



ACS Industrial Services

Mr. Ignacio Pérez Rodríguez

September 29th, 2004

Introduction

Organizational structure

Strategic positioning

Main financial figures

Growth opportunities

ACS Industrial Services

Leadership in the applied engineering and specialized services industry

1 in Industrial Services in Spain, Portugal and Latam

Own corporate culture, with over 75 years of experience providing services to our clients

Main supplier of the energy operators for the development & maintenance of installations

Significant agent in the development & maintenance of technological systems

Leader in other fields related to engineering, installing & maintaining industrial infrastructures

Main figures

Sales 04e ~ € 3,300 mn

EBIT 04e ~ € 250 mn

Net Profit 04e > € 150 mn

Employees ~ 28.000

High profitability and recurrence

ROE > 30%

ROCE > 25%

Free Cash Flow generation

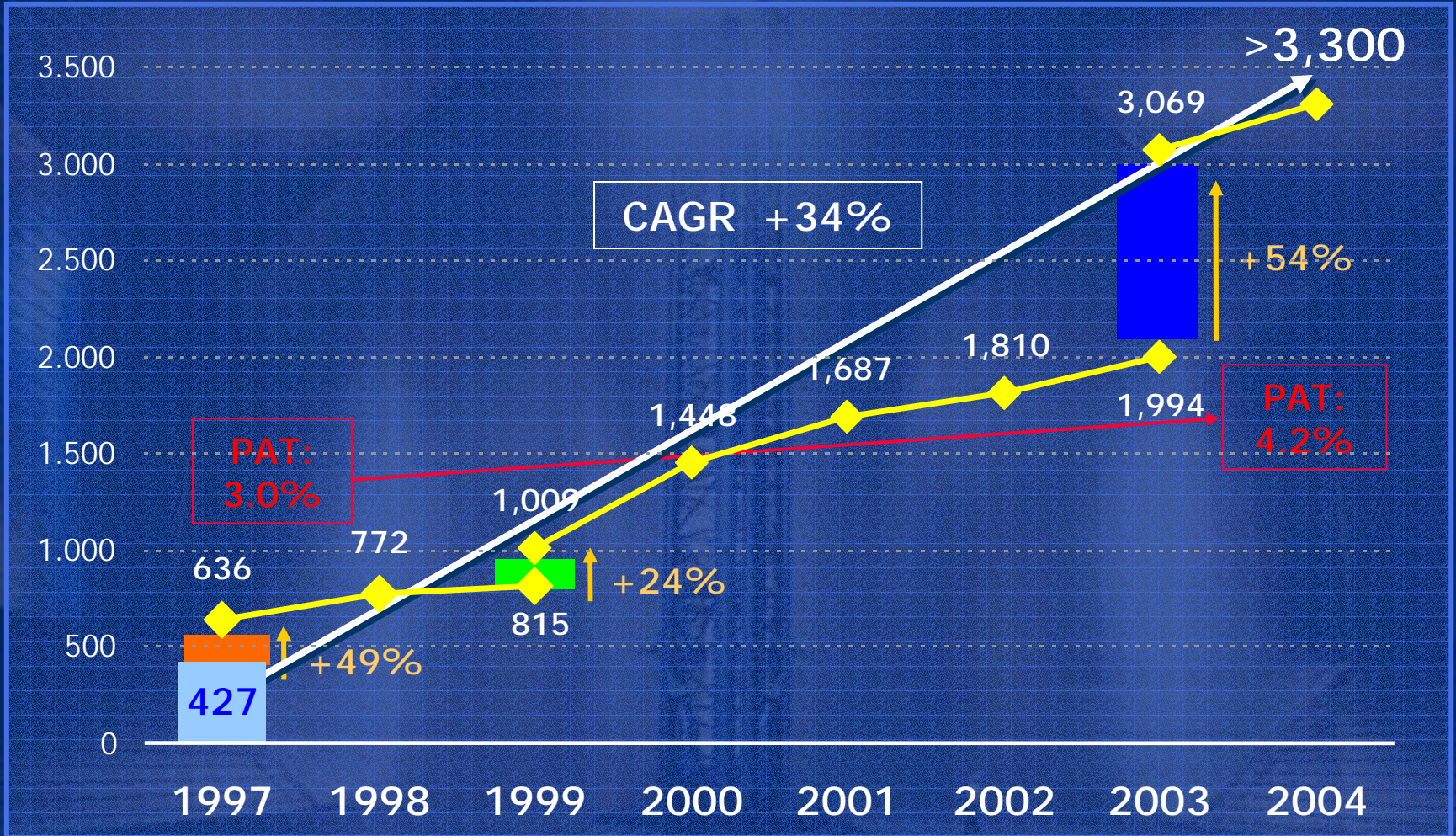
Good growth opportunities

Wide services diversification

Global presence: internationalization > 30%

Historic evolution

(€ mn)



