



Results Report January – December 2003

February 25th, 2004

1. EXECUTIVE SUMMARY	2
2. CONSOLIDATED FINANCIAL STATEMENTS	6
3. BUSINESSES PERFORMANCE	14
4. CAPITAL MARKETS.....	20
ANNEXES	22

1. Executive Summary

1.1. Main Financial Figures

Grupo ACS			
Main pro-forma financial figures		January - December	
Million Euro	2002	2003	Var. 03/02
Turnover	9.962,1	10.733,6	+7,7 %
EBITDA	803,1	931,8	+16,0 %
Margin	8,1 %	8,7 %	
EBIT	576,6	649,0	+12,5 %
Margin	5,8%	6,0 %	
Pre-goodwill PBT	503,3	598,3	+18,9 %
Profit before Tax	392,3	498,8	+27,1 %
Attributable Net Profit	326,4	380,3	+16,5 %
EPS	2,75 €	3,21 €	+16,5 %
Total Net Debt	978,6	1.230,6	+25,7 %
Net Debt with recourse	673,3	914,4	+35,8 %
LT Bank Debt	630,0	611,8	-2,9 %
St Bank Debt / (Cash)	43,3	302,6	+598,2 %
Project Financing	305,3	316,2	+3,6 %
Shareholders' equity	1.805,5	1.796,4	-0,5 %
Gearing*	37,3 %	50,9 %	

* Net Debt with recourse / Shareholders' Equity

NOTE: For obtaining the pro-forma figures, the merger has been considered effective since January 1st, 2002. Additionally, the extraordinary provision for merger expenses (€ 111,5 million after taxes) accounted for in December 2003, has been excluded. See Annex I.

- Turnover grew by 7.7%, surpassing € 10.7 billion.
- EBITDA amounted to € 932 million, growing by 16%.
- EBIT stood at € 649 million, registering a growth rate of 12.5%.
- Pre-goodwill Profit Before Taxes grew by 18.9%, standing at € 598 million.
- Attributable Net Profit surpassed € 380 million, which implies a figure of EPS of € 3.21, growing 16.5% from the same period of 2002.
- The Net Debt with recourse reached € 914 million, equivalent to a gearing ratio of 51%.



1.2. Main Financial Figures by Businesses

TURNOVER - pro forma			January - December		
Million Euro	2002	%	2003	%	Var. 03/02
Construction	5.329,7	53,0 %	5.594,9	51,7 %	+5,0 %
Industrial Services	2.826,9	28,1 %	3.069,2	28,4 %	+8,6 %
Services & Concessions	1.906,5	18,9 %	2.157,1	19,9 %	+13,1 %
Holding / Adjustments	(100,9)		(87,6)		-13,2 %
TOTAL	9.962,1		10.733,6		+7,7 %

EBITDA - pro forma			January - December		
Million Euro	2002	%	2003	%	Var. 03/02
Construction	385,4	45,0 %	424,3	43,7 %	+10,1 %
Industrial Services	245,7	28,7 %	277,6	28,6 %	+13,0 %
Services & Concessions	224,7	26,3 %	268,1	27,6 %	+19,3 %
Holding / Adjustments	(52,7)		(38,2)		-27,5 %
TOTAL	803,1		931,8		+16,0 %

EBIT - pro forma			January - December		
Million Euro	2002	%	2003	%	Var. 03/02
Construction	312,2	48,8 %	330,9	47,6 %	+6,0 %
Industrial Services	202,5	31,6 %	227,3	32,7 %	+12,3 %
Services & Concessions	125,3	19,6 %	137,0	19,7 %	+9,3 %
Holding / Adjustments	(63,4)		(46,2)		-27,0 %
TOTAL	576,6		649,0		+12,5 %

NET PROFIT - pro forma			January - December		
Million Euro	2002	%	2003	%	Var. 03/02
Construction	224,5	42,5 %	214,8	46,1 %	-4,3 %
Industrial Services	99,5	18,8 %	132,0	28,3 %	+32,6 %
Services & Concessions	204,7	38,7 %	118,9	25,5 %	-41,9 %
Holding / Adjustments	(202,3)		(85,5)		-57,7 %
TOTAL	326,4		380,3		+16,5 %

Backlog			January - December		
Million Euro	2002	months	2003	months	Var. 03/02
Construction	7.559	17	7.888	17	+4,3 %
Industrial Services	2.783	12	3.049	12	+9,5 %
Services	11.795	75	12.390	69	+5,0 %
TOTAL	22.138		23.327		+5,4 %

1.3. Most Significant Events

1.3.1. Corporate

- On October 14th, Grupo ACS´ and Grupo Dragados´ Extraordinary General Shareholders Meetings approved the merger of both companies. The new ACS shares started to quote last December, 15th.
- On January 15th, 2004, Grupo ACS paid to its shareholders an interim dividend of € 0.36 per share, equivalent to a 50% of the total dividend paid in the previous year.

1.3.2. Operative

- The good operational performance, with operating results reaching double digit growth rates, has been shown in all the Group activities.
- The coordination of both Groups prior to the merger, a tight cost control policy applied, and the efficiency improvements in the corporate general expenses have permitted to reduce them significantly to less than € 40 million.
- At the end of year 2003, an extraordinary provision for the merger expenses of € 159 million was credited in the P&L Account. After deducting its corresponding taxes, the net impact on Net Profit was of € 111.5 million. This figure has not been taken into account in the pro-forma data (See Annex I.i).

1.3.3. Commercial

- Last December, 2003, the consortium TP Ferro, integrated by Eiffage (50%) and Grupo ACS (50%), was awarded with the concession for 50 years for the construction and operation of the transfrontier railway connection of the High Speed Train between Figueres and Perpignan.
- In January, 2004, the consortium integrated by Abertis (25%), Caja Madrid (25%) and Grupo ACS (50%) was awarded with the concession for 40 years for the construction and operation of the Alicante circumvallation highway.

2. Consolidated Financial Statements

2.1. Pro-forma Income Statement

Grupo ACS			January - December		
Consolidated Income Statement					
Million Euro	2002	%	2003	%	Var. 03/02
Net Sales	9.962,1	100,0 %	10.733,6	100,0 %	+7,7 %
Other revenues	338,1	3,4 %	376,3	3,5 %	+11,3 %
Total Income	10.300,2	103,4 %	11.109,9	103,5 %	+7,9 %
Operating expenses	(7.146,8)	(71,7 %)	(7.695,3)	(71,7 %)	+7,7 %
Personnel expenses	(2.350,4)	(23,6 %)	(2.482,8)	(23,1 %)	+5,6 %
Operating Cash Flow (EBITDA)	803,1	8,1 %	931,8	8,7 %	+16,0 %
Fixed Assets depreciation	(189,9)	(1,9 %)	(233,5)	(2,2 %)	+22,9 %
Reversion fund amortization	(5,0)	(0,1 %)	(5,1)	(0,0 %)	+2,9 %
Current assets provisions	(31,5)	(0,3 %)	(44,2)	(0,4 %)	+40,1 %
Operating Profit (EBIT)	576,6	5,8 %	649,0	6,0 %	+12,5 %
Net Financial results	(128,6)	(1,3 %)	(118,5)	(1,1 %)	-7,9 %
Equity method	55,3	0,6 %	67,8	0,6 %	+22,5 %
Goodwill amortization	(59,9)	(0,6 %)	(61,0)	(0,6 %)	+1,8 %
Ordinary income	443,4	4,5 %	537,3	5,0 %	+21,2 %
Net extraordinary results	(51,1)	(0,5 %)	(38,5)	(0,4 %)	-24,8 %
Earning before Taxes	392,3	3,9 %	498,8	4,6 %	+27,1 %
Corporate Income Tax	(62,1)	(0,6 %)	(109,7)	(1,0 %)	+76,7 %
Consolidated Result	330,2	3,3 %	389,1	3,6 %	+17,8 %
Minority interest	(3,8)	(0,0 %)	(8,9)	(0,1 %)	+132,6 %
Net Profit Attributable to the Parent Company	326,4	3,3 %	380,3	3,5 %	+16,5 %

2.1.1. Net Sales

- Net Sales reached € 10,734 million, close to 8% over the aggregated Net Sales of both Groups in the previous year. Total Income amounted to € 11,110 million.
- Sales abroad represented less than 15% of total sales in year 2003, reaching € 1,583 million, which implies a decrease of 8.4% from the previous year.
- The domestic market showed an excellent performance, growing by 11.1% to over € 9,150 million.

