservación, S.A. <i>C/ General Moscardó, 27. Madrid</i>	A Roads maintenance		100.00	100.00	211	Aplicación de Pinturas, API, S.A. (99.99%) and Salmantina de Seguridad Vial, S.A. (0.01%)
API Fabricación, S.A. <i>Raso de la Estrella s/n Aranjuez (Madrid)</i>	A Manufacturing		100.00	100.00	350	Aplicación de Pinturas API, S.A. and API Conservación, S.A.
Aplicación de Pinturas, API, S.A. <i>C/ General Moscardó, 27. Madrid</i>	A Painting and signposting		100.00	100.00	3,907	ACS, Servicios, Comunicaciones y Energía, S.L. and API Conservación, S.A.
Argencobra, S.A. <i>C/ Viamonte 1145 7º A 1153 Buenos Aires, Argentina</i>	E Services		100.00	100.00	2,389	Cobra Instalaciones y Servicios, S.A.
Artemis Transmissora de Energia, Ltda <i>Avda. Marechal Camara 160 salas 1833/1834 Rio de Janeiro. Brazil</i>	Industrial control, installation and assembly		51.00	51.00	3,581	Control y Montajes Industriales, S.A. (Cymi)
Atil Cobra, S. A. <i>C/ Cardenal Marcelo Spinola, 10 28016 Madrid</i>	A Industrial installation work		100.00	100.00	473	Cobra Inversiones y Gestion, S.L., Moncobra, S.A., Cobra Instalaciones y Servicios, S.A.
Bienes Raíces Josebeso, C.A. <i>Venezuela</i>	Industrial cleaning		100.00	100.00	78	Venezolana de Limpiezas Industriales, C.A. (Venelin)
BTOB Construccion Ventures, S.L <i>C/ Sepúlveda, 6, Alcobendas - 28100 Madrid</i>	A Administrative management services		100.00	100.00	35	Dragados Industrial, S.A.
Cachoeira Montages e Serviços Ltda. <i>Rua Marechal Câmara, 160/1807 - Rio de Janeiro. Brazil</i>	Services		100.00	100.00	0	Cobra Internacional, Moncobra, S.A.
Catalana de Treballs Publics, S.A. <i>C/ Pi i Margall, 82 -84 - 08025 Barcelona</i>	A Services		100.00	100.00	88	Cobra Instalaciones y Servicios, S.A., Moncobra, S.A.
Cil Montagens e Serviços Ltda. <i>Rua Marechal Câmara, 160/1807 - Rio de Janeiro, Brazil</i>	Services		100.00	100.00	0	Cobra Internacional, Moncobra, S.A.
Cobra Bolivia, S.A. <i>Rosendo Gutierrez, 686- Sopocachi. La Paz. Bolivia</i>	Services		98.00	98.00	7	Cobra Instalaciones y Servicios, S.A., Other
Cobra Chile, S.A. <i>Avda. José Pedro Alesandri , 2323 Macul. Santiago de Chile</i>	A Services		100.00	100.00	266	Cobra Instalaciones y Servicios, S.A., Other
Cobra Ingeniería de Montajes, S.A. <i>C/ Fernando Villalón, 3 - 41004 Seville</i>	Services		100.00	100.00	60	Cobra Instalaciones y Servicios, S.A., Moncobra, S.A.
Cobra Instalaciones y Servicios India PVT <i>B - 324 - 110065 New Friends colony - New Delhy. India</i>	Services		100.00	100.00	22	Cobra Internacional, Other
Cobra Instalaciones y Servicios, S.A. <i>C/ Cardenal Marcelo Spinola, 10 - 28016 Madrid</i>	A Services		100.00	100.00	44,162	ACS, Servicios, Comunicaciones y Energía, S.L.
Cobra Instalaciones y Servicios, S.A. (R.D.) <i>Vereda Nº 6 - Monoguyabo Santo Domingo. Dominican Republic</i>	Services		100.00	100.00	266	Cobra Instalaciones y Servicios, S.A.
Cobra Instalações y Serviços, Ltda <i>Rua Uruguai, 35 Conj. 133 Porto Alegre Porto Alegre RS Brazil</i>	Services		100.00	100.00	3,229	Cobra Instalaciones y Servicios, S.A., Other

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Cobra Internacional <i>C/ Cardenal Marcelo Spinola, 10 - 28016 Madrid</i>	Services		100.00	100.00	33	Cobra Inversiones y Gestión, S.L., Cobra Instalaciones y Servicios, S.A.
Cobra Inversiones y Gestión, S.L. <i>C/ Cardenal Marcelo Spinola, 10 - 28016 Madrid</i>	Holding Company		100.00	100.00	393	Cobra Instalaciones y Servicios, S.A., Pr Prisa
Cobra Instalaciones Mexico, S.A. de C.V. <i>Melchor Ocampo 193, Torre C, Piso 14, Letra D 11300 Colonia Verónica Anzures Mexico DF Mexico</i>	Services		100.00	100.00	808	Cobra Instalaciones y Servicios, S.A., Cobra Internacional
Cobra Peru II, S.A. <i>Abelardo Quiñones, 870 - Iquitos Loreto - Peru</i>	Services		100.00	100.00	27	Cobra Perú, S.A., Other
Cobra Peru, S.A. <i>C/ Jr Salaberry, 300 - Callao Lima - Peru</i>	D Services		100.00	100.00	6,661	Cobra Instalaciones y Servicios, S.A.
Cobra Servicios Auxiliares, S.A. <i>C/ Cardenal Marcelo Spinola, 10 - 28016 Madrid</i>	A Services		100.00	100.00	60	Cobra Instalaciones y Servicios, S.A., Catalana de Treballs Publics, S.A.
Cobra Sistemas de Seguridad, S.A. <i>C/ Cardenal Marcelo Spinola, 10 - 28016 Madrid</i>	Security systems		100.00	100.00	120	Moncobra, S.A., Cobra Instalaciones y Servicios, S.A.
Cobra Sistemas y Redes, S.A. <i>C/ Cardenal Marcelo Spinola, 10 - 28016 Madrid</i>	Installation work		100.00	100.00	177	Cobra Inversiones y Gestión, S.L., Cobra Instalaciones y Servicios, S.A.
Cobra de Honduras (Codehon) <i>Honduras</i>	Installation work		100.00	100.00	1	Cobra Instalaciones y Servicios, S.A.
Coinsal Instalaciones y Servicios, S.A. de C.V. <i>Pasaje Senda Florida, 167 San Salvador El Salvador</i>	Installation work		100.00	100.00	0	Cobra Internacional
Construcciones Dorsa, S.A. <i>Cristobal Bordiú, 35 - 5º oficina 515-517, Madrid</i>	Construction		99.99	99.99	90	Sociedad Española de Montajes Industriales.S.A.
Control y Montajes Industriales de Méjico, S.A. de C.V. <i>Juan Racine nº 112, 6º piso Col. Los Morales Polanco. Mexico 11510, D.F.</i>	A Industrial control, installation and assembly		100.00	100.00	3,067	Control y Montajes Industriales, S.A. (Cymi)
Control y Montajes Industriales, Cymi S.A. <i>C/ Teide, 4, San Sebastián de los Reyes. 28709 Madrid</i>	A Industrial control, installation and assembly		100.00	100.00	6,922	Dragados Industrial (99.99%) and Villanova (0.01%)
Contratas y Servicios, S.A. (Cosersa) <i>Avda. Ramón y Cajal, 107 - Madrid</i>	Industrial cleaning		100.00	100.00	210	Instalaciones y Montajes Eléctricos, S.A. (IMES) (99.99%), Sermicro, S.A. (0.01%)
Cuerda de Rodaderos, S.L. <i>C/ Loja 8, Local 27 18220 Polig. Juncaril - Albacete</i>	Wind-power		60.00	60.00	7	Urbaenergía, S.A.
Cymi do Brasil Ltd. <i>Ciudad de Rio de Janeiro, Estado do Rio de Janeiro, na Marechal Câmara nº 160, salas 1833/1834</i>	Industrial control, installation and assembly		100.00	100.00	824	Control y Montajes Industriales, S.A. (Cymi)
Cymi Seguridad, S.A. <i>C/ Teide, 1, 1ª Planta San Sebastián de los Reyes 28709 Madrid</i>	Security installations and set-up		100.00	100.00	120	Control y Montajes Industriales, S.A. (Cymi) (99.99%) and Dragados Industrial, S.A (0.01%)
Desarrollos Energéticos Asturianos, S.L. <i>Pol. Ind. Las Merindades, C/ B nº 6 9550 Villarcayo de Merindad de Castilla la Vieja. Burgos</i>	Energy production		50.00	50.00	0	Energía y Recursos Ambientales, Eyra, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Desarrollos Energéticos Riojanos, S.L. Pol. Ind. Las Merindades, C/ B nº 6 9550 Villarcayo de Merindad de Castilla la Vieja. Burgos	Energy production		80.00	80.00	926	Energía y Recursos Ambientales, Eyra, S.A.
Dimática, S.A. Pradillo, 48 y 50 - Madrid	Marketing of computer equipment		100.00	100.00	120	Instalaciones y Montajes Eléctricos, S.A. (IMES) (99.99%) and Contratas y Servicios, S.A. (Cosersa) (0.01%)
Dragados Industrial Algeria.S.P.A. 141 BK Krim-Belkacem Gouver Norat Du Gmd Alger (Algeria)	Marketing of computer equipment		97.00	97.00	4	Mantenimiento y Montajes Industriales. S.A. (Masa) (93%) and others (4%)
Dragados Sistemas, S.A. Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)	Administrative management services		100.00	100.00	44,252	Dragados Industrial, S.A. (99.99%) and Villanova, S.A. (0.01%)
Dragados Construc. Netherlands, S.A. Amsteldijk 166-6, 1079 LH Amsterdam, Netherlands	Industrial control, installation and assembly		83.25	83.25	132	Cymi (33.25%), Masa (33.25%) and Intecsa-Uhde, S.A. (16.75%)
Dragados Industrial Canada Inc. 620 Rene Levesque West Suite 1000, H3B 1N7 Montreal, Quebec, Canada	Industrial control, installation and assembly		83.25	83.25	142	Dragados Construc. Netherlands
Dragados Industrial, S.A. Avda. de Tenerife, 4-6. 28709 San Sebastián de los Reyes (Madrid)	A Electrical installation work		99.79	99.79	73,238	ACS Servicios, Comunicaciones y Energía, S.L.
Dragados Offshore de Méjico, S.A. de C.V. C/ Juan Racine, 112 8º Col. Los Morales Del. Miguel Hidalgo Mexico City 11510	D Industrial engineering and construction		95.00	95.00	0	Dragados Offshore, S.A.
Dragados Offshore de Méjico KU-A2, S.A. de C.V. C/ Juan Racine, 112 8º Col. Los Morales Del. Miguel Hidalgo Méjico City 11510	D Industrial engineering and construction		95.00	95.00	4	Dragados Offshore de México, S.A.
Dragados Offshore, S.A. (Dossa) Bajo de la Cabezuela s/n Puerto Real (Cadiz) 11510	A Industrial engineering and construction		100.00	100.00	7,156	Dragados Industrial, S.A. (99.99%) and Villanova (0.01%)
Dragados Proyectos Industriales de México, S.A. de C.V. Juan Racine nº 112, 7º piso Col. Los Morales Polanco. Mexico City 11510	Industrial engineering and construction		95.00	95.00	2,892	Dragados Industrial, S.A.
Dragados Telecomunicaciones Dyctel Brasil, Ltda. Rua Madre Cabrini 137 Barrio Vila Mariana 04020000 Sau Paulo. Brazil	Telecommunications services		100.00	100.00	0	Electronic Traffic, S.A.
Dragados Telecomunicaciones, S.A. Avda. Tenerife 4-6 San Sebastián de los Reyes - Madrid	Telecommunications services		100.00	100.00	887	Dragados Industrial (99.99%) and Villanova (0.01%)
DYCTEL Infraestructuras de Telecomunicaciones, S.A. C/ La Granja 29 Alcobendas - Madrid	A Telecommunications services		100.00	100.00	0	Dragados Sistemas, S.A.
Dyctel Puerto Rico, INC. Montellano Final sector embalse de San Jose. San Juan Puerto Rico	A Telecommunications services		100.00	100.00	0	DYCTEL Infraestructuras de Telecomunicaciones, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Easa Somozas, S.A. <i>C/ Jose Luis Bugallal Marchesi, 10 - 15008 La Coruña</i>	Energy production		47.00	47.00	970	Energías Ambientales, Easa, S.A.
Ecocivil Electromur G.E..S.L. <i>Cuatro Vientos, 1. San Ginés. Murcia</i>	Civil engineering work		81.00	81.00	950	Electronic Traffic, S.A.
Ecovent Parc Eolic, S.L. <i>Nil Fabric, 34 - 38 entresuelo 08012 Barcelona</i>	Energy production		100.00	100.00	2,810	Energía y Recursos Ambientales, Eyra, S.A.
Electromur, S.A. <i>C/ Cuatro Vientos, nº 1. 30169 San Ginés (Murcia)</i>	A Public lighting		100.00	100.00	17,348	Electronic Traffic S.A.
Electronic Traffic.S.A. <i>Tres Forques, 147 Valencia</i>	A Traffic regulation		100.00	100.00	22,295	ACS, Servicios, Comunicaciones y Energía, S.L. (99.99%) and API (0.01%)
Emplogest, S.A. <i>Rua Alfredo Trindade, 4/A - 1649 - 027 Lisbon. Portugal</i>	Holding Company		98.00	98.00	1,283	Cobra Instalaciones y Servicios, S.A.
Initec Energía S.A <i>Príncipe de Vergara, 120 Madrid 28002</i>	Industrial engineering and construction		100.00	100.00	4,199	Dragados Industrial, S.A.
Emurtel, S.A. <i>Crta. Cartagena-La Paloma s/n. 30120 El Palmar (Murcia)</i>	A Engineering		84.00	84.00	2,136	Electronic Traffic, S.A.(72%) and Electromur, S.A. (12%)
Enclavamientos y Señalización Ferroviaria, S.A. (Enyse) <i>C/ La Granja 29 Alcobendas. Madrid</i>	A Electrical installation work		100.00	100.00	590	Dragados Sistemas (99.99%) and Villanova (0.01%)
Enelec - Proyectos e Montagens Electricos e de Instrumentos, S.A. <i>Avda. Marechal Gomes de Costa, nº 27, 3º Esq. 1800-255 Lisbon</i>	U Industrial control, installation and assembly		100.00	100.00	1,603	Control y Montajes Industriales, S.A. (99.84%), Mantenimiento y Montajes Industriales, S.A. (0.08%), Dragados Offshore, S.A. (0.04%), Makber (0.04%)
Energía y Recursos Ambientales, Eyra, S.A. <i>Avda. Pío XII, 102 - 28036 Madrid</i>	D Renewable energies		100.00	100.00	4,207	ACS, Servicios, Comunicaciones y Energía, S.L.
Energía y Recursos Ambientales, Outes, S.A <i>C/ Jose Luis Bugallal Marchesi, 10 - 15008 La Coruña</i>	Energy production		60.00	60.00	1,170	Energía y Recursos Ambientales, Eyra, S.A.
Energías Ambientales de Novo, S.A. <i>C/ Jose Luis Bugallal Marchesi, 10 - 15008 La Coruña</i>	D Energy production		60.00	60.00	1,168	Energías Ambientales, Easa, S.A.
Energías Ambientales de Vimianzo, S.A. <i>C/ Jose Luis Bugallal Marchesi, 10 - 15008 La Coruña</i>	D Energy production		60.00	60.00	5,240	Energías Ambientales, Easa, S.A.
Energías Ambientales, Easa, S.A. <i>C/ Jose Luis Bugallal Marchesi, 10 - 15008 La Coruña</i>	D Energy production		60.00	60.00	9,306	Energía y Recursos Ambientales, Eyra, S.A.
Enq, S.L. <i>Pol. Ind. C/F nº 13 - Mutilua Baja - Pamplona</i>	Software		99.54	99.54	1,018	Electronic Traffic, S.A. and Etra Investigación y Desarrollo, S.A.
Equipos de Señalización y Control, S.A. <i>Severino Cobas 100, Vigo</i>	A Traffic regulation		100.00	100.00	569	Electronic Traffic .S.A. (99.99%) and Etra Cataluña (0.01%)
Etra Cataluña, S.A. <i>Mercuri, 30-32 Barcelona</i>	A Traffic regulation		100.00	100.00	2,625	Electronic Traffic .S.A. (99.99%) and Etralux (0.01%)
Etra Interandina, S.A. <i>C/ 100 N° 8a-51- Of. 610 "Torre B" Santa Fe de Bogotá - Colombia</i>	Traffic regulation		100.00	100.00	128	Electronic Traffic, S.A., Etra Cataluña, S.A., Etra Investigación y Desarrollo, Etralux, S.A. and Murciana de Tráfico, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Etra Investigación y Desarrollo, S.A. <i>Tres Forques, 147 Valencia</i>	A R&D		100.00	100.00	3,332	Electronic Traffic .S.A. (99.99%) and Etra Cataluña, S.A. (0.01%)
Etra Norte, S.A. <i>Bizcargi, Bloque, 2 nº 5 Bilbao</i>	A Traffic regulation		100.00	100.00	601	Electronic Traffic .S.A. (99.99%) and Etra Cataluña, S.A. (0.01%)
Etralux, S.A. <i>Tres Forques, 147 Valencia</i>	A Traffic regulation		100.00	100.00	1,503	Electronic Traffic .S.A. (99.99%) and Etra Cataluña, S.A. (0.01%)
Eyra Barrigoso, S.L. <i>Jose Luis Bugallal Machesi, 20 1º Izda 15008 Galicia</i>	Energy production		100.00	100.00	4	Energía y Recursos Ambientales, Eyra, S.A.
Eyra, Energías y Recursos Ambientais Lda. <i>Av. Sidonio Pais, 28 2ª Ida Lisbon. Portugal</i>	Energy production		100.00	100.00	5	Energía y Recursos Ambientales, Eyra, S.A.
Eyra Ponteceso, S.L. <i>José Luis Bugallal Margesi, 20 1ª Ida 15008 Galicia</i>	Energy production		100.00	100.00	4	Energía y Recursos Ambientales, Eyra, S.A.
France Semi, S.A. <i>20/22 Rue Louis Armand - 75015 Paris</i>	Services		100.00	100.00	20	Sociedad Española de Montajes Industriales.S.A.
Hidra de Telecomunicaciones y Multimedia, S.A. <i>C/ Severo Ochoa 10 29190 Campañillas. Malaga</i>	Electricity operation outsourcing		100.00	100.00	1,617	Dragados Sistemas, S.A.
Hidrogestión, S.A. <i>Avda. Manoteras, 28. Madrid</i>	A Water management		100.00	100.00	7,018	Electronic Traffic .S.A. (99.99%) and Etra Investigación y Desarrollo, S.A. (0.01%)
Hidrolazan, S.L. <i>Paseo de la Castellana, 167. Madrid</i>	Construction and operation		100.00	100.00	3	Obras Hidráulicas y Viarias, S.A.
Injar, S.A. <i>C/ León y Castillo, 421 35005 Las Palmas de Gran Canaria</i>	A Services		100.00	100.00	4,808	Atil Cobra, S.A.
Instalaciones y Montajes Eléctricos, S.A. (IMES) <i>Avda. Ramón y Cajal, 107. Madrid</i>	A Services	0.01	99.99	100.00	57,371	ACS, Servicios, Comunicaciones y Energía, S.L.
Intebe, S.A. <i>Ctra. Comarcal 1411 - PK 91 - Cercs. Barcelona</i>	A Maintenance		100.00	100.00	491	Mant. ayuda a la explot. y servicios S.A.(MAESSA)
Iscobra Instalacoes e Servicos, Ltda <i>Rua Marechal Câmara, 160/1807 - Rio de Janeiro (Brazil)</i>	Services		100.00	100.00	236	Cobra Instalações y Servicos, Ltda, Other
Itumbiara Marimbondo, Ltda. <i>Rua Marechal Câmara, 160/1807 - Rio de Janeiro (Brazil)</i>	Services		100.00	100.00	0	Cobra Internacional
La Lora II Energía, S.L. <i>Guitard, 43 7º 2ª 08012 Barcelona</i>	Energy production		50.93	50.93	2	Energía y Recursos Ambientales, Eyra, S.A.
La Lora I Parque Eólico, S.L. <i>Guitard, 43 7º 2ª 08012 Barcelona</i>	Energy production		29.06	29.06	1	Energía y Recursos Ambientales, Eyra, S.A.
Lumican, S.A. <i>Arco, 40 - Gran Canaria</i>	A Traffic regulation		100.00	100.00	307	Electronic Traffic .S.A. (99.99%) and Etra Cataluña, S.A. (0.01%)
Maessa Telecomunicaciones, S.A. (Maetel) <i>Plaza Antonio Beltran Martínez, 1 - 8º C - Zaragoza</i>	A Assembly		100.00	100.00	180	Mantenimientos, ayuda a la explotación y servicios, S.A.(MAESSA) (99.99%) and Sociedad Española de Montajes Industriales, S.A.(SEMI) (0.01%)

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Makiber, S.A. <i>Paseo Castellana 182 1º Madrid 28046</i>	A Merchandise export		100.00	100.00	5,710	Dragados Industrial (99.99%) and Villanova (0.01%)
Mantenimiento y Montajes Industriales, S.A. (Masa) <i>Edif. Milenium C/ Teide 5 1º San Sebastián de los Reyes (Madrid) 28709</i>	A Industrial maintenance and assembly		100.00	100.00	16,873	Dragados Industrial, S.A. (99.99%) and Villanova (0.01%)
Mantenimientos, ayuda a la explotación y servicios, S.A.(MAESSA) <i>Gran Vía, 67. Madrid</i>	A Industrial maintenance		100.00	100.00	2,346	ACS, Servicios, Comunicaciones y Energía, S.L. (99.99%) and Sociedad Española de Montajes, S.A.(0.01%)
Masa Algeciras, S.A. <i>Virgen del Carmen.89 11202 Algeciras (Cádiz)</i>	A Industrial maintenance and assembly		100.00	100.00	523	Mantenimiento y Montajes Avda. Industriales, S.A. (Masa) (99.99%) and Villanova, S.A. (0.01%)
Masa Argentina, S.A. <i>C/ Donado 1090 Bahía Blanca 8000 Argentina</i>	Ñ Industrial maintenance and assembly		90.00	90.00	204	Mantenimiento y Montajes Industriales, S.A.
Masa Brasil, S.L. <i>Rua Joaquin Eugenio de Lima 680 01403-901 Sau Paulo Brazil</i>	Industrial maintenance and assembly		100.00	100.00	0	Mantenimiento y Montajes Industriales, S.A. (50%) and Masa Madrid, S.A. (50%)
Masa Galicia, S.A. <i>Polígono Ind. De la Grela c/ Guttemberg 27 1º 15008 La Coruña</i>	A Industrial maintenance and assembly		100.00	100.00	100	Mantenimiento y Montajes Industriales, S.A. (99.99%) and Villanova, S.A. (0.01%)
Masa Huelva, S.A. <i>C/ Alonso de Ojeda 1 - 21002 Huelva</i>	A Industrial maintenance and assembly		100.00	100.00	61	Mantenimiento y Montajes Industriales, S.A. (99.99%) and Villanova, S.A. (0.01%)
Masa Madrid, S.A. <i>Edif. Milenium - C/ Teide 5 1º San Sebastián de los Reyes (Madrid)</i>	Industrial maintenance and assembly		100.00	100.00	192	Mantenimiento y Montajes Industriales, S.A. (99.99%) and Villanova, S.A. (0.01%)
Masa Méjico S.A. de C.V. <i>C/ Juan Racine, 112 8º Col. Los Morales Del. Miguel Hidalgo Mexico City 11510</i>	A Industrial maintenance and assembly		100.00	100.00	0	Mantenimiento y Montajes Industriales, S.A.
Masa Norte, S.A. <i>C/ Rivera de Axpe 50 3º Erandio Vizcaya</i>	A Industrial maintenance and assembly		100.00	100.00	123	Masa (99.99%) and Villanova (0.01%)
Masa Puertollano, S.A. <i>Ctra. Calzada de Calatrava km. 3.4 13500 Puertollano (C. Real)</i>	A Industrial maintenance and assembly		100.00	100.00	213	Masa (99.99%) and Villanova (0.01%)
Masa Servicios, S.A. <i>Pol. Ind. Zona Franca Secor B Calle B Barcelona 08040</i>	A Industrial maintenance and assembly		100.00	100.00	94	Masa (99.99%) and Villanova (0.01%)
Masa Tenerife, S.A. <i>Marina, 7 38002 Santa Cruz de Tenerife</i>	Industrial maintenance and assembly		100.00	100.00	187	Masa (99.99%) and Villanova (0.01%)
Mexsemi, S.A. de C.V. <i>Avda. Dolores Hidalgo, 817 - C.D. Industrial 36541 Irapuato, GTO. (Mexico)</i>	S Services		100.00	100.00	5	Sociedad Española de Montajes Industriales.S.A.
Mimeca C.A. <i>Venezuela</i>	Industrial cleaning		100.00	100.00	39	Venezolana de Limpiezas Industriales, C.A. (Venelin)