COBRA
SEMI

API, ETRA
MAESSA
ELECTRÉN
ROURA

IMES

DINSA

Features

RETAIL
70%
International 9%



NETWORKS
**SPECIALIZED
INSTALLATIONS**
CONTROL SYSTEMS

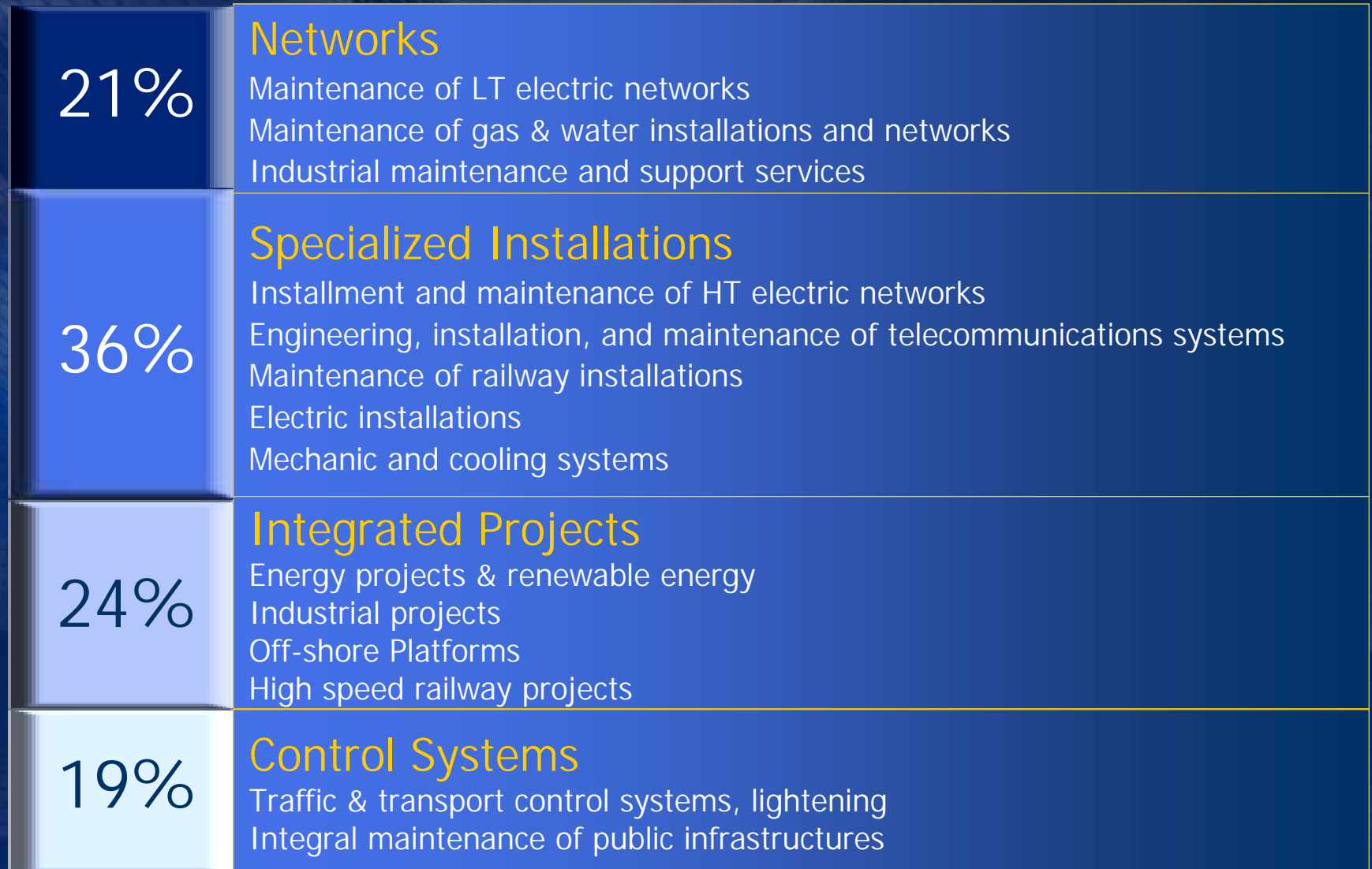
- Close geographical presence → Network
- Wide range of products → Range
- High recurrence
- Without product risk
- Local risks
- Travels: Permanent offices
- Growth: Network and range
- Significant entry barriers
 - Specialization
 - Network
 - Prices

