

Results Report

1st Half 2004



September 1st, 2004

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1. Executive summary

1.1. Main financial figures

Grupo ACS		January - June	
Main financial figures			
Million Euro	2003pf	2004	Var. 04/03
Turnover	5.215,1	5.221,0	+0,1 %
EBITDA	419,0	453,1	+8,1 %
Margin	8,0 %	8,7 %	
EBIT	295,6	333,8	+12,9 %
Margin	5,7 %	6,4 %	
Pre-goodwill PBT	275,5	337,5	+22,5 %
Attributable net profit	174,1	214,1	+23,0 %
EPS	0,49 €	0,61 €	+23,9 %
Total net debt	1.543,8	1.700,1	+10,1 %
Project financing	300,8	343,6	+14,2 %
Net debt with recourse	1.243,0	1.356,5	+9,1 %
Gearing*	66,0 %	67,7 %	
Shareholders' equity	1.791,9	1.909,6	+6,6 %
Net Investments	235,0	399,4	+69,9 %

* Net debt with recourse / (Shareholders' equity & Minority interests)

NOTE: The 2003 pro-forma figures consider the merger effective since January, 1st, 2003. For further details look Annex I.

- Flat performance of total turnover, with solid growth in the Services activities.
- Positive evolution of the operating results based on a significant improvement of margins in all the business activities.
- Net profit increased by 23%, while EPS grew by 23.9% after the redemption of treasury stock approved last May in the AGM.
- Net debt with recourse stood at € 1,356.5 million, equivalent to a gearing ratio of 67.7%, very similar to twelve months ago.
- Net investments reached close to € 400 million, up by 70% from the aggregated figure of both companies in 1H/03.

1.2. Main financial figures by businesses

TURNOVER			January - June		
Million Euro	2003pf	%	2004	%	Var. 04/03
Construction	2.752,7	52,3 %	2.524,3	47,8 %	-8,3 %
Industrial Services	1.485,5	28,2 %	1.612,7	30,5 %	+8,6 %
Services & Concessions	1.030,1	19,6 %	1.148,3	21,7 %	+11,5 %
Holding / Adjustments	(53,2)		(64,3)		-20,8 %
TOTAL	5.215,1		5.221,0		+0,1 %

EBITDA - pro forma			January - June		
Million Euro	2003pf	%	2004	%	Var. 04/03
Construction	196,2	44,7 %	181,5	39,0 %	-7,5 %
Industrial Services	118,6	27,1 %	133,7	28,7 %	+12,7 %
Services & Concessions	123,7	28,2 %	150,1	32,3 %	+21,3 %
Holding / Adjustments	(19,6)		(12,2)		+37,6 %
TOTAL	419,0		453,1		+8,1 %

EBIT - pro forma			January - June		
Million Euro	2003pf	%	2004	%	Var. 04/03
Construction	149,4	47,2 %	153,8	44,3 %	+2,9 %
Industrial Services	101,6	32,1 %	111,7	32,2 %	+10,0 %
Services & Concessions	65,5	20,7 %	81,7	23,5 %	+24,7 %
Holding / Adjustments	(20,9)		(13,4)		+36,0 %
TOTAL	295,6		333,8		+12,9 %

NET PROFIT - pro forma			January - June		
Million Euro	2003pf	%	2004	%	Var. 04/03
Construction	105,1	47,2 %	107,0	45,2 %	+1,8 %
Industrial Services	62,7	28,1 %	70,0	29,5 %	+11,6 %
Services & Concessions	55,1	24,7 %	59,9	25,3 %	+8,9 %
Holding / Adjustments	(48,9)		(22,8)		+53,3 %
TOTAL	174,1		214,1		+23,0 %

Backlog			January - June		
Million Euro	2003pf	months	2004	months	Var. 04/03
Construction	8.450	18	8.460	19	+0,1 %
Industrial Services	3.382	14	3.384	13	+0,0 %
Services	11.459	67	11.339	60	-1,1 %
TOTAL	23.291		23.183		-0,5 %

1.3. Most significant events in the last quarter

1.3.1. Operative

- The EBIT showed a sustained growth rate close to 13%, backed by the good operating performance in all the activities of the Group.
- The merger process advances progressively: the Construction area operates under the name Dragados, S.A. since July, 1st, while the affiliates of Environmental Services are currently in the legal process to merge, which will end in one company, Urbaser.