2.1.2. Operating Cash Flow (EBITDA)

- Operating Cash Flow amounted to € 932 million, up by 16% from the previous year, backed by the good performance of Construction and Industrial Services (with growth rates over 10%), the excellent evolution of Services (+19%) and the significant reduction of the Corporate general expenses (-27.5%).
- EBITDA margin stood at 8.7%, 60 b.p. over the margin registered in the comparable figure of the previous year.
- Personnel expenses grew by 5.6%, maintaining a moderated increasing trend that allows for improvements of total productivity of the Group. As the average staff in year 2003 totaled approximately 97,900 employees, 7% over the aggregated figure of year 2002, the average cost per employee stood at € 25,360, 1% below the pro-forma figure of the previous year.

2.1.3. Operating Profit (EBIT)

- Operating Profit accounted for € 649 million, growing by 12.5% from year 2002, after having increased operating provisions by 40%.
- The fixed assets depreciation grew by 23%, as the result of the increasing investments carried out in more capital intensive projects, specially in Services.
- The net margin over sales stood at 6.0%, 20 b.p. over the previous year.

2.1.4. Net Financial Results

- Net Financial Results accounted for € 118.5 million, improving by 8% from year 2002.
- Total financial expenses amounted to € 195 million, of which € 155 million correspond to financial expenses owed to credit entities, while € 35 million correspond to negative exchange differences. The remaining, € 5 million, come from the variation of provisions related to financial investments.
- Total financial income surpassed € 76 million, of which € 10 million correspond to positive exchange differences.
- Therefore, the net exchange differences totaled € 25 million, representing 20% of total financial results.

2.1.5. *Ordinary Income*

- Ordinary Income grew by 21% to up to € 533 million, 5% on sales.
- The contribution of affiliates to the net profit of the Group, equity accounted, amounted to € 68 million, which represented an increase of 22.5%.
- The amortization of the goodwill generated by the acquisitions carried out during the last years reached € 61 million, growing by 2% from the pro-forma figure of year 2002. From this amount, € 42 million correspond to the goodwill arisen in the acquisition of the 33.5% stake in Grupo Dragados.

2.1.6. *Extraordinary Results*

- Extraordinary Results totaled € -38.5 million and correspond mainly to provisions for one-off contingencies, of which approximately 35% are related to investments in Telecommunications.
- This heading decreases by 25% from the previous year, mainly due to the capital loss registered by the sale of HBG (€ 71 million) in year 2002.

2.1.7. *Net Profit Attributable to the Parent Company*

- Net Profit surpassed € 380 million, which implies an increase of 16.5% from the previous year.
- The accrued taxes amounted to € 110 million, growing by more than 75% from the 2002 pro-forma figure. The effective tax rate, calculated as Taxes / PBT – Equity method profit, increased by 9 p.p. because of the exceptional accounting in year 2002 of tax deductions due to the introduction of regulation changes.

2.2. Consolidated Balance Sheet

Grupo ACS			December 31 st		
Consolidated Balance Sheet					
Million Euro	2002 pf	%	2003	%	Var. 03/02
Start-up expenses	20,0	0,2 %	15,9	0,1 %	-20,8 %
Intangible fixed assets	361,7	3,6 %	421,3	3,8 %	+16,5 %
Tangible fixed assets	1.402,0	13,9 %	1.533,8	13,7 %	+9,4 %
LT financial investments	1.223,6	12,1 %	1.392,5	12,4 %	+13,8 %
Fixed and Non-current Assets	3.007,4	29,8 %	3.363,5	30,0 %	+11,8 %
Goodwill	828,5	8,2 %	1.039,9	9,3 %	+25,5 %
Deferred Charges	41,8	0,4 %	43,4	0,4 %	+4,0 %
Inventories	414,5	4,1 %	424,9	3,8 %	+2,5 %
Accounts receivables	4.788,9	47,4 %	5.159,2	46,0 %	+7,7 %
ST financial investments	610,4	6,0 %	693,4	6,2 %	+13,6 %
Treasury stock	26,9	0,3 %	26,9	0,2 %	+0,0 %
Cash and banks	344,9	3,4 %	434,1	3,9 %	+25,9 %
Prepayments	35,6	0,4 %	40,9	0,4 %	+14,9 %
CURRENT ASSETS	6.221,1	61,6 %	6.779,4	60,4 %	+9,0 %
TOTAL ASSETS	10.098,7	100,0 %	11.226,3	100,0 %	+11,2 %
Shareholders' Equity	1.805,5	17,9 %	1.796,4	16,0 %	-0,5 %
Minority Interests	103,1	1,0 %	99,3	0,9 %	-3,7 %
Negative Dif. in consolidation	5,2	0,1 %	3,6	0,0 %	-31,3 %
Deferred Income	118,4	1,2 %	135,6	1,2 %	+14,6 %
Project Finance	305,3	3,0 %	316,2	2,8 %	+3,6 %
Provisions for Risks and Charges	192,1	1,9 %	405,7	3,6 %	+111,2 %
Loans from credit entities	630,0	6,2 %	611,8	5,4 %	-2,9 %
Other liabilities	90,6	0,9 %	116,9	1,0 %	+29,0 %
Long Term Liabilities	720,6	7,1 %	728,7	6,5 %	+1,1 %
Amounts owing to credit entities	1.025,4	10,2 %	1.456,9	13,0 %	+42,1 %
Trade accounts payables	4.695,8	46,5 %	5.059,2	45,1 %	+7,7 %
Other non-trade payables	1.127,3	11,2 %	1.224,6	10,9 %	+8,6 %
Short Term Liabilities	6.848,5	67,8 %	7.740,8	69,0 %	+13,0 %
TOTAL EQUITY & LIABILITIES	10.098,7	100,0 %	11.226,3	100,0 %	+11,2 %

2.2.1. Total Fixed Assets

- The figure has moved from € 3,835 million at the end of year 2002 to more than € 4,400 at December 31st 2003, which implies an increase of 15%.
- Goodwill arisen in the acquisitions carried out in the last years showed a balance of € 1,040 million, growing by 25% from the pro-forma figure of the previous year, due to the acquisition of the additional 10% stake in Grupo Dragados in March, 2003. From the total amount, € 781 million correspond to the Dragados operation.

2.2.2. Working Capital

- Working Capital closed the year at € -660 millions, improving by 13% from the previous year.
- The increase of 8% in the heading of Accounts Receivable has been proportionally compensated by the growth in Trade Accounts Payables.
- Additionally, the balance of Other Non-Trade Payables has grown by 8.6%, favoring the improvement in the working capital.

2.2.3. Net Debt

- Total Net Debt amounted to € 1,230 million, up by 26% from the end of the previous year. This figure is equivalent to 27% of the market capitalization of the Group at the end of year 2003, down by 3% from the same ratio at the end of year 2002. Additionally, it is lower the acquisition price (€ 1,318 million) of the shares paid off in the merger process.
- € 316 million correspond to Project Finance, without recourse to the shareholders. Thus, the gearing ratio, as Net Debt with recourse over Shareholders Equity, stood at 50.9% at the end of year 2003.
- Long term debt owed to credit entities reached € 612 million, practically the same as at the end of year 2002. Short term debt owing to credit entities at the end of year 2003 totaled € 1,457 million, growing by 43% from the previous year.
- The Group is currently negotiating a syndicated loan with different banks, with the aim of substituting the bridge loans conceded for the acquisition of the stake in Grupo Dragados, which expire next March.

- Cash and ST Financial Investments reached € 1,127 million, up by 18% from December 2002.
- Treasury Stock amounted to € 27 million at December 31st, 2003, which correspond to 902,453 shares coming from the indirect Treasury Stock that Dragados held when the merger was completed.

2.2.4. Shareholders Equity

- Shareholders Equity totaled € 1,796 million, about the same figure as the pro-forma at the end of year 2002. The extraordinary provisions related to merger expenses, amounting to € 111.5 million after taxes, and the adjustment of paid off shares in the merger, have already been deducted from this figure.