**LARGE
PROJECTS**
30%
International 60%



**LARGE SPECIALIZED
INSTALLATIONS**
INTEGRATED PROJECTS
CONCESSIONS

- Very exportable
- Risks
- Critical mass Spain



Introduction

Organizational structure

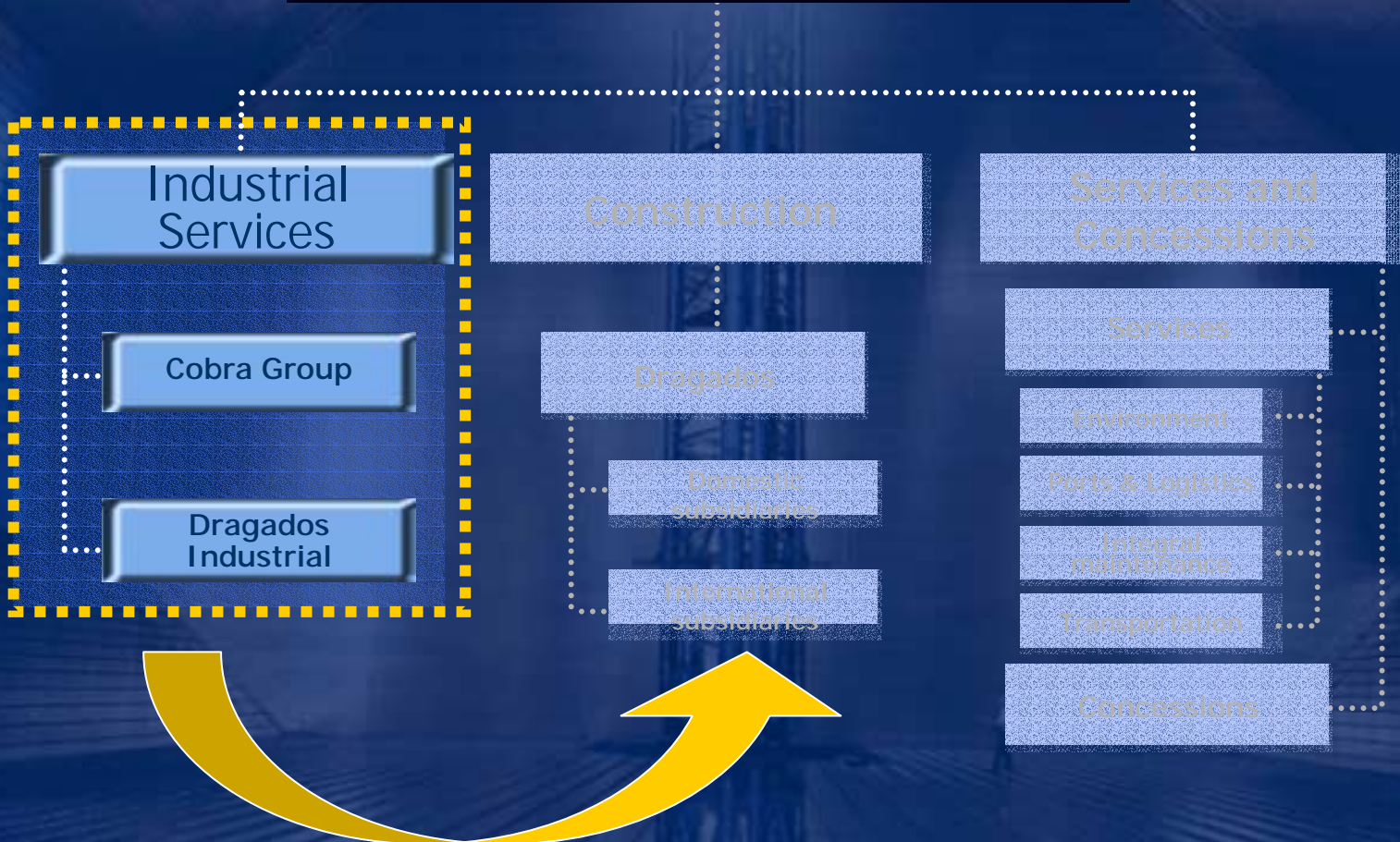
Strategic positioning

Main financial figures

Growth opportunities

Flexible & decentralized organization

Management committee



ACS Industrial Services



- Decentralized structure
 - Enables multi-management: product - client
 - Promotes internal competence
 - Encourages new business opportunities

- Coordination of commercial and operating policies
 - Client management
 - Risk management

