

Results Report

January-December 2004



February 28th, 2005

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1. Executive Summary

1.1. Main Financial figures

Grupo ACS			
Main financial figures		January - December	
Million Euro	2003pf	2004	Var. 04/03
Turnover	10.733,6	10.960,7	+2,1 %
EBITDA	931,8	977,3	+4,9 %
Margin	8,7 %	8,9 %	
EBIT	649,0	711,0	+9,6 %
Margin	6,0%	6,5 %	
Pre-goodwill PBT	598,2	726,1	+21,4 %
Attributable net profit	380,3	460,4	+21,1 %
EPS	1,07 €	1,30 €	+22,0 %
Total net debt	1.230,6	1.423,9	+15,7 %
Project financing	316,2	465,9	+47,3 %
Net debt with recourse	914,4	958,0	+4,8 %
Gearing*	48,2 %	43,1 %	
Shareholders' equity	1.796,4	2.103,9	+17,1 %
Net investments	543,0	1.196,4	+120,3 %

* 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.

- Turnover grew by 2.1%, backed by the solid growth of the activities of Services.
- Significant improvement in operating margins, especially in EBIT margin, which stands at 6.5%.
- Ordinary profit before goodwill amortization and taxes grew by 21.4%.
- Net profit increased by 21.1%, while EPS grew by 22%.
- Net debt with recourse stood at € 958 million, reaching a gearing ratio of 43%.
- Net investments accounted for close to € 1,200 million, of which € 452 million correspond to the acquisition of shares in Abertis.

1.2. Main financial figures by businesses

TURNOVER			January - December		
Million Euro	2003pf	%	2004	%	Var. 04/03
Construction	5.594,9	51,7 %	5.230,3	47,3 %	-6,5 %
Industrial Services	3.072,6	28,4 %	3.490,5	31,5 %	+13,6 %
Services & Concessions	2.157,2	19,9 %	2.344,6	21,2 %	+8,7 %
Holding / Adjustments	(91,1)		(104,7)		-15,0 %
TOTAL	10.733,6		10.960,7		+2,1 %

EBITDA			January - December		
Million Euro	2003pf	%	2004	%	Var. 04/03
Construction	424,3	43,7 %	389,4	39,0 %	-8,2 %
Industrial Services	278,0	28,7 %	295,9	29,6 %	+6,5 %
Services & Concessions	267,8	27,6 %	313,1	31,4 %	+16,9 %
Holding / Adjustments	(38,3)		(21,1)		+45,0 %
TOTAL	931,8		977,3		+4,9 %

EBIT			January - December		
Million Euro	2003pf	%	2004	%	Var. 04/03
Construction	330,9	47,6 %	318,9	43,4 %	-3,6 %
Industrial Services	227,3	32,7 %	246,7	33,6 %	+8,5 %
Services & Concessions	137,0	19,7 %	169,4	23,1 %	+23,7 %
Holding / Adjustments	(46,2)		(24,0)		+48,0 %
TOTAL	649,0		711,0		+9,6 %

NET PROFIT			January - December		
Million Euro	2003pf	%	2004	%	Var. 04/03
Construction	214,8	46,2 %	217,3	42,1 %	+1,2 %
Industrial Services	133,3	28,7 %	149,0	28,9 %	+11,8 %
Services & Concessions	117,1	25,2 %	149,9	29,0 %	+28,1 %
Holding / Adjustments	(84,9)		(55,8)		+34,2 %
TOTAL	380,3		460,4		+21,1 %

Backlog			January - December		
Million Euro	2003pf	months	2004	months	Var. 04/03
Construction	7.888	17	8.525	20	+8,1 %
Industrial Services	3.049	12	3.415	12	+12,0 %
Services	11.600	65	11.988	62	+3,3 %

1.3. Most significant events in the period

- Within the merger process of the Group, several organizational actions have taken place in the different business areas in order to adquate them to the new organizational structure of the Group along with fulfilling the targets on committed cost savings. The most relevant changes were the reorganization of the Construction activity, operating since then as Dragados brand name, and the merger of the different activities of Environmental Services.
- Aiming to restructure the debt, last March 9th, 2004 Grupo ACS signed with various credit entities a long term syndicated loan of € 900 million, with maturity in 2008 and 2009 and with an interest rate referenced to Euribor plus a variable differential determined by the accomplishment of certain ratios.
- 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%.
- On September 21st, the ACS Group and "la Caixa" acquired the Autostrade's stake in Abertis, which represented a total of 27,472,168 shares, equivalent to a 4.98% of the capital. Consequently, ACS acquired 13,736,084 shares, a 2.49% of Abertis capital, by an amount of € 200.5 million. During the year 2004, the ACS Group has been acquiring in the stock market additional stakes equivalent to 3.27% of Abertis, by an amount of € 251.1 millones. Thus, at December 31st, 2004 the stake in Abertis totaled 17.58%. The current stake of ACS in Abertis stands at 19.1%.