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Moncobra Canarias Instalaciones, S.A. C/ León y Castillo, 238 - 35005 Las Palmas Las Palmas de G Canaria	Installation work		100.00	100.00	60	Cobra Instalaciones y Servicios, S.A., Moncobra, S.A.
Moncobra, S.A. C/ Cardenal Marcelo Spínola, 10 - 28016 Madrid	A Installation work		100.00	100.00	4,185	Cobra Instalaciones y Servicios, S.A.
Monelec, S.A. Cerristas, 14 - Málaga	A Traffic regulation		100.00	100.00	2,284	Etralux, S.A.
Munirah Transmissora de Energía Ltda Ciudad de Rio de Janeiro, Estado do Rio de Janeiro, na Marechal Câmara nº 160, salas 1833/1834	Industrial control, installation and assembly		95.00	95.00	262	Control y Montajes Industriales, S.A.
Murciana de Tráfico, S.A. Carril Molino Nerva. Murcia	Traffic regulation		100.00	100.00	564	Electronic Trafic .S.A (99.99%) and Etra Cataluña, S.A. (0.01%)
Nuevas Energías Valencianas, S.A. Pedraquiers, 2 - 46014 Valencia	Energy production		100.00	100.00	1,159	Energía y Recursos Ambientales, Eyra, S.A.
Obras Hidráulicas y Viarias, S.A. Pso. de la Castellana, 167 - 28046 Madrid	A Construction		100.00	100.00	5,682	Cobra Instalaciones y Servicios, S.A.
Parque Eólico de Valdecarro, S.L. C/ Cardenal Marcelo Spínola, 10 - 28016 Madrid	Energy production		100.00	100.00	3	Energía y Recursos Ambientales, Eyra, S.A.
Parque Eólico El Peru, S.L. C/ Cardenal Marcelo Spínola, 10 - 28016 Madrid	Energy production		51.00	51.00	561	Energía y Recursos Ambientales, Eyra, S.A.
Parque Eólico La Boga, S.L. C/ Cardenal Marcelo Spínola, 10 - 28016 Madrid	Energy production		100.00	100.00	3	Energía y Recursos Ambientales, Eyra, S.A.
Parque Eólico Marmellar, S.L. C/ Cardenal Marcelo Spínola, 10 - 28016 Madrid	Energy production		100.00	100.00	3	Energía y Recursos Ambientales, Eyra, S.A.
Parque Eólico Valcaire, S.L. Albuñuelas. Granada	Energy		55.00	55.00	305	Urbaenergía, S.A.
Percomex, S.A. Melchor Ocampo 193, Torre C, Piso 14, Letra D 11300 Colonia Verónica Anzures Mexico City Mexico	Services		100.00	100.00	5	Cobra Instalaciones y Servicios, S.A.
Portumasa, S.A. Avda. Neral Gomes da Costa 27 3º 1800 Lisbon	Industrial maintenance and assembly		100.00	100.00	349	Mantenimiento y Montajes Industriales, S.A. (99.97%), Masa Galicia, S.A. (0.01%), Masa Norte, S.A. (0.01%) and Masa Huelva, S.A. (0.01%)
Procme, Ltda. Rua a Prof de Cavaco Silva, 13 Ed. Ciencia II Tagus Part 2780 - 920 Oeiras (Portugal)	Holding Company		75.00	75.00	703	Cobra Instalaciones y Servicios, S.A., Emplogest, S.A.
Promservi, S.A. Avda. Ramón y Cajal, 107 - Madrid	A Real estate development		100.00	100.00	1,501	Instalaciones y Montajes Eléctricos, S.A. (IMES) (99.99%) and Contratas y Servicios, S.A. (Cosersa) (0.01%)
Roura Cevasa, S.A. Caracas, 5 (Barcelona)	A Corporate image		100.00	100.00	18,088	Vías y Construcciones, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Safra Energía Eólica, S.A. <i>Rua Cinco de outubro, 17 Leiria Portugal</i>	Energy production		60.00	60.00	30	Energía y Recursos Ambientales, Eyra, S.A.
Salmantina de Seguridad Vial, S.A. <i>C/ América, 2 - Pol. Ind. Villares de la Reina 7184 Villares de la Reina (Salamanca)</i>	A Painting and signposting		100.00	100.00	60	Aplicación de Pinturas API, S.A. (99.99%) and API Conservación, S.A. (0.01%)
Senax, S.A. <i>Políg. Ind. Baix Ebre, Parcela 89, Campredo, Tarragona</i>	Assembly		100.00	100.00	0	Mant. Ayuda a la explotación y Servicios, S.A. (Maessa)
Sermacon Joel, C.A. <i>Venezuela</i>	Industrial cleaning		100.00	100.00	55	Venezolana de Limpiezas Industriales, C.A. (Venelin)
Sermicro, S.A. <i>Pradillo, 48 y 50 - Madrid</i>	A Computer maintenance		100.00	100.00	120	Instalaciones y Montajes Eléctricos, S.A. (IMES) (99.99%) and Contratas y Servicios, S.A. (Cosersa) (0.01%)
Serpista, S.A. <i>Aeropuerto de Barajas</i>	Services		51.00	51.00	3,404	Cobra Instalaciones y Serv. Internacional
Serveis Catalans, Serveica, S.A. <i>Ntra. Sra.de Bellvitche, 238 - 244 - Barcelona</i>	Electrical installation work		100.00	100.00	60	Instalaciones y Montajes Eléctricos S.A. (IMES) (99.99%) and Contratas y Servicios, S.A. (Cosersa) (0.01%)
Servicios Dinsa, S.A. de C.V. <i>Juan Racine nº 112, 4º piso Col. Los Morales Polanco. Mexico City 11510</i>	A Provision of personnel services		95.00	95.00	51	Dragados Proyectos Industriales de México, S.A. de C.V.
Servicios y Proyectos Industriales de Méjico, S.A. de C.V. <i>Juan Racine nº 112, 4º piso Col. Los Morales Polanco. Mexico City 11510</i>	Provision of personnel services		95.00	95.00	4	Dragados Proyectos Industriales de México, S.A. de C.V.
Setec Solucoes Energéticas de Transmissao e Controle Ltda. <i>Ciudad de Rio de Janeiro, Estado do Rio de Janeiro, na Marechal Câmara nº 160, salas 1833/1834</i>	Industrial control, installation and assembly		100.00	100.00	353	Cymi (99.99%) and Cymi do Brasil Ltd (0.01%)
Sice do Brasil, S.A. <i>Avda. Eng. Luis Carlos Berrini 1461 4º Sao Paulo Brazil 04511-903</i>	All manner of construction work		100.00	100.00	14	SICE (Sociedad Ibérica de Construcciones Eléctricas, S.A.)
Sice Sudáfrica Pty Ltd. <i>Building A First Floor east wing Montana Tark ofices Calliandra Steet Pretoria (South Africa)</i>	All manner of construction work		100.00	100.00	5	SICE (Sociedad Ibérica de Construcciones Eléctricas, S.A.)
Sidetel, S.A. <i>Avda. Manoteras, 28. Madrid</i>	Traffic regulation		100.00	100.00	382	Electronic Traffic .S.A. (99.99%) and Etra Cataluña, S.A. (0.01%)
Sistemas Energéticos Carrascal, S.A. <i>Portal de Gamarra, 40. Álava</i>	Energy production		90.00	90.00	59	Energía y Recursos Ambientales, Eyra, S.A.
Sistemas Energéticos El Chaparral, S.A. <i>Portal de Gamarra, 40. Álava</i>	Energy production		90.00	90.00	59	Energía y Recursos Ambientales, Eyra, S.A.
Sistemas Energéticos La Cerradilla, S.A. <i>Portal de Gamarra, 40. Álava</i>	Energy production		90.00	90.00	59	Energía y Recursos Ambientales, Eyra, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Sistemas Energéticos La Mata, S.A. <i>Portal de Gamarra, 40. Álava</i>	Energy production		90.00	90.00	59	Energía y Recursos Ambientales, Eyra, S.A.
Sistemas Energéticos Serón, S.A. <i>Portal de Gamarra, 40. Álava</i>	Energy production		90.00	90.00	59	Energía y Recursos Ambientales, Eyra, S.A.
Sistemas Energéticos Tijola, S.A. <i>Portal de Gamarra, 40. Álava</i>	Energy production		90.00	90.00	59	Energía y Recursos Ambientales, Eyra, S.A.
Sistemas Energéticos Tinadas, S.A. <i>Portal de Gamarra, 40. Álava</i>	Energy production		90.00	90.00	59	Energía y Recursos Ambientales, Eyra, S.A.
Sistemas Radiantes F. Moyano, S.A. <i>C/ La Granja 72 Alcobendas. Madrid</i>	A Antenna manufacturing		86.50	86.50	5,686	Dragados Sistemas, S.A.
Societat Eòlica de l'Enderrocada, S.A. <i>C/ Amistat, 23 - 08005 Barcelona</i>	D Energy production		48.00	48.00	4,587	Energías Ambientales, Easa, S.A.
Sociedad Española de Montajes Industriales, S.A. (SEMI) <i>Barquillo, 19 (Madrid)</i>	A Services		99.73	99.73	7,097	ACS, Servicios, Comunicaciones y Energía, S.L.
Sociedad Ibérica de Construcciones Eléctricas, S.A. (SICE) <i>C/ Sepúlveda 6 Alcobendas Madrid 28100</i>	A All manner of construction work		100.00	100.00	43,167	Dragados Sistemas, S.A.
Sociedad Industrial de Construcciones Eléctricas, S.A. <i>Juan Racine nº 112, 1º piso Col. Los Morales Polanco. Mexico City 11510</i>	All manner of construction work		100.00	100.00	10	SICE (Sociedad Ibérica de Construcciones Eléctricas, S.A.)
Societe Espagnole de Montage Industriel du Maroc, S.A. <i>22, Rue Le Catelet, Appt. Nº 16 Sémétage-Belvédère- Casablanca (Morocco)</i>	Services		99.99	99.99	91	Sociedad Española de Montajes Industriales, S.A.
Somozas Energías Renovables, S.A. <i>C/ Amistat, 23 - 08005 Barcelona</i>	Energy production		55.00	55.00	33	Energía y Recursos Ambientales, Eyra, S.A.
Spcobra Instalacoes E Servicos, Ltda <i>Av. Dom Pedro I, 790 CEP 091100-000 Vila Pires Santo André SP Brazil</i>	Services		56.00	56.00	1,738	Cobra Instalações y Servicios, Ltda
Sumipar, S.A. <i>C/ B Sector B Polígono Ind. Zona Franca Barcelona</i>	Electrical installation work		100.00	100.00	645	SICE (Sociedad Ibérica de Construcciones Eléctricas, S.A.)
Técnicas de Desalinización del Agua, S.A. (Tedagua) <i>Pol. De Arinaga, II fase. Parc. 15 - 16 35119 Agüimes Las Palmas de G Canaria</i>	Installation work		100.00	100.00	5,606	Cobra Instalaciones y Servicios, S.A.
Tecnología de Sistemas Electronicos.S.A. (EYSSA-TESSIS) <i>Rua General Pimenta de Castro.11-1º 1740-018 Lisbon - Portugal</i>	A Traffic regulation		100.00	100.00	7,874	Electronic Traffic .S.A.
Telcarrier, S.A. <i>C/ La Granja .29 Alcobendas Madrid</i>	Other telecommunication services		100.00	100.00	1,313	Dragados Sistemas, S.A. (99.99%) and Novovilla, S.A. (0.01%)
Telsa Instalaciones de Telecomunicaciones y Electricidad, S.A. <i>C/ La Granja .29 Alcobendas Madrid</i>	Telecommunication engineering		100.00	100.00	1,481	Dragados Sistemas, S.A. (99.99%) and Dragados Industrial, S.A. (0.01%)
Trafiurbe Comercio e Industria <i>Maquinas para Sinalizaço, S.A. Quinta das Mas Fetais Camarate, 2685-561 - Sacavem (Portugal)</i>	Painting and signposting		76.20	76.20	500	Aplicación de Pinturas.API.S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Trasinal, S.L. <i>Qta. Das mos Lugar de Fetais - 2685 Camarate Lisbon (Portugal)</i>	Traffic regulation		100.00	100.00	155	Equipos de señalización y control, S.A. (99.99%) and Murciana de Tráfico, S.A. (0.01%).
Urbaenergía, S.L. <i>C/ Cardenal Marcelo Spínola, 10 - 28016 Madrid</i>	A Renewable energies		100.00	100.00	5,500	ACS Servicios, Comunicaciones y Energía, S.L. and Cobra Instalaciones y Servicios, S.A.
Venezolana de Limpiezas Industriales, C.A. (Venelin) <i>Caracas (Venezuela)</i>	R Cleaning	82.80		82.80	1,057	
Vent Sol y Energía, S.A. <i>Sagrado Corazón de Jesús, 17 03330 Crevillente Alicante</i>	A Energy		50.00	50.00	100	Energía y Recursos Ambientales, Eyra, S.A.
Venture Infrastructure Limited <i>S/ O v. Anjaneyulu F-33 110065 New Delhy (India)</i>	Installation work		50.00	50.00	8	Cobra Instalaciones y Serv. India PVT
Viabal Manteniment i Conservació, S.A. <i>C/ Roders (Pol. Marrabxi) 12 - 07141 Marrabxi (Balears)</i>	Painting and signposting		100.00	100.00		Aplicación de Pinturas, API, S.A. (99.9%), API Conservación, S.A. (0.10%)
C.A. Weinfer de Suministro de Personal <i>Venezuela</i>	Industrial cleaning		100.00	100.00	0	Venezolana de Limpiezas Industriales, C.A. (Venelin)

URBAN SERVICES

ACS Servicios y Concesiones, S.L. <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>	Holding of shares	100.00		100.00	344,731	Villanova, S.A.
Aguas del Huesna, S.L. <i>Avda. de la Innovación, s/n - Seville</i>	A Water management	33.33	66.67	100.00	6,585	Urbaser, S.A.
Alfa Servicios Medioambientales, S.L. <i>Albasanz, 16 - Madrid</i>	Environment		51.00	51.00	2	Urbaser, S.A.
Alsina Express, S.A. <i>Av. de América, 9 a. Madrid</i>	Parcel deliveries		100.00	100.00	63	Transportes Alsina Graells Sur, S.A. (99.99%), Jiménez Lopera, S.A. (0.01%)
Anónima Alsina Graells de A.T., S.A. <i>Av. Empresari Josep Segura I Farre-Lerida</i>	A Regular transport of passengers		100.00	100.00	6,104	Continental Auto, S.L. y Transportes Alsina Graells Sur, S.A.
Autedia, S.A. <i>Avda. Ingeniero Gutiérrez Segura, 2 - Baza - Granada</i>	Regular transport of passengers		99.14	99.14	648	Hijos de Simón Maestra García, S.A.
Autobuses Consol, S.A. <i>Puerta del Vado, 1 Alcalá de Henares - Madrid</i>	Regular transport of passengers		51.00	51.00	33	Continental Auto, S.L.
Autobuses García, S.L. <i>Hermilio Alcalde del Río, 2 - Torrelavega - Cantabria</i>	Regular transport of passengers		100.00	100.00	2,201	Continental Auto, S.L.
Autocares Discrecionales del Norte, S.L. <i>Alameda de Urquijo, 85 - Bilbao</i>	Private passenger transport service		100.00	100.00	131	Continental Auto, S.L.
Autocares Maestra, S.L. <i>Avda. Ingeniero Gutiérrez Segura, 2 - Baza - Granada</i>	Inactive		100.00	100.00	0	Hijos de Simón Maestra García, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Blas Moreno, S.L. <i>Avda. Mistral.44 Barcelona</i>	Environment		60.00	60.00	0	Urbaser, S.A.
Caepark Tenerife 1, S.A. <i>Pol. Ind. Zona Franca C/B - 08040 Barcelona</i>	Parking lots		100.00	100.00	35	Urbaser, S.A. (99.99%) and Villanova, S.A. (0.01%)
Canal Metro Madrid, S.A. <i>C/ Fernando Rey nº 3. Pozuelo de Alarcón</i>	D Advertising services		81.96	81.96	(3,913)	TV Transit, S.A.
Centro de Transferencias.S.A. <i>Polígono Los Barriales, s/n Valladolid</i>	A Environment		70.00	70.00	1,210	Urbaser, S.A.
Claerh, S.A. <i>Avda. del Descubrimiento - Alcantarilla, (Murcia)</i>	Environment		51.00	51.00	230	Consenuar, S.A.
Clece, S.A. <i>C/ Orense, 6. Madrid</i>	A Interior cleaning		100.00	100.00	9,075	ACS Servicios y Concesiones S.L. (99.99%) and Villanova, S.A. (0.01%)
Consenuar S.A. <i>Polígono Industrial Finanzauto, C/ Ebro, Arganda del Rey - Madrid</i>	A Environment		100.00	100.00	1,863	Urbaser, S.A. (99.99%) and Socamex, S.A. (0.01%)
Construrail, S.A. <i>Orense, 11. Madrid</i>	Rail transport of goods		60.00	60.00	144	Continental Rail, S.A.
Container Train, S.A. <i>Lg. Muelle Dársena Sur. Edificio Autoterminal. 08039 Barcelona</i>	P Transport		57.14	57.14	628	Dragados Servicios Portuarios y Logísticos, S.L..
Continental Auto, S.L. <i>Av. de América, 9 a. Madrid</i>	A Regular transport of passengers	100.00		100.00	191,017	A.C.S. Servicios y Concesiones, S.L.
Continental Rail, S.A. <i>Avda. de América, 2 - 17 b - Madrid</i>	A Rail transport of goods		100.00	100.00	62	Vías y Construcciones, S.A. (50%) and Continental Auto, S.L.(50%)
Control de Estacionamientos Urbanos, S.A. <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>	Parking lots		100.00	100.00	1,722	Urbaser, S.A. (99.99%) and Villanova, S.A. (0.01%)
Cytrar, S.A. de C.V. <i>México</i>	C Environment		100.00	100.00	3	Tecmed Técnicas Medioambientales de México, S.A. de C.V.
Dragados Servicios Portuarios y Logísticos, S.L. (Dragados SPL) <i>C/ Julián Camarillo 6º A, Planta 2ª. 28037 Madrid</i>	A Port and logistics services		100.00	100.00	119,781	ACS Servicios y Concesiones, S.L.. (99.99%) and Villanova, S.A. (0.01%)
Dragados SPL del Caribe, S.A. C.V. <i>C/ Juan Racine, 112 4º piso-Col. Los Morales Polanco Mexico City</i>	D Holding of shares		100.00	100.00	13,941	Dragados Servicios Portuarios y Logísticos, S.L.
Empordanesa de Neteja, S.A. <i>Avda. Mistral, 44 Barcelona</i>	Environment		60.00	60.00	0	Urbaser, S.A.
Enviromental Services Enser, S.A.E. <i>Garb Gprage Cornish el Nil Boulac - Cairo (Egypt)</i>	Road cleaning		95.00	95.00	0	Urbaser, S.A.
Estación de Autobuses de Andorra, S.A. <i>Avda. Josep Tarradellas, 42 - Andorra La Vella</i>	Station operation		76.99	76.99	24	Anónima Alsina Graells de A.T.S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Estación de Servicio Alavesa, S.A. <i>Gerezpea, 17 - Vitoria</i>	Real estate rental		100.00	100.00	3,246	Continental Auto, S.L.
Explotación Comercial de Intercambiadores, S.A. <i>Av. de América, 9 a. Madrid</i>	A Station operation		100.00	100.00	240	Continental Auto, S.L. and Jiménez Lopera, S.A.
Galvagestió, S.A. <i>C/ Industria s/n Nave 4 Pol. Ind. " El Sur" El Papiol - Barcelona</i>	Environment		51.00	51.00	0	Urbaser, S.A.
Gestión Medioambiental de Torrelavega, S.A. (Gesmator) <i>Boulevard Demetrio Herrero, 6 39300 Torrelavega - Santander</i>	Waste		60.00	60.00	60	Urbaser, S.A.
Gestión y Protección Ambiental, S.L. <i>Condado de Treviño, 19 - Burgos</i>	Environment		53.00	53.00	101	Cetransa (Centro de Transferencias, S.A.)
Hijos de Simón Maestra Garosa, S.L. <i>Avda. Ingeniero Gutiérrez Segura, 2 - Baza - Granada</i>	Regular transport of passengers		100.00	100.00	7,942	Transportes Alsina Graells Sur, S.A.
Integra MGSI, S.A. <i>C/ Orense, 6. Madrid</i>	A Integral maintenance		100.00	100.00	8,568	Clece (99.99%) and Villanova (0.01%)
Intercambiador de Tptes. de Avenida de América, S.A. <i>Av. de América, 9 a. Madrid</i>	A Station operation		100.00	100.00	4,546	Continental Auto, S.L. and Jiménez Lopera, S.A.
Investambiente, S.A. <i>Portugal</i>	Environment		52.00	52.00	175	Novaflex, Técnicas de Medio Ambiente, S.A.
Jiménez Lopera, S.A. <i>Av. de América, 9 a. Madrid</i>	A Transport of hazardous goods		100.00	100.00	1,568	Continental Auto, S.L.
Jintang International Container Terminal Co. Ltd. <i>Seaport Developing District, Tangshan City, Hebei, China</i>	Port services		52.00	52.00	4,418	Dragados Servicios Portuarios y Logísticos, S.L.
Lafuente Alicante, S.L. <i>C/ Guillen Jefer, s/nº. Valencia</i>	A Interior cleaning		70.00	70.00	715	Clece, S.A.
Limpiezas La Guía, S.L. <i>C/ Uruguay, 8 5ª Planta. Vigo</i>	Interior cleaning		100.00	100.00	1,653	Clece, S.A.
Limpiezas Lafuente, S.L. <i>C/ Ingeniero Joaquín Benllof, 65. Valencia</i>	T Interior cleaning		70.00	70.00	3,074	Clece, S.A.
Limpiezas y Reformas Baleares, S.L. <i>C/ Pescadors, 1. Palma de Mallorca</i>	A Interior cleaning		51.00	51.00	1,753	Clece, S.A.
Marítima del Mediterráneo, S.A. <i>Clif Atlantic, 112-120 Edif. Norai. 08040 Barcelona</i>	A Shipping agency		95.00	95.00	41,785	Dragados Servicios Portuarios y Logísticos, S.L.
Marítima Valenciana, S.A. <i>Muelle Príncipe Felipe, s/n. 46024 Valencia</i>	A Port services		100.00	100.00	138,907	Dragados Servicios Portuarios y Logísticos, S.L.
New ad Publicity, S.A. <i>C/ Via Augusta, 13-15. Barcelona</i>	D Advertising services		87.58	87.58	4,691	TV Transit, S.A.
Novabeira, S.A. <i>Portugal</i>	Environment		50.16	50.16	33	Investambiente, S.A. y Novaflex, Técnicas de Medio Ambiente, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Novaflex, Técnicas de Medio Ambiente, S.A. <i>Portugal</i>	Environment		100.00	100.00	3,068	Urbaser, S.A.
Orto, Parques y Jardines, S.L. <i>Luçar Dòcean s/n. Parroquia de Orto - La Coruña</i>	Environment		100.00	100.00	3,566	Urbaser, S.A. (99.99%) and Socamex, S.A. (0.01%)
Parques y Jardines Conservación, S.A. <i>c/Albericia - nave C5 - Santander</i>	Environment		60.00	60.00	36	Urbaser, S.A.
Procesadora de Residuos Urbanos de Valencia, S.A. (PRUVALSA) <i>Venezuela</i>	Environment		82.00	82.00	76	Técnicas Medioambientales Venezuela, S.A.
Publimedia Sistemas Publicitarios.S.L. <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>	A Advertising services		100.00	100.00	6,947	ACS Servicios y Concesiones, S.L. (99.99%) y Villanova (0.01%)
Puerto Seco Santander-Ebro, S.A. <i>C/Ramón y Cajal, 17.CP. 50640 Luceni (Zaragoza)</i>	Logistics center		50.00	50.00	738	Dragados Servicios Portuarios y Logísticos, S.L.
Real Verde, Lda. <i>Portugal</i>	Environment		95.00	95.00	104	Novaflex, Técnicas de Medio Ambiente, S.A.
Recuperación Integral de Residuos de Castilla y León, S.A. <i>Polígono Industrial Ntra. Sra. de Los Ángeles. Parcela 10, nave 8 y 9 - Palencia</i>	Environment		100.00	100.00	60	Urbaser, S.A. y Consenur, S.A.
Residuos de la Janda.S.A. <i>C/ La Barca de Véjer s/n, Véjer de La Frontera, (Cádiz)</i>	Environment		60.00	60.00	0	Urbaser, S.A.
Residuos Sólidos Urbanos de Jaén, S.A. <i>Palacio de la Excm. Diputación de Jaén - Jaén</i>	B Environment		60.00	60.00	216	Urbaser, S.A.
S.A.T. La Castellana, S.A. <i>Av. de América, 9 a. Madrid</i>	Inactive		99.47	99.47	61	Continental Auto, S.L.
Sanypick Plastic , S.A. <i>C/ Albasanz, 16 - Madrid</i>	A Environment		51.00	51.00	30	Urbaser, S.A.
Sermed, S.A. <i>C/ Albasanz, 16 - Madrid</i>	Medical services		100.00	100.00	1,202	Urbaser, S.A. (99.99%) and Socamex, S.A.(0.01%)
Servicios de Aguas de Misiones, S.A. <i>Avda. López y Planes, 2577 - Misiones (Argentina)</i>	L Water management		45.00	45.00	(107)	Urbaser, S.A.
Servicios Corporativos TWC, S.A. de C.V. <i>Mexico</i>	C Environment		100.00	100.00	129	Tecmed Técnicas Medioambientales de México, S.A. de C.V.
Servicios Generales de Automoción, S.A. <i>Alameda de Urquijo, 85 - Bilbao</i>	Supplies and spare parts		100.00	100.00	(99)	Continental Auto, S.L.
Setra Ventas y Servicios, S.A. <i>C/ Limite S/N Torrejón de Ardoz, Madrid</i>	A Spare-part sales		100.00	100.00	643	Continental Auto, S.L..
Sicsa Rail Transport, S.A. <i>Avda. Del Puerto, 189-5. 46022 Valencia</i>	A Transport		50.50	50.50	214	Dragados Servicios Portuarios y Logísticos, S.L.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Sintax Logística, S.A. <i>C/ l'Atlàntic, 112-120 Edif Norai. 08040 Barcelona</i>	A Transport		100.00	83.07	22,254	Dragados Servicios Portuarios y Logísticos, S.L.
Sistemas de Incineración y Depuración, S.L. (SINDE) <i>Ctra. San Vicente-Agost Km. 10.2 - Alicante</i>	N/A		100.00	100.00	250	Valenciana de Protección Ambiental.S.A.
Socamex, S.A. <i>C/ Cabalito s/n Par. 213. Pol. San Cristóbal - Valladolid</i>	A Environment		100.00	100.00	986	Urbaser, S.A. (99.99%) and Consenur, S.A. (0.01%)
Sociedad de Reciclaje Asturiana, Sorea, S.A. <i>Polígono Industrial Granda II, Nave 1, Granda, Siero, Asturias</i>	Environment		51.00	51.00	23	Urbaser, S.A.
Somasur, S.A. <i>20, Rue Meliana Hai Ennahada - Rabat (Morocco)</i>	Water management		100.00	100.00	10	Urbaser, S.A.
Steam, S.A. <i>France</i>	Environment		39.52	39.52	19	Tecmed Enviroment, S.A.
Talher, S.A. <i>C/ Orense, 6. Madrid</i>	A Landscaping - reforestation		100.00	100.00	7,813	Clece, S.A. (99.99%) and Urbaser, S.A. (0.01%)
Tecmed Environment, S.A. <i>France</i>	Environment		77.50	77.50	0	Urbaser, S.A.
Tecmed Técnicas Medioambientales de México, S.A. de C.V. <i>Mexico</i>	C Environment		100.00	100.00	2,509	Urbaser, S.A.
TECMED, Técnicas Medioambientales de Marruecos, S.R.L. <i>Morocco</i>	Environment		100.00	100.00	96	Urbaser, S.A.
Técnicas de Recuperación e Inertización, S.A. <i>C/ Albasanz, 16 - Madrid</i>	Environment		100.00	100.00	60	Urbaser, S.A. and Consenur, S.A.
Técnicas Medioambientales Venezuela, S.A. <i>Venezuela</i>	Environment		100.00	100.00	120	Urbaser, S.A.
Terminales del Sudeste, S.A. <i>Avda. Pablo Ruiz Picasso, 1. 29001 Málaga</i>	A Port services		83.07	83.07	8,152	Dragados Servicios Portuarios y Logísticos, S.L.
Terminales Rías Altas, S.A. <i>Muelle Centenario, s/n. 15.006 La Coruña</i>	Port services		60.00	60.00	481	Dragados Servicios Portuarios y Logísticos, S.L.
Tirmadrid, S.A. <i>Cañada Real de las Merinas. Madrid</i>	A Waste treatment plant		66.36	66.36	9,711	Urbasenergia, Tratamiento y Generación, S.L.
Tptes. Alsina Graells Sur, S.A. <i>Av. de América, 9 a. Madrid</i>	A Regular transport of passengers		100.00	100.00	21,493	Continental Auto, S.L. and Jiménez Lopera, S.A.
Tracemar Inversiones, S.L. <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>	Holding of shares		100.00	100.00	4,258	Urbasenergia, Tratamiento y Generación, S.L.
Transportes Ortega Ramirez, S.L. <i>Avda. Ingeniero Gutiérrez Segura, 2 - Baza - Granada</i>	Inactive		100.00	100.00	0	Hijos de Simón Maestra García, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Transportes Sanitarios La Rioja, S.L. <i>C/ Orense, 6. Madrid</i>	Healthcare transport		100.00	100.00	140	Clece, S.A. (99.99%) and Talher, S.A. (0.01%)
Tratamiento de Aceites y Marpoles, S.L. <i>C/ Guzmán el Bueno 133. Madrid</i>	A Collection and treatment of oils		100.00	100.00	20,528	Tracemar Inversiones, S.L.
Tratamiento de Residuos Sólidos Urbanos, S.A. <i>Mexico</i>	Environment		100.00	100.00	3	Tecmed Técnicas Medioambientales de México, S.A. de C.V.
Trenmedia S.A. <i>C/ Fernando Rey, nº 3. 28223 Pozuelo de Alarcón (Madrid)</i>	Advertising services		51.00	51.00	522	Publimedia Sistemas Publicitarios, S.L.
TV Transit, S.A. <i>C/ Fernando Rey nº 3. Pozuelo de Alarcón (Madrid)</i>	D Advertising services		100.00	100.00	1,275	Clece, S.A.
Urbaenergía Tratamiento y Generación S.L. <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>			100.00	100.00	12,840	Urbaser, S.A. (99.99%) and Villanova, S.A. (0.01%)
Urbana de Servicios Ambientales, S.A. <i>Avda. Ortega y Gasset, 194 - 29006 Málaga</i>	Road cleaning		75.00	75.00	1,365	Urbaser, S.A.
Urbaser, S.A. <i>C/ Albasanz, 16 - Madrid</i>	A Environment	100.00		100.00	211,188	ACS Servicios y Concesiones, S.L. (99.99%) and Dragados, S.A. (0.01%)
Urbaser Argentina, S.A. <i>L.N. Alem 986, Piso 3 -Capital Federal Buenos Aires (Argentina)</i>	Ñ Road cleaning		100.00	100.00	4,419	Urbaser, S.A.
Urbaser Barquisimeto, C.A. <i>Carrera, 4 Zona Ind Barquisimeto - Lara (Venezuela)</i>	O Waste		100.00	100.00	170	Urbaser, S.A. (99.99%) and Villanova, S.A. (0.01%)
Urbaser Bolívar, C.A. <i>Vía Puente Angostura - Ciudad Bolívar (Venezuela)</i>	Waste		100.00	100.00	67	Urbaser, S.A.
Urbaser de Méjico, S.A. <i>Juan Racine.112 - 11510 Mexico City</i>	D Road cleaning		100.00	100.00	88	Urbaser, S.A.
Urbaser Libertador, C.A. <i>Urb. Las Mercedes, Av. Veracruz, Edif Torreón Caracas (Venezuela)</i>	Road cleaning		100.00	100.00	4	Urbaser, S.A. (90%), Urbaser Valencia C.A.(10%)
Urbaser Mérida, C.A. <i>Avda. Los Próceres c/c Viaducto Miranda, C.C. Alto Prado local 99 - Mérida (Venezuela)</i>	Road cleaning		100.00	100.00	38	Urbaser, S.A. (90%), Urbaser Valencia C.A.(10%)
Urbaser Santo Domingo, S.A. <i>C/ 6, Residencial Lidia Fernández III, Apto 301 Ensanche Paraíso, Santo Domingo, (Dominican Republic)</i>	Waste		100.00	100.00	2,738	Urbaser, S.A.
Urbaser Transportes, S.L. <i>Avda. Diagonal -611-2-2-08028-Barcelona</i>	Mixed transport		100.00	100.00	17	Urbaser, S.A. (99.99%) and Villanova, S.A. (0.01%)
Urbaser United Kingdom, Ltd <i>103, High St. Evesham. Worcestershire. WR11 4EL</i>	Q Waste treatment plant		100.00	100.00	371	Urbaenergía, Tratamiento y Generación, S.L.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Urbaser Valencia, C.A. <i>Torre Movilnet, Piso 6, Oficina 6-4, Paseo Cabriales Sector Kerdel, Valencia. Estado Carabobo-Venezuela</i>	Road cleaning		100.00	100.00	315	Urbaser, S.A. (99.99%) and Villanova, S.A. (0.01%)
Urbasistem Publicity, S.A. <i>Aragoneses, 15 - Alcobendas. Madrid</i>	Advertising		100.00	100.00	32	Urbaser, S.A.
Urbasisten, Asistencia Sanitaria, S.A. <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>	Ambulances		100.00	100.00	204	Urbaser, S.A. (99.99%) and Villanova, S.A. (0.01%)
Valenciana de Eliminación de Residuos, S.L. <i>Real de Montroi - Paraje Cabrera de Pino s/n - Valencia</i>	Environment		85.00	85.00	233	Urbaser, S.A.
Valenciana de Protección Ambiental, S.A. <i>L' Alcudia de Crepins - Polig. El Caneri Parcela 6 - Valencia</i>	A Environment		99.55	99.55	1,593	Urbaser, S.A.
Vertederos de Residuos, S.A. (VERTRESA) <i>C/ Albasanz, 16 - Madrid</i>	A Environment		83.96	83.96	11,533	Urbaser, S.A.
Vicens Orts, S.L. <i>Berenguer de Palou, 1 - Salou - Tarragona</i>	A Environment		100.00	100.00	0	Urbaser, S.A. (99.99%) and Socamex, S.A. (0.01%)
Zenit Servicios Integrales, S.A. <i>C/ Cardenal Marcelo Spínola, 42. Madrid</i>	A Airport services		51.00	51.00	1,627	Clece, S.A.
CONCESSIONS						
Dragados Concesiones de Infraestructuras, S.A. <i>C/ Julián Camarillo, 6a - 2ª planta 28037 Madrid</i>	A Concessions		100.00	100.00	271,490	ACS Servicios y Concesiones, S.L. (99.99%) and Novovilla, S.A. (0.01%)
ACS Chile, S.A. <i>Avenida Isidora Goyenechea N° 3365 Piso 9 Oficina 902, Comuna de las Condes, Santiago de Chile</i>	C Construction	98.48	1.52	100.00	46,889	Inversora de Infraestructuras, S.A. and Dragados, S.A.
Desarrollo de Concesiones Aeroportuarias, S.L. <i>C/ Julián Camarillo, 6a - 2ª planta 28037 Madrid</i>	Concessions		100.00	100.00	2,499	Dragados Concesiones de Infraestructuras, S.A. (99.99%) and Villanova, S.A. (0.01%)
Desarrollo de Concesiones Ferroviarias, S.L. <i>C/ Julián Camarillo, 6a - 2ª planta 28037 Madrid</i>	Concessions		100.00	100.00	19,352	Dragados Concesiones de Infraestructuras, S.A. (99.99%) and Villanova, S.A. (0.01%)
Dragados A-1, Ltd. <i>180 Strand London WC2R 1PZ</i>	A Concessions		100.00	100.00	0	Dragados Concesiones de Infraestructuras, S.A.
Dragados Concessions, Ltd. <i>180 Strand London WC2R 1PZ</i>	A Concessions		100.00	100.00	8,764	Dragados Concesiones de Infraestructuras, S.A.
Dragados Dundalk Ireland, Ltd. <i>Earlfort Terrace, Dublin 2 Ireland</i>	A Concessions		100.00	100.00	5,504	Dragados Concesiones de Infraestructuras, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Fenoco, S.A. <i>C/ 94 A No 11 A 27, piso 3. Bogotá D. C. Colombia</i>	D Concessions		71.32	71.32	19,470	Dragados Concesiones de Infraestructuras (66.00%) and Tecsa, S.A. (5.32%)
Inversiones Nocedal, S.A. <i>C/ Miraflores, 222 piso 24 Santiago de Chile</i>	J Concessions		100.00	100.00	62,678	Inversora de Infraestructuras, S.A. (99.99%) and Villanova, S.A. (0.01%)
Inversora de Infraestructuras, S.A. <i>C/ Julián Camarillo, 6a - 2ª planta 28037 Madrid</i>	Concessions		100.00	100.00	286,034	Dragados Concesiones de Infraestructuras (99.99%) and Villanova, S.A. (0.01%)
Taurus Holdings Chile, S.A. <i>C/ Alcántara, 271 piso 2º Las Condes-Santiago de Chile</i>	J Concessions		100.00	100.00	78,049	Inversora de Infraestructuras, S.A.