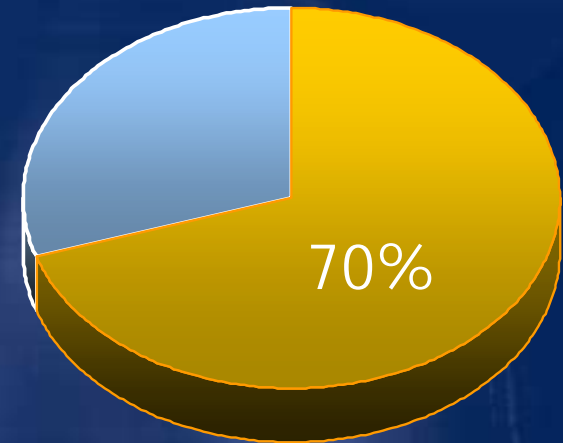
Revenues: diversification & recurrence



2003

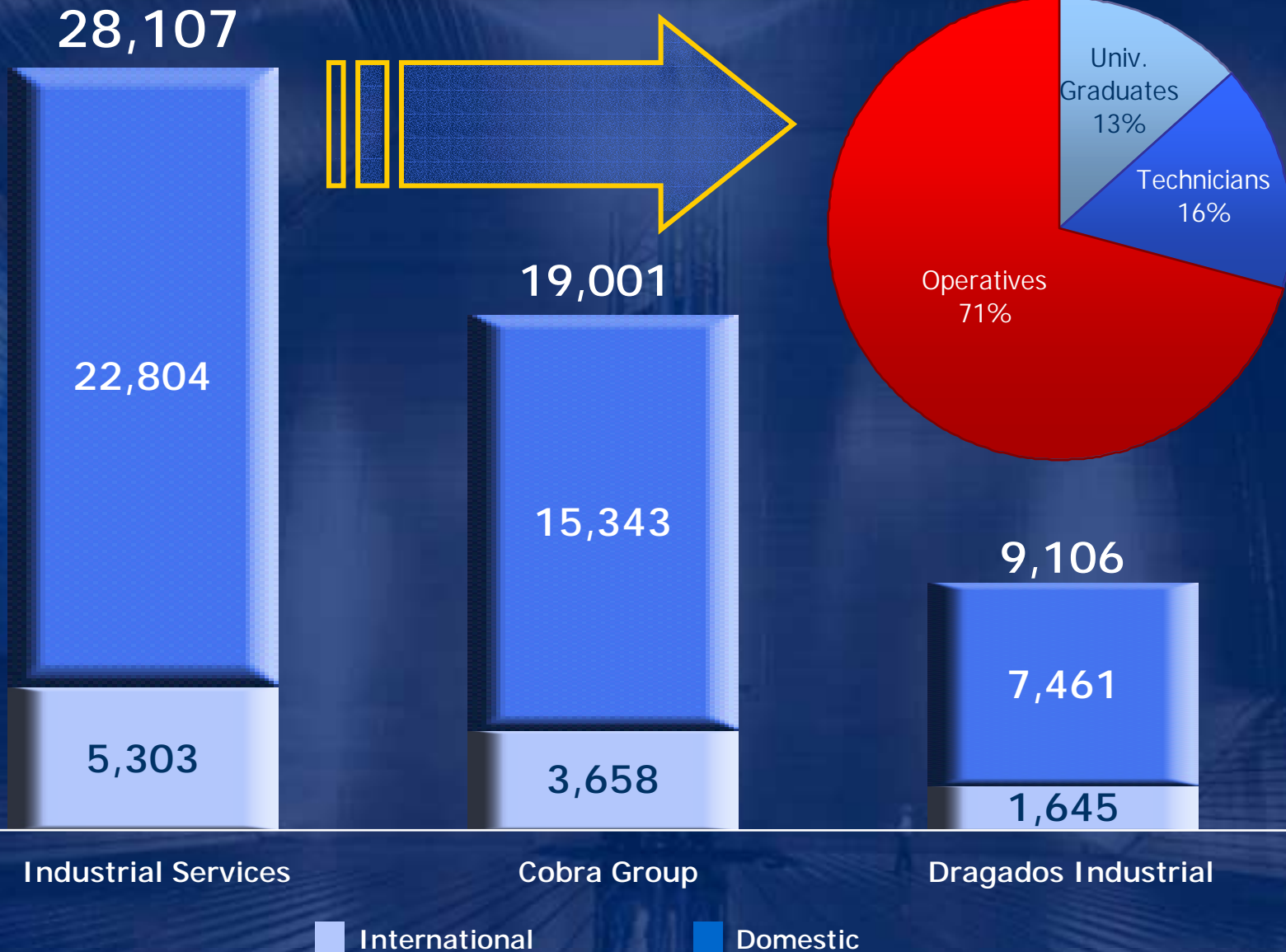
Cobra Group

Dragados Industrial