2. Consolidated Financial Statements

2.1. Income Statement

Grupo ACS			January - December		
Consolidated Income Statement					
Million Euro	2003pf	%	2004	%	Var. 04/03
Net sales	10.733,6	100,0 %	10.960,7	100,0 %	+2,1 %
Other revenues	376,3	3,5 %	418,4	3,8 %	+11,2 %
Total income	11.109,9	103,5 %	11.379,1	103,8 %	+2,4 %
Operating expenses	(7.695,3)	(71,7 %)	(7.761,2)	(70,8 %)	+0,9 %
Personnel expenses	(2.482,8)	(23,1 %)	(2.640,6)	(24,1 %)	+6,4 %
Operating cash flow (EBITDA)	931,8	8,7 %	977,3	8,9 %	+4,9 %
Fixed assets depreciation	(233,5)	(2,2 %)	(234,0)	(2,1 %)	+0,2 %
Reversion fund amortization	(5,1)	(0,0 %)	(5,6)	(0,1 %)	+9,2 %
Current assets provisions	(44,2)	(0,4 %)	(26,8)	(0,2 %)	-39,5 %
Operating profit (EBIT)	649,0	6,0 %	711,0	6,5 %	+9,6 %
Net financial results	(118,5)	(1,1 %)	(96,4)	(0,9 %)	-18,6 %
Equity method	67,8	0,6 %	111,5	1,0 %	+64,6 %
Goodwill amortization	(61,0)	(0,6 %)	(80,7)	(0,7 %)	+32,5 %
Ordinary income	537,3	5,0 %	645,4	5,9 %	+20,1 %
Net extraordinary results	(38,5)	(0,4 %)	(21,9)	(0,2 %)	-43,1 %
Earning before taxes	498,8	4,6 %	623,5	5,7 %	+25,0 %
Corporate income tax	(109,7)	(1,0 %)	(146,0)	(1,3 %)	+33,1 %
Consolidated result	389,2	3,6 %	477,5	4,4 %	+22,7 %
Minority interest	(8,9)	(0,1 %)	(17,1)	(0,2 %)	+92,8 %
Net profit attributable to the Parent company	380,3	3,5 %	460,4	4,2 %	+21,1 %

2.1.1. Net sales

- Reached € 10,960 million, slightly above the pro-forma figure of the Group year 2003.
- This figure has been achieved thanks to the increase of sales in the Services activities, which compensated the expected lower activity in Construction.

2.1.2. Operating cash flow (EBITDA)

- Stood at € 977.3 million, up by 4.9% from the previous year. This growth has been backed by the positive performance of Industrial Services and Services and Concessions divisions, which grew by 6.5% and 17% respectively, and by the significant reduction of overheads.
- EBITDA margin reached 8.9%, 20 b.p. over the comparable figure of the previous year.

2.1.3. Operating profit (EBIT)

- Totaled € 711 million, growing by 9.6% from the previous year, placing the margin at 6.5%, up by 50 b.p. from year 2003.
- Fixed assets depreciations remained flat from the previous year.

2.1.4. Net financial results

- Accounted for € 96.4 million, decreasing by 18.6% from the previous year.
- Total financial expenses reached € 198.4 million, of which € 153.8 million correspond mainly to financial expenses associated to loans with credit entities, while € 1.2 million correspond to financial assets provisions, and the remaining (€ 43.4 million) correspond to negative exchange differences.
- Total financial income accounted for € 101.9 million, of which € 33.3 million correspond to positive exchange differences.
- Consequently, the net exchange differences stood at positive € 10.1 million, decreasing by 60% from the previous year.

2.1.5. Ordinary income

- Grew by 20.1% to up to € 645.4 million, 5.9% over sales.
- Affiliates, accounted by equity method, contributed to the net profit of the Group by € 111.5 million, of which € 75.8 million correspond to concessions (including the contribution of Abertis that totalled € 70 million) and the remaining correspond to Inmobiliaria Urbis and the affiliates of the Construction and Services activities.
- The goodwill amortization stood at € 80.7 million, growing by 32.3% from the pro-forma figure of 2003. This variation is due to the exceptional accounting in the

2Q/04 of € 11 million to completely amortize the goodwill of certain international subsidiaries, and to the increase of the stake in Abertis.

2.1.6. Extraordinary results

- Totaled € -21.9 million, decreasing by 43.1% from the previous year. The breakdown was as follows:
 - € 20.1 million of capital gains from assets disposals.
 - € 29.6 million of capital gains from the sale of treasury stock.
 - €-27.4 million of asset provisions, mainly in telecommunication assets.
 - The remaining, € -44.2 million correspond to extraordinary expenses, mainly from the restructuring process in the different companies of the Group.

2.1.7. Net profit attributable to the Parent company

- Stood at € 460.4 million, which implies a growth rate of 21.1%, with its margin standing at 4.2%, 70 b.p. over the previous year.
- The accrued corporate taxes amounted to € 146 million, growing by 33% from the pro-forma figure of 2003. The effective tax rate, calculated as Taxes/(PBT-Equity method profit), stood at 28.5%, versus 25.4% of the previous year.