AUDITOR

(A) DELOITTE & TOUCHE	(J) QUESADA Y DIAS AUDITORES	(R) CAROLINA PUEYO
(B) PRICE WATERHOUSE COOPERS	(K) SURLATINA & HOWARTH	(S) BAKER TILLY MGRD
(C) ERNST & YOUNG	(L) ESTUDIO TORRENT AUDITORES	(T) ANDREU ROMERO Y ASOCIADOS
(D) KPMG	(M) SECOFA	(U) L. GRAÇA. R. CARVALHO & BORGES, SROC, LDA
(E) OSVALDO JORGE PAULINO	(N) RACC AUDITORES	(V) AUREN
(F) BSK CONSULTING	(Ñ) RAZZETO, LÓPEZ & RODRÍGUEZ CORDOBA	(W) BDO SIMPSON XAVIER
(G) CONSULTORES ASOCIADOS	(O) IRVIN CEDEÑO Y ASOCIADOS	(X) AUDIHISPANIA, S.A.
(H) ROJAS Y NOVOA	(P) VIZOSO, CASTELLA & ASOCIADOS	(Y) AUDIEC-PKF
(I) MADERA SORIANO Y ASOCIADOS	(Q) DAVIES MYERS AND PARTNERS	

Exhibit II

Proportionally consolidated companies and companies accounted for by the equity method

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
PARENT COMPANY						
Abertis Infraestructuras, S.A. <i>Avinguda del Parc Logístic, 12-20 - 08040 Barcelona</i>	B Infrastructure concessions	17.58		17.58	869,542	
Inmobiliaria Urbis, S.A. <i>General Pardiñas, 73 - Madrid</i>	A Real estate	20.04	0.33	20.37	131,968	Dragados, S.A.
ACS Telefonía Móvil, S.L. <i>C/ Orense, 34 - Madrid</i>	Telecommunications	99.99	0.01	100.00	2	Comunidades Gestionadas, S.A. (Cogesa)
Xfera Móviles, S.A. <i>Ribera del Sena, s/n - Madrid</i>	A Telecommunications		37.91	37.91	24,549	ACS Telefonía Móvil, S.L.
CONSTRUCTION						
ACS, Sacyr Chile, S.A. <i>Santiago de Chile - (Chile)</i>	C Construction		50.00	50.00	348	Dragados, S.A.
Autopistas del Sol, S.A. <i>Buenos Aires - Argentina</i>	Concessions		5.86	5.86	0	Dragados y Construcciones Argentina S.A.I.C.I. (Dycasa)
Constructora Aeropuerto de Chile, S.A. <i>C/ Alfredo Barros Errazuriz, 1953 - Santiago de Chile</i>	J Construction		50.00	50.00	22	Dragados, S.A.
Constructora Norte Sur, S.A. <i>Panamericana Norte nº 5364 Conchalí, Santiago de Chile</i>	C Construction		48.00	48.00	5	Dragados, S.A.
Concesionaria Vial del Sur, Covisur, S.A. <i>A.M. de Justo 170 - Piso 2º - Ciudad Aut. Buenos Aires - Argentina</i>	Concessions		25.00	25.00	3,220	Dragados y Construcciones Argentina S.A.I.C.I. (Dycasa)
Dragados Fomento Canadá, S.A.L. <i>Queen Street, 570 Fredericton NB (Canada)</i>	Construction		50.00	50.00	0	Dragados, S.A.
Dravo, S.A. <i>Plaza de Castilla, 3 - 5º CII - 28046 Madrid</i>	C Construction		50.00	50.00	541	Construcciones Especiales y Dragados, S.A. (Drace)
Elaboración de Cajones Pretensados, S.L. <i>C/ Marcelo Spínola, 42 - 28016 Madrid</i>	Construction		50.00	50.00	2	Dragados, S.A.
Probiar, S.A. <i>Av. Leandro M. Alem, 986 - Buenos Aires - Argentina</i>	Construction		30.00	30.00	202	Dragados y Construcciones Argentina S.A.I.C.I. (Dycasa)
Aeba, S.A. <i>C/ Tucuman, 131 - Buenos Aires - Argentina</i>	Construction		45.00	45.00	131	Dragados y Construcciones Argentina S.A.I.C.I. (Dycasa)
Sociedad de Gestión, Infraestructura y Transporte SGIT, CA <i>Av. Principal Las Mercedes, 3. Caracas - Venezuela</i>	Construction		50.00	50.00	193	Constructora Dycven, S.A. (Dycvensa)
Grupo Comercializador del Sur, S.A. <i>Mexico</i>	Real estate		50.00	50.00	0	Dragados, S.A.
Superco Orense, S.A. <i>C/ Benito Blanco Rajoy, 9 - 15006 La Coruña</i>	Construction		35.00	35.00	1	Dragados, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
INDUSTRIAL						
Aldebaran S.M.E. S.A. <i>C/ Amistat, 23 - 08005 Barcelona. Spain</i>	Energy production		50.00	50.00	31	Energía y Recursos Ambientales, EYRA, S.A.
BK-DOSSA, S.A. <i>Centro de Neg. Miramar c/3 RA E/78 y 80 Edificio Jerusalem - La Habana (Cuba)</i>	G Industrial engineering and construction		50.00	50.00	0	Dragados Offshore, S.A.
Cachoeira Paulista Transmisora de Energía S.A. <i>Rua Marechal Camera, 160 - Rio de Janeiro - Brazil</i>	Energy transport		25.00	25.00	5,819	Cobra Instalaciones y Servicios, S.A.
Cobra Entel <i>Rue Carthage, 220 Argel (Algeria)</i>	Inactive		20.00	20.00	3	Cobra Internacional
Cobra Magreb <i>Casablanca - Morocco</i>	Inactive		35.00	35.00	28	Cobra Instalaciones y Servicios, S.A.
Cogeneración Alfacel A.I.E. <i>Avda. de Tenerife, 4 - 6. 28700 San Sebastián de los Reyes (Madrid)</i>	Energy		78.75	78.75	4	Urbaser, S.A. (62.5%) and Intecsa-Uhde, S.A. (16.25%)
Constructora Gas del Bio Limitada <i>Puerta del Sol 55 4º Las Condes - Santiago (Chile)</i>	Industrial maintenance and assembly		40.00	40.00	17	Mantenimiento y Montajes Industriales, S.A. (Masa)
Cygnus Air, S.A. <i>Aguehol, 7 - Madrid</i>	A Air transport		40.00	40.00	503	Instalaciones y Montajes Eléctricos, S.A. (IMES)
Dinec 1, S.A. de C.V. <i>Juan Racine nº 112, 6º piso Col. Los Morales Polanco. Mexico City 11510</i>	A Control, installation and industrial assembly		56.56	56.56	3	Dragados Industrial, S.A. (26.56%) and Control y Montajes Industriales, S.A. (30%)
Dinsa Eléctricas y Control y Montajes Industriales, S.A. de C.V. <i>Juan Racine nº 112, 6º piso Col. Los Morales Polanco. Mexico City 11510</i>	A Control, installation and industrial assembly		60.00	60.00	32	Control y Montajes Industriales, S.A.
Dragados Offshore SLP S.A. de C.V <i>C/ Juan Racine, 112 6º Col. Los Morales Del. Miguel Hidalgo Mexico City 11510</i>	D Industrial engineering and construction		50.00	50.00	0	Dragados Offshore, S.A.
Dyta Eólica de Castilla La Mancha, S.A. <i>Cabañeros (Ciudad Real)</i>	Energy production		40.00	40.00	1,940	Urbaenergía, S.A.
Energías Renovables Ricobayo, S.A. <i>Riofrío de Aliste y Ferreuela (Zamora)</i>	Energy production		50.00	50.00	299	Urbaenergía, S.A.
Elecdey Castilla La Mancha, S.A. <i>Chumillas (Cuenca)</i>	Energy production		42.00	42.00	1,095	Urbaenergía, S.A.
Expansion Transmissao de Energia Eléctrica, S.A. <i>Avda. Marechal Camera, 160 - Rio de Janeiro - Brazil</i>	Energy transmission		25.00	25.00	5,563	Cobra Instalaciones y Servicios, S.A.
Explotaciones Eólicas Sierra de Utrera, S.L. <i>Utrera (Málaga)</i>	Energy production		25.00	25.00	902	Urbaenergía, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Geida Beni Saf <i>Algeria</i>	Desalination		25.00	25.00	75	Cobra Internacional
Geida Skikda <i>Algeria</i>	Desalination		25.00	25.00	75	Cobra Internacional
Hospec, S.A.L. <i>Tamer Bldg., Sin El Beirut, Lebanon</i>	Import and export		50.00	50.00	0	Makiber, S.A.
Incro, S.A. <i>Serrano 27 - Madrid 28001</i>	Engineering		25.00	25.00	7	Intecsa-Uhde Industrial, S.A.
Intecsa Uhde Industrial, S.A. <i>Vía de los Poblados.11 Madrid 28033</i>	A Engineering		50.00	50.00	1,857	Dragados Industrial, S.A.
JC Decaux Cevasa, S.A. <i>Polígono Industrial "Las Mercedes" - Madrid</i>	Advertising operations		50.00	50.00	30	Roura Cevasa, S.A.
Nordeste Transmissora de Energia Ltda <i>Avda. Marechal Camara 160 salas 1833/1834 Rio de Janeiro. Brazil</i>	Control, installation and industrial assembly		49.99	49.99	21,124	Control y Montajes Industriales, S.A.
Operadora del Pacifico, S.A. <i>San Sebastian, 2750 - Oficina 404 - Las Condes - Santiago de Chile. Chile</i>	Highway upkeep and maintenance		50.00	50.00	84	Api Conservación, S.A.
P. E. Loma del Capón <i>Albuñuelas (Granada)</i>	Energy production		50.00	50.00	61	Urbaenergía, S.A.
Parque Eólico Lodoso, S.L. <i>C/ Almirante Bonifaz, 3 09003 Burgos</i>	Energy production		25.00	25.00	45	Energía y Recursos Ambientales, Eyra, S.A.
Parque Eólico Santa Cruz del Tozo <i>Almirante Bonifaz, 3 - 09003 Burgos</i>	Energy production		25.00	0.25	45	Energía y Recursos Ambientales, Eyra, S.A.
Red Eléctrica del Sur, S.A. <i>Avda. San Felipe 758 - Lima. Peru</i>	Energy transmission		20.00	20.00	4,624	Cobra Perú, S.A.
Serra do Moncoso Cambas, S.L. <i>Touriñan (La Coruña)</i>	Energy production		45.00	45.00	2,516	Urbaenergía, S.A.
Sociedad de Energías Renovables y Cogeneración S.A. <i>Sargentos de la Lora y Bastoncillos el Tozo (Burgos)</i>	Energy production		50.00	50.00	160	Urbaenergía, S.A.
Soc. Gtión Rec. Energéticos <i>Valdelacasa (León)</i>	Energy production		25.00	25.00	0	Urbaenergía, S.A.
STE-Sul Transmisora de Energia Ltda. <i>Avda. Marechal Camara 160 salas 1833/1834 Rio de Janeiro. Brazil</i>	Control, installation and industrial assembly		49.90	49.90	9,857	Control y Montajes Industriales, S.A. and Control y Montajes Industriales do Brasil Ltd
Transmissão Itumbiara Marimbondo, S.A. <i>Rua Marechal Camera, 160 - Rio de Janeiro. Brazil</i>	Energy transmission		25.00	25.00	4,038	Cobra Instalaciones y Servicios, S.A.
Visadrag Gas, Ltda. <i>Avda. Gago Coutinho 147 Lisbon 1700</i>	Industrial maintenance and assembly		50.00	50.00	3	DYCTEL Infraestructuras de Telecomunicaciones, S.A. (30%) and Mantenimiento y Montajes Industriales. S.A. (20%)