Grupo ACS	
Shareholders' Equity evolution	Million Euro
Shareholders' Equity ACS as of 31.12.2002	980,4
Shareholders' Equity DRC as of 31.12.2003	1.122,0
Amortization of 25% DRC ¹	(296,9)
PRO-FORMA SHAREHOLDERS' EQUITY AS OF 12.31.2002	1.805,5
Amortization of 10% DRC ²	(112,2)
2003 Pro-Forma Net Profit	380,3
Dividend ACS Fiscal Year 2002	(46,1)
Complementary Dividend DRC Fiscal Year 2002	(15,3)
Interim Dividend Fiscal Year 2003	(42,7)
Translation differences and Adjustments	(61,6)
Extraordinary Provision for Merger Expenses	(111,5)
SHAREHOLDERS' EQUITY AS OF 12.31.2003	1.796,4

(1) 23.5% acquired to SCH on April 18th, 2002, plus the 1.5% of Treasury Stock

(2) 10% acquired through the Takeover Bid

- On December 18th, 2003, the Board of Directors approved an interim dividend of € 0.36 per share, paid on January 15th, 2004. This amount implies a reduction of Shareholders Equity by € 43 million at December 31st, 2003.

2.3. Cash Flow Statement

Grupo ACS		January - December	
Pro-forma Cash Flow Statement			
Million Euro	2002	2003	Var. 03/02
EBITDA	803,1	931,8	+16,0 %
plus: Dividends received from affiliates	38,3	57,3	
plus: Interests and dividends received	98,7	66,2	
minus: Interests paid	(195,5)	(154,7)	
minus: Extraordinary losses from operations	(82,8)	(47,1)	
minus: Corporate tax paid	(83,8)	(109,7)	
Cash Flow from Operations	578,1	743,8	+28,7 %
Dec/(Inc) Trade Receivables & Other Debtors	(317,3)	(370,4)	
Dec/(Inc) Inventories	23,3	(10,4)	
Inc/(Dec) Trade Creditors	643,1	363,4	
Inc/(Dec) Other Creditors & ST Provisions	(10,5)	92,0	
Working Capital (Requirements) / Excess	338,7	74,6	n.a.
Cash Flow from Operating Activities	916,7	818,5	-10,7 %
minus: Fixed assets investments	(547,4)	(381,2)	
minus: Concessional projects investments	(136,3)	(175,2)	
minus: Financial assets investments	(159,9)	(101,1)	
Capital Expenditure	(843,6)	(657,5)	-22,1 %
Disposals of Assets	386,3	114,5	-70,4 %
Cash flow from Financing Activities	(457,3)	(543,0)	+18,8 %
Inc/(Dec) ST Bank credits	671,7	431,5	
Inc/(Dec) Project finance	3,7	10,9	
Inc/(Dec) LT Bank credits	(168,9)	(18,2)	
Bank Financing	506,5	424,2	-16,2 %
minus: Dividends paid	(62,0)	(56,3)	
minus: Treasury stock acquisition ⁽¹⁾	(957,7)	(384,5)	
Equity Financing	(1.019,6)	(440,8)	-56,8 %
Other Liabilities	16,9	(86,6)	n.a.
Cash Flow from Financing Activities	(496,2)	(103,2)	-79,2 %
Inc/(Dec) Cash & similar	(36,7)	172,3	
Cash Position at the Beginning of the Period	991,9	955,2	-3,7 %
Current Cash Position	955,2	1.127,5	+18,0 %

(1) Includes the amount paid for the acquisition of the 33.5% stake in Grupo Dragados: 23.5% in 2002 and an additional 10% through a Takeover Bid launched in 1Q/03. Year 2002 also includes the Treasury Stock acquired by Dragados (€ 58 million).

2.3.1. Cash Flow from Operations

- The Cash Flow from Operations accounted for € 731 million, up by 26% from the pro-forma figure of year 2002.
- The working capital management has permitted to generate an additional amount of € 75 million, bringing the Cash Flow from Operating Activities to € 818 million.

2.3.2. Investments and Disposals of Assets

- Investments carried out by the Group during year 2003 totaled € 658 million, decreasing by 22% from the investments of the previous year (excluding the acquisition of the stake in Grupo Dragados).
- The main headings where the regular capex of the Group was directed were construction equipment and industrial installations, equipment for environmental and port services, and renewal of the coaches fleet.
- The investments carried out in concessions projects amounted to € 175 million, mainly in transportation infrastructures, treatment and recycling plants, and wind farms.
- Disposal of Assets reached € 115 million, mainly because of the Construction equipment park and the Continental Auto coaches fleet renewals.
- Net Investments reached € 543 million, up by 18.8% from the aggregated net investments of both companies in year 2002.

3. Businesses Performance

3.1. Construction

Construction			
Main Pro-forma Figures		January - December	
Million Euro	2002	2003	Var. 03/02
Turnover	5.329,7	5.594,9	5,0 %
EBITDA	385,4	424,3	10,1 %
Margin	7,2%	7,6%	
EBIT	312,2	330,9	6,0 %
Margin	5,9%	5,9%	
Net Profit	224,5	214,8	(4,3 %)
Margin	4,2%	3,8%	
Backlog	7.559	7.888	4,3 %
Months	17	17	

3.1.1. Turnover Breakdown by Activity

Construction			
Sales Breakdown by activity			Var. 03/02
Million Euro	2002	2003	Var. 03/02
Domestic	4.645,3	5.144,0	10,7 %
Civil Works	2.764,3	2.952,1	6,8 %
Non Residential Building	1.242,6	1.430,8	15,1 %
Housing	638,4	761,1	19,2 %
International	684,4	450,9	(34,1 %)
TOTAL	5.329,7	5.594,9	5,0 %

- Turnover increase in Construction (+5%) has been backed by the good performance in the domestic market (+10.7%), and supported by Building (+16.5%), which includes Housing, Institutional and Commercial Building.
- The activity in the international markets has suffered the significant recession caused by the lesser activity of Latam, the US Dollar depreciation, and the sale of the portuguese subsidiary Obrecol at the end of year 2002.

3.1.2. Operating Results

- EBITDA grew by 10.1%, to up to a margin over sales of 7.6%
- The increase of provisions and depreciations set EBIT growth to 6%, maintaining its margin over sales at 5.9%

- The extraordinary expenses due to the international activity and the increase of the tax rate in more than 4 p.p., have caused the Net Profit to reach € 215 million, decreasing by 4.3% from the previous year.

3.1.3. Backlog Evolution

- The Order Book reached more than € 7.9 billion at the end of year 2003, up by 4.3% from the end of year 2002. This amount is equivalent to 17 months of sales.
- The domestic Order Book grew close to 7% and accounted for almost 89% of the total backlog. On the other side, the international Order Book decreased by 11%, mainly due to the appreciation of the Euro versus US Dollar.

3.2. Industrial Services

Industrial Services			
Main Pro-forma Figures		January - December	
Million Euro	2002	2003	Var. 03/02
Turnover	2.826,9	3.069,2	8,6 %
EBITDA	245,7	277,6	13,0 %
Margin	8,7%	9,0%	
EBIT	202,5	227,3	12,3 %
Margin	7,2%	7,4%	
Net Profit	99,5	132,0	32,6 %
Margin	3,5%	4,3%	
Backlog	2.783	3.049	9,5 %
Months	12	12	

3.2.1. Turnover Breakdown by Activity

Industrial Services			
Sales Breakdown by activity		January - December	
Million Euro	2002	2003	Var. 03/02
Distribution Networks	692,0	780,6	12,8 %
Energy Projects	569,0	728,4	28,0 %
Telecoms	367,6	301,2	(18,1 %)
Control Systems	441,7	445,9	1,0 %
Industrial Systems	756,6	813,2	7,5 %
TOTAL	2.826,9	3.069,2	8,6 %

- Both the domestic and the international markets have performed positively, achieving growth rates around 9%. Thus, the international sales reached € 937 million in year 2003, representing 31% of total sales of this activities.
- The excellent evolution of the activity of Energy Projects (+28%) has been backed by the instalment of new power generation plants, mainly C.C.G.T. and renewable energy, and by the development and construction of Off-shore platforms. These areas have compensated the reduction of activity, for third consecutive year, in Telecommunications (-18%), whose industry is still suffering the lesser investments carried out by the national and international Telecom operators.
- The activities related to energy Distribution Networks still showed a solid growth rate (+13%), mainly due to the increasing demand of maintenance services and the network expansion done by the utilities companies, willing to improve the quality of their offer in an increasing market and their operations efficiency.
- Control Systems grew slightly (+1%), as the result of the dilution of the good performance of Traffic Control (with double digit growth) by the lesser contribution of the Railway Systems, which was affected by the completion of various projects of installation of High Speed systems.
- Industrial Systems maintained growth rates over the nominal growth of the economy. Nevertheless, the increase in the domestic market has been more sound, where the activity accounts for 66% of total.