2.2. Consolidated balance sheet

Grupo ACS			December 31 th		
Consolidated Balance Sheet					
Million Euro	2003pf	%	2004	%	Var. 04/03
Start-up expenses	15,9	0,1 %	10,6	0,1 %	-33,2 %
Intangible fixed assets	421,3	3,8 %	516,2	4,1 %	+22,5 %
Tangible fixed assets	1.533,8	13,7 %	1.847,1	14,6 %	+20,4 %
LT financial investments	1.392,5	12,4 %	1.728,0	13,7 %	+24,1 %
Fixed and non-current assets	3.363,5	30,0 %	4.101,9	32,5 %	+22,0 %
Goodwill	1.039,9	9,3 %	1.226,8	9,7 %	+18,0 %
Deferred charges	43,4	0,4 %	56,0	0,4 %	+28,8 %
Inventories	424,9	3,8 %	403,6	3,2 %	-5,0 %
Accounts receivables	5.159,3	46,0 %	5.176,5	41,1 %	+0,3 %
ST financial investments	693,4	6,2 %	1.139,1	9,0 %	+64,3 %
Treasury stock	26,9	0,2 %	29,1	0,2 %	+8,4 %
Cash and banks	434,1	3,9 %	451,0	3,6 %	+3,9 %
Prepayments	40,9	0,4 %	25,4	0,2 %	-38,0 %
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 dif. in consolidation	3,6	0,0 %	4,4	0,0 %	+22,3 %
Deferred income	135,6	1,2 %	161,4	1,3 %	+19,0 %
Project finance	316,2	2,8 %	465,9	3,7 %	+47,3 %
Provisions for risks and charges	405,7	3,6 %	258,1	2,0 %	-36,4 %
LT loans from credit entities	611,8	5,4 %	1.499,8	11,9 %	+145,2 %
Other liabilities	116,9	1,0 %	183,2	1,5 %	+56,7 %
Long term liabilities	728,7	6,5 %	1.683,0	13,3 %	+131,0 %
ST loans from credit entities	1.456,9	13,0 %	1.077,5	8,5 %	-26,0 %
Trade accounts payables	5.059,2	45,1 %	5.507,6	43,7 %	+8,9 %
Other non-trade payables	1.224,6	10,9 %	1.228,5	9,7 %	+0,3 %
Short term liabilities	7.740,8	69,0 %	7.813,6	62,0 %	+0,9 %
TOTAL EQUITY & LIABILITIES	11.226,3	100,0 %	12.609,4	100,0 %	+12,3 %

2.2.1. *Total fixed assets*

- Fixed assets grew by 22% totaling € 4,102 million. This significant increase is the result of the investment policy of the Group applied during 2004.
- Net balance of goodwill reached € 1,227 million. The increase from the same period of the previous year comes mainly from the increase of ACS stake in Abertis.

2.2.2. *Working capital*

- Working capital accounted for € -1,130 million at the end of 2004, improving by 70% from the previous year.
- In terms of days of sale, the inter-annual variation improved by 15 days, reaching 38 days of sales at the end of 2004, mainly due to the working capital policy applied by the Group, especially in the Construction activity, which in 2004 has prioritized reduction of working capital versus production increase.

2.2.3. *Net debt*

- Total net debt at December 31st, 2004 amounted to € 1,424 million, up by 15.7% from the end of 2003.
- Net debt with recourse at the end of 2004 stood at € 958 million, reducing the gearing ratio to 43.1%. Being more precise, from this figure € 1,500 million correspond to long term debt with credit entities, and € 542 million to net cash position.
- The remaining, € 466 million, correspond to Project finance from concessions, without recourse to shareholders.

2.2.4. *Shareholders equity*

- Stood at € 2,104 million, after the 2004 interim dividend was accrued last December 16th, 2004, totaling an amount of € 49.1 million, equivalent to € 0.14 per share.

2.3. Cash flow statement

Grupo ACS		January - December		
Cash Flow Statement		2003pf	2004	Var. 04/03
Million Euro				
EBITDA		931,8	977,3	+4,9 %
plus: Dividends received from affiliates		57,3	36,2	
plus: Interests received		66,2	68,6	
minus: Interests paid		(154,7)	(153,8)	
plus: Extraordinary results from operations		(47,1)	(17,6)	
minus: Corporate tax paid		(109,7)	(146,0)	
Cash flow from operations		743,9	764,7	+2,8 %
Dec/(Inc) Trade receivables & other debtors		(370,4)	(17,3)	
Dec/(Inc) Inventories		(10,4)	21,3	
Inc/(Dec) Trade creditors		363,4	448,4	
Inc/(Dec) Other creditors & ST provisions		92,0	12,7	
Working capital (requirement) / excess		74,6	465,1	+523,2 %
Cash flow from operating activities		818,5	1.229,8	+50,3 %
minus: Fixed assets investments		(381,2)	(326,6)	
minus: PFI & concessions investments		(175,2)	(412,0)	
minus: Other investments		(101,1)	(510,0)	
Capital expenditure		(657,5)	(1.248,6)	+89,9 %
Disposals of assets		114,5	52,2	
Cash flow from financing activities		(543,0)	(1.196,4)	+120,3 %
Inc/(Dec) ST bank credits		431,5	(379,4)	
Inc/(Dec) Project finance		10,9	149,7	
Inc/(Dec) LT bank credits		(18,2)	888,0	
Bank financing		424,2	658,3	+55,2 %
minus: Dividends paid		(56,3)	(96,5)	
minus: Treasury stock acquisition ⁽¹⁾		(384,5)	(29,1)	
Equity financing		(440,8)	(125,6)	-71,5 %
Other liabilities		(86,6)	(103,4)	+19,4 %
Cash flow from financing activities		(103,2)	429,2	n.a.
Inc/(Dec) Cash & equivalents		172,3	462,6	
Cash position at the beginning of the period		955,2	1.127,5	+18,0 %
Current cash position		1.127,5	1.590,2	+41,0 %