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
URBAN SERVICES						
A.T.M. Cartera, S.A. <i>C/Muelle 1 de la ampliación, Puerto de Bilbao. 48980 Santurce (Vizcaya)</i>	B Port services		48.74	48.74	2,456	Dragados Servicios Portuarios y Logísticos, S.L.
ABC, Servicios Medioambientales, S.A. <i>Colón de Larrategui, 26 - Bilbao</i>	Environment		20.00	20.00	143	Urbaser, S.A.
Agua del Gran Buenos Aires, S.A. <i>Italia 1184 - San Miguel, Capital Federal - B1663NXX, Buenos Aires</i>	Ñ Water management		26.34	26.34	2,256	Urbaser, S.A.
Alternativas Socio Sanitarias de Espiel, S.L. <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>	Geriatric care		50.00	50.00	120	Urbaser, S.A.
American Forestry Technology, Inc <i>7852 West 200 South West Point in 47992 USA</i>	Wood		41.11	41.11	3,483	Urbaser, S.A.
Citri, S.A. <i>Portugal</i>	Environment		26.00	26.00	936	Urbaser, S.A. and Novaflex, Técnicas de Medio Ambiente, S.A.
Compañía Navarra de Autobuses, S.A. <i>Ciudad del Transporte - Imarcain - Navarra</i>	Regular transport of passengers		31.24	31.24	1,505	Continental Auto, S.L.
Conterail, S.A. <i>Avda. Europa, s/n. 28820 Coslada (Madrid)</i>	V Transport		50.00	50.00	536	Dragados Servicios Portuarios y Logísticos, S.L.
CSXWT Dominicana Ltd. <i>Juan Racine nº 112, 6º piso Col. Los Morales Polanco. Mexico City 11510</i>	C Port services		30.00	30.00	19,895	Dragados SPL del Caribe S.A. de C.V.
Demarco, S.A. <i>Alcalde Guzmán.18 - Quilicura (Chile)</i>	K Waste		50.00	50.00	2,778	Urbaser, S.A.
Desarrollo y Gestión de Residuos, S.A. (Degersa) <i>Avda. Barón de Carcer, 37 - Valencia</i>	Environment		40.00	40.00	24	Urbaser, S.A.
E.M. de Aguas del Ferrol, S.A. <i>C/ María, 38 - 15402 Ferrol</i>	A Water management		49.00	49.00	2,795	Urbaser, S.A.
Ecoparc del Mediterrani, S.A. <i>Avda. Eduard Beristany S/N, San Adrià del Besós</i>	Transferring plant		32.00	32.00	1,533	Urbaser, S.A.
Ecoparc, S.A. <i>C/ A . Políg. Industrial Zona Franca - Barcelona</i>	Industrial treatment of waste		44.00	44.00	3,064	Urbaser, S.A.
Eix Bus, S.A. <i>Sardenya, 16 (Girona)</i>	Regular transport of passengers		33.33	33.33	20	Anónima Alsina Graells de A.T., S.A.
Energías y Tierras Fértiles, S.A. <i>Pascual y Genís, 19 - 46002 Valencia</i>	Waste		33.36	33.36	252	Urbaser, S.A.
Entaban Biocombustibles del Guadalquivir, S.A. <i>Paseo Independencia, 28 - Zaragoza</i>	Environment		25.00	25.00	479	Urbaser, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Entaban Biocombustibles del Pirineo, S.A. <i>Paseo Independencia, 28 - Zaragoza</i>	Environment		30.00	30.00	451	Urbaser, S.A.
Estación de Autobuses Aguilar de Campoo, S.L. <i>Calzada de Toro, 50, Villares de la Eina - Salamanca</i>	Station operation		33.00	33.00	(1)	Continental Auto, S.L.
Estación de Autobuses de Cartagena, S.A. <i>Avda. Tovero Marín, 3 - Cartagena</i>	Station operation		27.50	27.50	8	Transportes Alsina Graells Sur, S.A.
Estación de Autobuses de Vitoria, S.A. <i>Las Herran, 50 - Vitoria</i>	Station operation		25.00	25.00	18	Continental Auto, S.L.
Estacionamientos El Pilar, S.A. <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>	A Parking lots		50.00	50.00	4,790	Urbaser, S.A.
Explotaciones Eólicas Vientos del Sur, S.L. <i>C/ Serrano, 17 28001 - Madrid</i>	Wind power		33.00	33.00	0	Urbaser, S.A.
Foresta Capital, S.A. <i>C/ Cardenal Marcelo Spínola, 2, 1º - 28016 - Madrid</i>	Wood		50.00	50.00	1,505	Urbaser, S.A.
Foresta Individual, S.A. <i>C/ Cardenal Marcelo Spínola, 2, 1º - 28016 - Madrid</i>	Wood		17.85	17.85	4,959	Foresta Capital, S.A.
Gestión Medioambiental de L'Anoia, S.L. <i>C/ Viriato - 47 - 08000 - Barcelona</i>	Environmental management		50.00	50.00	238	Urbaser, S.A.
Interenvases, S.A. <i>C/ Boriceta, 8 (Álava)</i>	Environment		50.00	50.00	556	Urbaser, S.A.
International City Cleaning Company, C.A. <i>Egipto</i>	Environment		30.00	30.00	209	Urbaser, S.A.
Iquique Terminal Internacional, S.A. <i>C/San Martín, 255 Oficina 151. Iquique (Chile)</i>	B Port services		40.00	40.00	3,364	Dragados Servicios Portuarios y Logísticos, S.L.
KDM, S.A. <i>Alcalde Guzmán.18 - Quilicura (Chile)</i>	C Waste		50.00	50.00	10,212	Urbaser, S.A.
La Unión Alavesa, S.A. <i>Gerezpea, 17 - Vitoria</i>	Regular transport of passengers		50.00	50.00	229	Estación de Servicio Alavesa, S.A.
Laumar Cargo, S.L. <i>Avda. Hoya del Buñoi, 37. 46.215 Macastre (Valencia)</i>	Transport		50.00	50.00	801	Dragados Servicios Portuarios y Logísticos, S.L.
Mepsa, Servicios y Operaciones, S.A. <i>C/Mallorca, 260 4º 3ª. 08008 Barcelona</i>	Services related to port operations and logistics		35.00	35.00	26	Dragados Servicios Portuarios y Logísticos, S.L.
Movelía Tecnologías, S.L. <i>Avda. de América, 9a - Madrid</i>	Transport		27.61	27.61	414	Continental Auto, S.L. (16.77%) and Transportes Alsina Graells Sur, S.A. (10.84%)
Muelles y Espacios Portuarios, S.A. <i>C/Mallorca, 260 4º 2º. 08008 Barcelona</i>	Y Administrative concession for the development of a parcel in the port of Barcelona		35.00	35.00	1,120	Dragados Servicios Portuarios y Logísticos, S.L.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Operaciones Portuarias Canarias, S.A. <i>Avda. de los Cambulloneros, s/n. 35.008 Las Palmas de Gran Canaria.</i>	C Port services		45.00	45.00	19,039	Dragados Servicios Portuarios y Logísticos, S.L.
Remolcadores de Barcelona, S.A. <i>Muelle Evaristo Fernández, 28. Edificio Remolcadores. 08039 Barcelona</i>	X Tugging		33.67	33.67	9,422	Dragados Servicios Portuarios y Logísticos, S.L. and Marmedsa
Resíges - Gestao de Resíduos Hospitalares Lda. <i>Portugal</i>	Environment		50.00	50.00	12	Novaflex, Técnicas de Medio Ambiente, S.A.
Sala, S.A. ESP <i>C/ 100, 19 - Bogotá (Colombia)</i>	Road cleaning		50.00	50.00	2,848	Urbaser, S.A.
Salmedina Tratamiento de Resíduos Inertes, S.L. <i>Génova, 5 - Madrid</i>	Environment		50.00	50.00	2,945	Vertedero de Resíduos, S.A.
Servicios Urbanos e Medio Ambiente, S.A. (Suma) <i>Avda. Julio Dinis.2 - Lisbon (Portugal)</i>	A Road cleaning		38.50	38.50	7,599	Urbaser, S.A. (38.49%) and Novovilla, S.A. (0.01%)
Servicios Urbanos, S.L. <i>Lugar de Pingela 4460, Custoias - Matosinhos (Portugal)</i>	Road cleaning		38.50	38.50	3,896	Servicios Urbanos e Medio Ambiente, S.A. (SUMA)
Sistemas de Reducción, S.A. <i>Pasaje Vicent Marri, 13 - Barcelona</i>	Environment		40.00	40.00	238	Urbaser, S.A.
Soluciones Bema, S.L. <i>C/ Somosierra, 24 San Sebastián de los Reyes - Madrid</i>	Environment		20.00	20.00	2	Urbaser, S.A.
Starco, S.A. <i>Alcalde Guzmán.18 - Quilicura (Chile)</i>	K Waste		50.00	50.00	3,382	Urbaser, S.A.
Tecnología Medioambientales del Golfo, S.A. de C.V. <i>Mexico</i>	C Environment		50.00	50.00	682	Tecmed, Técnicas Medioambientales de Mexico
Tirme, S.A. <i>Ctra. de Soller, Km 8.2 07120 - Son Reus (Palma de Mallorca)</i>	A Cogeneration		20.00	20.00	1,515	Urbaenergía, Tratamiento y Generación, S.L.
Transpisa <i>Avda. Josep Tarradellas, 42 - Andorra La Vella</i>	Regular transport of passengers		33.00	33.00	10	Anónima Alsina Graells de A.T., S.A.
Tratamiento Industrial de Resíduos Sólidos, S.A. <i>Rambla Cataluña, 91 - 08008 Barcelona</i>	P Waste		33.33	33.33	1,352	Urbaser, S.A.
Valdemingómez 2000, S.A. <i>C/ Albasanz, 16 - Madrid</i>	Environment		33.58	33.58	667	Vertedero de Resíduos, S.A.
Valorga International, S.A. <i>France</i>	Environment		40.00	40.00	205	Urbaser, S.A.
Zoreda Internacional, S.A. <i>C/ Rodríguez San Pedro, 5 - Gijón</i>	Environment		40.00	40.00	31	Urbaser, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
CONCESSIONS						
Rutas del Pacífico, S.A. <i>Santiago de Chile - (Chile)</i>	C Concession-holder company		50.00	50.00	39,969	ACS Chile, S.A.
Aerocali, S.A. <i>Aeropuerto Alfonso Bonilla Aragón Piso 3º Palmira - Colombia</i>	A Concessions		33.33	33.33	29	Dragados Concesiones de Infraestructuras, S.A.
Aeropuertos Mejicanos del Pacífico, S.A. de C.V. <i>Av.Mariano Otero.No 1249.ala B, piso 7. Condomino Centro Torre Pacífico Guadalajara - Jalisco - Mexico.</i>	A Concessions		28.16	28.16	49,197	Dragados Concesiones de Infraestructuras, S.A.
Autovía de la Mancha, S.A. Concesionaria Junta <i>Comunidades de Castilla La Mancha Paseo de Bachilleres 1-B 45003 - Toledo</i>	A Concessions		66.67	66.67	17,321	Dragados Concesiones de Infraestructuras, S.A.
Bakwena Platinum Corridor Concessionaire Ltd. <i>24 Sunninghill Office Park, Peltier Road Sunninghill - 2157</i>	A Concessions		25.00	25.00	187	Infraestructure Concessions South Africa, Ltd.
Bidelan Guipuzkoako Autobideak, S.A. <i>Plaza de los Amezqueta, 10 20010 - San Sebastián (Guipúzcoa)</i>	F Concessions		50.00	50.00	2,710	Dragados Concesiones de Infraestructuras, S.A.
Circunvalación Alicante, S.A. <i>Auso y Monzo, 16 - 6ª Planta, Edificio Hispania; 03006 Alicante</i>	D Concessions		50.00	50.00	25,084	Inversora de Infraestructuras, S.A.
Concesionaria Vial del Sur, Covisur, S.A. <i>A.M. de Justro 170 - Piso 2º - Ciudad Aut. Buenos Aires - Argentina</i>	Concessions		25.00	25.00	3,220	Dragados y Construcciones Argentina S.A.I.C.I. (Dycasa)
Celtic Road Group Dundalk, Ltd. <i>Burton Court, Burton Hall Road, Sandyford, Dublin 18, Ireland</i>	W Concessions		33.33	33.33	30	Dragados Dundalk Ireland, Ltd.
Guadalquivir Sociedad Concesionaria de la Junta de Andalucía, Guadalmetro, S.A. <i>Avda. San Francisco, 1 41005 - Seville</i>	D Concessions		27.83	27.83	23,931	Desarrollo de Concesiones Ferroviarias, S.L.
Infraestructuras y Radiales, S.A. <i>C/ Golfo de Salónica, 27 Madrid</i>	D Concessions		35.00	35.00	28,202	Inversora de Infraestructuras, S.A.
Infraestructure Concessions South Africa, Ltd. <i>24 Sunninghill Office Park, Peltier Road Sunninghill - 2157 (South Africa)</i>	A Concessions		50.00	50.00	15,865	Dragados Concesiones de Infraestructuras, S.A.
MBJ Airports Ltd. <i>Island Mailboxes Suit 4000 Montego Bay St. James (Jamaica)</i>	A Concessions		35.00	35.00	654	Dragados Concesiones de Infraestructuras, S.A.
Pt Operational Services (PTY) Ltd. <i>1 Lavender Road Bon Accord 009 - South Africa</i>	B Concessions		33.40	33.40	0	Dragados Concesiones de Infraestructuras, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Road Management (A13) Plc. <i>Sandiway House, Littlelades Lane Hartford, Northwich Cheshire CW8 2YA</i>	D Concessions		25.00	25.00	437	Dragados Concessions Ltd.
Road Management Services (Darrington) Holdings Limited <i>Sandiway House, Littlelades Lane Hartford, Northwich Cheshire CW8 2YA</i>	D Concessions		25.00	25.00	18	Dragados A-1 Ltd.
Roads Users Services Ltd. (Northlink M1 Ltd en 2005) <i>Burton Court, Burton Hall Road, Sandford, Dublin 18, Ireland</i>	W Concessions		27.00	27.00	27	Dragados Dundalk Ireland, Ltd.
Ruta de los Pantanos, S.A. <i>Carretera M-501 Km. 10.200 - 28670 Madrid</i>	A Concessions		25.00	25.00	3,580	Inversora de Infraestructuras, S.A.
SCL Terminal Aéreo Santiago S.A., Sociedad Concesionaria <i>Aeropuerto Arturo Merino Benítez Pudahuel - Santiago de Chile</i>	B Concessions		14.78	14.78	2,366	Desarrollo de Concesiones Aeroportuarias, S.L.
Scutvias Autoestradas da Beira Interior, S.A. <i>Praça de Alvalade, 6 - 7º Lisbon</i>	A Concessions	20.00	13.34	33.34	16,403	Sopol, S.A.
Sociedad Concesionaria Autopista Central, S.A. <i>San José, 1145 Comuna de San Bernardo Santiago de Chile</i>	B Concessions		48.00	48.00	40,687	Dragados Concesiones de Infraestructuras, S.A. (25%) and Inversiones Nocedal, S.A. (23%)
Sociedad Concesionaria Vespucio Norte Express, S.A. <i>C/ Alcántara, 200, Oficina 501 Las Condes-Santiago de Chile</i>	B Concessions		54.00	54.00	32,311	Taurus Holdings Chile, S.A. (25%)
Tag Red, S.A. <i>Avda. Alonso de Córdoba, 5151, Oficina 501 Las Condes - Santiago de Chile</i>	B Concessions		50.00	50.00	8	Taurus Holdings Chile, S.A. (25%) and Inversiones Nocedal, S.A. (25%)
TP Ferro Concesionaria S.A. <i>Plaza de la Palmera, 6, 3º - 17600 Figueres - Girona</i>	D Concessions	24.80	25.20	50.00	17,139	Dragados Concesiones de Infraestructuras, S.A. (24.80%). Dragados, S.A. (0.30%) and Cobra Instalaciones y Servicios, S.A. (0.10%)

AUDITOR

(A) DELOITTE & TOUCHE	(J) QUESADA Y DIAS AUDITORES	(R) CAROLINA PUEYO
(B) PRICE WATERHOUSE COOPERS	(K) SURLATINA & HOWARTH	(S) BAKER TILLY MGRD
(C) ERNST & YOUNG	(L) ESTUDIO TORRENT AUDITORES	(T) ANDREU ROMERO Y ASOCIADOS
(D) KPMG	(M) SECOFA	(U) L. GRAÇA. R. CARVALHO & BORGES, SROC, LDA
(E) OSVALDO JORGE PAULINO	(N) RACC AUDITORES	(V) AUREN
(F) BSK CONSULTING	(Ñ) RAZZETO, LÓPEZ & RODRÍGUEZ CORDOBA	(W) BDO SIMPSON XAVIER
(G) CONSULTORES ASOCIADOS	(O) IRVIN CEDEÑO Y ASOCIADOS	(X) AUDIHISPANIA, S.A.
(H) ROJAS Y NOVOA	(P) VIZOSO, CASTELLA & ASOCIADOS	(Y) AUDIEC-PKF
(I) MADERA SORIANO Y ASOCIADOS	(Q) DAVIES MYERS AND PARTNERS	

Exhibit III

Companies excluded from the scope of consolidation

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
PARENT COMPANY						
Broadnet Consorcio, S.A. <i>San Rafael, 1 (Alcobendas) - Madrid</i>	Telecommunications	20.67		20.67	0	
Carmelton Group, Ltd <i>57, Yigal Alon - Tel Aviv Israel</i>	Concessions	40.00		40.00	0	
CONSTRUCTION						
Cam Brians 2, S.A. <i>Vía Laietana, 33 - Barcelona</i>	Construction		75.00	75.00	10,355	Dragados, S.A.
Draga, S.A. <i>Carretera de La Comella, 11 - Andorra</i>	Construction		50.00	50.00	15	Dragados, S.A.
ACS, Siglo XXI Promociones <i>Castilla La Mancha, S.A. Avda. Pio XII, 102 - Madrid</i>	Real estate		51.00	51.00	102	Dragados, S.A.
Cleón, S.A. <i>Villanueva, 2 - Madrid</i>	Real estate		25.00	25.00	25,287	Dragados, S.A.
Corfica ,S.L. <i>Josep Tarradellas, 14 (Barcelona)</i>	Inactive		50.00	50.00	35	Dragados, S.A.
Grupo Comercializador del Sur, S.A. de C.V. <i>Mexico</i>	Real estate		50.00	50.00	0	Dragados, S.A.
Ingeniería y Construcciones Sala Amat, S.A. <i>c/ Fontanella 12, bis Barcelona</i>	Construction		50.00	50.00	0	Dragados, S.A.
Juluna, S.A. <i>c/ Somi, 3 46004 Valencia</i>	Construction		30.00	30.00	229	Dragados, S.A.
INDUSTRIAL						
AW Augusta Wind, S.L. <i>Nil Fabra, 34-38 entresuelo 2º B Barcelona</i>	Energy production		20.00	20.00	1,900	Energía y Recursos Ambientales, Eyra, S.A.
C.I.E.R., S.L.	Energy production		50.00	50.00	361	Energía y Recursos Ambientales, Eyra, S.A.
Cevasa do Brasil, S.A. <i>Brazil</i>	Inactive		100.00	100.00	0	Roura Cevasa, S.A.
Cevasa & Roura Brasil, Ltda. <i>Brazil</i>	Inactive		100.00	100.00	0	Roura Cevasa, S.A.
Cevasa & Roura Chile, S.A. <i>Chile</i>	Inactive		100.00	100.00	0	Roura Cevasa, S.A.
Cevasa & Roura Venezuela, S.A. <i>Venezuela</i>	Inactive		100.00	100.00	0	Roura Cevasa, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Cevasa Internacional S.A. <i>Paris (France)</i>	Inactive		100.00	100.00	174	Roura Cevasa, S.A.
Cevasa Perú, S.A. <i>Peru</i>	Inactive		100.00	100.00	0	Roura Cevasa, S.A.
Chipset Siotemas, S.L. <i>Montezuma, 4 - 1º Of. 8 - Santander</i>	Computer development		33.00	33.00	6	Mantenimientos, ayuda a la explotación y servicios, S.A.(MAESSA)
Disneon, S.A. <i>Barcelona</i>	Inactive		100.00	100.00	0	Roura Cevasa, S.A.
Reclamos Luminosos Neolux Lda. <i>Portugal</i>			30.00	30.00	299	Apadil, S.A.
Saneamiento Norte, S.A. <i>Municipio Escobar (Buenos Aires)</i>	Water management		73.00	73.00	0	Hidrogestión, S.A.
URBAN SERVICES						
Agencia Riomar, S.A. <i>Autonomía, 17 - Bilbao</i>	Inactive		50.00	50.00		Continental Auto, S.L.
Autopulman Soltur, S.A. <i>Alameda Recalde, 72 - Bilbao</i>	Inactive		50.00	50.00	0	Continental Auto, S.L.
Burgos Visión, S.L. <i>Camino Villargamar s/n. Burgos</i>	Transport		25.00	25.00	12	Continental Auto, S.L.
Estacion de Autobuses de Almuñecar, S.A. <i>Avda. Juan Carlos I S/N Almuñecar - Granada</i>	Station operation		100.00	100.00	0	Transportes Alsina Graells Sur, S.A.
Estación de Autobuses de Aranda, S.A. <i>Carretera Vieja de Valladolid s/n. Aranda. Burgos</i>	Bus station		33.00	33.00	0	Continental Auto, S.L.

Exhibit IV

List of the most significant joint ventures as of 12/31/04

Thousands of Euros

Joint venture (UTE)	Ownership Interest	Total Net Sales	Backlog
Radiales de Madrid	35.00%	138,063	857,346
UTE Terminal Barajas	22.50%	124,447	696,150
Túnel Guadarrama Sur	26.11%	141,608	515,859
UTE Metro L-9	43.50%	72,862	500,831
UTE Edificio Satélite	60.00%	114,597	416,523
Línea 1 Metro de Sevilla	37.00%	50,840	382,033
UTE M-30 Túnel Sur	50.00%	1,724	353,702
Túneles de Pajares 2 UTE	84.00%	12,527	345,706
UTES Pool Presa Caruachi	100.00%	25,273	334,273
AEIE Túnel del Perthus	59.00%	4,636	292,180
UTE Guadarrama IV	25.33%	82,381	270,994
Santiago-Alto Santo Domingo	29.60%	18,182	253,697
Regasagunto	80.00%	92,903	249,800
UTE Pista 15/33	33.34%	74,645	245,786
UTE Palacio Artes	50.00%	33,253	245,046
UTE Guadarrama III	25.33%	78,882	232,858
UTE DIC SUD TRAM I Y II	27.20%	48,870	195,177
Ciudad de Comunicaciones UTE	50.00%	35,574	190,541
Nuevo Hospital la FE U.T.E.	70.00%	21,746	186,434
Feria Muestras UTE	45.00%	58,636	160,427
Autovía Gijón Villaviciosa	50.00%	31,828	148,504
UTE Metro	90.00%	8,871	132,537
Ciclo Combinado Boroa	75.00%	82,509	131,250
UTE Part Irán	60.00%	84,224	122,263
UTE Transmérica	14.00%	17,836	122,261
Señalización AVE	50.00%	18,296	120,000
Euroasce I	36.68%	14,343	120,000
UTE Túnel Abdalajis Este Malag	60.00%	35,209	110,833
UTE Toledo Consuegra	66.66%	54,276	105,438
UTE Puerto Exterior Ferrol	32.50%	41,479	103,637
Hospital Lugo	50.00%	18,235	93,897
UTE Ruta de los Pantanos	33.33%	17,477	89,904
UTE AUT. Nerja-Almuñecar	75.00%	42,683	88,752
UTE Edificio Forum	33.34%	17,517	88,000

Thousands of Euros

Joint venture (UTE)	Ownership Interest	Total Net Sales	Backlog
UTE Muelle Exterior	35.00%	22,539	86,102
UTE Túnel Atocha-N. Ministerio	75.00%	24,103	77,115
UTE 3ª Pista	75.00%	30,302	75,070
UTE IUI Dinsa Ecolaire	80.00%	1,610	72,926
UTE PROL Dique Reina Sofia	30.00%	29,526	72,149
UTE Depurbesos	33.75%	20,229	71,211
Ciclo Combinado ACECA	75.00%	22,021	70,300
Ampliación Reina Sofía	50.00%	35,202	69,148
UTE Dacars	50.00%	35,202	69,148
UTE L-3 Canyelles Trinitat	80.00%	16,584	65,100
Acceso Puerto Castellón	50.00%	33,139	64,247
Circunvalación Vigo	50.00%	34,574	62,785
UTE Parla-Este	50.00%	21,859	61,646
Autovía Navalmoral UTE	50.00%	21,351	60,448
Ibercat	59.50%	26,550	60,300
Ciclo Combinado Santurce	55.00%	22,924	59,300
Balizamiento 18L	50.00%	36,249	56,500
Conserv. Mantenimiento A-8	50.00%	22,712	55,335
UTE Base Aérea	100.00%	44,693	51,558
UTE Pampilla España	25.00%	43,103	51,061
UTE IMC Clorososa Argelia	99.00%	32,396	47,091
Torre Agbar	53.67%	19,114	46,977
Parque Biomédica	50.00%	17,064	43,251
Euroasce II	36.68%	11,405	40,000
UTE Ave Castellbisbal	70.00%	16,366	39,912
Parque Comercial Megapark	80.00%	23,379	39,361
404 VPO. en Salburua	50.00%	17,004	35,146
Climatización Terminal Barajas	42.50%	12,585	35,000
Erakustazoka	53.33%	13,705	33,600
UTE Ave Olerdola	70.00%	18,549	32,293
Erabil	40.00%	19,236	32,000
Autovía Betxi-Borriol	70.00%	22,427	31,485
UTE Metro Mislata-Quart	40.00%	21,071	30,378
UTE Honduras	100.00%	9,941	30,054

3.3

Auditor's Report on Consolidated Financial Statements

ACS, Actividades de
Construcción y Servicios, S.A.
and Subsidiaries

Consolidated Financial Statements for the year ended December 31, 2004,
and Consolidated Management Report for 2004, together with Independent Auditors' Report

Deloitte.

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Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain. In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
ACS Actividades de Construcción y Servicios, S.A. and Subsidiaries:

1. We have audited the consolidated financial statements of the ACS GROUP (consisting of ACS Actividades de Construcción y Servicios, S.A. and Subsidiaries) comprising the consolidated balance sheet as of December 31, 2004, and the related consolidated statement of income and notes to consolidated financial statements for the year then ended. The preparation of these consolidated financial statements is the responsibility of the Parent Company's directors. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with generally accepted auditing standards, which require examination, by means of selective tests, of the documentation supporting the consolidated financial statements and evaluation of their presentation, of the accounting principles applied and of the estimates made. Our work did not include an examination of the financial statements of certain subsidiaries and associated companies whose assets and results represent 11% and 10%, respectively, of the related consolidated totals. The financial statements of these companies were audited by other auditors and our opinion as expressed in this report on the consolidated financial statements of the ACS GROUP is based, with respect to the ownership interests in these companies, solely on the reports of the other auditors. These companies and their respective auditors are listed in Exhibits I and II to the notes to consolidated financial statements referred to above.
2. As required by Spanish corporate law, for comparison purposes the directors present, in addition to the 2004 figures for each item in the consolidated balance sheet and consolidated statement of income, the figures for 2003. Our opinion refers only to the 2004 consolidated financial statements. Our auditors' report dated April 2, 2004, on the 2003 consolidated financial statements contained an unqualified opinion.
3. In our opinion, based on our audit and on the reports of the other auditors mentioned in paragraph 1 above, the consolidated financial statements for 2004 referred to above present, in all material respects, a true and fair view of the net worth and financial position of the ACS GROUP as of December 31, 2004, and of the results of its operations in the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with generally accepted accounting principles and standards applied on a basis consistent with that of the preceding year.
4. The accompanying consolidated management report for 2004 contains the explanations which the directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated management report is consistent with that contained in the consolidated financial statements for 2004. Our work as auditors was confined to checking the consolidated management report with the aforementioned scope, and did not include a review of any information other than that drawn from the Group companies' accounting records.

DELOITTE
Registered in ROAC under no. S0692


José A. Rodríguez Gil
April 1, 2005

Deloitte & Touche, S.A. inscrita en el Registro Mercantil de Madrid, tomo 4619, libro 0, folio 46, sección 8, hoja, M-75974, inscripción 41, C.I.F.-A-78478492. Domicilio Social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso - 28020 Madrid.

Member of
Deloitte Touche Tohmatsu

3.4

Historical Evolution

Consolidated Income Statement

Millions of Euros	2000	2001	2002	2003	2004	CAGR 04/00*
Net Sales	3,410.4	3,921.4	4,420.2	8,825.1	10,960.7	33.9%
Operating expenses	(3,130.3)	(3,568.5)	(4,009.2)	(8,030.3)	(9,983.3)	
Gross operating income	280.1	352.9	410.9	794.8	977.3	36.7%
Depreciations and provisions	(65.8)	(85.1)	(105.6)	(221.2)	(266.3)	
Net operating income	214.3	267.8	305.3	573.5	711.0	35.0%
Financial expenses	(58.4)	(70.4)	(95.4)	(154.7)	(198.4)	
Financial income	19.1	29.0	31.3	48.4	101.9	
Goodwill amortization	(4.3)	(6.2)	(29.2)	(54.7)	(80.7)	
Companies accounted for by the equity method	2.1	0.5	47.0	60.8	111.5	
Income from ordinary activities	172.8	220.7	259.0	473.4	645.4	39.0%
Extraordinary income	3.8	1.6	(8.6)	(190.0)	(21.9)	
Income before taxes	176.6	222.3	250.4	283.4	623.5	37.1%
Corporate income tax	(53.3)	(71.0)	(68.3)	(48.3)	(146.0)	
Consolidated income	123.3	151.3	182.1	235.1	477.5	40.3%
Minority interests	(2.5)	(2.1)	(0.7)	(5.6)	(17.1)	
Net income attributable to the Parent Company	120.8	149.2	181.4	229.5	460.4	39.7%

* CAGR: Compound Annual Growth Rate

Consolidated Balance Sheet as of December, 31

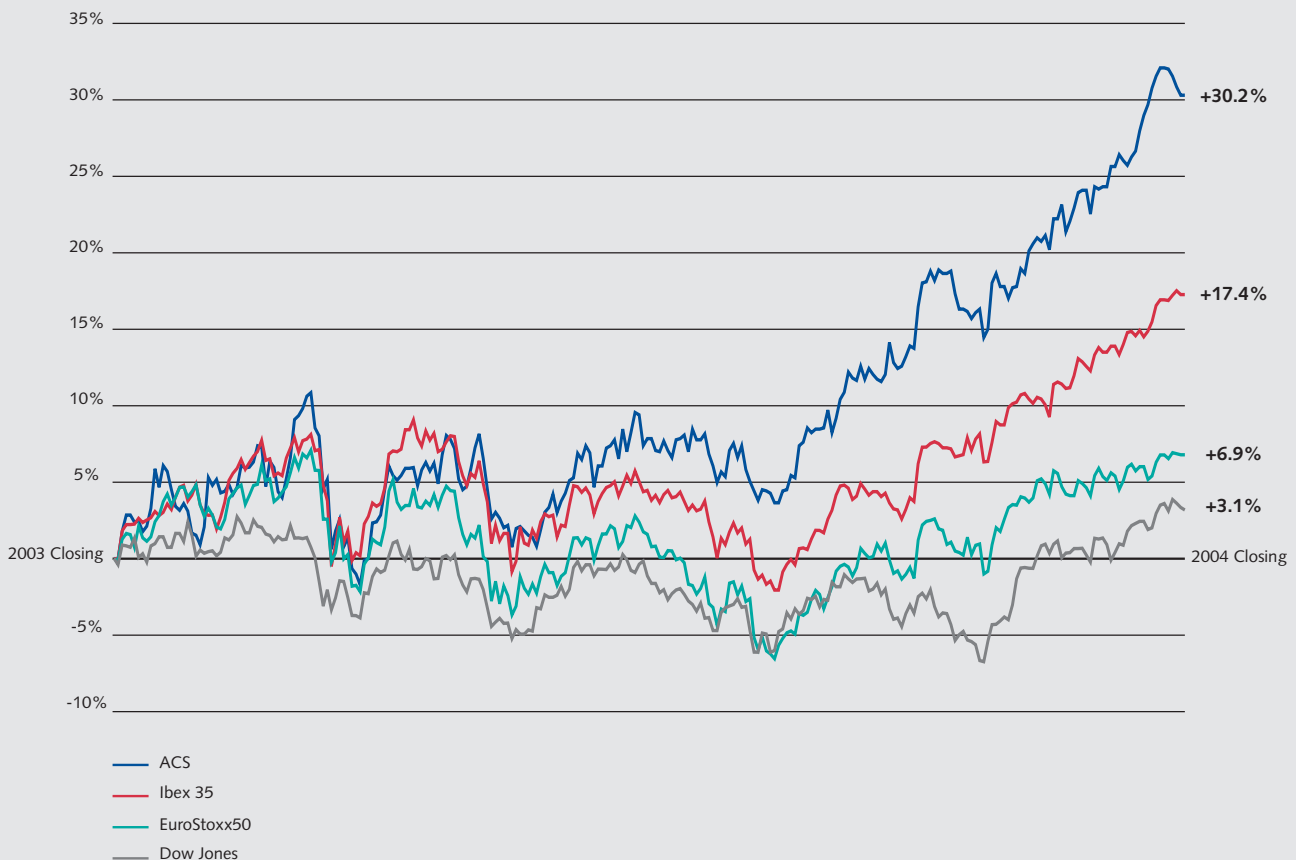
Millions of Euros	2000	2001	2002	2003	2004
Due from shareholders for uncalled capital	-	-	-	8.9	4.5
Start-up expenses	9.6	6.6	3.6	15.9	10.6
Intangible assets	51.2	59.6	67.6	421.3	485.7
Tangible fixed assets	481.4	579.6	602.1	1,533.8	1,847.1
Long-term financial investments	264.6	274.6	586.1	1,383.6	1,723.5
Total Fixed and other noncurrent assets	806.9	920.4	1,259.4	3,354.6	4,066.9
Goodwill in consolidation	77.6	93.5	666.8	1,039.9	1,257.4
Deferred charges	18.7	13.3	13.7	43.4	56.0
Inventories	199.4	184.2	181.4	424.9	403.6
Accounts receivables	1,899.9	2,176.9	2,239.4	5,159.2	5,176.5
Short-term investments	230.0	352.1	375.9	744.4	1,139.1
Treasury stock	-	-	-	26.9	29.1
Cash	95.6	124.3	164.9	383.1	451.0
Accrual accounts	10.7	15.9	13.0	40.9	25.4
Current assets	2,435.6	2,853.4	2,974.6	6,779.4	7,224.7
TOTAL ASSETS	3,338.7	3,880.6	4,914.5	11,226.3	12,609.4
Capital stock	96.3	96.1	96.1	177.8	176.4
Reserves	597.8	665.5	702.9	1,389.1	1,467.1
Income attributable to the Parent Company	120.8	149.2	181.4	229.5	460.4
Shareholders' Equity	814.9	910.8	980.4	1,796.4	2,103.9
Minority interests	22.0	26.0	23.4	99.3	119.1
Negative consolidation differences	0.1	0.0	0.0	3.6	4.4
Deferred revenues	17.0	18.7	29.0	135.6	161.4
Project financing	129.0	179.9	211.0	316.2	465.9
Provisions for contingencies and expenses	27.5	27.3	54.0	405.7	258.1
Payable to credit institutions	188.8	227.5	212.1	611.8	1,499.8
Other payable	17.5	14.7	13.7	116.9	183.2
Total long-term debt	206.3	242.2	225.8	728.7	1,683.0
Payable to credit entities	220.4	193.7	712.2	1,456.9	1,077.5
Trade accounts payables	1,587.6	1,881.9	2,208.4	5,059.2	5,514.6
Other non-trade payables	280.9	363.8	421.3	1,032.4	1,017.2
Operating allowances	33.1	36.3	49.0	192.3	204.3
Total short-term debt	2,122.0	2,475.7	3,390.9	7,740.8	7,813.6
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,338.7	3,880.6	4,914.5	11,226.3	12,609.4

3.5

Stock Market Information

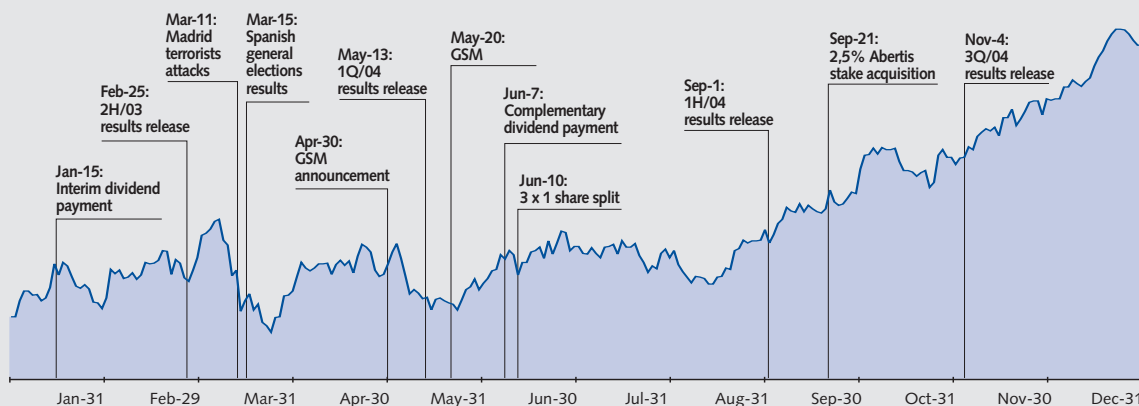
2004 has been the second consecutive year of recovery on the leading stock markets worldwide, being remarkable the performance of the Spanish market. Specifically, the Ibex 35 grew by 17.37% vs. the 6.90% rise of the EuroStoxx 50 and the moderate 3.15% gain of the Dow Jones. The greater part of this positive performance of the market took place in the second half of the year, as a result of the confirmation of international economic recovery, the absence of intense inflationary pressure and the positive results of listed companies, which firmly backed market performance.