1.3.2. Commercial

- Total backlog of the Group maintains a figure above € 23 billion, being very solid in all the activities.
- Construction backlog increased by 7.3% from the year-end 2003, to an equivalent balance of 19 months of activity, thanks to the significant increase of orders during the first half of the year (€ 3.1 billion).

1.3.3. Financial

- Last June 24th, the concessionaire Vespucio Norte Express SA, participated by ACS by 54%, placed the biggest private issue of bonds in the history of Chile, through one single issue of UF 16 million (US\$ 428 mn - € 356 mn). The quality and soundness of the asset financed (an urban toll highway in Santiago de Chile) and the conditions of the issue (term of 24.5 years and AAA rating by "monoline" guarantee MBIA) made the placement a success, with the demand doubling, which permitted the effective rate to stand at 5.25%.

2. Consolidated financial statements

2.1. Income statement

Grupo ACS			January - June		
Consolidated Income Statement					
Million Euro	2003pf	%	2004	%	Var. 04/03
Net sales	5.215,1	100,0 %	5.221,0	100,0 %	+0,1 %
Other revenues	198,7	3,8 %	222,6	4,3 %	+12,0 %
Total income	5.413,8	103,8 %	5.443,7	104,3 %	+0,6 %
Operating expenses	(3.734,6)	(71,6 %)	(3.666,1)	(70,2 %)	-1,8 %
Personnel expenses	(1.260,2)	(24,2 %)	(1.324,5)	(25,4 %)	+5,1 %
Operating cash flow (EBITDA)	419,0	8,0 %	453,1	8,7 %	+8,1 %
Fixed assets depreciation	(103,5)	(2,0 %)	(110,1)	(2,1 %)	+6,3 %
Reversion fund amortization	(4,4)	(0,1 %)	(2,7)	(0,1 %)	-39,5 %
Current assets provisions	(15,5)	(0,3 %)	(6,6)	(0,1 %)	-57,4 %
Operating profit (EBIT)	295,6	5,7 %	333,8	6,4 %	+12,9 %
Net financial results	(56,1)	(1,1 %)	(39,6)	(0,8 %)	-29,3 %
Equity method	36,0	0,7 %	43,4	0,8 %	+20,4 %
Goodwill amortization	(29,4)	(0,6 %)	(43,1)	(0,8 %)	+46,4 %
Ordinary income	246,1	4,7 %	294,5	5,6 %	+19,6 %
Net extraordinary results	(9,3)	(0,2 %)	(12,5)	(0,2 %)	+34,7 %
Earning before taxes	236,8	4,5 %	282,0	5,4 %	+19,1 %
Corporate income tax	(58,4)	(1,1 %)	(65,6)	(1,3 %)	+12,3 %
Consolidated result	178,4	3,4 %	216,4	4,1 %	+21,3 %
Minority interest	(4,3)	(0,1 %)	(2,2)	(0,0 %)	-48,4 %
Net profit attributable to the Parent company	174,1	3,3 %	214,1	4,1 %	+23,0 %

2.1.1. Net sales

- Accounted for € 5,221 million, slightly above the pro-forma figure of both Groups in the first half of year 2003.
- The decrease of activity in Construction, in line with expectations, has been compensated by the increase of sales of the other activities, which confirms the strategy of the ACS Group focused on growing mainly through the Services activities.

- Recovery of consolidated sales is expected to take place during the second half of year 2004.

2.1.2. Operating cash flow (EBITDA)

- Amounted to € 453.1 million, up by 8.1% from the same period of the previous year. This increase is based on the excellent performance of the Services activities, with growth rates above 12%, and the reduction of corporate overheads.
- The EBITDA margin reached 8.7% over sales, 70 b.p. over the comparable figure of year 2003.

2.1.3. Operating profit (EBIT)

- Reached € 333.8 million, up by 12.9% from the previous year, with its margin over sales standing at 6.4%, 70 b.p. above the first half of year 2003.
- Fixed assets depreciation grew by 6.3%, while the current assets provisions decreased by € 9 million, mainly in the Construction activity.

2.1.4. Net financial results

- Totalled € 39.6 million, decreasing by 29.3% from the same period of the previous year.
- Total financial expenses reached € 103.2 million, of which € 84.1 million correspond mainly to financial expenses associated to loans with credit entities, while the remaining (€ 19.1 million) correspond to negative exchange results.
- Total financial income accounted for € 63.6 million, of which € 23.8 million come from positive currency exchange results.
- In summary, net currency exchange results stood at positive € 4.7 million, showing a change of trend of this heading from the last quarters.