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

2.3.1. *Cash flow from operating activities*

- Increased by 50% totaling € 1,230 million:
 - The cash flows from operations reached € 765 million, up by 2.8% from the pro-forma figure of 2003, which included the extraordinary dividend of Aurea (€ 30 million) and a lower tax rate.
 - Working capital registered an annual variation of € 465 million, showing a significant improvement from the performance of the previous year.

2.3.2. *Net consolidated investments*

- Total investments carried out by the Group in 2004 reached € 1,248.6 million, highlighting the acquisition of close to 6% of the capital of Abertis by € 451.6 million. Of the remaining investments, € 797 million, remark:
 - The investments in the Construction area in equipment and facilities, which totalled € 96 million.
 - Industrial Services invested close to € 248 million, highlighting € 124 million in wind farms, and those carried out in concession projects of HT power lines, industrial installations, and technical equipment.
 - Services invested more than € 234 million, mainly in environmental assets, Ports & Logistics services, and in the partial renewal of the fleet of Continental Auto.
 - The investments in Concessions reached more than € 173 million, outstanding the trans-border railway connection between Figueras and Perpignan, the La Mancha highway, the Seville subway, the Alicante by-pass highway, and Autopista Central in Chile.
- The disposal of assets reached € 52.2 million, being the most remarkable the sales of assets of Dragados and coaches of Continental Auto as they were being renewed.
- The net investments stood at € 1,196.4 million, more than doubling the net investments of both groups in 2003, which exclude the Take Over Bid of the 10% additional stake in Dragados, by € 385 million.

3. Businesses performance

3.1. Construction

Construction			
Main Figures		January - December	
Million Euro	2003pf	2004	Var. 04/03
Turnover	5.594,9	5.230,3	-6,5 %
EBITDA	424,3	389,4	-8,2 %
Margin	7,6%	7,4%	
EBIT	330,9	318,9	-3,6 %
Margin	5,9%	6,1%	
Ordinary Profit	341,3	337,3	-1,2 %
Margin	6,1%	6,4%	
Net Profit	214,8	217,3	+1,2 %
Margin	3,8%	4,2%	
Backlog	7.888	8.525	+8,1 %
Months	17	20	

3.1.1. Turnover breakdown by activity

Construction			
Turnover Breakdown by activity		January - December	
Million Euro	2003pf	2004	Var. 04/03
Domestic	5.144,4	4.745,9	-7,7 %
Civil Works	2.940,6	2.664,5	-9,4 %
Building	2.203,8	2.081,4	-5,6 %
International	450,5	484,4	+7,5 %
TOTAL	5.594,9	5.230,3	-6,5 %

- Turnover includes the already mentioned effects in the previous quarters of matching the production, mainly in the domestic civil works, to the execution plans of the clients.
- This policy on the starting execution of the works has allowed the working capital of the activity to improve significantly, especially through the decrease of the executed works pending certification (EWPC) in more than € 150 million in the last 12 months.
- The international activity has increased in the last months of the year due to the seasonality of the works in the southern countries, such as Chile, Argentina and South Africa.

3.1.2. Operating results

- EBITDA margin stood at similar levels as in the previous quarters. Nevertheless, it has decreased from 2003, due to an exceptional operation in Argentina in 3Q/03, registered at Sales and EBITDA, totally provisioned and in this sense, with no effect on EBIT. Without this effect the EBITDA margin would be flat from last year.
- EBIT margin improved by 20 b.p. from 2003, standing at 6.1%, backed by lower provisions.
- Net profit reached € 217 million, similar to the figure registered the previous year, improving its margin by 40 b.p. to 4.2% over sales.

3.1.3. Backlog evolution

- Order book at the end of 2004 reached € 8,525 million, up by 8% from the end of 2003, equivalent to 20 months of sales.
- Excellent performance of the domestic order book, reaching growth rates above 13%, which confirms the maintenance of the market share in the domestic public civil works activity, which compensates comfortably the decrease of the international order book.