Stock markets performance in 2004



In this favorable context of the Spanish equity market, the ACS share gained 30.23%. This sound performance was marked by the solid quarterly results of the Group and by the positive performance of the construction sector in Spain vs. other sectors.

2004 ACS listed share price performance

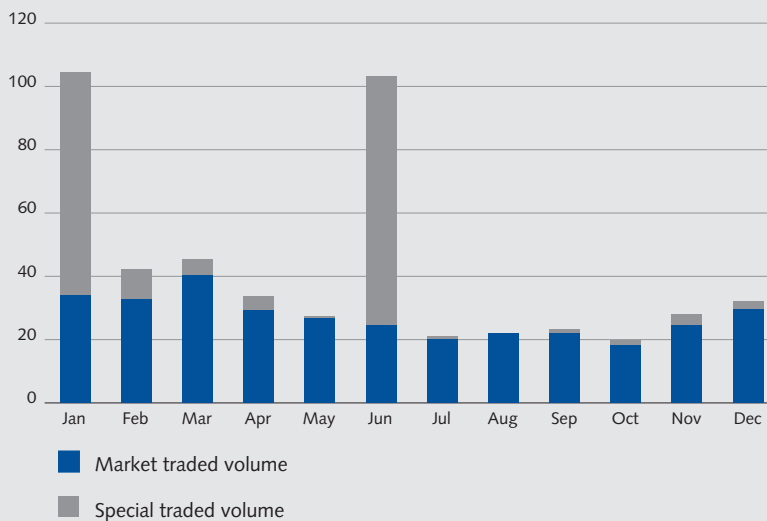


ACS main stock market data in 2004

	Jan-Mar	Jan-June	Jan-Sept	Jan-Dec
Closing price end of period	13.26E	13.85E	14.67E	16.80E
ACS revaluation	2.79%	7.36%	13.72%	30.23%
Ibex 35 revaluation	3.63%	4.41%	3.77%	17.37%
Maximum price of the period	14.36E	14.36E	14.83E	17.13E
Maximum date	Mar-5	Mar-5	Sep-22	Dec-23
Minimum price of the period	12.54E	12.54E	12.54E	12.54E
Minimum date	Mar-24	Mar-24	Mar-24	Mar-24
Average price of the period	13.40E	13.47E	13.55E	13.92E
Total shares traded (thousands)	192,231	356,675	423,179	503,261
Daily average shares traded (thousands)	3,051	2,831	2,216	2,005
Total effective volume traded (€ mn)	2,576	4,794	5,724	6,996
Daily average effective volume (€ mn)	40.88	38.05	29.97	27.87
Market capitalization end of period (€ mn)	4,679	4,887	5,177	5,928

The trading volume grew significantly from year 2003. The average monthly trading volume amounted to 41,938,391 shares, constituting an 87.5% increase from the previous year.

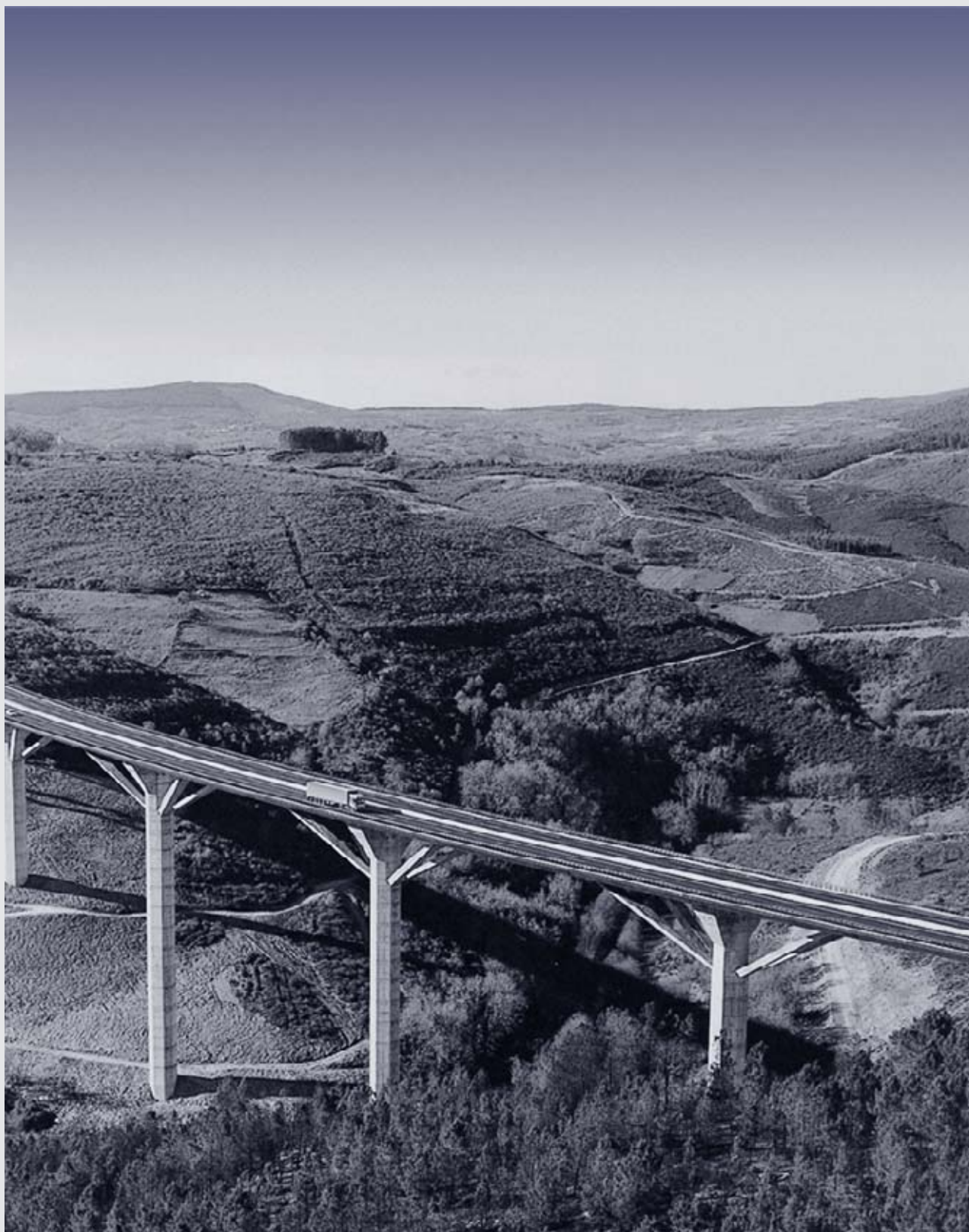
Performance of trading volume in 2004



Note: The increase in special traded volume coincides with the months of dividend payment

If the proposal to be made at the Ordinary General Shareholders' Meeting is approved, the direct shareholder return in the form of 2004 dividends will amount to €0.39 per share, divided in two payments: an initial interim dividend of €0.14 per share, paid on January 24, 2005, and a complementary dividend of €0.25 per share.

The dividend yield for shareholders at the 2004 year-end closing price stood at 2.32%.



Social Responsibility in the **ACS** Group

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commitment



Car park of the Arts and Sciences City of Valencia

ACS Group develops infrastructures and provides services that improve the quality of life of millions of people. With a full awareness of this responsibility, the Group's approach to its relationship with the environment and with the stakeholders with whom it interacts is defined by its own corporate culture and by its action principles, which seek:

- To contribute to sustainable economic growth in the societies where the Group is present in an efficient and ethically responsible manner while continuously applying the values of quest for excellence and respect for human rights.
- To improve social well-being through the creation of fairly compensated, respectable employment while abiding by internationally recognized rights and labor rules.
- To respect the environment and culture through the application of the measures and techniques required.

- To communicate all our policies and activities in a rigorous, transparent way so that accurate, reliable and accessible information is available to all the agents related to our Group.

In this spirit, the ACS Group has prepared its first Social Responsibility Report, which reflects the relationships of ACS with the world around it and the initiatives carried out by the companies of the Group as well as by the ACS Foundation. The report details the Group's pursuit of the sustainable development of its activity through its search for value and its firm commitment to people, the environment and the society.

4.1

Creation of Value

Value for clients

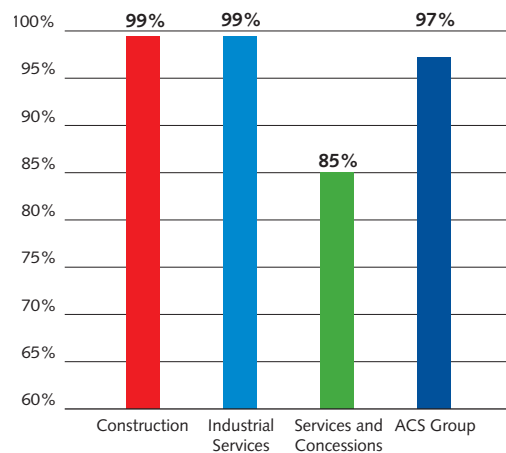
One of the main cultural values of the ACS Group, and therefore of its companies, is its clear client oriented focus and the meeting of their needs. To this end, it is necessary to comply with the most demanding quality standards while ensuring the ongoing commitment to innovation.

In fact, in 2004, 97% of the Group's production took place under quality control systems based on ISO 9001, certified by external organizations.

During 2004, the ACS Group continued working in a planned manner with its involvement in the fields of scientific research, development, technological innovation, and in the application of the results of these activities to the projects carried out. The annual investment in projects related to research and development amounted to over €29 million, and the Group targeted the improvement of technological and manufacturing capacity and the obtaining of new materials, products and services.

Additionally, the Group promotes the active presence of the technical staff of its companies in different forums backed by international and European organizations and institutions, in which applications are analyzed and sought for innovation or European legislation for each sector is developed.

Quality-certified production



Tunnelling machine, Figueras-Perpignan

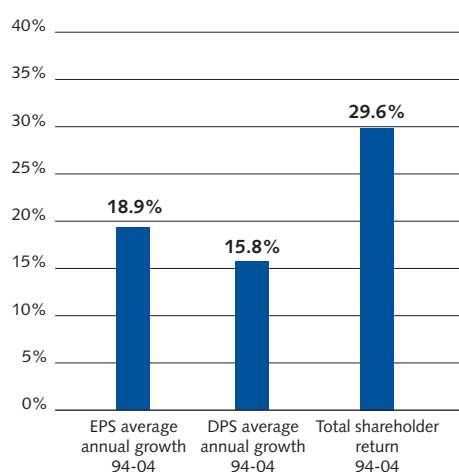
Shareholders' value

The ACS Group maintains an ongoing commitment to the consistent creation of value for shareholders, as seen in the fact that over the last 10 years the total return to the shareholder, which takes into account the revaluation of the share and the payment of dividends, amounts to a yearly average of 29.6%.

This confidence of the financial markets is the reflection of the Group's sound results, the strategic coherence of the corporate development and the firm desire to transparently and fairly report all information needed to evaluate the ACS corporate performance.

Hence, it comes as no surprise that the ACS Group has a broad shareholder base. As of mid-2004, the number of ACS shareholders amounted to over 47,500, consisting chiefly of retail shareholdings. Furthermore, the Group benefits from high liquidity due to its considerable amount of free-float, which amounts to 67.8% of total capital share.

Sustainable creation of value for shareholders



Breakdown of capital by number of shares	Shareholders	Shares	% capital	% Accumulated capital
Up to 600	30,248	7115,364	2.0%	2.0%
600 to 3,000	13,154	17,578,359	5.0%	7.0%
3,000 to 15,000	3,355	20,033,376	5.7%	12.7%
15,000 to 300,000	661	37,717,266	10.7%	23.4%
300,000 onward	94	270,428,769	76.6%	100.0%
Total	47,512		100%	

Source: Iberclear - May 2004. (Number of shares adjusted to the 3x1 Split of June 10, 2004 and the redemption of treasury stock)

Note: Banks in custody of funds of foreign institutional investors appear as a single shareholder as no breakdown is available on ACS shares in custody.

4.2

Commitment to Individuals

Employees

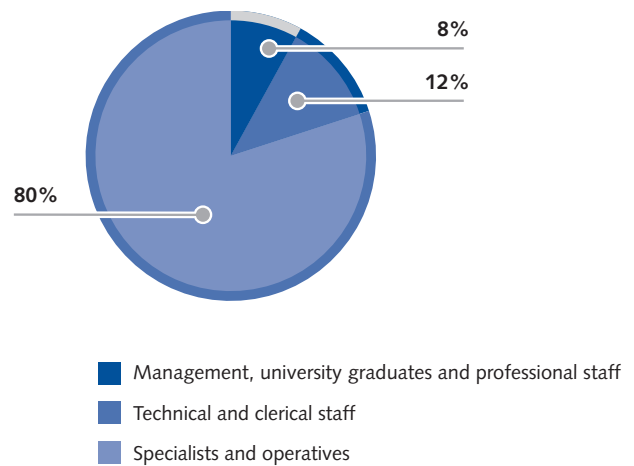
Last year, the ACS Group created a net figure of 10,636 jobs. Consequently, at year-end 2004, its number of employees rose to 107,748 people, which accounts for 0.7% of the working population in Spain. Of the Group's employees, 30% are women and the average employee age is 40.6 years old.

The Group's first commitment to its employees, due to the nature of their work, is to ensure their safety. To this end, the Group has always dedicated a considerable amount of resources to initiatives involving job safety. Last year, the Group provided employees with nearly 3,000 general and specific training courses on safety at work in all its business areas.

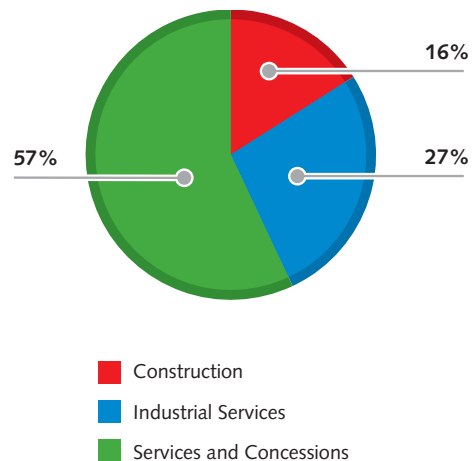


Maintenance of railway electrical grid

Employees by qualification



Employees by area



As a result of this determined initiative, the companies of the ACS Group register far fewer accidents references index levels than the average of the sector and efforts are being made to further reduce this number.

Accidents references index in 2004	Construction	Industrial Services	Services and Concessions	ACS Group	Construction sector average
Degree of frequency ⁽¹⁾	35.5	40.0	62.0	49.7	97.4
Degree of severity ⁽²⁾	1.04	0.81	1.12	1.00	2.2
Degree of incidence ⁽³⁾	62.0	72.0	111.6	88.9	173.1

⁽¹⁾ Represents the number of accidents occurring on the job per million of hours worked.

⁽²⁾ Represents the number of working days missed due to accidents per 1,000 of hours worked.

⁽³⁾ Represents the number of accidents resulting in medical leave per 1,000 of hours worked divided by the average employees.



Line H of the Buenos Aires subway (Argentina)

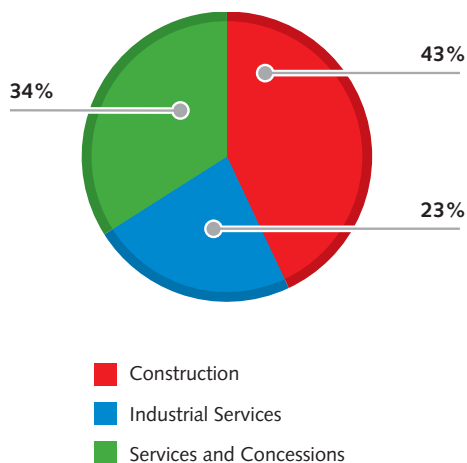
Suppliers

Due to the nature of its business, the ACS Group must ensure that its suppliers are highly competent and capable. Hence, the Group seeks to establish with them a firm and lasting commitment and a relationship based on mutual trust and respect that results in completion of projects with the high standards of quality and satisfaction demanded by clients.

Due to this mutual trust and the accomplishment of these objectives, the ACS Group is considered one of the most reliable and professional organizations in the sector. This distinction is the result of the Group's proven ability to quickly and efficiently arrange and organize all internal and external resources needed to take on any kind of project.

Of the funds managed by the ACS Group in 2004, €7.644 billion correspond to its suppliers and subcontractors, of which there are over 45,000.

Suppliers



The involvement of our suppliers in the Group's policies and lines of action is of capital importance, not only limited to quality control, but including all aspects of social and environmental commitment as well as safety and prevention at work. In this light, ACS Group has incorporated environmental criteria to the process of evaluation and selection of its collaborators, and specifies in its contracts the supplier's obligations in this sense.

Regarding safety and prevention at work, the Group provides training to the employees of its suppliers and auxiliary companies and enforces and supervises the compliance of these companies with legislation regulating safety at work and incorporation of in-house programs.



Tunnel in Niévares (Asturias)

4.3

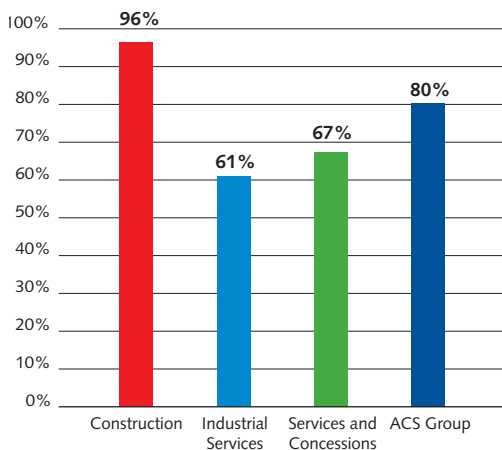
ACS and the Environment

Respect for and conservation of the environment is fundamental to the approach of the ACS Group. In order to monitor its performance, a rigorous environmental policy has been established, being known, shared and practiced by all the companies of the Group.

This policy of safeguarding and respecting the environment has been incorporated to the systems and programs of environmental management of each company, which are designed to correct any possible impact that could occur in each activity and to ensure the most efficient possible use of natural resources.

Among these action criteria, it is worth noting that 80% of the Group's total current production involves environmentally certified companies in accordance with the ISO 14001 international standards requirements.

Environmentally certified production



Outstanding actions in 2004

Construction

- Continuation of the campaign of environmental awareness for our main collaborators. Specifically, 9 meetings on awareness were held with 99 collaborators on activities that may be associated with higher environmental impacts.
- Elaboration of a manual on sound environmental practice in order to increase awareness of environmental issues for own employees and those of its auxiliary companies. Additionally, other sources of information were also prepared in order to complete the environmental awareness of employees, as the release of an information bulletin available through the corporate intranet.
- Campaign of recycling the construction and demolition wastes and reutilization of land, accompanied by the establishment of associated environmental management indicators.

Industrial Services

- Certification of the environmental management system for MAESSA in the maintenance and installation of thermal power plants and in the naval industry.
- Implantation and certification of environmental management systems in CME (Portugal), ETRA, and in the Mexican subsidiaries of CYMI, in accordance with the ISO 14001 international standards.
- Initial stage of introduction of an environmental indicator in projects to measure the contribution of companies to environmental issues in the process of project design.
- Development of solutions to improve the visual impact of wireless telephony antennas.

- Implantation of the selective waste collection system in Intecsa-Uhde.
- Development of the contingency plan for accidental marine contamination in Dragados Offshore, submitted for approval to the port authority.
- Design and construction of 6 new workshops for spraying and painting in the Cadiz plant of Dragados Offshore to reduce the contamination generated by these open-air activities.

Services and Concessions

- Participation in the project EFFECTIVE to promote making full use of biogas in melted carbonate fuel cells.
- Development of the VILEDADA project in hospital sanitation, introducing new products to achieve higher standards of quality, longer useful-life cycles of

products, significant reduction in water consumption and in generation of hazardous waste.

- Creation of a waste treatment plant in the port of Valencia enabling the collection, evaluation and management of waste generated by port installations for subsequent transport to appropriate treatment centers.
- Study on hydrology and quality of water for the port of Valencia to determine the impact of port activities on the marine ecosystem.
- Implantation and certification of environmental management system in Continental Auto, in accordance with UNE-EN-ISO 14001/2004 standards.
- Implantation and certification of environmental management system in Autoterminal, in accordance with EU regulation 1836/93/EMAS (Eco-Management and Auditing Scheme).



Landscape regeneration of the banks of the river Guadalmina

Promotion of renewable energies

The ACS Group backs sustainable development through the promotion and operation of sources of generation of renewable energies.

In 2004, EYRA, the subsidiary company specialized in the construction and operation of wind farms, had in operation 10 wind farms that generated over 527 GWh, which prevented from releasing into the atmosphere nearly half a million tons of CO₂.

Year	Installed Power (MW)	Electricity Produced (GWh/per year)	Reduction of CO ₂ (1,000 tons per year)
1999	29.85	49	46
2000	97.65	172	161
2001	97.65	259	242
2002	179.5	371	348
2003	181.17	406	381
2004	266.86	527	494



Wind farm in Monte da Serra (A Coruña)

Additionally, the Group is promoting through Urbaser the recovery of energy in its urban waste treatment and recycling plants, where it has 80 MW of installed power that generated over 109 GWh in 2004, year in which the operation of these plants prevented the release into the atmosphere of greenhouse gases equivalent to three million tons of CO₂.

Innovation, research and development in environment

The Group's policy on innovation and research and development in its projects to reduce environmental impact is chiefly directed at the optimization of resources used in the different activities. These policies were mainly applied to the increase of productivity through

technification and prefabrication and to the research and development of technology aimed at reducing the environmental impact of the Group's activities. In the latter matter, the following projects deserve special mention:

- Microfiltration and ultrafiltration technologies in the reutilization of outflows of urban sewage treatment plants.
- Antennea project for the reduction of the radioelectric impact through intelligent antennas for wireless telephony networks.
- Protection from electrocution for birds in protected parks.
- Use of the biogas in melted carbonate fuel cells.
- Elimination of heavy metals in the process of composting the urban solid waste.



Incinerator in Cantabria

4.4

ACS and Society

The ACS Group promotes and supports directly through its companies and the ACS Foundation specific projects associated to the improvement of the living conditions of individuals.

Social Initiatives

During last year, different companies of the ACS Group carried out social projects, mainly in the area of employment access. Agreements were maintained with different organizations regarding the incorporation of the handicapped, immigrants and individuals facing challenges in the reentry of the labor market.



Rehabilitation of the Episcopal Palace of Murcia

The ACS Foundation, which dedicated over €2 million to its activities last year, continued with its campaign to heighten awareness of improving accessibility and the elimination of physical and architectural barriers for the handicapped. To this end, the Foundation granted awards for the best solutions carried out by municipal governments in the elimination of physical and architectural barriers for the handicapped.

The Group also collaborates with and mutually supports a wide range of private and official organizations and institutions, developing different programs associated with the accessibility and integration of the handicapped in society, the environment or educational activities.

Educational and cultural promotion

The companies of the Group play an important role in social actions, with significant involvement in the educational sector. In 2004, through agreements of collaboration held with over 50 educational institutions, nearly 200 grants were awarded to Spanish and foreign students.

The ACS Foundation, whose activities include the promotion, conservation and restoration of Spanish historical and art heritage, participates in different projects established to contribute to the enrichment of culture. The Foundation's initiatives in 2004 included the publication of books on construction, rehabilitation and general civil works, as well as the sponsorship of cultural and educational activities.

Studies and research promotion

The Group's activity in research and innovation is backed by its wide collaboration with academic and research entities, the result of which are many of the research projects in progress in recent years. In this context, the following deserve special mention:

- School of Industrial Engineering of the Carlos III University of Madrid.
- School of Industrial Engineering of the University of Valladolid.
- Schools of Civil Engineering of Madrid, Santander, Valencia, Barcelona, La Coruña and Ciudad Real.
- Architectural schools of the universities of Madrid and Seville.
- Laboratories of Centro de Estudios y Experimentación (CEDEX).
- Instituto Eduardo Torroja of the Consejo Superior de Investigaciones Científicas (CSIC).
- Centro de Automatización, Robótica y Tecnologías de la Información y de la Fabricación (CARTIF) of the University of Valladolid.
- Center of the technological network of the autonomous government of the Basque Country (EUVE).
- Collaboration with the CIEMAT and the Autónoma University of Madrid in a project for the use of the biofuel B-100 at actual scale.