2.1.5. Ordinary income

- Grew by 19.6% to up to € 294.5 million, 5.6% over sales.
- Affiliates, equity accounted, contributed to the net profit of the Group by € 43.4 million, of which € 23.4 million correspond to concessions (including the

contribution of Abertis), and the remaining correspond mainly to Inmobiliaria Urbis.

- The goodwill amortization stood at € 43.1 million, growing by 46.4% from the pro-forma figure of the first half of year 2003. The main variation is due to the exceptional accounting of € 11 million to completely amortize the goodwill of certain international subsidiaries.

2.1.6. Extraordinary results

- Amounted to € -12.5 million, up by 34.7% from the same period of the previous year, and are mainly due to the provisions related to investments in telecommunications.

2.1.7. Net profit attributable to the Parent company

- Stood at € 214.1 million, which implies a growth rate of 23%.
- The accrued corporate taxes amounted to € 65.6 million, growing by 12.3% from the pro-forma figure of the first half of year 2003. The effective tax rate, calculated as Taxes/(PBT-Equity method profit), stood at 27.5%, slightly lower than the rate of 29.1% of 1H/03, being in line with rate expected for the year-end.

2.2. Consolidated balance sheet

Grupo ACS			June 30 th		
Consolidated Balance Sheet					
Million Euro	2003pf	%	2004	%	Var. 04/03
Start-up expenses	18,6	0,2 %	14,2	0,1 %	-23,7 %
Intangible fixed assets	377,3	3,6 %	452,4	3,9 %	+19,9 %
Tangible fixed assets	1.448,1	13,7 %	1.613,5	14,1 %	+11,4 %
LT financial investments	1.259,0	11,9 %	1.550,7	13,5 %	+23,2 %
Fixed and non-current assets	3.103,0	29,3 %	3.630,8	31,7 %	+17,0 %
Goodwill	1.058,9	10,0 %	1.062,3	9,3 %	+0,3 %
Deferred charges	38,3	0,4 %	46,7	0,4 %	+21,9 %
Inventories	419,1	4,0 %	399,9	3,5 %	-4,6 %
Accounts receivables	5.067,7	47,8 %	5.211,5	45,4 %	+2,8 %
ST financial investments	438,9	4,1 %	653,0	5,7 %	+48,8 %
Treasury stock	27,6	0,3 %	73,2	0,6 %	+165,2 %
Cash and banks	404,4	3,8 %	359,1	3,1 %	-11,2 %
Prepayments	37,9	0,4 %	33,4	0,3 %	-11,9 %
CURRENT ASSETS	6.395,6	60,4 %	6.730,1	58,7 %	+5,2 %
TOTAL ASSETS	10.595,8	100,0 %	11.469,9	100,0 %	+8,2 %
Shareholders' equity	1.791,9	16,9 %	1.909,6	16,6 %	+6,6 %
Minority interests	90,7	0,9 %	94,9	0,8 %	+4,6 %
Negative dif. in consolidation	2,9	0,0 %	4,2	0,0 %	+44,8 %
Deferred income	145,3	1,4 %	148,0	1,3 %	+1,9 %
Project finance	300,8	2,8 %	343,6	3,0 %	+14,2 %
Provisions for risks and charges	205,5	1,9 %	318,2	2,8 %	+54,8 %
LT loans from credit entities	589,1	5,6 %	1.485,5	13,0 %	+152,2 %
Other liabilities	73,0	0,7 %	178,9	1,6 %	+145,1 %
Long term liabilities	662,1	6,2 %	1.664,4	14,5 %	+151,4 %
ST loans from credit entities	1.524,8	14,4 %	956,3	8,3 %	-37,3 %
Trade accounts payables	4.669,0	44,1 %	4.854,2	42,3 %	+4,0 %
Other non-trade payables	1.202,8	11,4 %	1.176,5	10,3 %	-2,2 %
Short term liabilities	7.396,6	69,8 %	6.987,0	60,9 %	-5,5 %
TOTAL EQUITY & LIABILITIES	10.595,8	100,0 %	11.469,9	100,0 %	+8,2 %

2.2.1. *Total fixed assets*

- Fixed assets totalled € 3,631 million in June 30th, 2004 from € 3,103 million in the previous year, which implies a growth rate of 17%.
- Net balance of goodwill arisen in the acquisitions carried out in the last years reached € 1,062 million.