3.2. Industrial Services

Industrial Services			
Main Figures		January - December	
Million Euro	2003pf	2004	Var. 04/03
Turnover	3.072,6	3.490,5	+13,6 %
EBITDA	278,0	295,9	+6,5 %
Margin	9,0%	8,5%	
EBIT	227,3	246,7	+8,5 %
Margin	7,4%	7,1%	
Ordinary Profit	199,1	226,6	+13,8 %
Margin	6,5%	6,5%	
Net Profit	133,3	149,0	+11,8 %
Margin	4,3%	4,3%	
Backlog	3.049	3.415	+12,0 %
Months	12	12	

3.2.1. Turnover breakdown by activity

Industrial Services		January - December	
Turnover Breakdown by activity			
Million Euro	2003pf	2004	Var. 04/03
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 %
International	937,5 31%	1.084,7 31%	+15,7 %

- The activity of Networks grew over 13%, backed by the leadership held as supplier of services to the industries, mainly to electric, gas and water utilities. The international growth, up by 22%, is remarkable, already representing 40% of total revenues of the activity.
- Specialized Products increased by close to 3%, starting to show a recovery in both the domestic and the international market, as shown in the evolution of the backlog of the activity that grew in the year over 25%.
- The activity of Integrated Projects grew significantly, close to 45%, strongly backed by the growth registered in Energy projects, through the installation of new electric generation plants, mainly C.C.G.T. and renewable energy, and by the development and construction of off-shore platforms.
- The Control Systems activity, dedicated to traffic, transportation and lightening control systems and to integral maintenance of public infrastructures, grew slightly above 1% from the previous year.

3.2.2. Operating results

- Operating margins grew steadily from the previous quarters, reaching at the end of 2004 an EBITDA margin of 8.5% and an EBIT margin of 7.1%.
- As already mentioned when comparing to the previous year, growth in Integrated Projects activity, mainly in turn-key projects with significant higher added value and more adjusted gross margins, had an impact in the evolution of margins of the Industrial Services area.

- Net profit grew by 11.8% to € 149 million, leaving the net margin at 4.3%, even though the tax rate increased.

3.2.3. Backlog evolution

- The order book reached € 3,415 million, up by 12% from one year ago. This figure permit to maintain the growth prospects of the activity foreseen for the next quarters.

3.3. Services and Concessions

3.3.1. Services

Services			
Main Figures		January - December	
Million Euro	2003pf	2004	Var. 04/03
Turnover	2.153,8	2.329,3	+8,2 %
EBITDA	274,8	314,9	+14,6 %
Margin	12,8%	13,5%	
EBIT	142,7	171,5	+20,2 %
Margin	6,6%	7,4%	
Ordinary Profit	89,8	118,3	+31,7 %
Margin	4,2%	5,1%	
Net Profit	61,8	85,6	+38,4 %
Margin	2,9%	3,7%	
Backlog Enviromental Serv.	11.600	11.988	+3,3 %
Months	65	62	

3.3.1.1. Turnover breakdown by activity

Services			
Turnover Breakdown by activity		January - December	
Million Euro	2003pf	2004	Var. 04/03
Environment	982,3	1.000,4	+1,8 %
Ports & 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 %
International	110,0	146,2	+32,9 %
	5%	6%	

- Moderate growth rate registered in Environment, affected by the delay in the construction of some Treatment plants in Spain.

- Growth in the activity of Ports & Logistics is basically organic, by 10%, and reflects the sustancial increase of the demand in the sector.
- Passenger Transportation grew by 13% thanks to the growth registered in passengers of long distance and suburban lines and the investments in new routes.
- Integral Maintenance increased by 18%, as a consequence of the new contracts awarded.

3.3.1.2. Operating results

- EBITDA grew close to 15%, reaching a margin of 13.5%, 70 b.p. over 2003. All the activities improved margins.
- EBIT increased by 20%, improving its margin by 80 b.p. to 7.4% over sales.
- Net profit grew by 38%, reaching € 85 million, which confirms growth of profitability in the Services area.

3.3.1.3. Backlog evolution

- The order book of the Environmental services stood at € 7,177 million at the end of 2004, equivalent to close to five years of activity.
- The remaining activities, mainly Ports & logistics and Transportation services, maintain an order book of € 4,811 million, which corresponds to ongoing long term concessions or contracts that were in force at the end of the year.

3.3.2. Transportation infrastructure concessions

Concessions			
Main Pro-forma Figures		January - December	
Million Euro	2003pf	2004	Var. 04/03
Turnover	3,4	15,3	n.s.
EBITDA	(7,1)	(1,8)	n.s.
EBIT	(5,7)	(2,0)	n.s.
Equity method	44,8	75,8	+69,2 %
Attributable net profit	55,3	64,4	+16,5 %

- The contribution of Abertis to the net profit of the Group reached € 70.7 million, growing by 78% from the contribution of the year 2003.
- The remaining amount of the “equity method” heading, € 5.1 million, is a combination of the results of the different concessions that have already initialized their operations.

