ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.

REPORT ON THE ACTIVITIES OF THE AUDIT COMMITTEE

2004

I. Introduction

In accordance with the recommendations on corporate government and specifically, the report of the "Special Commission for the Promotion of Transparency and Security in Financial Markets and Listed Companies " ("Aldama Report") published on January 8, 2003, as in the past year the Audit Committee of ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. has drafted this report to summarise the activities carried out in 2004.

II. Members

Pursuant to the resolution of the Ordinary General Shareholders' Meeting held on May 20, 2004, article 20 *bis* of the Company By-laws was amended to modify the number of members of the Audit Committee from a fixed number of three to a variable number of between three and five.

In its meeting dated July 1, 2004, the Board of Directors of the Company agreed to appoint controlling and external Board Member Mr. Manuel Delgado Solís to the Audit Committee. Accordingly, as from this date, the Committee is now comprised of Mr. Santos Martínez-Conde y Gutiérrez-Barquín, Chairman; Mr. Alvaro Cuervo García, Mr. Manuel Delgado Solís and Mr. Julio Sacristán Fidalgo, Board Members; and Mr. José Luis del Valle Pérez, non-voting Secretary.

III. Business and Activity

The internal business of the Audit Committee is governed by the terms of said article 20 *bis* of the Corporate By-laws and by article 23 of the Rules of Procedure of the Board of Directors, which regulate the number of meetings (at least two per annum, corresponding to the start and conclusion of the audit of the individual and consolidated financial statements), calls to meetings, quorums, decision processes, the Chairman's deciding

vote and the possible attendance of the Company Auditor, if specially summoned for this purpose.

In 2004 the Audit Committee held 6 meetings to address the aforementioned duties, for which purpose the necessary information and documents were made available to it. Following the close of the year, the Committee held another two meetings in February and March 2005, basically to review the 2004 financial statements.

The Audit Committee considers that the Company has the proper organisation to ensure compliance with applicable regulations, including a General Secretary and a Corporate General Manager who, each within their own areas of competence, monitor compliance with current regulations, both internal and external. Likewise, within the scope of the Board, the Regulations provide that the Secretary is to be entrusted with the legality of its actions.

From a practical point of view, it is worthy of mention that no incident of any importance on this subject was detected throughout 2004.

As regards the financial figures for 2004, the following points are worthy of mention:

a) Review of Periodic Financial Information

Following its adaptation to Act 44/2002, the Audit Committee reviews all quarterly financial information prior to its submission to the Spanish National Securities Market Commission and publication.

This review applies to information contained in the official formats of the Spanish National Securities and Market Commission and to the information that the Company reports to said Commission for the publication of quarterly results, verifying that the information expressed therein is coherent, and analysing the rationality of the criteria applied and the accuracy of its most significant figures.

b) Individual and Consolidated Accounts for 2004

At the proposal of the external Auditor, present at the Committee meeting of November 4, 2004, the Committee reviewed and approved the Audit Plan for 2004, including the means, method, criteria, scope and planning of the work, likewise identifying areas in need of special monitoring.

Likewise, and in accordance with legal provisions and internal regulations, the Audit Committee has ensured the independence of the external Auditor as regards the performance of his duties and any incompatibilities or limitations that could affect his work.

During the meetings of February 24 and March 31, 2005, the Committee, with the aid of the external Auditors and the Corporate General Director, examined the individual and consolidated Accounts for 2004 and, in view of the information provided by the external Auditors, issued a favourable report, as noted for the record by the Committee Chairman in the Board of Directors Meeting dated March 31, 2005 for the formulation of the accounts.

c) Appointment of the External Auditor

During the meeting of March 31, 2005, the Committee also deliberated on the renewal of the Auditor (Deloitte & Touche España, S.L.), proposed to the Board for proposal to the Shareholders' Meeting.

d) International Financial Reporting Standards (IFRS)

In 2004 the Audit Committee closely monitored the implementation of the new International Financial Reporting Standards, and was informed for this purpose by Corporate General Management and by the external Auditors on the IFRS implementation process, the options chosen in cases where several alternatives were available, the difficulties encountered throughout the process and the consequences of their implementation at an accounting level.

e) Internal Audits

In 2004 the Committee received specific information regarding the planning, conclusions and recommendations deriving from the work carried out by the company's internal auditors in the different areas into which its business is structured. This work will continue in future years.

Madrid, March 31, 2005