2.2.2. *Working capital*

- Working capital closed the first half of the year at € -386 million, very similar to the balance showed at the end of June of 2003, which stood at € -347 million.
- In terms of days of sales, the inter-annual variation improved in one day, maintaining the stability of the ratio of the previous years.

2.2.3. *Net debt*

- Total net debt at June 30th, 2004 amounted to € 1.7 billion, up by 10% from the end of the first half of year 2003, after the significant investment effort carried out during this semester.
- From the total amount of net debt, € 343.6 million correspond to project finance in Concessions, without recourse to the shareholders. Thus, the gearing ratio (net debt with recourse / shareholders equity + minority interests) stood at 68%, slightly above the ratio twelve months ago.
- Long term debt with credit entities increased to € 1,485.5 million, after having signed last March with some credit entities a long term syndicated loan of € 900 million.
- Consequently, the short term debt with credit entities at the end of June, 2004 decreased significantly to € 956.3 million, 37% below the amount showed twelve months ago.
- The balance of cash + cash equivalents + treasury stock stood at € 1,085.3 million at the end of the first half of year 2004.

2.2.4. *Shareholders' equity*

- Stood at € 1,909.6 million, after the 2003 complementary dividend of € 54.1 million was paid, equivalent to € 0.153 per share (adjusted to the share split approved in the last AGM).
- Thus, the total dividend of year 2003 paid in the first half of the present year reached € 96.4 million, that is € 0.273 per share (already adjusted to the share split).

2.3. Cash flow statement

Grupo ACS		Pro-forma Cash Flow Statement			January - June	
Million Euro	2003pf	2004	Var. 04/03			
EBITDA	419,0	453,1	+8,1 %			
plus: Dividends received from affiliates	29,1	15,6				
plus: Interests received	33,1	39,8				
minus: Interests paid	(86,1)	(84,1)				
minus: Extraordinary losses from operations	(9,3)	(1,0)				
minus: Corporate tax paid	(58,4)	(65,6)				
Cash flow from operations	327,4	357,8	+9,3 %			
Dec/(Inc) Trade receivables & other debtors	(281,1)	(29,0)				
Dec/(Inc) Inventories	(4,6)	25,0				
Inc/(Dec) Trade creditors	(26,7)	(239,7)				
Inc/(Dec) Other creditors & ST provisions	75,3	13,5				
Working capital (requirement) / excess	(237,0)	(230,2)	-2,9 %			
Cash flow from operating activities	90,4	127,6	+41,2 %			
minus: Fixed assets investments	-	(175,7)				
minus: Concessions investments	-	(108,3)				
minus: Other investments	-	(140,8)				
Capital expenditure	-	(424,8)	n.s.			
Disposals of assets	-	25,4				
Cash flow from financing activities	(235,0)	(399,4)	+69,9 %			
Inc/(Dec) ST bank credits	499,4	(500,6)				
Inc/(Dec) Project finance	(4,5)	27,4				
Inc/(Dec) LT bank credits	(40,9)	873,7				
Bank financing	454,0	400,5	-11,8 %			
minus: Dividends paid	(22,0)	(96,4)				
minus: Treasury stock acquisition ⁽¹⁾	(385,2)	(73,2)				
Equity financing	(407,2)	(169,6)	-58,4 %			
Other liabilities	(14,0)	(74,4)	n.s.			
Cash flow from financing activities	32,7	156,4	+377,7 %			
Inc/(Dec) Cash & equivalents	(111,9)	(115,4)				
Cash position at the begining of the period	955,2	1.127,5	+18,0 %			
Current cash position	843,3	1.012,1	+20,0 %			

(1) Year 2003 includes the amount paid (€ 384.5 mn) for the acquisition of the additional 10% stake in Dragados, acquired through the Take Over Bid in the first quarter of 2003.

2.3.1. *Cash flow from operations*

- The cash flow from operations accounted for € 357.8 million, up by 9.3% from the pro-forma figure of the same period of year 2003.
- Working capital registered a variation from the end of year 2003 of € 230.2 million, in line with the performance of the first half of each year, due to the seasonality of the activities carried out.