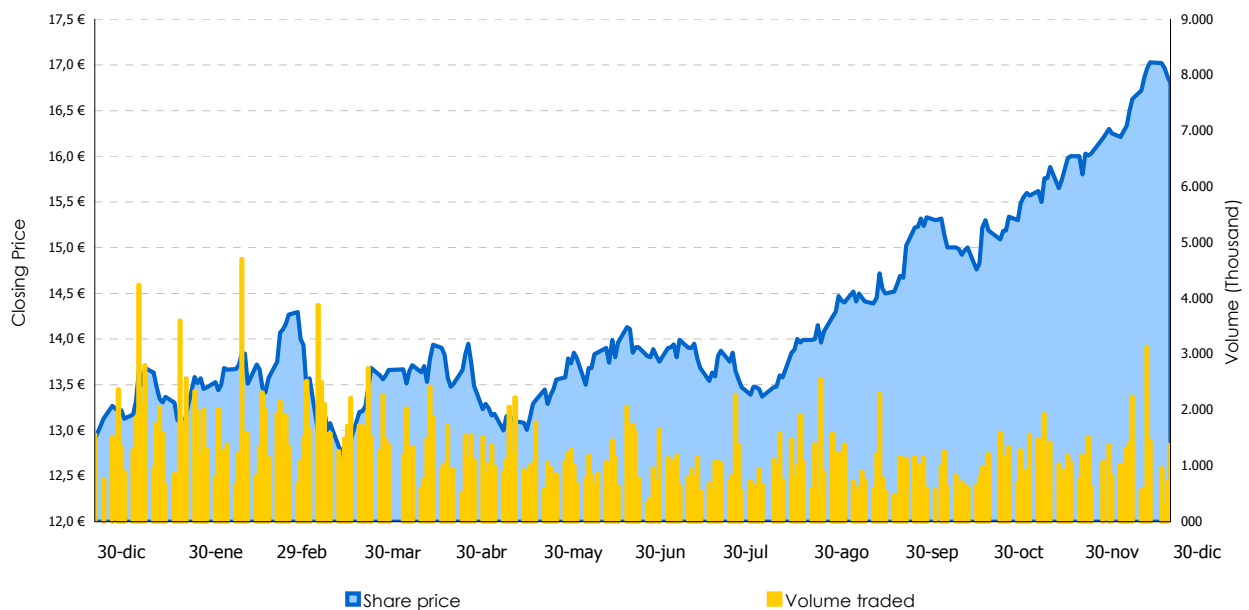
3.4. Others

- The contribution of Inmobiliaria Urbis to the net profit of the Group totalled € 24.6 million, growing by 41% from year 2003.

4. Capital markets

4.1. ACS share information

ACS Share Data	2004			
	Jan-Mar	Jan-Jun	Jan-Sept	Jan-Dec
Closing Price period	13,26 €	13,85 €	14,67 €	16,80 €
ACS Revaluation	2,79%	7,36%	13,72%	30,23%
Ibex 35 Revaluation	3,63%	4,41%	3,77%	17,37%
Maximum Price	14,36 €	14,36 €	14,83 €	17,13 €
Maximum Date	05-mar	05-mar	22-sep	23-dic
Minimum Price	12,54 €	12,54 €	12,54 €	12,54 €
Minimum Date	24-mar	24-mar	24-mar	24-mar
Average Price	13,40 €	13,47 €	13,55 €	13,92 €
Total Shares traded (thousands)	192.231	356.675	423.179	503.261
Total Capital Turnover	54%	101%	120%	143%
Daily Average Shares Traded (thousands)	3.051	2.831	2.216	2.005
Daily Average Capital Turnover	0,86%	0,80%	0,63%	0,57%
Total Effective volume traded (€ millions)	2.576	4.794	5.724	6.996
Daily Average Effective Volume (€ millions)	40,88	38,05	29,97	27,87
Market Capitalization (€ millions)	4.679	4.887	5.177	5.928



4.2. *Treasury stock*

- The balance of December 31st, 2004 reached 1,726,969 shares, which represents 0.5% of the total capital stock of the Company, all acquired during 2004.
- The balance at the year-end 2003 totaled 902,453 shares as treasury stock, equivalent to 2,707,359 shares after the split that took place last June, 2004. These shares were totally redeemed as approved by the General Shareholders Meeting, held last May 20th.
- During the year 2004 the company traded with the treasury stock. As a result of this trading the company has obtained capital gains of € 29.6 million, accounted as extraordinary results in the income statement.

4.3. *Investors´ calendar*

- **February 28th, 2005:** FY 2004 Results release and Presentation to analysts and domestic investors at the Madrid Stock Market headquarters.