3.2.2. Operating Results

- EBITDA grew by 13%, improving the margin over sales by 30 b.p., reaching 9.0%
- EBIT performed positively, growing by 12.3%, setting the margin over sales at 7.4%
- The substantial reduction of the financial expenses is the main reason of the strong improvement of the Net Profit, growing by 32.6% from the pro-forma figure of year 2002.

3.2.3. Backlog Evolution

- The Order Book amounted to over € 3.0 billion (+10%). Besides, and as the solid portfolio of maintenance contracts are not included in the backlog, the prospects of the activity for the next two years are very attractive.

3.3. Services and Concessions

3.3.1. Services

Services			
Main Pro-forma Figures		January - December	
Million Euro	2002	2003	Var. 03/02
Turnover	1.899,3	2.157,1	13,6 %
EBITDA	230,8	275,2	19,2 %
Margin	12,1%	12,8%	
EBIT	122,6	142,7	16,4 %
Margin	6,5%	6,6%	
Net Profit	101,0	63,7	(36,9 %)
Margin	5,3%	3,0%	
Backlog Enviromental Serv.	11.774	12.390	5,2 %
Months	74	69	

3.3.1.1. Turnover Breakdown by Activity

Services			
Sales Breakdown by activity			Var. 03/02
Million Euro	2002	2003	Var. 03/02
Environmental	903,2	985,5	9,1 %
Ports & Logistics	454,4	552,1	21,5 %
Passenger Transportation	142,1	157,4	10,8 %
Facility Management	399,6	462,2	15,6 %
TOTAL	1.899,3	2.157,1	13,6 %

- Excellent performance of all the areas of activity, specially of Ports and Logistics Services, which grew over 21%.
- The international activity, accounting for 9% of total, increased by 7.5%, while the domestic activity grew over 14%.

3.3.1.2. Operating Results

- Substantial improvement of EBITDA, which grew by 19.2%, reaching a margin on sales of 12.8%, over 70 b.p. from year 2002. All the activities registered margin improvements.
- The EBIT increased by 16.4%, allowing the margin to improve by 10 b.p., standing at 6.6% over sales.

- The capital gains (€ 24 million) obtained in year 2002 from the sale of Redal, the water and waste management company in Rabat (Morocco), and the significant increase of the tax rate of Urbaser, made the Net Profit to stand at € 64 million, decreasing by 37% from the pro-forma figure of 2002.

3.3.1.3. Backlog Evolution

- The Order Book of the environmental activities stood at € 7.8 billion, guaranteeing more than 6 years of activity.
- The remaining activities, mainly Port and Logistic, and Transportation Services, have an Order Book of € 4.6 billion, corresponding to ongoing long term contracts or concessions as of the end of year 2003.

3.3.2. Transportation Infrastructures Concessions

Concessions			
Main Pro-forma Figures	January - December		
Million Euro	2002	2003	Var. 03/02
Turnover	7,1	3,4	(51,7 %)
EBITDA	(6,1)	(7,1)	16,5 %
EBIT	2,7	(5,7)	(306,6 %)
Equity method	45,0	44,8	(0,6 %)
Attributable Net Profit	103,7	55,2	(46,7 %)

- Abertis contribution to the Group's Net Profit amounted to € 38.8 million, lower than Aerea's contribution in 2002 (-15.4%), benefiting in that year of an exceptional low tax rate.
- The remaining Net Profit accounted by the equity method, € 6 million, correspond to several concessions that have recently initialized the service, as Ruta de los Pantanos (Madrid), Rutas del Pacífico (Chile), Platinum Corridor (South Africa), and Airport concessions.
- There were not any significant asset disposals in year 2003, versus the previous year, when there were capital gains from the sale of some concessions, mainly the M-45 Stretches and Aulesa, in close to € 43 million, explaining the variation in Net Profit.

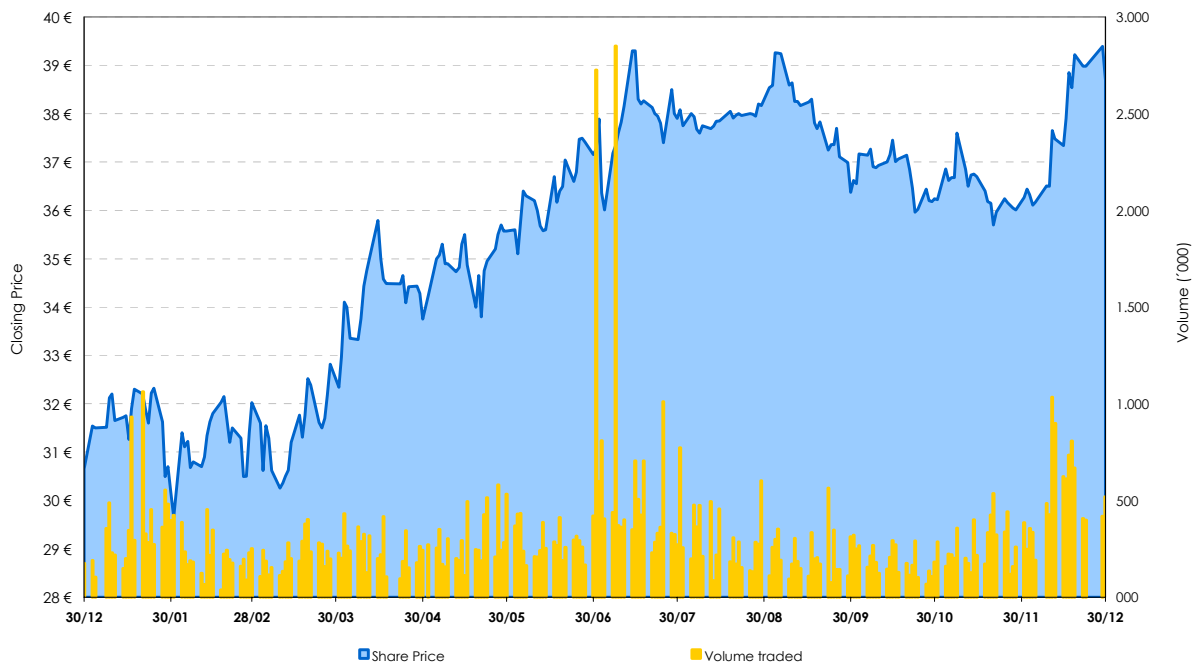
3.4. Others

- The contribution from Inmobiliaria Urbis to the Net Profit of Grupo ACS totaled € 17.4 million, growing by 25% from year 2002.
- Corporate general expenses reached € 38 million, decreasing by 27.5% from the previous year. This reduction is the result of a greater coordination between ACS and Dragados prior to the merger, aiming to improve management efficiency through an exhaustive cost control.

4. Capital Markets

4.1. ACS Share Information

ACS Share Data	2002	2003			
	jan-dec	jan-mar	jan-jun	jan-sept	jan-dec
Closing price	30,65 €	32,34 €	37,15 €	36,37 €	38,70 €
Annual performance	11,86%	5,51%	21,21%	18,66%	26,26%
Maximum in the period	37,00 €	32,82 €	37,49 €	39,90 €	39,90 €
Minimum in the period	26,51 €	29,46 €	29,46 €	29,46 €	29,46 €
Average in the period	30,83 €	31,51 €	33,38 €	35,50 €	35,92 €
Total volume ('000)	73.191	17.066	34.438	67.683	89.479
Daily average volume ('000)	292,76	275,25	277,72	358,11	357,91
Total traded effective (€ mn)	2.257	538	1.149	2.402	3.211
Daily average effective (€ mn)	9,03	8,68	9,27	12,71	12,84
Number of shares (mn)	64,06	64,06	64,06	64,06	118,53
Market cap (€ mn)	1.963	2.072	2.380	2.330	4.587



4.2. Treasury Stock

- Prior to the merger, Grupo Dragados held, directly and indirectly, 4,255,850 Treasury Stock shares acquired at € 60.1 million. When the merger, 2,396,253 Treasury Stock direct shares were paid off, representing 1.39% with an acquisition cost of € 33.3 million.
- The remaining Treasury Stock indirect shares (1,859,597) were exchanged in the merger by 902,453 new ACS shares, the current number of Treasury Stock shares.