2.3.2. *Net consolidated investments*

- Total investments carried out by the Group in the first half of year 2004 reached € 424.8 million, highlighting the following:
 - Investments in construction equipment and installations totalled € 28 million.
 - Industrial Services invested € 70 million, highlighting € 32 million in wind-farms, and those carried out in concession projects of HT power lines, industrial instalments and technical equipment.
 - Services invested more than € 120 million, mainly in environmental assets, Ports & Logistics services, and in the partial renewal of the fleet of Continental Auto.
 - Over € 65 million were invested in Concessions, excluding Abertis where € 87 million were invested in the acquisition of an additional 1.5% stake. Within the main projects, remark the trans-border railway connection between Figueras and Perpignan, the Seville subway, the Alicante by-pass, and the Dundalk Western by-pass highway in Ireland.
- The disposal of assets reached € 25 million, being the most remarkable the sale of some coaches of Continental Auto as they were being renewed.
- The net investments stood at € 399 million, up by 70% from the net aggregated investments carried out by both Groups in the first half of year 2003 without considering the Take Over Bid of the 10% additional stake in Dragados, which totalled € 385 million.

3. Businesses performance

3.1. Construction

Construction			
Main Pro-forma Figures		January - June	
Million Euro	2003pf	2004	Var. 04/03
Turnover	2.752,7	2.524,3	-8,3 %
EBITDA	196,2	181,5	-7,5 %
Margin	7,1%	7,2%	
EBIT	149,4	153,8	+2,9 %
Margin	5,4%	6,1%	
Ordinary Profit	156,4	159,9	+2,2 %
Margin	5,7%	6,3%	
Net Profit	105,1	107,0	+1,8 %
Margin	3,8%	4,2%	
Backlog	8.450	8.460	+0,1 %
Months	18	19	

3.1.1. Turnover breakdown by activity

Construction			
Turnover Breakdown by activity		January - June	
Million Euro	2003pf	2004	Var. 04/03
Domestic	2.522,4	2.332,5	-7,5 %
Civil Works	1.438,4	1.296,8	-9,8 %
Building	1.084,0	1.035,6	-4,5 %
International	230,2	191,8	-16,7 %
TOTAL	2.752,7	2.524,3	-8,3 %

- Turnover in the first half of year 2004 have evolved as expected, as they are including the effect of matching the production, mainly in domestic civil works, to the budgetary plans of the clients, as well as the decrease of international activity.
- The forecasts for year-end of the domestic sales foresee a recovery in the second half of the year.
- The international activity continues reducing sales significantly, as a consequence of the strategy followed to limit the international expansion in the Construction area to concessions projects or to markets where the Group has a stable presence.

3.1.2. Operating results

- EBIT grew by 2.9% to a margin of 6.1% over sales, up by 70 b.p. from the pro-forma figure of the first half of year 2003.
- Ordinary profit grew by 1.8% after the extraordinary amortization of goodwill of certain international subsidiaries by an amount of approximately € 11 million.

3.1.3. Backlog evolution

- Order book at the end of June, 2004 reached € 8.5 billion, up by 7.3% from the end of year 2003. This amount is equivalent to approximately 19 months of sales.
- The increase of the domestic order book, which represents almost 91% of total, has compensated the significant decrease of the international order book.

3.2. Industrial Services

Industrial Services			
Main Pro-forma Figures		January - June	
Million Euro	2003pf	2004	Var. 04/03
Turnover	1.485,5	1.612,7	+8,6 %
EBITDA	118,6	133,7	+12,7 %
Margin	8,0%	8,3%	
EBIT	101,6	111,7	+10,0 %
Margin	6,8%	6,9%	
Ordinary Profit	99,0	106,0	+7,0 %
Margin	6,7%	6,6%	
Net Profit	62,7	70,0	+11,6 %
Margin	4,2%	4,3%	
Backlog	3.382	3.384	+0,0 %
Months	14	13	

3.2.1. Turnover breakdown by activity

Industrial Services			
Turnover Breakdown by activity		January - June	
Million Euro	2003pf	2004	Var. 04/03
Distribution Networks	440,7	468,8	+6,4 %
Energy Projects	296,8	389,6	+31,3 %
Telecoms	118,0	131,0	+11,0 %
Industrial Systems	394,0	424,7	+7,8 %
Control Systems	236,0	198,7	-15,8 %
TOTAL	1.485,5	1.612,7	+8,6 %

- The Distribution networks activity still showed a solid growth rate (+6%), both in the domestic and in the international markets.
- Excellent evolution of the Energy projects activity (+31%), based in the installment of new power generation plants, mainly C.C.G.T. and renewable energy, and in the development and construction of "off-shore" platforms.
- Significant recovery of the Telecommunications activity (+11%), showing a change of tendency in sales evolution and with positive prospects for the coming years.
- The Industrial Systems activity maintains a sustained growth rate (+8%), backed by its leading position as supplier of support services to the industry, mainly in the integral maintenance of installations.
- Control systems decreased by 15% due to momentum reasons, mainly the lesser contribution of the railway systems area, which has been affected by the completion of various projects of installation of high speed systems in the first half of year 2003.