Additionally, the ACS Group maintains its active presence in different scientific and technical forums such as the normalization committees of AENOR, the Spanish Organization for Quality and the European Organization for Research in the Construction Companies.

Communication with stakeholders

The policy of external communication of the ACS Group involves criteria of transparent reporting, which is one of the corporate strategic objectives. This transparency respects the interests of our clients and the rest of the company's social representatives, particularly media dedicated to social awareness.

The ACS Group's policy on communication seeks to achieve the following objectives:

- Projection of the current situation of the companies of the ACS Group.
- Promotion of the image of the Group in order to assist its commercial activity.
- Coherent reporting of corporate strategy and the specific strategies of each business line.
- Maintenance of a fluent relationship with external agents, particularly with media representatives.

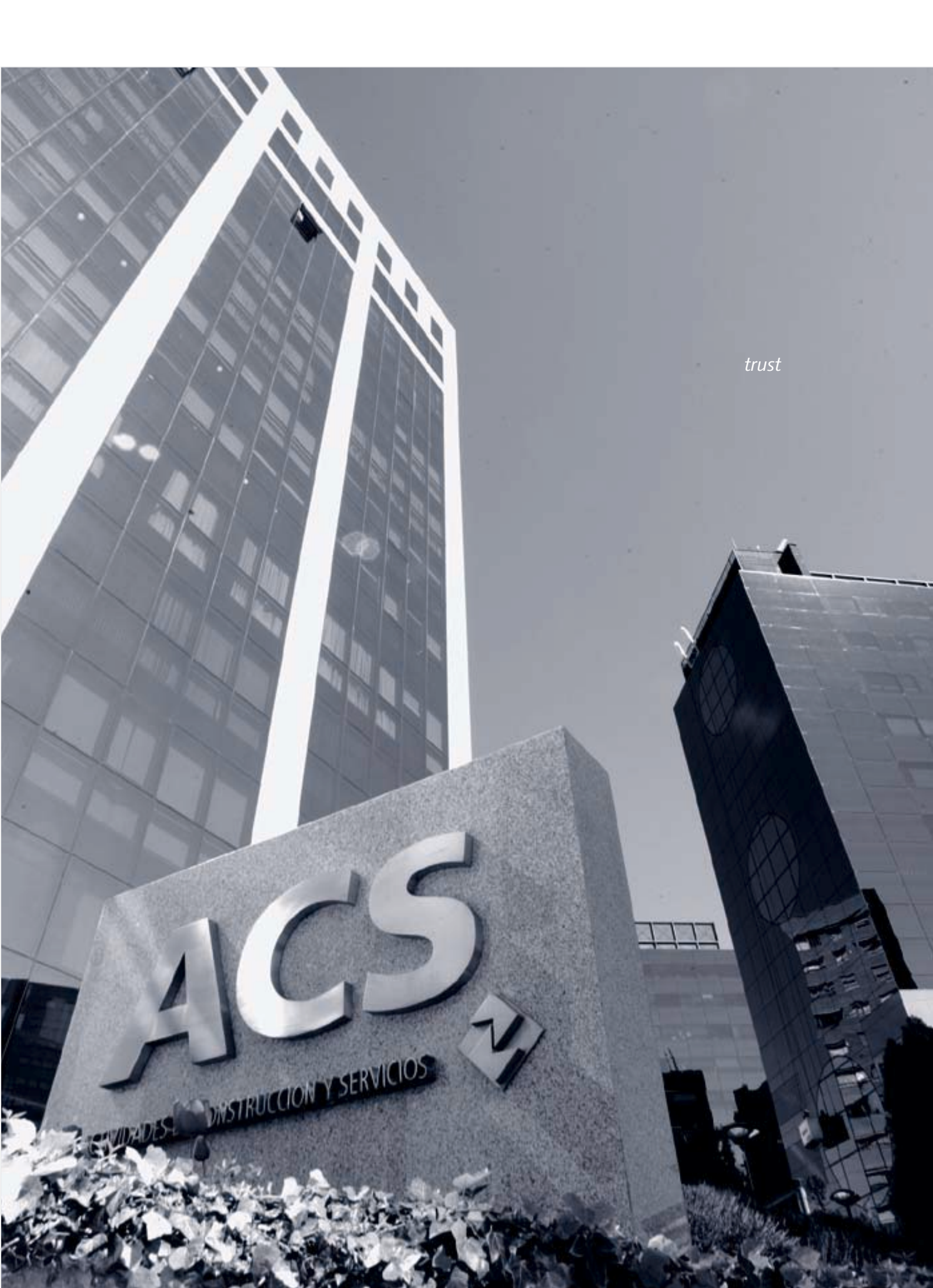
Insofar as the relationship with the media, the ACS Group remains closely associated with representatives and maintains several channels of communication for the fluent reporting of corporate information.

In 2004, compliance with the codes of conduct of the ACS Group and the monitoring of its value corporate guidelines were favorably evaluated by the media, highlighting that ACS was ranked one of the five most respected and valued Spanish companies worldwide, according to a survey conducted by PriceWaterhouseCoopers (PWC) and Financial Times.

Corporate Governance in the **ACS** Group

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trust

ACS

CONSTRUCCION Y SERVICIOS





Hemisferic building, Arts and Sciences City of Valencia

In accordance with the ACS policy of transparency as regards shareholders and investors, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. has approved the Annual Corporate Governance Report for 2004, which follows the guidelines set forth by the Special Commission for the Promotion of Transparency and Security in Stock Exchanges and Listed Companies ("Aldama Report"), as contained in 26/2003 Law, Ministerial Order 3722/2003 which develops it, and Circular 1/2004 of the Spanish Stock Market Commission (CNMV).

The ACS Group notified this to the CNMV and made it available to its shareholders via the corporate website (<http://www.grupoacs.com>) on April 5, 2005. This report contains information relative to the Company's ownership and management, risk management, General Shareholders Meetings and the capital markets, whose most significant aspects are described below.

5.1

Ownership Structure

5.1.1. Share capital

As of December 31, 2004 the share capital of the ACS Group was €176,436,567, represented by 352,873,134 ordinary shares, each with a face value of €0.50, all of the same class and series.

The last change to the share capital took place on June 10, 2004, when it was reduced by a face value of €1,353,679.50 by means of the redemption of 902,453 shares from the Company's treasury stock. The shares were redeemed at their acquisition price against the share capital for their face value, and the rest against free reserves. The face value of the shares was also reduced from €1.50 to €0.50, with the subsequent simultaneous increase in the number of shares representing the stock capital (3 x 1 split), from 117,624,378 to 352,873,134 shares.

ACS shares are listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges and traded through the Spanish computerized trading system.

5.1.2. Significant shareholdings

As of December 31, 2004, the Company is aware of the following significant shareholdings in its capital structure:

Shareholder	Number of shares held directly	Number of shares held indirectly	% of total share capital
Corporación Financiera Alba, S.A.	-	54,879,558	15.552%
Corporación Financiera Alcor, S.A.	932,880	31,866,981	9.295%
Inversiones Vesan, S.A.	21,091,301	-	5.977%

- *Corporación Financiera Alba, S.A.* is a listed company with which there is a Shareholder's Agreement, about which the CNMV was informed and which was published as a Relevant Fact on June 9, 2004, and which affects 62.18% of the stock capital. Siblings Juan, Carlos, Leonor and Gloria March Delgado own all the shares of Banca March, S.A., a non-listed company devoted to banking which holds a significant stake in Corporación Financiera Alba, S.A. On May 24, 2004, said March Delgado siblings, who are also direct or indirect owners of stakes in Corporación Financiera Alba, S.A., signed a Shareholders' Agreement regarding said Bank, which also affects Corporación Financiera Alba, S.A. on the basis of its stake. This Agreement is an extension of the one dated March 10, 1980, and is valid through March 31, 2015. Considering the stake of Banca March, S.A. as well as that of the shareholders party to the Agreement, they continue to jointly control Corporación Financiera Alba, S.A.

The indirect stake of Corporación Financiera Alba, S.A. in ACS consists of the following shareholdings:

Direct owner of the stake	Number of shares held directly	% of total share capital
Fondarte, S.A.	31,727,925	8.991%
Inversiones Finalba, S.A.	21,642,711	6.133%
Inversiones Arta, S.A.	1,508,922	0.428%

- *Since Imvernelín Patrimonio, S.L. is controlled by Corporación Financiera Alcor, which has no controlling shareholder, a tacit agreement exists between the parties. By the joint exercise of their voting rights, they have maintained a long-lasting joint policy with respect to the Company. The stake of Imvernelín Patrimonio, S.L. in the share capital of ACS is as follows:*

Direct owner of the stake	Number of shares held directly	% of total share capital
Imvernelín Patrimonio, S.L.	31,167,792	8.833%

The following companies are shareholders of Imvernelín Patrimonio, S.L. (with their respective stakes):

Shareholder	Stake in Imvernelín Patrimonio, S.L.
Corporación Financiera Alcor, S.A.	68.532%
Comercio y Finanzas, S.A.	15.734%
Percacer, S.A.	15.734%

- *Corporación Financiera Alcor, S.A. owns 932,880 shares in ACS, representing 0.264% of the share capital. The following are the shareholders of Corporación Financiera Alcor, S.A., with their respective direct stakes in ACS:*

Direct owner of the stake	Stake in Corporación Financiera Alcor, S.A.	Number of shares held directly	% of total share capital
Comercio y Finanzas, S.A. ⁽¹⁾	44.10%	90,594	0.026%
Percacer, S.A. ⁽²⁾	44.10%	600,594	0.170%
Mr. Alberto Cortina de Alcocer	5.90%	4,728	0.001%
Mr. Alberto de Alcocer Torra	5.90%	3,273	0.001%

⁽¹⁾ 99.99% of the shares in this company are in turn the property of Mr. Alberto de Alcocer Torra

⁽²⁾ 95% of the shares in the company are in turn the property of Mr. Alberto Cortina de Alcocer

No one shareholder has control over the Company for the purposes of Section 4 of the Stock Exchange Law. Likewise, there is no knowledge of any quasi-corporate or concerted agreements between significant shareholders by virtue of which the shareholders exercise or could exercise joint control over it.

5.1.3. Board member stakes in the share capital

As of December 31, 2004, the Company was informed that Board members held the following stakes in the Company:

Board member	Date first appointed	Date last appointed	Number of shares held directly	Direct stake	Number of shares held indirectly (*)	Indirect stake	Total number of shares	% of total stake
Mr. José María Aguirre González	29/6/95	12/6/01	421,500	0.119%	-	0.000%	421,500	0.119%
Mr. Agustín Batuecas Torrego	29/6/99	14/10/03	749,088	0.212%	-	0.000%	749,088	0.212%
Mr. Miguel Blesa de la Parra	14/10/03	14/10/03	2,430	0.001%	-	0.000%	2,430	0.001%
Mr. Álvaro Cuervo García	5/9/97	19/6/03	-	0.000%	42,000	0.012%	42,000	0.012%
Mr. Javier Echenique Landiribar	20/5/04	20/5/04	24,438	0.007%	-	0.000%	24,438	0.007%
Mr. Isidro Fernández Barreiro	5/9/97	14/10/03	14,046	0.004%	-	0.000%	14,046	0.004%
Mr. Antonio García Ferrer	14/10/03	14/10/03	5,920	0.002%	-	0.000%	5,920	0.002%
Mr. Joan David Grimá Terré	14/10/03	14/10/03	-	0.000%	2,550	0.001%	2,550	0.001%
Mr. José María Loizaga Viguri	28/6/89	14/10/03	128,313	0.036%	100,000	0.028%	228,313	0.065%
Mr. Pedro-José López Jiménez	28/6/89	14/10/03	-	0.000%	1,700,000	0.482%	1,700,000	0.482%
Mr. Santos Martínez-Conde Gutiérrez-Barquín	19/6/02	19/6/03	3,378	0.001%	-	0.000%	3,378	0.001%
Mr. Florentino Pérez Rodríguez	28/6/89	14/10/03	-	0.000%	21,091,301	5.977%	21,091,301	5.977%
Mr. Miguel Roca Junyent	14/10/03	14/10/03	12	0.000%	-	0.000%	12	0.000%
Mr. Julio Sacristán Fidalgo	19/2/98	19/6/03	1,356	0.000%	-	0.000%	1,356	0.000%
Mr. Pablo Vallbona Vadell	5/9/97	14/10/03	12,000	0.003%	-	0.000%	12,000	0.003%

(*) Through:

Direct owner of the stake	Number of shares held directly	Direct stake
Sociedad de Estudios y Estrategia Empresarial, S.A.	42,000	0.012%
Grial Inversiones	2,550	0.001%
Inversiones Europeas, S.L.	100,000	0.028%
Fidwei Inversiones, S.L.	1,465,000	0.415%
Lynx Capital, S.A.	235,000	0.067%
Inversiones Vesan, S.A.	21,091,301	5.977%

Company Board members hold 31.733% of the share capital of ACS:

Shareholder	Number of shares held directly	Number of shares held indirectly	% of total share capital
Corporación Financiera Alba, S.A.	-	54,879,558	15.552%
Corporación Financiera Alcor, S.A.	932,880	31,866,981	9.295%
Inversiones Vesan, S.A.	21,091,301	-	5.977%
Rest of the Board of Directors	1,362,481	1,844,550	0.909%
Total Board of Directors	23,386,662	88,591,089	31.733%

- Corporación Financiera Alba, S.A, is represented on the Board of Directors by Mr. Pablo Valbona Vadell, Mr. Isidro Fernández Barreiros and Mr. Santos Martínez-Conde Gutiérrez-Barquín.

Company Board Members with stock options are:

Board member	Number of options held directly	Number of options held indirectly	Equivalent number of shares	% of share capital
Mr. Agustín Batuecas Torrego	192,000	-	192,000	0.054%
Mr. José Luis del Valle Pérez	685,341	-	685,341	0.194%
Mr. Antonio García Ferrer	390,000	-	390,000	0.111%
Mr. Florentino Pérez Rodríguez	2,616,354	-	2,616,354	0.741%

5.1.4. Treasury stock

Own shares

At the 2003 year-end, the Company held 902,453 shares in treasury stock (equivalent to 2,707,359 shares following the 3 for 1 split in June 2004). These shares were redeemed in their entirety by resolution of the General Shareholders' Meeting of May 20, 2004.

In 2004 certain transactions were performed with treasury stock. From these transactions, the ACS Group obtained capital gains of €29.6 million, recorded as extraordinary revenue in the income statement.

The balance at December 31, 2004 amounted to 1,726,969 shares, 0.489% of the share capital, all acquired in 2004.

The movements for the year were as follows:

	Shares	Thousands of Euros	Face Value (Euros)
Balance at December 31, 2003	902,453	26,875	1,353,679.5
Purchases before stock split	1,895,439	75,823	2,843,158.5
Retirement of treasury stock	(902,453)	(33,125)	(1,353,679.5)
Balance after stock split	5,686,317	69,573	2,843,158.5
Purchases	6,144,713	93,486	3,072,356.5
Sales	(10,104,061)	(133,928)	(5,052,031)
Balance at December 31, 2004	1,726,969	29,131	863,484.5

Current authorisation for the acquisition of treasury stock

At the General Shareholders' Meeting held on May 20, 2004, the Board of Directors of the Company and the Boards of the subsidiaries were authorised to purchase treasury stock for the 18-month period following the date of the General Shareholders' Meeting, and pursuant to the terms and requirements set forth in section 75 and other, consistent legislation of the Corporations Law. The face value of this treasury stock, when added to what is already held by the Company and its subsidiaries, shall not exceed 5% of the share capital in circulation. The minimum and maximum prices, respectively, should be the face value of the stock and the price at which they were traded during the Stock Exchange session on the day of purchase, or the prices authorised by the competent body of the Stock Exchange or CNMV.

5.1.5. Distribution of the capital

Shareholder	Number of shares held directly	Number of shares held indirectly	% of total share capital
Corporación Financiera Alba, S.A.	-	54,879,558	15.552%
Corporación Financiera Alcor, S.A.	932,880	31,866,981	9.295%
Inversiones Vesan, S.A.	21,091,301	-	5.977%
Rest of the Board of Directors	1,362,481	1,844,550	0.909%
Total Board of Directors	23,386,662	88,591,089	31.733%
Treasury Stock	1,726,969	-	0.489%
Tied up capital	25,113,631	88,591,089	32.223%
Floating capital			67.777%
TOTAL			100%

5.2

Management Structure

5.2.1. Responsibilities of the Board of Directors

The Board of Directors of the ACS Group is entrusted with the representation of the Company and the management of its businesses, as well as with undertaking any operations that comprise its corporate purpose or are related thereto, and to act in accordance with the interests of the Company and its shareholders.

In particular, the Board of Directors is responsible for the following:

- Acceptance of Board member resignations.
- Appointment, revocation and acceptance of resignations for the Chairman, Vice Chairman and Secretary of the Board.
- Appointment, revocation and acceptance of resignations of Board members on Board Commissions and Committees.
- Delegation of all or part of the powers corresponding to the Board to any of its members, with the exception of non-transferable powers.
- Formulation of individual and consolidated annual accounts and management reports and submittal thereof to the General Shareholders' Meeting for approval.
- Preparation of reports, including the Annual Corporate Governance Report and any proposals that, pursuant to current legislation and the Company's By-laws, are the responsibility of the Board of Directors.
- Approval of the annual budgets.
- Approval of any mergers, spin-offs or concentration transactions concerning the main subsidiaries of the Group in which the Company is the controlling company.
- Approval of the issue of series of bonds, promissory notes, debentures or similar titles by the main companies of the Group in which the Company is the controlling company.
- Approval of the assignment of rights on the commercial name, trademarks and industrial or intellectual property rights that belong to the Company or companies of the Group, providing these are of financial relevance.
- Approval of the Rules of the Board of Directors.
- In general, the exercise of all duties that correspond to the Board by Law, the By-laws and the Rules of the Board of Directors, as well as the exercise of any other duties delegated to it by the General Shareholders Meeting, in turn assigning only those that are expressly permitted in the resolution on delegation passed during the General Shareholders' Meeting.

The annual accounts prepared by the Board of Directors will be presented to the Board by the Chairman and CEO and by the Corporate General Manager who, in turn, is responsible for the economic-financial affairs of the Company.

5.2.2. Composition of the Board of Directors

Special relevance is given to the figure of the Independent Non-Executive Director, a person of renowned professional status who can bring experience and knowledge to corporate governance and who, being neither an executive or proprietary director, is elected as such and offers the characteristics that ensure impartial and objective criteria.

There is no limit to the term of Independent Non-Executive Director. Article 11 of the Rules of the Board of Directors provides in general that Board members shall hold their positions for the duration of their terms, which may not exceed 5 years, and they may be re-elected one or several times for equal periods of maximum duration. Once the term of their appointment has expired, Board members may continue to hold their positions until the next General Shareholders' Meeting.

The Extraordinary General Shareholders' Meeting of October 14, 2003 increased the minimum (11) and maximum (21) number of members permitted on the Board of Directors, and established a Board of Directors comprised of 18 members, 4 of which are Executive Directors, 8 Proprietary and External Directors and 6 Independent Non-Executive Directors:

Position	Board member	Date first appointed	Date last appointed	Election Procedure	Membership Capacity
Chairman and CEO	Mr. Florentino Pérez Rodríguez	28/6/89	14/10/03	General Meeting	Executive
Executive Vice Chairman	Mr. Antonio García Ferrer	14/10/03	14/10/03	General Meeting	Executive
Vice Chairman	Mr. Pablo Vallbona Vadell	5/9/97	14/10/03	General Meeting	Proprietary and External
Board member	Mr. José María Aguirre González	29/6/95	12/6/01	General Meeting	Independent Non-Executive
Board member	Mr. Agustín Batuecas Torrego	29/6/99	14/10/03	General Meeting	Executive
Board member	Mr. Miguel Blesa de la Parra	14/10/03	14/10/03	General Meeting	Independent Non-Executive
Board member	Mr. Álvaro Cuervo García	5/9/97	19/6/03	General Meeting	Independent Non-Executive
Board member	Mr. Manuel Delgado Solís	20/5/04	20/5/04	General Meeting	Proprietary and External
Board member	Mr. Javier Echenique Landiribar	20/5/04	20/5/04	General Meeting	Proprietary and External
Board member	Mr. Isidro Fernández Barreiro	5/9/97	14/10/03	General Meeting	Proprietary and External
Board member	Mr. Joan David Grimá Terré	14/10/03	14/10/03	General Meeting	Independent Non-Executive
Board member	Mr. José María Loizaga Viguri	28/6/89	14/10/03	General Meeting	Independent Non-Executive
Board member	Mr. Pedro-José López Jiménez	28/6/89	14/10/03	General Meeting	Proprietary and External
Board member	Mr. Santos Martínez-Conde Gutiérrez-Barquín	19/6/02	19/6/03	General Meeting	Proprietary and External
Board member	Mr. Javier Monzón de Cáceres	20/5/04	20/5/04	General Meeting	Proprietary and External
Board member	Mr. Miguel Roca Junyent	14/10/03	14/10/03	General Meeting	Independent Non-Executive
Board member	Mr. Julio Sacristán Fidalgo	19/2/98	19/6/03	General Meeting	Proprietary and External
Secretary Board member	Mr. José Luis del Valle Pérez	28/6/89	14/10/03	General Meeting	Executive

The Board will elect a Chairman from among its own members, as set forth in current legislation, Company By-laws and the Rules of the Board of Directors. The Chairman will undertake all the responsibilities that correspond to the Company's highest executive position within the guidelines established by the General Shareholders' Meeting, the Board of Directors and the Executive Committee.

The broadest of powers will be vested in the Chairman so that he may carry out his duties and, unless prohibited by Law, he may delegate his power of attorney, either totally or partially, to any fellow Board member or to any member of the Company's senior management or, in general, to anyone he considers suitable or necessary.

The Board may also elect one or two Vice Chairmen from among its members, who will substitute the Chairman in case of delegation, absence or illness and, in general, will perform all duties entrusted to them by the Chairman, the Executive Committee and the Board of Directors. The substitution of the Chairman by the Vice Chairmen will take place by order of election or, otherwise, by order of seniority or, as a last resort, by order of descending age.

The Board may designate a CEO in whom it will delegate all appropriate powers with the exception of those that are non-transferable by Law or the Company Bylaws. The current Chairman of the Board, Mr. Florentino Pérez Rodríguez, is also CEO, and all powers of the Board are vested in him with the exception of those that are non-transferable. His duties are defined not only by the scope of those non-transferable powers, but by his duties as Chairman of the Executive Committee as well.

The Board of Directors will appoint a Secretary, who may or may not be a Board member but who should be a practising attorney. In addition to the duties attributed by current legislation, the Company By-laws and the Rules of the Board of Directors, the Secretary of the Board shall monitor the legality of the actions of the corporate boards to which he belongs, making any warnings for this purpose which will be included in the Minutes.

5.2.3. Duties and obligations of members of the Board of Directors

Pursuant to the Rules of the Board of Directors, Board members shall:

- Attend meetings of the Board and the Committees of which they form a part, unless they have reasonable cause to delegate their representation and proxy to another Board member.
- Inform and prepare themselves appropriately for Board meetings and participate actively in Board debates.
- Oppose the approval of any resolutions that, to their understanding, are contrary to Law or the Company By-laws, or that are contrary to Company interests, and ensure that this opposition is clearly reflected in the Minutes of the meeting.
- Refrain from disclosing any discussions of the Board or information that is not of general knowledge obtained while acting as Board member.

Additionally, the Board of Directors will be obligated to adopt or promote the adoption of as many measures as necessary or advisable to ensure the transparency of Company actions in the financial markets and to undertake all tasks required of a listed company.

In order for the General Shareholders' Meeting to function properly, the Board of Directors shall make all legally-required information available to the shareholders before the General Meeting as well as any information that should reasonably be furnished on the basis of corporate interests and on the basis of which shareholders may form an opinion.

Accordingly, for maximum transparency and disclosure of all relevant information and in order to provide immediate shareholder access thereto, the Board of Directors has made all information deemed to be of general interest available on the corporate website (<http://www.grupoacs.com>), in particular the Company By-laws, the Rules of the Board of Directors, any reports that must be furnished to the stock exchanges, notices of General Shareholders Meetings, proposals submitted for the deliberation and approval of the General Shareholders' Meeting, resolutions adopted in the last General Shareholders Meeting and the current Annual Report.

5.2.4. Board of Directors operations

The Board of Directors will meet when Company interests so require, following the call from its Chairman or failing that, through a Vice Chairman, whether at their own initiative or upon the request of at least two members of the Board. In any case, the Board will meet at least 4 times a year in order to know how the Group is performing against budgets and the previous financial period.

The Board will be deemed as convened when one half plus one of its members is either present or represented. Without prejudice to their obligation to attend, any member that cannot be personally present at a meeting may be represented at the meeting by another member and cast his vote by proxy.

Unless otherwise provided by current legislation, the Company By-laws or the Rules of the Board of Directors, resolutions of the Board of Directors will be passed by absolute majority of the members in attendance, whether present or represented.

In 2004 the Board of Directors met on 7 occasions, all of which were attended by the Chairman.

5.2.5. Board of Directors Committees

In the interest of greater efficiency, the Board of Directors may delegate its duties to the Executive Committee, the Audit Committee and the Remuneration Committee, whose duties are regulated by current legislation and the Company By-laws.

Executive Committee

The Executive Committee will exercise all duties delegated to it by the Board of Directors, except for those that by Law or the Company By-laws are considered non transferable. However, the Board of Directors may address and decide on any matters of its competence, while the Executive Committee, on the other hand, may submit any matter requiring a decision to the Board of Directors should the Committee consider that the Board of Directors should decide on the issue, even if it is the responsibility of the Executive Committee.

The current composition of the Executive Committee is:

Name	Position	Membership type
Mr. Florentino Pérez Rodríguez	Chairman	Executive
Mr. José María Loizaga Viguri	Committee member	Independent Non-Executive
Mr. Isidro Fernández Barreiro	Committee member	Proprietary and External
Mr. Antonio García Ferrer	Committee member	Executive
Mr. Javier Echenique Landiribar	Committee member	Proprietary and External
Mr. Pedro-José López Jiménez	Committee member	Proprietary and External
Mr. Pablo Vallbona Vadell	Committee member	Proprietary and External
Mr. José Luis del Valle Pérez	Secretary non member	

The Executive Committee will meet whenever called by its Chairman, either at his own initiative or at the request of a minimum of two members. In 2004, the Executive Committee met on 10 occasions. The Executive Committee is understood to be in session when a majority of its members are in attendance, whether present or represented. Decisions will be reached by majority of those in attendance, whether present or represented.

Audit Committee

The responsibilities of the Audit and Control Committee are as follows:

- To inform the General Shareholders' Meeting on issues of its competence raised by shareholders.
- To propose the appointment of the external auditors referred to in Section 204 of the Revised Text of the Corporations Law to the Board of Directors for submittal to the General Shareholders' Meeting.
- To revise and approve any significant changes to accounting policies of the Company and the subsidiaries in the Corporate Group, as well as the Corporate Group itself. Also, in general and with regard to external auditors, to receive information on any matters that could jeopardise their independence and any other matters relative to the auditing of accounts, as well as any other communications specified in account auditing legislation and technical auditing standards.
- To supervise the internal audit services, should these exist in the corporate organisation.
- To be informed of the financial information process and the internal control measures of the Company.

- To revise and inform on the estimates of Company management and corporate group management regarding possible significant tax and legal contingencies.
- To be informed of the results of inspections carried out by official agencies.
- To be informed of the routine information provided by the Company to the Stock Exchanges.
- Any other matters especially entrusted to it by the Board of Directors.