Recurrent revenues

Human resources: qualification & experience



Introduction

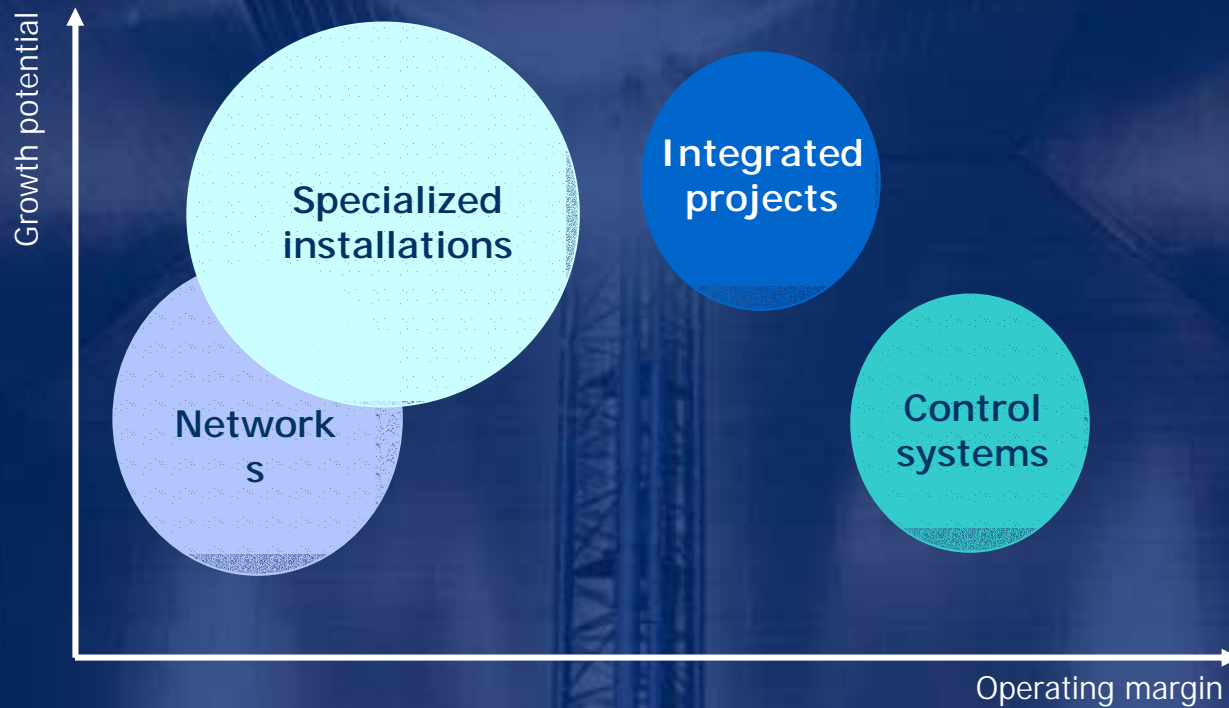
Organizational structure