4.3. Financial Calendar

- **February, 25th:** FY 2003 Results Release
- **2nd week of May:** 1Q/04 Results Release
- **May 20th:** Annual Shareholders General Meeting

Annexes

I. Actual and Pro-forma Adjustments to the Financial Statements

- i. 2003 Profit & Loss Account*
- ii. 2002 Profit & Loss Account*

II. Main Assets in Services and Concessions

- i. Transportation Infrastructures Concessions*
- ii. Treatment Plants*

III. Main Contracts of year 2003

- i. Construction*
- ii. Industrial Services*
- iii. Services and Concessions*

Annex I.i. Pro-forma Adjustments to the Actual 2003 P & L Account

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)	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)	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 I.ii. Pro-forma Adjustments to the Actual 2002 P & L Account

GRUPO ACS	PRO-FORMA ADJUSTEMENTS					2003 ProForma
	ACS Jan-Dec ⁽¹⁾	DRC Jan-Dec ⁽²⁾	Tax adjust. DRC ⁽³⁾	Elimination EqA DRC ⁽⁴⁾	Fin Exp + Goodwill ⁽⁵⁾	
Millones de Euros						
Net Sales	4.420,2	5.541,9				9.962,1
Operating expenses	(4.009,2)	(5.149,8)				(9.159,1)
Operating Cash Flow (EBITDA)	410,9	392,1				803,1
Depreciation/ Amortization	(105,6)	(120,8)				(226,4)
Operating Profit (EBIT)	305,3	271,3				576,6
Net Financial results	(64,1)	(43,9)			(20,6)	(128,6)
Equity method	47,0	66,1	(15,3)	(42,5)		55,3
Goodwill amortization	(29,2)	(11,1)			(19,6)	(59,9)
Ordinary income	259,0	282,4		(42,5)	(40,2)	443,4
Net extraordinary results	(8,6)	(42,6)				(51,1)
Earning before Taxes	250,4	239,9		(42,5)	(40,2)	392,3
Corporate Income Tax	(68,4)	(16,2)	15,3		7,2	(62,1)
Minority interest	(0,7)	(3,2)				(3,8)
Net Profit	181,4	220,5		(42,5)	(33,0)	326,4

(1) 2002 ACS P&L Account

(2) 2002 DRC P&L Account

(3) Tax adjustments to account with the same criteria than ACS profits from affiliates (Equity Accounted net of taxes)

(4) Elimination of DRC result in ACS, equity accounted, in 2002

(5) Adjustments when considering ACS had had 33,5% stake in DRC since January 1st 2002

Annex II.i. Transportation Infrastructure Concessions List

List of Concessions	Country	Situation	Stake	Km.	Expiry Date	Partners
Motorways						
R3-R5 Radials	Spain	Construction	15,8%	90	2049	CAJA MADRID; SyV; FCC; ABERTIS; OHL
R2 Madrid - Guadalajara	Spain	Operation	35,0%	80	2025	ACCIONA; AVASA; ABERTIS; CAJA MADRID
La Mancha Dual Carriageway	Spain	Construction	66,7%	52	2033	CYOPSA
A8 Management (Guipúzcoa section)	Spain	Operation	50,0%	76	2013	ASFALTOS NATURALES DE CAMPEZO; SEBITZU ELKARTEA
"Ruta de los Pantanos"	Spain	Operation	25,0%	22	2024	FCC; ACCIONA; CAJA MADRID
Central Gallega Motorway	Spain	Construction	13,3%	57	2073	FCC; ABERTIS; SyV; PLODER; OHL; OTHER SAVINGS BANKS
Alicante Ring-Road	Spain	Adjudicated	50,0%	142,5	2039	ABERTIS; CAJAMADRID
Ausol - "Autopista del Sol"	Argentina	Operation	8,2%	119	2020	ABERTIS
Central North-South	Chile	Construction	48,0%	61	2031	SKANSKA; BROTEC; BELFI
Américo Vespucio Norte	Chile	Construction	54,0%	29	2032	HOCHTIEF; BROTEC; BELFI
"Rutas del Pacífico"	Chile	Operation	50,0%	130	2025	SyV
Scutvias Beira Interior	Portugal	Construction	25,0%	187	2029	TEIXEIRA DUARTE; SOARES DA COSTA; SOPOL; ALVES RIBEIRO; RAMALHO ROSA
Thames Gateway (A13)	U.K.	Construction	25,0%	22	2030	AMEC; BROWN & ROOT; ALFRED McALPINE
Darrington - Dishforth (A1)	U.K.	Construction	25,0%	53	2036	AMEC; BROWN & ROOT; ALFRED McALPINE
Platinum Corridor	S. Africa	Construction	25,0%	381	2031	INSTITUTIONAL; OTHERS
Airports						
SCL Santiago de Chile Airport	Chile	Operation	14,8%		2013	FCC; AGUNSA; SABCO; YVAR AIRPORTS
Aerocali	Colombia	Operation	33,3%		2020	CORFICOLOMBIANA; AENA
Montego Bay	Jamaica	Operation	35,0%		2032	AGUNSA; YVAR AIRPORTS; ASHTROM
Aeropuertos Mexicanos del Pacífico	Mexico	Operation	28,2%		2014	AENA; INVERSORA DEL NOROESTE; HOLDINMEX
Railways						
Sevilla Underground	Spain	Construction	27,8%	19	2038	SyV; CAF; and others
Figueras - Perpignan	Spain	Adjudicated	50,0%	45	2053	EIFPAGE
Fenoco	Colombia	Construction	68,8%	1.484	2030	ODINSA; and others