3.2.2. *Operating results*

- EBITDA grew by 12.7%, improving by 30 b.p. its margin over sales to 8.3%.
- EBIT increased by 10%, setting the margin over sales at 6.9%, 10 b.p. higher than the pro-forma margin of the first half of year 2003.
- Net profit grew by 11.6%, reaching € 70 million.

3.2.3. *Backlog evolution*

- With an order book close to € 3.4 billion and a solid maintenance contract base not included in the backlog, the prospects of the activity are very attractive for the next two years.

3.3. Services and Concessions

3.3.1. Services

Services			
Main Pro-forma Figures		January - June	
Million Euro	2003pf	2004	Var. 04/03
Turnover	1.028,2	1.135,4	+10,4 %
EBITDA	127,7	146,2	+14,5 %
Margin	12,4%	12,9%	
EBIT	67,1	78,2	+16,7 %
Margin	6,5%	6,9%	
Ordinary Profit	37,4	50,8	+35,8 %
Margin	3,6%	4,5%	
Net Profit	25,5	35,9	+41,2 %
Margin	2,5%	3,2%	
Backlog Enviromental Serv.	11.459	11.339	-1,1 %
Months	67	60	

3.3.1.1. Turnover breakdown by activity

Services			
Turnover Breakdown by activity		January - June	
Million Euro	2003pf	2004	Var. 04/03
Environmental	491,8	517,0	+5,1 %
Ports & Logistics	244,2	290,5	+19,0 %
Passenger Transportation	73,0	83,7	+14,7 %
Facility Management	219,1	244,1	+11,4 %
TOTAL	1.028,2	1.135,4	+10,4 %

- Good performance of all the activities, registering growth rates above 10% in three of them.

3.3.1.2. Operating results

- EBITDA grew by 14.5%, setting the margin at 12.9% over sales, 50 b.p. above the first half of year 2003. All the activities have increased their margin.
- EBIT increased by 16.7%, permitting the margin to improve by 40 b.p. to 6.9% over sales.
- Net profit grew by 41.2% to € 35.9 million, confirming the profitability growth of the Services area.

3.3.1.3. Backlog evolution

- Order book of the Environmental services stood at over € 7.2 billion at the end of June, equivalent to 5 years of activity.
- The remaining activities, mainly Ports & Logistics and Transportation services, maintain an order book of € 4.1 billion, which corresponds to ongoing long term concessions or contracts that were in force at the end of the year.

3.3.2. Transportation infrastructures concessions

Concessions			
Main Pro-forma Figures		January - June	
Million Euro	2003pf	2004	Var. 04/03
Turnover	1,9	12,9	n.s.
EBITDA	(3,9)	3,9	n.s.
EBIT	(1,6)	3,4	n.s.
Equity method	20,3	23,4	+15,0 %
Attributable net profit	29,6	24,0	-18,9 %

- Abertis contribution to the Group's net profit amounted to € 21.3 million, growing by 22% from the contribution of the first half of year 2003.
- The remaining amount of the "equity method" heading, € 2.1 million, is the combination of profit and losses of the different concessions that have already initialized their operations.