Persons who are currently employed by or have held a position of employment in the Company within the past three years may not be appointed to the Audit Committee. The Chairman must necessarily be a non-executive member of the Board and may not hold his position for more than four years, although he may be re-elected one year after his termination.

The current composition of the Audit Committee is as follows:

Name	Position	Membership type
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Chairman	Proprietary and External
Mr. Álvaro Cuervo García	Committee member	Independent Non-Executive
Mr. Julio Sacristán Fidalgo	Committee member	Proprietary and External
Mr. Manuel Delgado Solís	Committee member	Proprietary and External
Mr. José Luis del Valle Pérez	Secretary non member	

The Audit Committee will be understood as convened when the majority of its members are in attendance, and it will pass resolutions by majority of votes, with the Chairman casting the deciding vote. The Audit Committee will meet when called by its Chairman and at least twice yearly, coinciding with the initial and final stages of the audit of the Company's financial statements and the consolidated financial statements of the Corporate Group and always prior to issuing the corresponding audit reports. In 2004, the Audit Committee met on 6 occasions.

Remuneration Committee

The Remuneration Committee will report to the Board of Directors on the following matters:

- The remuneration scheme of the Chairman of the Board and other senior Company executives.
- The remuneration of Board members.
- Any long-term plans based on share value, such as stock options.

The Remuneration Committee is comprised as follows:

Name	Position	Membership type
Mr. Pablo Vallbona Vadell	Chairman	Proprietary and External
Mr. José María Aguirre González	Committee member	Independent Non-Executive
Mr. José María Loizaga Viguri	Committee member	Independent Non-Executive
Mr. Javier Echenique Landiribar	Committee member	Proprietary and External
Mr. José Luis del Valle Pérez	Secretary non member	

The Committee shall be deemed as convened once the majority of its members are present and resolutions will be passed by majority of votes, with the Chairman casting the deciding vote. The Committee will be called to meet by the Chairman at least twice yearly. In 2004, the Compensation Committee met on 3 occasions.

5.2.6. Remuneration of Board members and the Management team

Remuneration of Board members, set forth under the concept of amenities in the By-laws, is determined by the Board at the recommendation of the Remuneration Committee. The overall amount of compensation must be annually approved by the General Shareholders' Meeting as part of the resolution for the allocation of results.

The By-laws establish that, in addition to certain expenses and allowances agreed upon at the General Shareholders' Meeting, the Board of Directors will receive remuneration for statutory participation that will not exceed 10% of the net profits and will be payable only after the obligatory allocations to the legal reserve and, when applicable, the statutory reserves have been made, and following the payment of a dividend to the shareholders of at least 4% of the capital paid per share.

It is expressly authorized that remuneration to all or some of the members of the Board of Directors and to the management of the Company and the companies comprising the Group may take the form of company stock or stock options or may be established at the value of this stock, in the manner, terms and conditions agreed upon by resolution of the General Shareholders' Meeting, in accordance with legal requirements.

The Board of Directors will decide how to distribute the overall amount of remuneration, owed to it as a body, among its members, the amounts of which may vary. The compensation for Board members and Group management for financial year 2004 is itemized as follows:

Compensation of the Board of Directors

The remuneration accrued during the financial year 2004 by the members of the Company's Board of Directors was €6,753 thousand, in accordance with the following concepts:

Thousand of Euros

Concept

Fixed salary	2,168
Variable remuneration	2,458
Expenses	-
Statutory considerations	1,790
Stock options and/or other financial instruments	337
Others	-

Members of the Board also enjoyed other benefits, itemized as follows:

Thousand of Euros

Other benefits

Advances	-
Loans	-
Pension plans and funds: Contributions	425
Pension plans and funds: Obligations acquired	1,803
Life insurance premiums	4
Guarantees constituted by the Company in favour of Board Members	-

The amount corresponding to the entry "Pension Funds and Plans: Contributions" includes amounts paid by the Company during the year, while the entry "Pension Funds and Plans: Obligations Acquired" additionally includes the obligations that may be imputed to the year for this concept, even though they may have been paid earlier.

Additionally, the remuneration accrued in 2004 by members of the Boards of Directors in all Group companies amounted to €1,415 thousand, as follows:

Thousand of Euros

Concept

Fixed salary	308
Variable remuneration	224
Expenses	430
Statutory considerations	-
Stock options and/or other financial instruments	14
Others	439

"Stock options and/or other financial instruments" includes the proportional amount of the financial cost borne by the Company, on the basis of the number of stock options held by Board members. This is not considered as income until actually exercised, as established by several stock options and current applicable legislation.

The following is a breakdown of total compensation per type of Board member:

Thousand of Euros

Membership type	By Company	By Group
Executive	5,559	884
Proprietary and External	747	495
Independent Non-Executive	447	36
Other non-executive Board members	-	-
	6,753	1,415

Management team Compensation

The compensation accrued in 2004 for the Group Management Team, excluding the members of the Board of Directors, was €18,874 thousand.

5.2.7. Other information regarding the Board of Directors

Board members with executive positions in other ACS Group companies

The following members hold the indicated executive positions in other ACS Group companies:

Board member	Company	Position
Mr. José María Aguirre González	Cobra, Instalaciones y Servicios, S.A. ACS Servicios, Comunicaciones y Energía, S.L.	Chairman Vice chairman
Mr. Agustín Batuecas Torrego	Continental Auto, S.L.	Chairman and CEO
Mr. José Luis del Valle Pérez	ACS Servicios y Concesiones, S.L. ACS Servicios, Comunicaciones y Energía, S.L. Dragados, S.A. Cobra, Instalaciones y Servicios, S.A. Sociedad Española de Montajes Industriales, S.A. Iberpistas S.A.C.E. Dragados Servicios Portuarios y Logísticos, S.L. Dragados Concesiones de Infraestructuras, S.A. Clece, S.A. Continental Auto, S.L. Saba Aparcamientos, S.A. ACS Telefonía Móvil, S.L. Urbaser, S.A.	Board member - Secretary Board member - Secretary Board member - Secretary Board member - Secretary Board member - Secretary Board member Board member Board member Board member Board member Board member Board member Board member Board member
Mr. Manuel Delgado Solís	Dragados, S.A.	Board member
Mr. Javier Echenique Landiribar	ACS Servicios, Comunicaciones y Energía, S.L.	Board member
Mr. Isidro Fernández Barreiro	Xfera Móviles, S.A.	Board member
Mr. Antonio García Ferrer	Dragados, S.A. ACS Servicios, Comunicaciones y Energía, S.L. ACS Servicios y Concesiones, S.L. Abertis Infraestructuras, S.A. Inmobiliaria Urbis, S.A.	Board member Board member Board member Board member Board member
Mr. Pedro-José López Jiménez	ACS Servicios, Comunicaciones y Energía, S.L. ACS Servicios y Concesiones, S.L. Sociedad Española de Montajes Industriales, S.A. Dragados, S.A. Cobra, Instalaciones y Servicios, S.A.	Board member Board member Board member Vice chairman Vice chairman
Mr. Santos Martínez-Conde Gutiérrez-Barquín	ACS Servicios, Comunicaciones y Energía, S.L. ACS Servicios y Concesiones, S.L. Sociedad Española de Montajes Industriales, S.A. Dragados, S.A. Montajes Industriales, S.A. Dragados, S.A. Autopistas Concesionaria Española S.A.U.	Board member Board member Board member Board member Board member Board member Board member
Mr. Javier Monzón de Cáceres	ACS Servicios y Concesiones, S.L.	Board member
Mr. Pablo Vallbona Vadell	Abertis Infraestructuras, S.A.	Vice chairman
Mr. Julio Sacristán Fidalgo	Autopistas Aumar S.A.C.E.	Board member

Associated operations

In 2004, the ACS Group maintained commercial relations with companies in which some of its Board members hold positions of responsibility. These commercial transactions were carried out in the normal course of business, under market conditions, and are regular operations of Group companies.

Board members with executive positions in companies that are significant shareholders

According to the information provided, the following members of the Board of Directors are members and/or executives of the following companies that are significant shareholders of ACS:

Board member	Significant shareholder	Position
Mr. Florentino Pérez Rodríguez	Inversiones Vesan, S.A.	Administrator
Mr. Isidro Fernández Barreiro	Corporación Financiera Alba, S.A.	CEO
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Corporación Financiera Alba, S.A.	General manager
Mr. Pablo Vallbona Vadell	Corporación Financiera Alba, S.A.	Vice chairman
Mr. Agustín Batuecas Torrego	Inversiones Batuecas Torrego, S.L.	CEO

Board members with connections to significant shareholders

Board Member	Significant Shareholder	Relationship
Mr. Julio Sacristán Fidalgo	Inversiones Vesan, S.A.	Relation of Mr Florentino Pérez, Administrator of Inversiones Vesan, S.A.
Mr. Pablo Vallbona Vadell	Corporación Financiera Alba, S.A.	Executive Vice chairman of Banca March S.A., main shareholder of Corporación Financiera Alba, S.A.
Mr. Isidro Fernández Barreiro	Corporación Financiera Alba, S.A.	Director of Banca March S.A., main shareholder of Corporación Financiera Alba, S.A.

Board members who are members of the Boards of Directors of other listed companies

According to the information provided, the following members of the Board of Directors are also members of the Boards of Directors of listed companies other than the ACS Group:

Board member	Listed Company	Position
Mr. José María Aguirre González	Banco Guipuzcoano, S.A. Acerinox, S.A.	Chairman Board member
Mr. Miguel Blesa de la Parra	Endesa, S.A. Iberia Lineas Aereas de España, S.A.	Board member Vice Chairman
Mr. Alvaro Cuervo García	Tafisa, Tableros de Fibras, S.A.	Board member
Mr. Javier Echenique Landiribar	Telefónica Móviles, S.A. Uralita, S.A.	Board member Board member
Mr. Isidro Fernández Barreiro	Prosegur, S.A.	Board member
Mr. Joan David Grimá Terré	Antena 3, TV S.A.	Board member
Mr. José María Loizaga Viguri	Zardoya Otis, S.A. Cartera Hotelera, S.A.	Vice Chairman Chairman
Mr. Pedro-José López Jiménez	Lingotes Especiales, S.A.	Board member
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Acerinox, S.A.	Board member
Mr. Javier Monzón de Cáceres	Indra Sistemas, S.A.	Chairman

Stakes held by Board members in companies with activities that are equal, similar or complementary to those of the ACS Group

According to the information provided, the following Board members hold stakes in companies with activities that are equal, similar or complementary to those of ACS Group:

Board member	Company	% Stake	Position
Mr. José María Aguirre González	Inmobiliaria Urbis, S.A.	0.005	Chairman
Mr. Miguel Blesa de la Parra	Corporación Financiera de Caja Madrid, S.A. Cintra Concesiones de Infraestructuras de Transporte, S.A.	- 0.001	Chairman
Mr. José Luis del Valle Pérez	Inmobiliaria Paredes, S.A. Del Valle Inversiones, S.A. Inversiones Montecarmelo, S.A. Sagital, S.A. Continental Industrias del Caucho, S.A. Fsc Servicios de Franquicia, S.A.	13.570 33.330 23.490 5.100 - -	Sole Administrator Joint Administrator Chairman Chairman
Mr. Javier Echenique Landiribar	Erhardt y Cía. S.A.	-	Board member
Mr. Isidro Fernández Barreiro	FCC	0.001	
Mr. Antonio García Ferrer	Inmobiliaria Urbis, S.A.	-	Board member
Mr. José María Loizaga Viguri	Mercapital, S.L. Capital Stock Inversiones Europeas, S.L.	20.224 99.990 99.970	Chairman Chairman Vice Chairman
Mr. Pedro-José López Jiménez	Terratest Técnicas Especiales, S.A. Ghesa Ingeniería y Tecnología, S.A. Atlas Copco, Sae	45.000 - -	Chairman (through Fapindus, S.L) Board member Board member
Mr. Santos Martínez-Conde Gutiérrez-Barquín	FCC Grupo Ferrovial, S.A. Abengoa Gamesa Corporación Tecnológica, S.A. Abertis Infraestructuras, S.A.	0.003 0.001 0.002 - - -	0.039 Chairman
Mr. Javier Monzón de Cáceres	Indra Sistemas, S.A. Indra SI, S.A. Europraxis-Atlante, S.L. Inversis Networks, S.A. Banco Inversis Net, S.A. Marco Polo Investments Scr.	- - - - - -	Board member Chairman Board member Board member Representative Individual representing Board member Indra Sistemas, S.A.

Mechanisms established to detect and regulate possible conflicts of interest between the company and/or the Group, Board members, executives or significant shareholders

A. Rules fo the Board of Directors

Article 13 of the Rules of the Board of Directors specifically regulates conflicts of interest, whereupon by virtue of their loyalty as Company representatives, Board members shall avoid any conflicts of interest between themselves and their closest relatives on the one hand, and the Company on the other, and will inform the Board of Directors of any possible conflict of interest whenever such conflict cannot be avoided, and this conflict of interest shall be recorded in the Minutes of the next Board Meeting. Furthermore, Board members shall inform the Company as soon as possible, and in any case within the next five days, of any shares, stock options or derivatives based on share value that are held directly or indirectly by the members themselves or by their more direct relatives.

Board members shall notify the Company of any significant changes in their own professional status, particularly any change that affects the status or condition that was taken into account for their appointment to the Board. In addition, they shall inform the Company of any legal or administrative procedure that may have a serious negative effect on the reputation of the Company.

Board members shall abstain from intervening in deliberations and voting on issues in which they have a special interest. This will be duly noted in the Minutes.

In addition, article 14 on non-competition and the use of information establishes that Board members may not hold, whether directly or indirectly, any position in or represent any company or firm that competes with the Company or any company within the Group.

Board members may in no way use any non-public information to which they shall have had access in the exercise of their role as Board member for private purposes. In particular, Board members, unless they authorized by the Board, may not use any knowledge on any commercial transaction about which they shall have become aware in the exercise of their role for their own personal benefit.

With the exception of a duly-authorized payment in kind, Board members may not make use of Company assets or use their position to increase their net worth without providing the corresponding compensation.

B. Rules of Conduct in the Stock Market

The Rules of Conduct in the Stock Market are a series of measures to detect and control possible conflicts of interest between the Company and/or its Group, Board members, executives and significant shareholders.

In its meeting of July 17, 2003, the Executive Committee of ACS, Actividades de Construcción y Servicios, S.A., by virtue of the powers vested in it by the Board of Directors, approved the Rules of Conduct in the Stock Market, informing the CNMV of this on July 31, 2003. On the other hand the Board of Directors, in its meeting of July 1, 2004, unanimously resolved to approve a series of amendments to the Rules of Conduct in the Stock Market which was notified to the CNMV on July 2, 2004.

In general, the rules are applicable to members of the Board of Directors and the Management Committee, and to all Company representatives and employees who perform activities that could have a fundamental influence on the price of Company stock. It also applies to Company representatives, personnel and external consultants who, for specific purposes, have privileged or reserved information regarding Company stock.

The Monitoring Unit envisaged in the Rules will provide the stock exchange supervisory authorities with an updated list of all Board members, Company representatives and personnel, and external consultants subject to the rules in a general or specific manner. All additions to or deletions from said list will be notified in writing to the affected parties by the Chairman of the Monitoring Unit.

The Rules apply to matters concerning shares, stock options and similar agreements involving the right to subscribe or acquire Company shares, or underlying reason involving Company shares, convertible or non-convertible bonds, debentures, promissory notes, subordinated debt and, in general, any type of financial instrument issued by the Company or, where appropriate, by companies of the Group.

All persons to whom the Rules of Conduct in the Stock Market are applicable shall abstain from performing or preparing the performance of any acts that could distort the free formation of prices on the Stock Market, and abstain from using any privileged or relevant information regarding the stock exchange obtained in the course of their work in or for the Company for their own benefit or that of third parties.

All members of the Board of Directors and Company representatives or employees disposing of information which could be considered privileged and which refers to negotiable securities and financial instruments issued by the Company or any Group company are obligated to safeguard it, without prejudice to their duty to report to and collaborate with the legal and administrative authorities in the terms set forth by Law.

During the analysis or negotiation phases of any type of legal or financial transaction that could significantly influence the price of the securities to which the Rules refer, the individuals responsible for said transactions shall:

- a) Inform only those people about the transaction, whether inside or outside the organisation, whose involvement is indispensable.
- b) Maintain, for each transaction, a register of the names of the people referred to in paragraph a), stating the date on which each had access to the information.

- c) Clearly inform the persons listed on the register of the nature of the information, their duty to keep it confidential and the prohibition from using it.
- d) Establish security measures for maintaining, filing, accessing, copying and distributing the information.
- e) Monitor the performance of the negotiable securities or financial instruments related to the transaction in process as well as the information made public in any specialised and ordinary media that could affect the process.
- f) In the event of unusual trading volumes or prices, and if there are reasonable grounds to believe that these changes are the result of premature, partial or distorted reporting of the transaction, the individuals responsible for the transaction shall immediately inform the Secretary of the Board of Directors, who shall then report a relevant occurrence, providing clear and precise information on the status of the transaction underway or containing advanced notice of the information to be made public.

The persons subject to the Rules who perform any type of transaction involving negotiable securities or financial instruments issued by the Company shall:

- a) Inform the Company in writing, through the Chairman of the Monitoring Unit, about transactions for the purchase or sale or acquisition of stock options undertaken on behalf of their personal account in relation to securities covered by these Rules. This will also apply to transactions undertaken by spouses, unless they affect only the spouse's personal estate or are excluded from the marital estate. Likewise included are transactions undertaken by minors or disabled individuals who are the responsibility of the affected party or by legal entities controlled directly and indirectly or by third party intermediaries. Excluded from this obligation to inform are those transactions in which the affected party subject to these Rules has not taken part, because the transactions were ordered by institutions to which the affected party has entrusted the management of his investment portfolio in a stable manner. In this case it will suffice to inform the Chairman of the Monitoring Unit about the existence of a portfolio management agreement and the name of the managing institution.
- b) Provide detailed information on personal transactions related to the securities within the scope of the application of these Rules when requested by the Chairman of the Monitoring Unit.
- c) A newly-elected member of the Board of Directors, representative or new Company employee subject to these Rules shall provide the Chairman of the Monitoring Unit with written details on the stock of the Company or companies of the Group that he owns, directly or indirectly, through controlled companies or third parties and investee companies or those acting in agreement, as well as any owned by minors or disabled persons who are economically dependent upon the person subject to the Rules or his/her spouse, except in the latter case when this ownership affects only the latter's estate or is not included in the marital estate. They must likewise provide written notice of the existence of a stable portfolio management agreement and the name of the managing institution.

d) Submit to the Monitoring Unit, via its Chairman, any doubts regarding the application of these Rules, abstaining from any action until a response to the query has been received.

Without prejudice to the foregoing, when transactions with securities or financial instruments issued by the Company are performed by Board members, they must also inform the stock exchanges on which the securities are traded and the Spanish Stock Market Commission (CNMV) in the terms envisaged by Law.

The Secretary of the Monitoring Unit shall keep an orderly list of all communications, notifications and any other aspects related with the Rules, safeguarding the confidentiality of said record, and may at any time ask the persons subject to the Rules to confirm the balances of securities and financial instruments contained in their file.

The Monitoring Unit, through its Chairman, is responsible for formulating and maintaining an updated list of all persons subject to these Rules. This Unit will be comprised of the Secretary of the Board of Directors, who will preside over the Unit, the Corporate General Manager and the Administration Manager, who will act as Secretary.

Failure to comply with these rules, developed in accordance with current standards for order and discipline on the Stock Exchange, could result in the application of the corresponding administrative sanctions and other consequences deriving from applicable legislation. When incurred by Company employees, this will be deemed as professional misconduct.

Auditor independence

The Rules of the Board of Directors expressly state that, in addition to proposing their appointment, the Audit Committee shall be responsible for relations with external auditors for receiving information regarding any matters that could jeopardise their independence, as well as any other matters regarding the account auditing process and all other notifications stipulated in legislation on the auditing process and technical auditing standards.

5.3

Risk Management Systems

The diversity and complexity of the fields in which the Group is active involve a series of risks that can be categorised as follows:

- Client Risks, deriving from their credit quality, default payments, concentration of risks and executed works pending certification.
- Operational Risks, corresponding to the businesses carried out by the Group and which vary according to the area of activity. These can be deemed as risks arising from differences in agreed completion dates and costs, risks due to deficiencies in quality, labour risks, environmental risks and risks regarding third parties.
- Financial Risks, as a result of levels of debt, tendencies in working capital, exposure to different currencies and interest rates, guarantees and bonds. Risks intrinsic to new investments are likewise the subject of analysis and risk control, as well as risks deriving from the deterioration of the assets of the Group.
- Market Risks, whether regulatory or structural, inherent in the various markets in which the Group is present, as well as the concentration of risk levels in a given country.

The Group's risk control systems are based on a series of strategic and operational actions aimed at complying with risk policies by each area of activity of the Group. The actions are organised according to a decentralised model that allows each business unit to carry out its risk control and evaluation policies in accordance with certain basic principles. These principles include:

- Definition of maximum risk limits acceptable for each business area, according to the characteristics and expected profitability thereof.
- Establishment of procedures to identify, approve, analyse, control and report the different risks for each business area. Coordination and communication to ensure that the risk policies of each business area are consistent with the Group's overall risk strategy.

The systems provide the necessary information to supervise and evaluate the risk exposure of each business area and develop the corresponding management information required for decisions. The control systems developed in each business area may be classified into the following categories:

5.3.1. Quality management systems

These are the processes used to ensure that work and services comply with the requirements specified in the agreement, as well as legal and standard requirements, to ensure client satisfaction.

The systems, which comply with the requirements of ISO 9001 standards, are based on the prior identification of the relevant processes into which the activities undertaken by the various areas are organised from a quality management standpoint, in order to appropriately plan and monitor them.

Regular system reviews by Management and the establishment of objectives allow continuous improvement of the systems.

5.3.2. Environmental management systems

The implementation of these systems in the different business areas of the Group allows them to undertake their activities while guaranteeing maximum respect for the environment.

The systems, regulated by international standard ISO 14001, are based on the identification and evaluation of environmental aspects on which the business can have an impact, planning the necessary steps in order to eliminate or minimise risks by establishing adequate control measures in accordance with current legal requirements and the environmental code of conduct corresponding to each business unit. The basic criteria are as follows:

- To incorporate the most advanced technical innovations on environmental matters, such as:
 - Energy and raw materials savings.
 - Using recyclable and biodegradable materials.
 - Minimising waste production and the treatment thereof so as to respect the environment.
 - Promoting the reforestation and landscaping of construction sites.
- To develop the specific actions required by the Group's business activities, on the basis of their environmental impact.
- To provide clients with continuous information regarding environmental risks and possible preventive measures.

5.3.3. Technical-economic management systems

The Group has several economic and production control systems designed to give reliable knowledge of the economic forecasts and deadlines for projects, from the initial proposal through execution of the projects, and information on the actual status at all times.

These systems are part of a comprehensive economic and budgetary control system for each business area, and are adapted to the characteristics of their activities in order to provide the necessary information to the persons responsible for each area so that they may control the risks deriving from any possible deviation and make the appropriate decisions to optimise the management process.

All information is kept in a single Economic Information System which allows the consolidated parameters to be easily monitored and controlled in a dynamic and strict manner. By giving Group Management detailed knowledge of the economic situation and potential and assumed risks, the system has become an essential element in the decision-making process.

5.3.4. Management systems for the prevention of labour risks

The ACS Group has developed a labour risk prevention policy in accordance with current legislation on which the specific control systems for each line of business are based. This policy complies with the basic principles of training, participation, individual responsibility and control of safety conditions.

The systems are adapted to the specific characteristics of each business area. Labour risk prevention plans based on the identification of risks are designed and implemented in order to eliminate them, evaluating existing risks to minimise these and take the necessary protective measures.

As with all Group management systems, an initial specific plan is designed for each business, which is monitored and updated throughout the project for continuous improvement to its efficiency.

5.3.5. Financial risk control systems

These are essentially aimed at identifying, evaluating and covering risks deriving from:

- The non-payment or payment delays among given types of clients, the procedures for which are based on:
 - Analysis of the client's financial solvency and the conditions of the agreement proposed by the risk committee of each business activity at their regular meetings.

- Decisions on whether or not to enter into contract or, where appropriate, include specific conditions in the agreement to guarantee payment.
- Individualised client negotiation with legal support.
- Centralised agreement execution.
- The variations in exchange rates, covered with financing policies in local currency and hedging mechanisms for capital-intensive infrastructure projects in which financing is arranged in a currency other than the local one. The variations in exchange rates, whose monitoring and evaluation will determine the financial leverage structure for each business area and for the consolidated Group. The depreciation of assets, whether financial or allocated toward the production activities of the Group.
- The new investments, requiring a strict analysis and evaluation of the risks inherent therein.

The Group has a strategy for covering accidental risks which could affect assets and activities that involves the underwriting of insurance policies for any coverable risks. These policies are revised periodically to adapt them to the current and specific status of the risk covered.

5.3.6. Risk control strategies

To manage the risks of the Group, specific procedures have been established at the various organisational levels and for each business area to monitor the adoption of the risk profiles adapted to the operational criteria established by the Board of Directors for each activity. These procedures are based on the overall risk policy, structured as follows:

- The Management Committee establishes the overall risk policy for the Group and, where appropriate, the management mechanisms to ensure that risks are maintained within approved levels.
- The Board of Directors entrusts the Audit Committee with the task of monitoring compliance with the established procedures and effective supervision of compliance with the established risk levels for each business activity.
- Risk control mechanisms in accordance with established strategies are developed in the corresponding management systems.
- Activities with risk levels in excess of levels established in the overall risk policy must first be approved by the Management Committee.

5.4

General Shareholders' Meeting

The General Shareholders' Meeting is comprised of all shareholders holding at least 100 shares, whether physically present or represented. Owners or holders of less than 100 shares may pool their shares to meet such minimum number of shares and may be represented by one of their group or by another shareholder who, on his own, holds sufficient shares for attendance to the General Shareholders' Meeting.

Aside from the legal restrictions, there are no statutory restrictions to voting rights or the acquisition or transfer of shares. Each shareholder has a number of votes equal to the number of shares he holds or represents. Votes may be cast remotely by post or telegram or any other means of communication that fully guarantees voter identity. Shareholders with attendance rights may be represented at the General Meeting by any other person. The representation of shareholders who must pool their shares to attain voting rights may be vested in any member of the group.

The Ordinary or Extraordinary General Meeting will be considered validly constituted, in its first call, when the shareholders present or represented hold at least 25% of the subscribed capital with voting rights. In its second call the Meeting will be valid regardless of the capital in attendance.

Resolutions will be reached by majority vote of the shareholders present or represented, except in those cases in which the Law requires a qualified majority.

However, if the Ordinary and Extraordinary General Shareholders' Meeting is to resolve on an issue of debentures, increase or reduction of the Company's share capital, re-registration, merger or spin-off of the Company or, in general, any amendment to the Company By-laws, the shareholders present or represented must hold at least 50% of the subscribed capital with voting rights for the meeting to be considered constituted in its first call. In its second call, 25% of said capital will suffice.

When the shareholders present or represented hold less than 50% of the subscribed capital with voting rights, the resolutions referred to in the above paragraph will be valid only by means of the favourable vote of two thirds of the capital present or represented at the General Shareholders' Meeting.

5.4.7. General Shareholders' Meeting of May 20, 2004

The General Shareholders' Meeting was held in its second call, on May 20, 2004.