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Strategic positioning



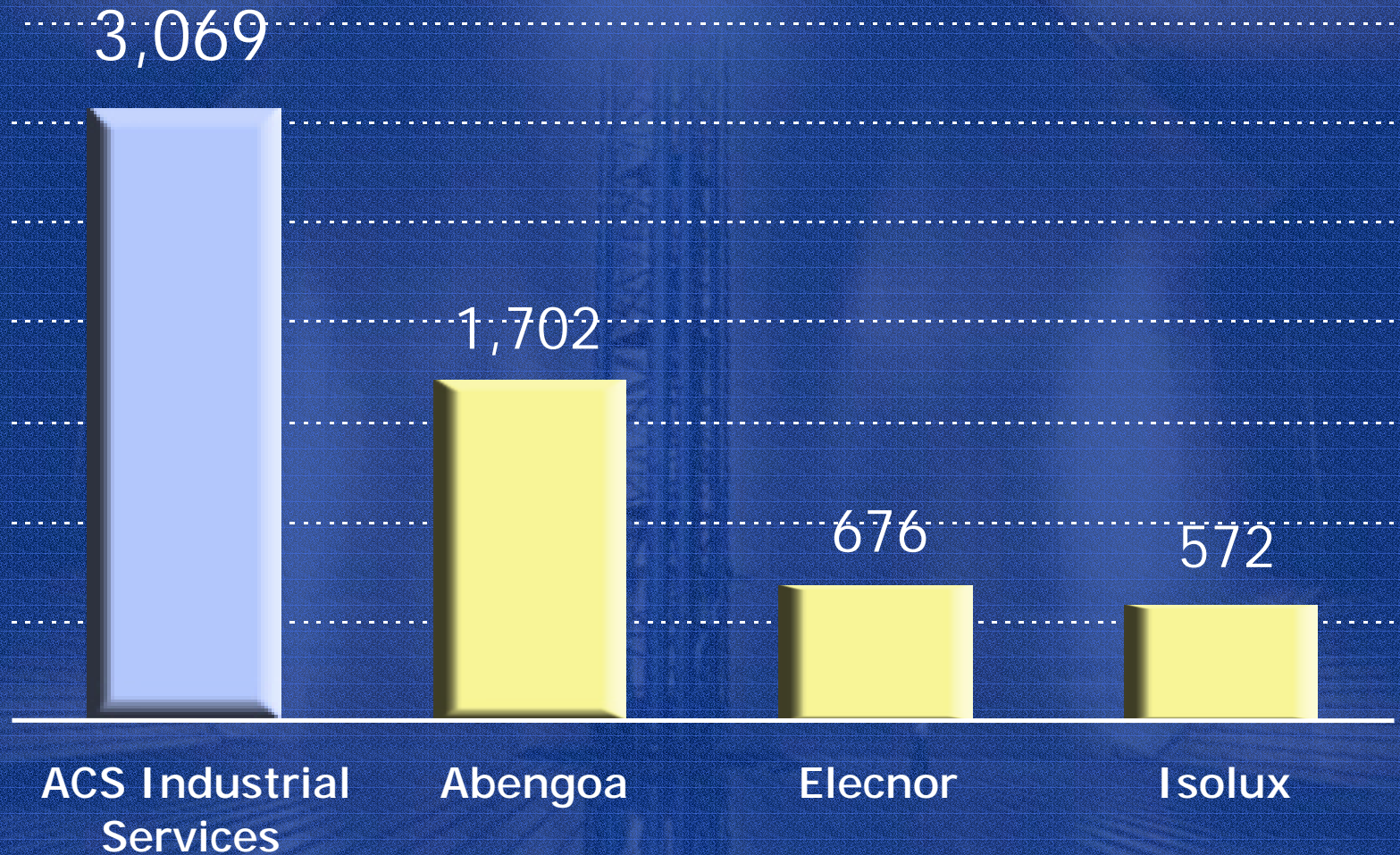
Continue with sustainable growth in recurrent services