Annex III.i. Treatment Plants List

PLANT NAME	LOCATION	CAPACITY (mt/year)	TYPE OF WASTE	STAKE
Urban Waste				
Las Dehesas Complex	Madrid	950.000	Mixed Urban Waste and Packaging	95%
Tenerife Facilities	Tenerife	625.000	Mixed Urban Waste and Packaging	100%
Zaragoza Complex	Zaragoza	313.000	Mixed Urban Waste and Packaging	100%
Valdemingómez Recycling Plant (T.G.M.)	Madrid	310.000	Mixed Urban Waste and Packaging	50%
La Paloma Complex	Madrid	255.500	Mixed Urban Waste and Packaging	31%
Casares Plant (PLACOSOL)	Casares (Málaga)	220.000	Mixed Urban Waste and Packaging	100%
La Coruña Complex	La Coruña	185.000	Mixed Urban Waste and Packaging	100%
Murcia Plant	Ulea (Murcia)	180.000	Mixed Urban Waste and Packaging	100%
León Facilities	León	180.000	Mixed Urban Waste and Packaging	50%
Campo de Gibraltar Environmental Complex	Los Barrios (Cádiz)	165.000	Mixed Urban Waste and Packaging	100%
Merida Plant	Mérida (Badajoz)	95.000	Mixed Urban Waste and Packaging	100%
Fuenlabrada Plant	Fuenlabrada (Madrid)	82.000	Mixed Urban Waste and Packaging	100%
Villena Composting Plant	Villena (Alicante)	80.000	Mixed Urban Waste and Packaging	100%
Zamora W.T.P.	Zamora	75.000	Mixed Urban Waste and Packaging	65%
Utrera Plant	Utrera (Seville)	58.000	Mixed Urban Waste and Packaging	50%
Lorca Recycling and Composting Plant	Lorca (Murcia)	50.000	Mixed Urban Waste and Packaging	100%
Marchena Plant (Campaign 2000)	Marchena (Seville)	48.000	Mixed Urban Waste and Packaging	100%
El Mazo Complex (Cantabria)	Torrelavega (Cantabria)	30.000	Mixed Urban Waste and Packaging	100%
Morama Plant	Cerceda (A Coruña)	486.000	Mixed Urban Waste; Energy	24%
TIRMADRID Integral Plant	Madrid	440.000	Mixed Urban Waste; Energy	49%
Mallorca Integral Treatment Plant	Palma de Mallorca	353.000	Mixed Urban Waste; Energy	20%
Cantabria Integral Treatment Plant	Meruelo (Cantabria)	180.000	Mixed Urban Waste; Energy	100%
Cangas de Morrazo Plant	Bueu (Pontevedra)	n.d.	Mixed Urban Waste	100%
C.A.M. South Zone Facilities	Madrid	n.d.	Mixed Urban Waste	100%
La Safor Plant	Ador (Valencia)	105.400	Mixed Urban Waste	100%
Segovia Plant	Los Huertos (Segovia)	80.000	Mixed Urban Waste	100%
North Avila Methanization Plant	Ávila	80.000	Mixed Urban Waste	100%
Arico Composting Plant	Arico (Tenerife)	45.000	Mixed Urban Waste	100%
Soria Plant	Golmaya (Soria)	28.000	Mixed Urban Waste	62%
South Avila Plant	Arenas de San Pedro (Ávila)	26.000	Mixed Urban Waste	100%
Lebrija Plant	Lebrija (Seville)	19.500	Mixed Urban Waste	100%
La Palma Facilities	La Palma	18.000	Mixed Urban Waste	100%
Other Waste				
Agricultural Plant	El Éjido (Almería)	700.000 m3	Vegetal waste	65%
Zurita Complex	Puerto del Rosario (Fuerteventura)	n.d.	Selected waste	100%
Juan Grande Complex	S. Bartolomé Tirajana (Gran Canaria)	90.000	Selected waste	100%
Las Cumbres Controlled Deposit	Madrid	4.000.000 m3	Inert Waste	100%
La Salmedina Inert W.T.P.	Madrid	n.d.	Inert Waste	50%
Barcelona Port EcoPark No. 1	Barcelona	325.000	Organic and rest	44%
Barcelona Port EcoPark No. 2	Barcelona	350.000	Organic and rest	36%
Elche Plant	Elche (Alicante)	180.000	Organic, packaging and rest	100%
Penedès-Garraf Composting Plant	Vilanova i la Geltrú (Barcelona)	25.000	Organic material	100%
Arico Complex	Arico (Tenerife)	5.475	Leachates. Inert waste	100%
Pinto Methanization Plants	Pinto (Madrid)	140.000	Maceration and rest	90%
Mallorca Sewage Sludge Plant	Palma de Mallorca	22.000	Sewage sludge purification	20%
Santo Negro Complex	Las Palmas de Gran Canaria	29.000	Packaging (Hazardous Waste)	100%
Packaging Plant (dry refuse)	S. Bartolomé Tirajana (Gran Canaria)	30.000	Packaging (Hazardous Waste)	100%
Nueva Rendia Packaging Plant	San Fernando de Henares (Madrid)	22.000	Packaging	100%
Pinto Plant	Pinto (Madrid)	30.000	Packaging	100%
Valdemingómez Degassing Plant	Madrid	n.d.		40%
Arico Degassing Plant	Tenerife	n.d.		100%

Anexo III. Main contracts of the year 2003

i. Construction

Highways

- Functional adaptation of the A-334 highway on the section Serón to Huerca Overa in Almería for G.I.A.S.A.
- Construction of the alternative road of the CN-332 highway from Ondara and Vergel in Alicante for the Development Ministry and the Directorate General for Roads.
- Construction of the West circumvallation of Jerez de la Frontera (Cádiz).
- Construction of a 9.2 km. stretch of the Condado de Treviño (Burgos) highway.
- Adaptation of the tunnel installations and environmental restoration works in the highway Montegut-Olot (Girona).
- Construction of the subsidiary road in the highway N-III direction to Madrid and two bridges over N-III and M-45 highways in Madrid.
- Construction of a 9 km. stretch of the Palencia-Fuentes de Valdepero highway.
- Construction of the Road 5 of the Ensanche de Vallecas (Madrid).
- Construction of a subsidiary road for freights in the Barajas airport in Madrid.
- Remodeling of the service lane on national motorway N-I between the M-30 and the M-40 highways.
- Third lane for TF-1 Motorway. Section: Santa Cruz de Tenerife-Güímar, and Sta. Cruz de Tenerife). (From 0 to 20,400.Km).
- Arrangement highway GC-1. Section: Gran Canaria Airport (Gando)-Maspalomas. (Gran Canaria).
- Southwest bypass around Salamanca. Section: Connection with the south part of the ring road of Salamanca between the Buenos Aires and the Montalvos junctions.
- Viñedos highway. Section: Toledo-Consuegra.
- Works in the toll road A-8 (Guipúzcoa).
- Access to Roquetas de Mar y Vicar. Subsection connection the motorway N-340. Junction Parador-Carretera Las Losas.
- Diversion in the road M-609 in Soto del Real (Madrid).
- Construction of the highway A-1 Darrington - Dishford (England).

Railways

- Assembly of the new High-Speed railway access to Toledo for the Development Ministry and G.I.F.
- High-Speed rail link between the towns of Figueras and Perpignan, including an 8 km tunnel in the Pyrenees, for the Development Ministry and the Directorate General for Railways.
- Construction of two tunnels in Pajares (León).
- Construction of 4 stations and execution of the auxiliary infrastructure in the 2 Stretch of the new 9 line of the Barcelona subway.
- Implantation of the tram Vélez-Málaga to Torre del Mar.
- Construction of the platform for the new access North-North West, stretch Tres Cantos-Colmenar Viejo (Madrid).
- Contract of 4 years with the Madrid City Hall for the execution of various works and maintenance of the metropolitan transportation.
- Burying of the outskirts railway lines between Entrevías and Vallecas (Madrid).
- Providing of materials, assembly, and railway works in the Toulouse (France) subway for Siemens Transportation System.

- Assembling works in the Segovia-Fuente de Santa Cruz stretch.
- Supply of sleepers for the line between Mérida and Zafra, section Almendralejo-Zafra in Badajoz.
- Renovation of the Málaga-Fuengirola railway line, section Benalmádena-Fuengirola.
- Supply of voussoirs for the new underground connection between the stations of Atocha and Chamartín in Madrid.
- Execution of reinforced injections on Line 5 of Valencia Underground.
- Compensation injections on Line 9 of Barcelona Underground.
- Complete renovation of the line between Soto de Luiña and Cudillero in Asturias.
- Renovation of the line between Mérida and Guareña in Badajoz.
- Platform for the new railroad Madrid-Segovia-Valladolid/Medina del Campo, section between Canto Blanco and Tres Cantos (Madrid).
- Madrid Railroad System. New underground connection between Atocha and Chamartín Train Stations. Section: Atocha-Nuevos Ministerios.
- Construction of four minor sections of Line 9 of the Barcelona Subway.
- New platform for the new high-speed train access to Toledo. Section: Alameda de la Sagra-Mocejón.
- Performance of the works on Line 5 of the subway in Valencia.
- Project and construction of the platform for the line of high speed train León-Asturias. Section: Tunnels of Pajares Section 2, Folledo-Vidangos.
- Line 1 long distance of Seville subway.
- Line 9 Barcelona subway. Section: 2, Logistic Park – University area.
- Works in new access railway road in the section between Segovia-Valladolid, and subsection Fuente Santa Cruz-Valdestillas.
- Infrastructure and superstructure of Catenaria Road line 3 of FMB, section between Canyelles-Trinita Nova (Barcelona).