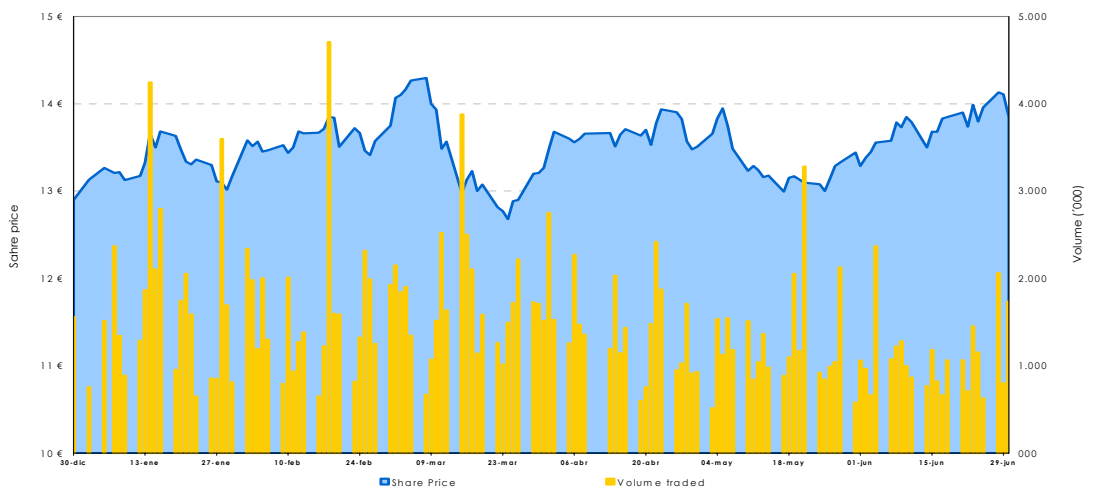
3.4. Others

- The contribution of Inmobiliaria Urbis to the net profit of the Group totalled € 14.8 million, growing by 24% from the first half of the previous year.

4. Capital Markets

4.1. ACS share information

ACS Data Share	2002	2003		2004
	jan-dec	jan-jun	jan-dec	jan-jun
Closing price	10,22 €	10,78 €	12,90 €	13,85 €
Annual performance	-62,71%	5,51%	26,26%	7,36%
Maximum in the period	37,00 €	10,94 €	13,30 €	14,37 €
Maximum Date	24-may	28-mar	16-jul	05-mar
Minimum in the period	26,51 €	9,82 €	9,82 €	12,55 €
Minimum Date	09-jan	31-jan	31-jan	24-mar
Average in the period	10,28 €	10,50 €	11,97 €	13,49 €
Total volume ('000)	219.573	102.453	268.436	188.817
Daily average volume ('000)	878,29	826,23	1.073,74	1.486,74
Total traded effective (€ mn)	2.257	1.140	3.211	2.547
Daily average effective (€ mn)	9,03	9,20	12,84	20,05
Number of shares (mn)	192,19	192,19	355,58	352,78
Market cap (€ mn)	1.963	2.072	4.587	4.886



4.2. Treasury stock

- The balance at June 30th, 2004 reached 5,948,101 shares, which represents 1.7% of the total capital stock of the Company, all acquired during year 2004.

4.3. Investor calendar

- **September 1st:** 1H/04 Results release and Conference call (18:00 hrs. GMT+2)
- **September 21st:** ACS Group presentation in New York at the “Spanish Day” Seminar organized by Santander Investment
- **September 29th:** Investors Day about Industrial Services in Madrid¹
- **October 14th:** ACS Group presentation in Paris at a Seminar organized by Société Générale
- **November 15th (tentative):** 3Q/04 Results release and conference call

¹ Those interested to attend please contact Miss Carmen Aranda: caranda@grupoacs.com or +34 91 343 9239

Annexes

Annex I. Pro-forma adjustments of the 1H/2004 P & L

GRUPO ACS	PRO-FORMA ADJUSTEMENTS					1H/03 ProForma
	ACS Jan-Jun ⁽¹⁾	DRC Jan-Jun ⁽²⁾	Adjustments & Elim. ⁽³⁾	Elimination EqA DRC ⁽⁴⁾	Fin Exp + Goodwill ⁽⁵⁾	
Million Euro						
Net sales	2.334,9	2.923,5	(43,3)			5.215,1
Operating expenses	(2.119,9)	(2.701,9)	25,7			(4.796,1)
Operating cash flow (EBITDA)	215,0	221,6	(17,6)			419,0
Depreciation/Amortization	(51,7)	(82,6)	10,9			(123,4)
Operating profit (EBIT)	163,3	139,0	(6,7)			295,6
Net financial results	(31,9)	(21,1)	(0,0)		(3,0)	(56,1)
Equity method	36,9	51,6	(17,7)	(34,7)		36,0
Goodwill amortization	(21,5)	(4,9)	(0,0)		(3,0)	(29,4)
Ordinary income	146,7	164,6	(24,5)	(34,7)	(6,0)	246,1
Net extraordinary results	(5,3)	(3,4)	(0,6)			(9,3)
Earning before taxes	141,5	161,2	(25,1)	(34,7)	(6,0)	236,8
Corporate income tax	(39,4)	(40,3)	20,2		1,1	(58,4)
Minority interest	(0,8)	(3,6)	0,1			(4,3)
Net profit	101,2	117,3	(4,8)	(34,7)	(5,0)	174,1