Anexxes

Annex I. Pro-forma adjustments of the 2003 P & L

GRUPO ACS	MERGER ADJUSTMENTS					2003 Actual	PRO-FORMA ADJUSTEMENTS				2003 ProForma
	ACS Jan-Dec ⁽¹⁾	DRC May-Dec ⁽²⁾	Elim EqA DRC May-Dec ⁽³⁾	Elim Intragroup ⁽⁴⁾	Ext. Prov. Merger ⁽⁵⁾		DRC Jan-Abr ⁽⁶⁾	Elim EqA DRC Jan-Apr ⁽⁷⁾	Fin Exp + Goodwill ⁽⁸⁾	Elim Ext Prov Merger ⁽⁹⁾	
Million Euro											
Net Sales	4.871,6	3.956,9		(3,3)		8.825,1	1.908,5				10.733,6
Operating expenses	(4.421,0)	(3.612,7)		3,3		(8.030,3)	(1.771,5)				(9.801,8)
Operating Cash Flow (EBITDA)	450,6	344,2				794,8	137,0				931,8
Depreciation/ Amortization	(116,8)	(104,5)				(221,2)	(61,6)				(282,8)
Operating Profit (EBIT)	333,8	239,7				573,5	75,4				649,0
Net Financial results	(59,5)	(46,9)				(106,3)	(9,2)		(3,0)		(118,5)
Equity method	74,9	42,9	(57,0)			60,8	22,4	(15,4)			67,8
Goodwill amortization	(46,6)	(8,1)				(54,7)	(3,3)		(3,0)		(60,9)
Ordinary income	302,6	227,7	(57,0)			473,4	85,4	(15,4)	(6,0)		537,3
Net extraordinary results	(22,9)	(8,1)			(159,0)	(190,0)	(7,4)			159,0	(38,5)
Earning before Taxes	279,7	219,7	(57,0)		(159,0)	283,4	77,9	(15,4)	(6,0)	159,0	498,9
Corporate Income Tax	(70,6)	(25,2)			47,5	(48,3)	(14,9)		1,0	(47,5)	(109,7)
Minority interest	(1,6)	(3,9)				(5,6)	(3,3)				(8,9)
Net Profit	207,5	190,5	(57,0)		(111,5)	229,5	59,7	(15,4)	(5,0)	111,5	380,3

(1) ACS P&L Account in case no merger had happened

(2) DRC P&L Account since 1st May, official accounting date of the merger

(3) Elimination of DRC result in ACS, equity accounted, since 1st May 2003

(4) Elimination intragroup transactions

(5) Provision for merger expenses, accounted for as extraordinary losses

(6) DRC P&L Account January - April 2003

(7) Elimination of DRC result in ACS, equity accounted, for the period January - April 2003

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

(9) Elimination of the provision for merger expenses

Annex II. Main contracts awarded in 2004

i. Construction

Highways

- West ring road of Cordoba
- Enlargement of the fourth lane of the A-6 highway in Las Rozas (Madrid)
- Tarancón – Alcázar de San Juan highway in Castilla – La Mancha
- Third Tunnel of Guadarrama.
- Remodeling of the M-30, By-pass South-tunnel south, in Madrid
- Alicante ring road

Hydraulic, Coastal and Port Infrastructures

- Installation Langosteira End for the Harbor authority of A Coruña.
- Enlargement of the Gijón Port.
- La Breña dam (Sevilla).

Railways

- Construction of new stretches of Line 7 of Madrid`s subway: Coslada-San Fernando and M-40-Coslada
- Extension of Line 11 of Madrid`s subway to Carabanchel
- High speed train stretches to Galicia Lalín-Boqueixón and Lalín Abeleda-Baxán (Pontevedra)

Other Civil Works

- Runway in the Torrejón airport (Madrid)

Building

- Can Brian II jail, in Barcelona
- Aquatic sports centre for the Madrid city council

ii. Industrial Services

Integrated Projects

- Crude production platform PB-KU-A2 for PEMEX, in Mexico
- Buzzard Project: modules of production of crude and gas, for Enaca.
- Closing of Cycle combined of El Encino (Mexico), for the Federal Commission of Electricity.
- Extension Snhovit-Hammerfest project in Norway: construction of a liquated gas plant
- Gas pipeline Cacimbas - Vittoria for Petrobras, in Brazil
- Power station of Cycle Combined of Aceca, Toledo
- Power station of Cycle Combined of Cartagena, Murcia
- El Perul wind farm, in Burgos
- Power station of generation in Nubaría, Egypt

Specialized Products

- Construction of electricity transmission lines in Parana (Brazil), for Aneel.
- 105 S Project, 709 transmission line for C.F.E., Mexico
- HT 400 kV line Escombreras-El Palmar (Murcia) for REE

- Works of energy distribution of energy and electrification of line 3 of the Madrid subway
- Project tunnels network infrastructure of the High Speed train Madrid-Lérida, for Telefónica Móviles, Amena y Vodafone
- HT 225 kV line. Elancourt-Villejust (France)
- Electrical submarine connection in Mallorca, for Gesa-ENDESA
- HT line and transforming substation transforming of 400 KV. C. T. Escatrón, for Heyno-Global
- Specialized assembly of components in engine room of Cazaminas 0225, for Izar
- Eastern Subtransmission 1st Phase for Veracruz (Mexico)
- Substations, HT lines and ST /MT lines (Tramontana Plan) for Endesa
- Development, manufacture and installation of Remote units of Telecontrol for Endesa
- Engine power upgrade to 220 kV. of several electric lines in Galicia for Unión Fenosa
- Burying of several air electrical lines in different Spanish cities
- Installation of different lines HT L/132-66 kV for REE
- Base stations and maintenance for Telefónica Móviles Chile
- Associate work and maintenance 2004-05 for Telefónica Móviles, S.A.
- Infrastructure Amena 2004 for Auna
- Supply, equipment and services of maintenance for infrastructure of radio locations in Mexico and Chile for Telefónica Móviles
- Integral maintenance contracts of the communication lines for Telefónica in Spain and Peru
- Maintenance and collection of cabins telephone in Madrid and Castilla-La Mancha