Summary of attendance at the Ordinary General Meeting:

Date of the General Meeting	% physical presence	% representation	% remote voting	Total %
05/20/2004	1.427	53.883	0.000	55

All Agenda points were approved, as detailed below:

General Shareholders' Meeting of May 20	Votes in favour	% of shares present or represented by proxy	Abstentions	% of shares present or represented by proxy	Votes against	% of shares present or represented by proxy
Point 1 Approval of the Reports, Balance Sheets, Income Statements and Management Reports for 2003, for the Company and the consolidated Group of Companies in which ACS, Actividades de Construcción y Servicios, S.A. is the controlling Company. Annual Corporate Governance Report	64,596,659	98.534%	955,828	1,458%	5,478	0,008%
Point 2 Approval of the management of the Board of Directors in 2003	65,002,886	99.153%	553,143	0.844%	1,956	0.003%
Point 3 Ratification, dismissal and appointment, where appropriate, of Board Members	46,258,367	70.561%	18,946,832	28.901%	352,766	0.538%
Point 4 Authorisation for the derivative acquisition of treasury stock	65,041,156	99.212%	516,341	0.788%	468	0.001%
Point 5 Appointment of auditors for the Company and for the Group	64,746,954	98.763%	750,070	1.144%	60,941	0.093%
Point 6 Reduction of share capital by redeeming 902,453 shares of treasury stock, with the subsequent amendment to Article 6 of the Company By-laws	64,984,993	99.126%	572,972	0.874%	0	0.000%
Point 7 Reduction of the face value of the shares from €1.50 to €0.50 with the subsequent increase in the number of share in circulation to triple the current number, with the corresponding amendment to Article 6 of the Company By-laws and delegation of powers for the execution thereof	65,005,829	99.158%	552,033	0.842%	103	0.000%
Point 8 Amendments to Articles 13, 15, 20a), 22, 26 and 28 of the Company Bylaws	63,041,075	96.161%	2,495,379	3.806%	21,511	0.033%
Point 9 Authorisation for the Board of Directors to set up a Share Option Plan	64,171,499	97.885%	572,773	0.874%	813,693	1.241%
Point 10 Approval of the Regulations of the General Shareholders Meeting and Report on the Rules for the Board of Directors	65,005,932	99.158%	552,033	0.842%	0	0.000%
Point 11 Delegation of powers to execute and formalise resolutions	65,005,932	99.158%	552,033	0.842%	0	0.000%
Point 12 Reading and approval, where appropriate, of the Minutes	65,006,627	99.159%	551,338	0.841%	0	0.000%

5.4.8. General Shareholders' Meeting of May 19, 2005

By resolution of the Board of Directors of this Company, held on March 31, 2005, we call an Ordinary General Shareholders' Meeting, to be held in Madrid, at the Palacio Municipal de Congresos, Avenida de la Capital de España, Madrid s/n, Campo de las Naciones, at 12:30 on May 18, 2005, first call, and the following day, May 19, 2005, second call, with the following:

Agenda

1. Approval of the Annual Reports, Balance Sheets, Income Statements and Management Reports for 2004, of ACS and the consolidated accounts of the group of companies of which ACS, Actividades de Construcción y Servicios, S.A. is the Parent Company. Application of results. Annual Corporate Governance Report.
2. Approval of the management of the Board of Directors in 2004.
3. Ratification, dismissal and appointment, where applicable, of Directors.
4. Authorisation for derivative acquisition of treasury stock.
5. Appointment of Company and Group Auditors.
6. Authorisation for the Board of Directors to modify a Stock Option Plan authorised by the Shareholders Meeting of the Company in their decision of May 20, 2004.
7. Delegation of powers to execute and formalize resolutions.
8. Reading and approval, if applicable, of the minutes of the General Meeting.

5.4.9. Shareholders' General Meeting By-laws

The Company Board of Directors, in its meeting of March 25, 2004, approved the proposed General Shareholders' Meeting By-laws, which were approved by the General Shareholders' Meeting dated May 20, 2004. The resolution was converted into a public deed before the Notary Public of Madrid Mr. Cruz-Gonzalo López-Muller Gómez on July 19, 2004, under his protocol number 2047, and entered into the Madrid Companies Register on July 27, 2004, in Volume 10064, Folio 184, Section 8, Page M-30221, Entry 807. This occurrence was in turn notified to the CNMV on September 14, 2004.

The General Shareholders' Meeting By-laws are based on the following principles contained in the Good Governance Code:

- To implement measures aimed at building a more transparent system for the delegation of votes and heightening communication between the Company and its shareholders.
- To provide a detailed explanation of the voting motions contained in the request form, with regards to the passing of resolutions of given delegation significance, and to reveal the existence of any possible conflicts of interests that may arise.
- To establish flexible communication channels and instruments. In addition to the standard information supplied by the Company in the form of annual, half-yearly and quarterly reports, to promote meetings with financial analysts so that this information may be made available to investors. The objective of these measures is to establish permanent channels for communication with shareholders, complementary to those provided by the legally-established right to raise questions during the General Shareholders' Meetings, so that shareholders may obtain the information they require at any given moment.

5.5

Information and Transparency

The shareholders' right to information is covered in the General Shareholders' Meeting By-laws. Accordingly, so that the General Shareholders' Meeting may perform its duties properly, before each General Meeting is held, the Board of Directors makes all information available to the shareholders that is legally required or which should be reasonably provided in the interest of the Company or its shareholders and from which they may form an opinion. Accordingly, the Board of Directors shall process any requests made by shareholders either before or during the General Meeting with maximum diligence, providing that the information is not detrimental to Company interests.

In accordance with this firm commitment of the ACS Group to furnish the necessary information in a transparent, fair and unbiased way so that the progress of the Company can be readily evaluated, efficient and flexible means have been utilised to make this information immediately available to shareholders, potential investors and the general public alike.

5.5.1. Financial information

The ACS Group has taken the necessary measures to ensure that the information provided in the quarterly, half-yearly and annual reports is made available to shareholders in a clear, rigorous and timely manner. To this end, the Audit Committee reviews this information before it is made public, to verify that it has been drawn up in accordance with the same professional principles, criteria and practices as the accounts, and that it is just as reliable.

The individual and consolidated annual accounts are presented to the Board of Directors by the Chairman and CEO, after being drawn up by the Corporate General Manager entrusted with the financial management of the Company.

The section on "Listed Company Obligations" of the Rules of the Board of Directors establishes that the Board of Directors shall adopt or promote any measures deemed necessary or advisable to ensure the transparency of Company's operations on the financial markets and the exercise of any duties inherent in its status as a listed company.

To this regard, the Relevant Facts reported to the CNMV shall be disclosed to the fewest people possible, who will be duly identified, until they are made public.



Tunnel under the Ría de Villaviciosa (Asturias)

5.5.2. Information on ACS Stock

Pages 170-172 of this Annual Report contains detailed information on the performance of ACS shares in 2004.

5.5.3. Information reported to the Markets

The main channel used by the ACS Group to report its performance and main activities to the markets is through the Spanish CNMV.

During 2004, 19 reports were made, 14 of which were Relevant Facts and 5 were Other Communications. Of these reports, 8 corresponded to company results and presentations.

The main Relevant Facts and Other Communications made in 2004 were:

- **April 30 (Registry No. 49216):** The Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. in its meeting of March 25, 2004, called a General Shareholders' Meeting to take place on May 19, 2004, in its first call, and on the following day, May 20, 2004, in its second call.
- **April 30 (Registry No. 49217):** The Company sent its Audit Committee Report.
- **April 30 (Registry No. 49218):** The Company sent the Annual Corporate Governance Report for 2003.
- **May 21 (Registry No. 49897):** The Company sent the resolutions passed in the General Meeting.
- **June 8 (Registry No. 50455):** The Company reported that, in execution of the resolution passed by the General Shareholders Meeting of ACS, Actividades de Construcción y Servicios S.A. on May 20, 2004, on the reduction of the face value of its shares to €0.50 with the corresponding increase in the number of shares in circulation, the Chairman of the Board of Directors provided that the stock exchange consequences of said resolution would take place as of June 10, 2004 inclusive, and this was recorded in the public deed formalising said corporate resolution, executed on the same day.
- **July 2 (Registry No. 50994):** The Company reported the changes agreed unanimously at the meeting of the Board of Directors of ACS Actividades de Construcción y Servicios S.A. on July 1, 2004: Appointment of Board member Mr. Javier Echenique Landiribar to the Executive Committee and Remuneration Committee; Appointment of Board member Mr. Manuel Delgado Solís to the Audit Committee.
- **July 2 (Registry No. 50998):** ACS reported the terms of the Stock Options Plan agreed upon by the Board of Directors in its meeting of July 1, 2004.

- **September 21 (Registry No. 52858):** On this day, ACS, Actividades de Construcción y Servicios, S.A. (ACS) and "la Caixa" acquired on the market, in equal parts, the stake of Autostrade in Abertis Infraestructuras, S.A. (Abertis), i.e., a total of 27,472,168 shares, representing 4.98% of the share capital. Consequently, ACS acquired 13,736,084 shares, or 2.49% of the share capital of Abertis for €200.50 million. After this operation, ACS now holds 16.59% of the share capital of Abertis.
- **December 17 (Registry No. 17556):** The Company reported that the Board of Directors, in its meeting of December 16, 2004, unanimously resolved to distribute an interim dividend of €0.14 per share against the results for 2004, to be made effective on January 24, 2005.

Additionally, seven corporate presentations took place throughout the year at specialised events held in Europe and the USA, featuring the presentation of the company results for 2003, on February 25, 2004, at the Madrid Stock Exchange, and the Industrial Services Investor's Day, held on September 29, 2004, during which the management team of this activity of the ACS Group provided a detailed explanation of the business and its prospects. These presentations triggered much interest and were very well attended. Numerous meetings were also held with institutional investors, and requests for information from our shareholders were processed.

5.5.4. Website

The Group progressively updates the contents of the corporate website (<http://www.grupoacs.com>), with special emphasis on the Investor Relations information pages, offering timely information on the performance of stock, the economic and financial progress of the Company in general, the corporate activity in the Group and the Investor's Agenda, making all reports and documents of their interest available to ACS shareholders in order to facilitate accessibility.

In addition to this Annual Report, other information that can be consulted on our website includes:

- The Company By-laws
- The General Shareholders' Meeting By-laws
- The Rules of the Board of Directors
- The Annual Corporate Governance Report
- The Audit Committee Report
- The Rules of Conduct in the Stock Market
- The notice of the General Shareholders' Meeting of May 18 or 19, along with the documents and information for this Meeting.

5.5.5. Degree of observance of the recommendations for Good Corporate Governance

The following is a list of the most important aspects regarding compliance with the guidelines for Corporate Governance following the recommendations of the Good Governance Code (Olivencia Code), which have been updated and, in some cases, modified by the Special Commission for the Promotion of Transparency and Security on the Markets and in Listed Companies ("Aldama Report").

Recommendation 1 – Duties of the Board of Directors:

"The Board of Directors should expressly undertake, as a core aspect of its role, the general duty of supervision, exercising the responsibilities that this involves without delegation and establishing a formal catalogue of matters reserved thereto."

This recommendation is extensively included in the Rules of the Board of Directors, article 4, which reads: "Pursuant to Article 18 of the current Company By-laws, the Board of Directors is responsible for representing the Company and managing its business as well as for performing those operations that are a part of or related to the Corporate purpose."

The Board of Directors will act in accordance with the interests of the Company and its shareholders.

In particular, the Board of Directors is responsible for the following:

- Acceptance of Board member resignations.
- Appointment, revocation and acceptance of resignations for the Chairman, Vice Chairman and Secretary of the Board.
- Appointment, revocation and acceptance of resignations of Board members on Board Commissions and Committees.
- Delegation of all or part of the powers corresponding to the Board or any of its members, with the exception of non-transferable powers.
- Formulation of individual and consolidated annual accounts and management reports and submittal thereof to the General Shareholders' Meeting for approval.

- Preparation of reports, including the Annual Corporate Governance Report and any proposals that, pursuant to current legislation and the Company By-laws, are the responsibility of the Board of Directors.
- Approval of the annual budgets.
- Approval of any merger, spin-off or concentration transactions concerning the main subsidiaries of the Group in which the Company is the controlling company.
- Approval of the issue of series of bonds, promissory notes, debentures or similar titles by the main companies of the Group in which the Company is the controlling company.
- Approval of the assignment of rights on the commercial name, trademarks and industrial or intellectual property rights that belong to the Company or companies of the Group, providing these are of financial relevance.
- Approval of the Rules of the Board of Directors.
- In general, the exercise of all duties that correspond to the Board by Law, the By-laws and the Rules of the Board of Directors, as well as the exercise of any other duties delegated to it by the General Shareholders' Meeting, in turn assigning only those that are expressly permitted in the resolution on delegation passed during the General Shareholders' Meeting."

Recommendation 2 – Independent Board members:

"The Board of Directors should include a reasonable number of Independent Non-Executive Directors, who are professionally-renowned people not associated with Senior management and the major shareholders."

Special relevance is given by ACS Actividades de Construcción y Servicios, S.A. to the figure of the Independent Non-Executive Board member, a person of renowned professional status who can bring experience and knowledge to corporate governance and who, being neither an executive nor proprietary member, is elected as such and offers the characteristics that ensure impartial and objective criteria.

On December 31, 2004, the Board of Directors had the following Independent members: Mr. José María Aguirre González, Mr. Miguel Blesa Parra, Mr. Álvaro Cuervo García, Mr. Joan David Grimá Terré, Mr. José María Loizaga Viguri and Mr. Miguel Roca Junyent, a total of 6, of a Board consisting of 18 members (33.3% of the total number of Board members).

Recommendation 3 – Composition of the Board of Directors:

"The composition of the Board of Directors should be such that the Non-Executive members (Proprietary and Independent members) comprise a clear majority over the Executive members, and the proportion between Proprietary members and Independent members shall be set in consideration of the relationship between majority shareholders and the others."

This recommendation has been modified by the Aldama Report, which reads, *"When establishing rules, criteria or recommendations for Corporate Governance, the structure of the share capital will be taken into account in order to protect the interests of minority shareholders. The Commission recommends that the members of the Board of Directors should represent the highest possible percentage of the share capital. The Commission has also reflected upon the difficulty of establishing a general rule to define the number and proportion of Independent Non-Executive Board members: one applicable criterion, to update the Olivencia Code, would be to have a broad majority of Non-Executive Board members and that these include a very significant number of Independent members, bearing in mind the share structure of the Company and the share capital represented on the Board"*.

The Board of Directors is comprised of 18 members, 4 of which are Executive members, 8 are Proprietary and External members and 6 are Independent Non-Executive members.

Recommendation 4 – Number of Board members:

"The Board of Directors should be the appropriate size to achieve more efficient and participatory operations. In theory, the appropriate size could range between five and fifteen members."

The current number of members of the Board of Directors is 18, within the 11 - 21 range established in the Company By-laws. This number is considered appropriate for the volume of the share structure and the Company's main financial magnitudes.

Recommendation 5 – Chairman of the Board of Directors:

"If the Board chooses to combine the position of Chairman and CEO, it should take the necessary precautions to reduce the risk of the concentration of power in one single person. One of the matters to which the Commission has paid special attention is the advisability of whether or not to recommend the separation of the Chairman of the Board and CEO positions of the Company. The Commission is very open to the argument of separating duties or functions, but must also weigh the disadvantages of the dualist alternative, in other words, depriving the Company of clear and decisive leadership. This could make it difficult to convey information between Company management and the Board of Directors, and could generate coordination expenses. Accordingly, the Commission has ultimately decided against the separation of positions and that, in short, it should support the criteria of the Olivencia Commission, including its warnings. Lastly, this criteria is justified by the conviction that choosing one leadership formula over another –dual or unitary– cannot be regulated across the board, and should instead depend upon the circumstances of each company".

The Chairman and CEO of ACS, Actividades de Construcción y Servicios S.A. is vested with all the transferable powers of the Board of Directors, which were listed in the analysis of the degree of observance in Recommendation 1. His duties are defined not only by the scope of those non-transferable powers, but by his duties as Chairman of other Board Committees as well, most notably the Executive Committee, as well as the Audit and Remuneration Committees.

Recommendation 6 – Secretary of the Board of Directors:

"Major importance should be given to the Secretary of the Board, reinforcing his independence and stability and stressing his duty to safeguard the formal and material legality of Board actions."

This recommendation is broadly observed by the Company through the figure of the Secretary-Board member, who has acted as Secretary since 1991. The figure is regulated in Article 20 of the Rules of the Board of Directors: "The Board of Directors will appoint a Secretary, who may or may not be a Board member but who should be a practising attorney. In addition to the duties attributed by current legislation, the Company By-laws and the Rules of the Board of Directors, the Secretary of the Board shall monitor the legality of the actions of the corporate boards to which he belongs, making any warnings for this purpose which will be included in the Minutes."

Recommendation 7 – Composition of the Executive Committee:

“The composition of the Executive Committee, when there is one, should reflect the same balance among the different types of Board members, and the relations between the two bodies should be based on the principle of transparency, so the Board is fully aware of the matters addressed and the resolutions passed by the Committee.”

In addition to the Secretary-Board member without voting rights, the Executive Committee is comprised of 7 Board members, 2 of which are Executive Board members, 1 Independent Non-Executive Board member and the remaining 4, Proprietary and External Board members. The Executive Committee will exercise all duties that are delegated to it by the Board of Directors. However, the Board of Directors may address and decide on any matter that falls to its competence, while the Executive Committee, on the other hand, may submit any matter requiring a decision to the Board of Directors, even if it is the responsibility of the Executive Committee, should the Committee deem that the Board of Directors should decide on the issue.

Recommendation 8 – Delegated Control Committees:

“The Board of Directors should set up delegated control Committees, comprised exclusively of Non-Executive Board members, covering information and accounting control (audit); appointment of Board members and senior managers (nomination); determining and reviewing the remuneration policy (remuneration); and assessing the governance system (compliance).”

The Board of Directors of the Company has set up two Committees: the Audit Committee and the Remuneration Committee. In addition to the Secretary-Board member without voting rights, the Audit Committee is comprised of 3 Proprietary and External Board members and an Independent Board member; the Remuneration Committee is comprised, in addition to the Secretary-Board member without voting rights, of 2 Proprietary and External members and 2 Independent Non-Executive Board members. Each Committee has the responsibilities established in the Rules of the Board of Directors.

Recommendation 9 - Information to Board members:

“The necessary measures should be taken to ensure that the Board members receive sufficient information, adequately in advance, specifically drawn up for the preparation of Board meetings, without the significance or reserved nature of such information serving as grounds for its omission, with the exception of special circumstances.”

Article 15 of the Rules of the Board of Directors includes the right of Board members to request, through the Chairman or Secretary of the Board, any documentation they deem necessary in order to perform their duties.

Recommendation 10 – Functioning of the Board of Directors:

“In order to ensure the suitable operation of the Board, its meetings should be held as often as necessary for the performance of its tasks; the Chairman should encourage all Board members to contribute and freely take positions; particular care should be taken with the formulation of the minutes and the quality and efficiency of their work should be evaluated at least once a year”.

Article 16 of the Company By-laws and Article 8 of the Rules of the Board of Directors establish that the Board of Directors shall meet when Company interests so require, following the call by its Chairman or Vice Chairman, whether at their own initiative or at the request of at least 2 members of the Board. The Board will in all cases meet at least 4 times a year to monitor the Group's performance in terms of its budgets and the previous financial year. The meeting announcement may be sent by letter, telex, telegram, fax or any other written means which confirms its receipt by Board members. The meeting announcement shall include the Agenda and, except in cases of urgency, will be sent at least 3 days in advance.

In any case, there is an established annual schedule of meetings, to make it easier for the Board members to plan their attendance. During or after the meeting, Board members will be given all necessary information or any clarifications they may require regarding the points on the Agenda.

In 2004, the Board of Directors of the Company met on 7 occasions.

Recommendation 11 – Appointment and reappointment of Board members:

“The Board's involvement in the appointment and reappointment of its members should follow a formal, transparent procedure, based on a reasoned proposal by the Nomination Committee.”

The Board of Directors has no Nomination Committee. With regard to nominations, the Rules of the Board of Directors establish that, within the limits specified in Article 13 of the current Company By-laws and without prejudice to the power of proposal that is the legal right of shareholders, the Board of Directors will propose both the number of Board members and the individuals or corporations that should be appointed to the General Shareholders' Meeting. The appointment proposal will state whether the proposed Board members are Executive, Proprietary and External or Independent Non-Executive.

Moreover, the Board of Directors may cover vacancies temporarily with persons chosen from among the shareholders, until the next General Shareholders Meeting at which time the vacancies will be definitively filled.

Recommendation 12 – Resignation of Board members:

“Company regulations should include the obligation of Board members to resign in those cases in which they could have a negative effect on the operation of the Board or the Company’s credit and reputation.”

This is not expressly contemplated.

Recommendation 13 – Age of Board members:

“There should be an age limit on the position of Director, which could be 65 for Executive Directors and the Chairman and somewhat more flexible for the rest of the members.”

The Aldama Report has revised this point of the Olivencia Code and establishes no age limit, merely requiring that the Company adopt a policy on this matter, which should be clearly stated in its internal rules. The Rules of the Board of Directors establish no age limit with regard to the appointment to or holding of the Board member position.

Recommendation 14 – Information facilities for Board members:

“The right of all Board members to collect and obtain the necessary information and counsel to perform their supervisory tasks should be formally recognised, and suitable channels should be provided to exercise that right, with recourse to external experts in special circumstances.”

Article 15 of the Rules of the Board of Directors expressly contemplates the right of Board members to obtain information and seek counsel in order to better perform their duties, whereby they may request any information they deem necessary from the Chairman or the Secretary-Board member.

Recommendation 15 – Remuneration of Board members:

“The Policy for the remuneration of Board members, which must be proposed, assessed and reviewed by the Remuneration Committee, should follow the criteria of moderation, and should correspond to Company profits and detailed and individualised information.”

In 2004, the total remuneration paid to the Board of Directors as compensation pursuant to the By-laws was €1,789,986.76, the distribution of which was approved by the Board of Directors at the proposal of the Remuneration Committee.

Recommendation 16 – General duties of the Board members and conflicts of interest:

“The Company’s internal regulations should establish the obligations resulting from the general obligations of diligence and loyalty of the members of the Board. In particular, they should include conflicts of interest, the duty of confidentiality, exploitation of business opportunities and the use of Company assets.”

Articles 13 and 14 of the Rules of the Board of Directors specifically regulates conflicts of interest, whereupon by virtue of their loyalty as Company representatives, Board members shall avoid any conflict of interest between themselves and their closest relatives on the one hand, and the Company on the other, and will inform the Board of Directors of any possible conflicts of interest whenever such conflict cannot be avoided, and this conflict of interest shall be recorded in the Minutes of the next Board Meeting. Furthermore, Board members shall inform the Company as soon as possible, and in any case within the next 5 days, of any shares, stock options or derivatives based on share value that are held directly or indirectly by the members themselves or by members of their immediate families.

Board members shall notify the Company of any significant changes in their own professional status, particularly any change that affects the status or condition considered for their appointment to the Board. In addition, they shall inform the Company of any legal or administrative procedure that may have a serious negative effect on the reputation of the Company.

Board members shall abstain from intervening in deliberations and voting on issues in which they have a special interest. This will be duly noted in the Minutes.

Board members may not, directly or indirectly, hold any position in or provide representation for any company or firm that competes with the Company or with any company within the Group.

Board members may in no way use any non-public information to which they shall have had access in the exercise of their role as Board member for private purposes. In particular, Board members may not use any knowledge of any commercial transaction about which they shall have become aware in the exercise of their role as Board member for their own personal benefit.

With the exception of a duly-authorized payment in kind, Board members may not make use of Company assets or use their position to increase their net worth without providing the corresponding compensation.

Recommendation 17 – Transactions with significant shareholders:

“The Board of Directors should promote appropriate measures to extend the obligation of loyalty to significant shareholders, in particular establishing precautions on the transactions performed between them and the Company”.

Section C.5.2) of the Annual Corporate Governance Report addresses Rules of Conduct in the Stock Market, containing a series of rules aimed at detecting and eliminating possible conflicts of interest between the Company and/or the Group, its Board members, executives and significant shareholders.

Recommendation 18 – Communication with shareholders:

“Measures should be undertaken to make the mechanism for delegating votes by proxy more transparent and improve Company communication with its shareholders, particularly with institutional investors.”

Both the Company By-laws and the Shareholders' General Meeting By-laws envisage the right to information, representation and voting by electronic or other telematics means, thus favouring the participation of shareholders in Company operations.

Notwithstanding the foregoing, Article 5 of the Rules of the Board of Directors establishes that: “In order for the General Shareholders' Meeting to function properly, the Board of Directors shall make all legally-required information available to the shareholders before the General Meeting as well as any information that should be reasonably furnished on the basis of corporate interest and on the basis of which shareholders may form an opinion.

Accordingly, for maximum transparency and disclosure of all relevant information and in order to provide immediate shareholder access thereto, the Board of Directors shall make all information deemed to be of general interest available on the Group's website, in particular the Company By-laws, the Rules of the Board of Directors, any reports that must be furnished to the stock exchanges, notices of General Shareholders' Meetings and proposals submitted for the deliberation and approval of the General Shareholders' Meeting.”

Recommendation 19 – Transparency on the Markets:

“The Board of Directors, beyond the requirements imposed by current legislation, should take responsibility for providing markets with rapid, accurate and reliable information, especially with regard to the structure of the shareholder body and substantial changes to governance regulations, in particular associated transactions of particular significance or those regarding treasury stock.”

Article 7 of the Rules of the Board of Directors, entitled “Listed Company Obligations”, provides that the Board of Directors shall adopt or promote any necessary or advisable measures to ensure the transparency of the Company's operations on the financial markets and the performance of those duties inherent in its condition as a listed company.

Recommendation 20 – Financial information:

“All periodic financial information, in addition to the annual information provided to the markets, should be formulated in accordance with the same professional practices and principles as the annual accounts, and should be verified by the Audit Committee before being published.”

The economic information reported to the markets in accordance with current legislation is first verified by the Company's Audit Committee.

Recommendation 21 – External auditors:

“The Board of Directors and the Audit Committee should monitor situations that could jeopardise the independence of the Company's external auditors. In particular, they should verify the fees paid for all items in proportion to the auditing firm's total income, and all fees for non-auditing professional services should be published”.

Article 20a of the Company By-laws entrusts the Audit Committee with “The review and approval of any significant changes to the accounting policies of the Company and the subsidiaries in the Corporate Group, as well as in the Corporate Group itself. Also, in general, relative to external auditors, to receive information on any matters that could jeopardise their independence and any other matters regarding the auditing of accounts, and all other notifications specified in legislation on accounts auditing and technical auditing standards.”

Recommendation 22 – Reservations in the Audit Report:

“The Board of Directors should prevent the accounts from being submitted to the General Shareholders Meeting with reservations and provisos in the Auditors' report. When this is not possible, the Board and the auditors should clearly explain the contents and scope of the discrepancies to the shareholders and the markets.”

Observance of this recommendation is summarised in routine meetings between the accounts auditor and the Audit Committee, to analyse any differences between the accounting criteria of the Company and its Group and the auditor's interpretation of the accounts. These meetings are stipulated in Article 20a of the Company Bylaws. It is believed that the audit reports for 2004 for ACS Actividades de Construcción y Servicios, S.A. and the ACS Group will be favourable, as they were in 2002 and 2003.



ACS head offices building

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