Hydraulic, Coastal and Port Infrastructures

- Construction of the Arenoso dam (Córdoba).
- Modernization and consolidation of the irrigated land of Alto Vinalopó (Huesca).
- Modernization of the Canal de los Monegros in different municipalities of Huesca.
- Construction of a water pipe in Tenerife.
- Construction of a hydraulic tunnel in the Huesna dam (Seville).
- Rehabilitation of the N° 3 Deposit of Avenida Filipinas (Madrid), built in 1915.
- Construction of a water pipe in the Turón river (Málaga).
- Channeling of the Turia river (Valencia).
- Construction of a yacht club in Dársena de Cartagena (Murcia).
- Paving of the eastern zone of the southern extension to Valencia Port
- Channelling of the river Pipa in Gijón.
- Sanitation and purification project for River Cidacos in La Rioja (Drace)
- Bergara Sewage Pipe, between the San Lorenzo-Bideberri y Ramal a San Juan (Bergara - Guipúzcoa).
- Dredging of the entrance channel to Santa Catalina Wharf in Las Palmas, Canary Islands.
- Water distribution network for Nego in Rambla de Morales. Stage II (Almería).
- New bridge above Pisuerga river and route diversion. Section: crossing access sporting area and pinar north junction of Simancas (N-620).
- Construction of the terminal for BB.TT in the extension of the Basterreche breakwater in the dock of Escombreras. (Almería).

- Wharf and outer levelling of the dock close to Isla Verde.
- Channeling of the Seco River, between the toll road A-7 and its mouth to the river (Castellón).
- Expansion in the wharf number 9 in the Port of Málaga, 2 nd stage.
- Treatment plant for the water supply to Torrijos, Fuensalida, La Puebla de Montalbán and its influence area in Toledo.

Airport Works

- Paving of the Platform of the First stage of the Almería airport for AENA.
- Enlargement of the airplane parking lots of the Málaga airport.

Other Civil Works

- Construction of a new local train station in Llamaquique, Oviedo, for RENFE.
- Development of the Can Bellet Sector, in Sant Cugat (Barcelona), for the Compensation Board of the Can Bellet Sector.
- Industrial urbanization in the Industrial estate "Cotes B" in Algemesí (Valencia).
- Urbanization of the Industrial Estate in the Ensanche de Vallecas (Madrid).
- Urbanization of the residential area Mas Alba in Sant Pere de Ribes (Barcelona).
- Urbanization of the residential area Turó de Can Mates (Barcelona).
- Urbanization of the industrial estate PP2 of Leganés (Madrid).
- Urbanization of a residential area in Leganés (Madrid).
- Acquisition and installation of furniture for the Army in Madrid.
- Urbanization for the General Town Planning Project for Baracaldo Ibarreta-Zuloko. Megapark Project. (Vizcaya).
- Urbanization for the General Town Planning Project for Sau 3 (east) and Sau 5 in Arroyo Molinos (Madrid).
- Urbanization Works in the industrial estate in Subillabide (Álava).
- Urbanizations in 9 and 10 areas of de Vitoria-Gasteiz.
- Forest Park in Valdebernardo (Madrid).

Non Residential Building

- Construction of a shopping mall in Vigo for Vigo Free Port Consortium.
- Construction of a shopping mall in Lalín (Pontevedra) for Sinergias Diezanas, S.A.
- Construction of the new Hospital La Fe in Valencia.
- First stage construction of a hotel in Barcelona.
- Integral remodelation of the buildings of the Hospital Beata Santa María Ana in Madrid.
- Construction of a building for juridical services in Castellón.
- Construction of the Villa Cultural del Prado in Valladolid.
- Rehabilitation of the Palacio Consistorial de Cartagena, in Murcia, built in 1907.
- Construction of a hospital in Ceuta.
- Construction of a residential hotel in Ciudad Lineal (Madrid) for Metrovacesa.
- Third stage construction of the Concert Hall in Campo de las Naciones (Madrid).
- Adaptation and enlargement of the Mercator Hotel in Madrid.
- Construction of a social-sanitary centre in Villafranca del Penedés (Barcelona).
- Construction of an auditorium in the Cartagena port (Murcia).
- Ejecution of corewalls and anchors for the foundations of the Gran Casino in Extremadura (Geocisa).
- New headquarters building of the Treasury in Castellón.

- Construction of the new La Fe Hospital in Valencia.
- Facilities in a hotel on Avenida Diagonal in Barcelona.
- Building for the Juan Crisóstomo de Arriaga Music Conservatory in Bilbao.
- Offices for the SCH Bank. Madrid
- Hospital in Tomelloso (Ciudad Real).
- New Hospital in Inca (Mallorca).
- Remodeling the Stadium "El Arcángel" (Córdoba) – 1 st stage.
- Refurbishment and extension of the General Hospital in Vigo.
- Office Building Offices in Sanchinarro (Madrid).
- Integrated centre of musical education "Los Lujanes" (Madrid).
- Architecture and coordination in the buildings 1 and 3 and main building, of the financial city of the SCH in Boadilla del Monte Madrid.
- Building area 4 for the financial City of SCH in Boadilla del Monte (Madrid).

Residential Building

- Construction of 7 apartment buildings for 381 houses in Málaga.
- Construction of 355 dwellings under the P.A.U. "Las Tablas" Plan in Madrid.
- Construction of 110 dwellings in the "Cascada de Camojón" Housing Development in Marbella, Malaga.
- Construction of 78 dwellings in the "Residencial La Joya" in Las Rozas, Madrid.
- Construction of 140 dwellings in the piece of land R-4 of the Area U.50.4 of Zaragoza.
- Construction of 384 dwellings in Pozuelo de Alarcón for the Complutense University Foundation in Madrid.
- Construction of 232 state promoted dwellings, including business premises, garages and common areas, stages 1 st y 2 nd , in Coslada (Madrid).
- First stage of the building destined for residential and tertiary uses in La Coruña.
- 91 dwellings, premises, garages and lumber rooms in Rampa road in Abastos de Ceuta.
- 45 dwellings in the Urbanization "Sol de Mallorca", in Calviá.
- 93 dwellings in the Partial Plan of "Nuevos Corrales" Aljaraque (Huelva).

ii. Industrial Services

Distribution Networks

- Works in Madrid and in Comunidad Valenciana for Iberdrola.
- Installation of 160 km. of electric grid in Mexico, 170 km. in India, and 500 km. in Libya.
- Transmission Line 506. Substation Saltillo CC – Primero de Mayo, for the Federal Electricity Commission in México.
- Contract for Transmission Line 614, eastern sub-transmission, first phase, for the Federal Electricity Commission in México.
- Installation of water sanitation and distribution networks in the Arroyo Pozuelo storm tank for Madrid City Council.
- Installation of water sanitation and distribution networks in Matacardillo housing development for Jerez City Council, in Cádiz.

Energy Projects

- Construction of a GNL (Gas Natural Licuado) terminal in Sagunto (Valencia).
- Oil platform for the North Sea.

- Construction of topsides for the gas liquefying plant for Norway.
- Engineering, supply and erection of mechanical equipment and piping for the El Cairo North combined cycle power plant in Egypt.
- Revamping of two platforms (Alcal G y GR) of Pemex in the country Cantarel-Golfo de México.
- Revamping of two platforms Saltillo transmission line for the Commission Federal of Electrician, in Mexico.
- Line 500 Kv Uruguaiana-Santa Rosa in Brasil.
- Terminal of Gas (LPG) in Topolobampo (México).
- Combined Cycle Power Plant in Castellnou under “turnkey contract”.
- Undertaking of middle tension in area 2 and CM M-50 for UTE Radial 2.

Telecommunications

- Electrical, mechanical, voice, data and communications facilities for the Carlos III National Cardiovascular Research Centre in Madrid.
- Supply, transportation and installment of frequency regulation towers and microwaves support for Telefónica Móviles Mexico and Pegaso in Mexico.
- Contract of 5 years for Telefónica Perú in different areas.
- Construction of remote sites in the Vodafone network in several Spanish provinces.