Networks

- Maintenance of LT lines of Center zone, for Unión Fenosa
- Electromechanical assembly in substations of Galapagar (Madrid) for REE
- Electrification of the urbanization Cortijo Colorado
- Integral maintenance of buildings of districts of Sant Anderu, Sant Martí, Nou Barris, Gracia and Montjuich, for the Barcelona City council
- Mechanical maintenance, industrial cleaning and smaller revisions of the thermalgeneration power stations of Granadilla, Candelaria, Jinamar and Bco. of Tirajana for UNESCO in the Canary Islands.
- Extension of defense systems against fires for Repsol Butano
- Maintenance of the auxiliary equipment of turbine, mills and burners, electrical motors and systems of instrumentation and control of the Thermal power station of Endesa in Teruel
- Installation and maintenance of air conditioning systems of the new terminal of the Barajas airport, Madrid
- Water facilities, air conditioning and electricity in the Trade Center hotel in Tarragona.
- Maintenance of the air conditioning systems in the Refinery of Repsol YPF of Tarragona

Control Systems

- Installation of coordinated service of security systems of the Madrid subway
- Prorogation of the integral maintenance contract of the roads network in Almeria and Alicante
- Integral conservation of the highways A-4 and A-1, for the Ministry of Public Works
- SAIH maintenance of the Ebro in Aragón
- Modernization and compensation of catenary. Line: Palencia-A Coruña for RENFE
- Maintenance of the lighting system of fountains and monuments for the Madrid City council
- Maintenance of the public routes of several districts of the Barcelona City council
- Prorogation of the maintenance contract, conservation and operation of facilities and Control center of the Somport tunnel (Huesca) during a period of 2 years.

- Performances in catenary by remodeling in stations Line 3 of the Madrid subway
- Automatic system of luggage handling in the Barcelona airport for AENA
- Maintenance and installation of traffic signaling of Burgos, Salamanca, Malaga, Valladolid, Las Palmas and Lisbon
- Maintenance of the dynamic facilities and control of the highways R-3 and R-5 of Madrid
- Supply and equipment installation of the SAE for urban buses of Madrid and Bilbao

iii. Services and Concessions

Waste Management

- Main contracts of cleaning and USW collection: Municipality of Mojácar, Moralarzal, Arroyomolinos, Municipality of Narón, Torres de Cotillas, Chiclana de la Frontera, Municipality of Salou, and Zone 4 Buenos Aires
- Recovery of the fluvial park of Arroyomolinos
- Final disposition of non dangerous wastes in Tampico (Mexico)
- Construction Plant of Palencia

Facility Management

- Cleaning of several institutions of the Ministry of Defense and of the the Ministry of Work, and of different centers of the National Institute of Sanitary Management and of the National Institute of Social Welfare
- Cleaning of the Castilla La Mancha University and of various zones of the campus of the Universidad de Murcia, and of the Universidad Complutense de Madrid
- Cleaning of regional trains of different zones
- Cleaning service of La Paz hospital (Madrid), Virgen las Nieves hospital, Juan Carlos I hospital, Dr. Negrín hospital (Gran Canaria), and of the Hospital General Universitario de Valencia
- Prorogation of the cleaning service of vehicles of Cat España, S.A.
- Cleaning service of buildings and maintenance of several airports for Aena
- Contracts of gardening maintenance of Santa Cruz de Tenerife, A Coruña, Dos Hermanass (Seville) and Culleredo (A Coruña)
- Prorogation of the cleaning of dependencies of the Civil Guard and the National Police
- Maintenance contract of Golf and Equestrian of Oviedo by 40 years
- Management of services of aid at home in Las Palmas and Madrid
- Restoration services of South, Northwest and Balearic regions
- Integral management of the social center of the older in diurnal stays (Melilla)
- Conservation and maintenance of gardening zones in Los Cameros (Tenerife), Toledo, and the campus of the University of Barcelona
- Improvement of the natural environment in the zones of Hyo de Pinares, Arevalo and Piedrahita (Avila)

Concessions

- Awarding of the concession for 30 years of the construction and operation the Western Dundalk By-pass Highway in Ireland. The consortium is integrated by National Toll Road (33.3%), HBG Ascon (16.6%), Edmund Nuttall (16.6%) and Grupo ACS (33.3%).
- Awarding of the concession for 30 years of the By-pass Vespucio-El Salto-Kennedy (Chile), urban highway of 4.1 km. This stretch is the extension of the highway North Américo Vespucio.

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