(1) 1H/03 ACS P&L Account

(2) 1H/03 DRC P&L Account

(3) Unification adjustments and elimination of transactions between both Groups

(4) Elimination of DRC result in ACS, equity accounted, in 1H/03

(5) Adjustments when considering ACS had a 33,5% stake in DRC since January 1st 2003

Annex II. Main contracts awarded in the quarter

i. Construction

Highways and roads

- Third tunnel of Guadarrama in the A-6 Villalba – Adanero highway
- Tarancón – Alcázar de San Juan highway in Castilla – La Mancha
- West Ring road of Córdoba
- Dundalk Western by-pass highway, Ireland
- Alternative road of Plasencia of the Autopista de la Plata

Hydraulic, coastal and port infrastructures

- South breakwater of the Barcelona Port
- Supplying works for Aljarafe, Seville
- Alarm and hydraulic information system for the Northern basins

Railways

- High Speed line, stretch Levante: Gabaldón – Villanueva de la Jara, Cuenca
- Renewal of the rail line in Espinho, Portugal
- Tenerife tram, stretch La Laguna

Other civil works

- Civil works for the Escombrearas C.C.G.T., Murcia
- Urbanization of Entre Ríos 2 in Onda, Castellón

Building

- Quirón Clinic in Pozuelo de Alarcón, Madrid
- Communications City in Madrid for Telefónica
- Renewal of the "Parador" of Alcalá de Henares, Madrid

ii. Industrial Services

Distribution networks

- Repowering to 220 kV of the HT line San Cayetano-Santiago II
- Installation of the line AT L/132-66 kV Chantada-Faro
- Underground laying of the L/66 kV Albacete – Romica line
- Construction of the HT transmission line in Paraná (Brazil)

Energy projects

- Buzzard Project: oil and gas production modules for ENCANA in the United Kingdom
- C.C.G.T. of Aceca, Toledo
- C.C.G.T. of Cartagena, Murcia
- El Peru Wind farm, Burgos
- Generation Plant in Nubaria, Egypt

Telecommunications

- Supply, equipment and maintenance services for radio station infrastructures in Mexico and Chile for Telefónica Móviles

- Integral maintenance contracts for the communications lines for Telefónica in Spain and Peru
- Maintenance and telephone cabins collection in Madrid and Castilla-La Mancha

Control systems

- Automatic baggage treatment system in the Barcelona airport for AENA
- Maintenance and instalment of the traffic lights system of Burgos, Salamanca, Málaga and Lisbon
- Enlargement and installation of the SAE for the EMT of Madrid
- Toll installations, maintenance and control of the R-3 and R-5 highways in Madrid
- Renewal works in the catenary in the L/3 stations of the Madrid subway
- Coordinated security systems installment for the Madrid subway

Industrial systems

- Enlargement of the fire defense systems for Repsol Butano
- Manipulation and operation of the slags treatment plants in the Avilés and Gijón factories of Aceralia
- Maintenance of the main auxiliary equipments and scoring and control systems for the thermal plant of Endesa in Teruel
- Air-conditioning instalment and maintenance of the new terminal of the Barajas airport, Madrid
- Sanitary water, air-conditioning and electric installations in the Trade Center hotel in Tarragona
- Air-conditioning systems installation in the Repsol YPF refinery in Tarragona
- Various roads maintenance in the province of Albacete
- Horizontal signalling modification and maintenance in Valencia

iii. Services and Concessions

Environment

- Street cleaning contract in the West zone of Fuenlabrada (Madrid)
- Collection contracts for the Chiclana de la Frontera (Cádiz) and Arroyomolinos (Madrid) city halls
- Preservation and draining of the wooded in Valencia
- Extension of the non dangerous waste management for the Tampico city hall (Mexico)

Integral maintenance

- Domestic help assistance in Madrid
- Cleaning of the La Paz hospital of Madrid
- Cleaning services of the Germans Trias i Pujol hospital
- Cleaning services of the education centers in Valencia
- Cleaning services of the Virgen de las Nieves hospital in Granada
- Cleaning services in the Universidad Complutense de Madrid buildings

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