Control Systems

- Installation and centralisation of hot box and blocked brake detectors in railway control systems in León, Oviedo, Orense, Valencia, Seville, Córdoba and Granada for RENFE.
- Project, works, electrification and maintenance of the air contact line and the associated systems for the Lleida-Barcelona line of the High Speed Train Madrid-Barcelona-French frontier.
- Construction of the catenaries of the Tianjin-Binhai line in China for CMC International Tendering Corporation.
- Installation SLA: 20 level crossings L-Madrid/Barcelona.
- Overhead power cable and substation of the section Zaragoza-Huesca (northeast corridor) of High Speed.
- Maintenance of the lightning installations and traffic management systems of Vigo for a period of 16 years.
- Maintenance of the lightning installations of Barcelona.
- Maintenance of the lightning installations of Valencia for 4 years.
- Providing and maintenance of the traffic management and control systems in the M-607 road, in Madrid.
- Maintenance of the control and regulation installations of the traffic in the city of Córdoba.
- Providing and installment of the toll management system of the R-3 and R-5 highways in Madrid.
- Installment of a traffic management system in the N-323 highway, in the stretch Bailén-Granada, including the circumvallation of Jaén and Granada.
- First extension to the conservation and maintenance contract for street lighting facilities in the SE zone of Madrid, for Madrid City Council.
- Automatic safety and blocking facilities CTC (Centralised Traffic Control) for the Nava-Infiesto section in Cantabria for FEVE.
- Extension to the operation and conservation contract for traffic regulation lighting in the central-west zone of Madrid.
- Maintenance of the Automatic Hydrographic Information System (SAIH) for the Tagus Hydrographic Confederation.
- Control system of the C.R. Cartagena Field irrigation, Stage 2.

- Supply of control and Safety installations of the parking in the new terminal area of the Barajas airport (Madrid).
- Maintenance of street lighting in the Municipality of Donostia.
- Integrated traffic system and toll "Free Flow" (SIGTP) for Vespucio Norte Express in Chile.
- Management system for P1 and P2 Parking in Barajas airport in Madrid.
- Toll, traffic and communication systems of the A-8 in Guipúzcoa.
- Meteorological data treatment management as well as traffic in A-6 (PK 402-457).
- Extension of the traffic management system and renewal in the associate communication system of N-VI (Bus-Vao).

Industrial Systems

- Installation and assembly of communication towers and huts for Telefónica Méjico.
- Conservation of paving in municipal public streets and areas for Madrid City Council.
- Refurbishment of San Andrés Square for Jerez City Council, in Cádiz.
- Mechanic installations for the building of the production Plant in Alhama (Murcia) for Bioferma.
- Air conditioning installations, fire protection, plumbing, and electrification of two buildings of Diagonal Mar, in Barcelona, for APEX 2000.
- Maintenance contracts of various buildings of Telefónica in Spain.
- Highway maintenance contracts in the provinces of Seville, Toledo, Huelva and Huesca.
- Integral maintenance contracts in the cities of Barcelona, Marbella and Salamanca.
- Integral exploitation of the signaling of the city of Alicante.
- Integral maintenance of the highway A-66, between León and Campomanes for Aucalsa.
- Integral maintenance of Huesca province.
- Integral maintenance of 68 Route in Chile for Rutas del Pacífico.
- Brand signaling and maintenance of the Campsa, Repsol and Petronor stations in different areas of the Spanish territory.
- Mechanic and electric installations of an audiovisual services building in Barcelona.
- Maintenance, enlargement and reparations of the military base of Rota (Cádiz) for the US Navy.
- Canalization monitoring and maintenance for the company Enagás.
- Installation of electricity and instrumentation on the Kristin Platform that Dragados Offshore is building in Cádiz for the Norwegian company Statoil.
- Extension to the electrical and instrumentation installation in the Interquisa Plant in Canadá.
- Extension of the mechanical assembly contract for the Interquisa Plant in Canadá.
- HVAC for the Satellite Building at Barajas Airport in Madrid, for the consortium UTE Edificio Satélite.
- Fuel storage facilities in Madeira, Portugal.
- Mechanical erection of piping for the BOP of San Roque Combined Cycle Power Plant.
- Side lighting of the third runway 15L-33R and associate taxi lines in the Barajas airport (Madrid).
- The Seville-Córdoba Gas Pipeline.
- Various jobs in La Pampilla, S.A. refinery (Peru).
- Electrical and HVAC installation as well as special installations in the reception and congress building in the international fair of Bilbao Exhibition Center.
- Revamping of the ammonia plant for Topolobampo en México.
- Mechanical erection of extension for the Repsol-Enagas plant in Palos de la Frontera (Huelva).
- Hospital equipment supplying for the Health Ministry in Bolivia.
- HVAC installation in the building of Foundation of Caixa de Galicia.
- Renovation and integral maintenance of PVC plants for Solvay-Indupa (Argentina).

iii. Services and Concessions

Environment

- Construction and operation of the Solid Urban Waste Plant in Palencia for a period of 3 years.
- Construction of the plant for solid municipal waste treatment, and dump sites in Ibiza.
- Degasification of rubbish dump for Tenerife city for a period of 30 years.
- Construction and exploitation of a rubbish dump of the Altamira city (Mexico) for a period of 15 years.
- Contract to build and operate for 25 years a plant to eliminate waste for the province of Lugo.
- Urban cleaning and SUW collection in Siero (Asturias), Cabra (Córdoba), Arrecife (Lanzarote), Esplugues de Llobregat (Barcelona); Vilassar de Mar (Barcelona), Las Rozas (Madrid), San Andreu de la Barca (Cataluña).
- Modification of the street-cleaning contract in zone 10 of Madrid (Villa de Vallecas), with a term of 10 years (Urbaser).
- Urban cleaning and SUW collection for the Comuna de Casablanca, in Morocco.
- Urban cleaning and SUW collection in Area number 2 in Bogotá (Colombia)
- Urban cleaning and SUW collection in The Olympic Games 2004 in Atenas (Greece).
- Urban cleaning and SUW collection in Maipú (Chile)
- Urban waste collection and cleaning for the Figueira de Foz City Hall, in Portugal.
- Sanitary waste treatment for the Instituto Madrileño de la Salud for 4 years.
- Sanitary waste treatment for the Conselleria de Sanitat of Valencia for 2 years.
- Garden maintenance of Santander city, for a period of 7 years.
- Garden maintenance and urban cleaning contract of Arrecife city (Lanzarote), for a period of 10 years.
- Gardening maintenance of the Hospitalet de Llobregat Council (Barcelona).
- Five-year extension of the contract to operate the Ecopark in Besós.
- Installation and start-up of a Biomethanitation Plant in Calais (France) and in Munich (Germany).

Facility Management

- One year's extension to the cleaning service on regional trains for RENFE.
- Contract to clean, maintain, conserve and provide security services for the winter and summer sports facilities run by the Patronato Deportivo Municipal de Toledo.
- Refurbishment Works in 2nd and 12th plants in O'Donnell building (Madrid).
- Integral conservation of the road area for the demarcation of Tarragona.
- Indoor cleaning of:
 - University Hospital Carlos Haya (Málaga)
 - Hospital Punta de Europa (Cádiz)
 - University Hospital "La Paz" (Madrid)
 - Centre of Primary Health Care of the "Instituto Catalán de la Salud"
 - Outbuildings of UNIÓN FENOSA
 - Hospital Development in Jaén.
 - Extension of cleaning service of the San Cecilio Hospital in Granada.
 - Extension in the cleaning and disinfection, service of buildings and installations of the Police and Civil Guard.

- Regional Government health of Levante (award of some packages in a cleaning selection process).
- Advertising management of the tube in Barcelona.

Concessions

- TP Ferro consortium, in which the Group participates, has been awarded with the concession of building the transfrontier connection by the High Speed Train Figueras-Perpignan.
- The Road Management Group (RMG) consortium, in which the Group participates, was awarded the contract for the A-1 Motorway between Darrington and Dishforth, in the centre of England.
- Thirteen kilometres of the Platinum Corridor motorway in South Africa were opened to the traffic.
- A contract was awarded to operate, maintain and conserve the A-8 motorway in Guipúzcoa.
- A concession was awarded to build, finance and operate the first subway line in Seville.
- A project was awarded for the motorway between Toledo and Consuegra under shadow type toll concession.
- Foundation stone celebration by President Lagos of the Motorway Américo Vespucio-Norponiente, Santiago (Chile).
- Award to manage and initiate the Works of the Montego Bay airport (Jamaica).
- Inauguration of two sections of A23 of 20 and 47 Km., being open to the traffic the toll road from Guarda to Lisboa, with the exception of the tunnel of Garduña, expected to be open in November.
- Designation of "preferred bidder" for the concession of 30 years of 54 Km. of the toll motorway N1/ M1 Dundalk Western By-Pass (Ireland).
- Designation of "preferred bidder" for the concession of 20 years of 22 Km. under the shadow toll system of the toll road N 31 Friesland (Holland).
- Inauguration of the R-2 Madrid-Guadalajara, first radial trunk in Madrid.

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