Promote new businesses through the investment in high tech projects

Increase the average profitability, strengthening higher value added services

ACS vs. main competitors

2003 Sales (€ mn)



Competitive advantages

Leading position

High technical qualification

Processes and services integration capacity

Wide geographical reach

Dynamic and efficient structure

Business diversification

**Specialization
ready for the
CLIENT**

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Organizational structure

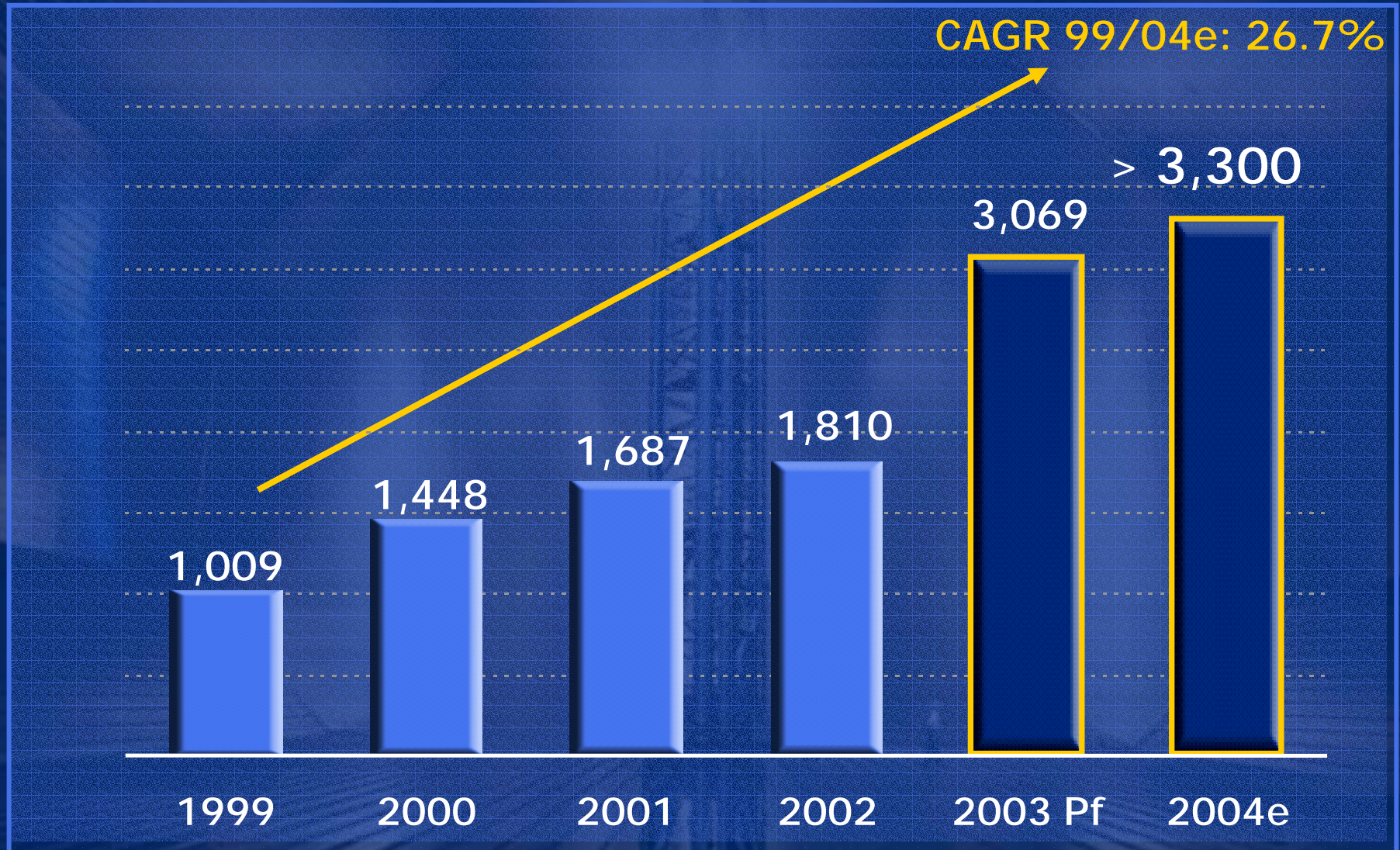
Strategic positioning

Main financial figures

Growth opportunities

(€ mn)	2002 Pf	2003 Pf	Var.	1H04	Var. 1H04/1H03
Sales	2,827	3,069	+8.6%	1,613	+8.6%
EBITDA	246	278	+13.0%	134	+12.7%
Margin	8.6%	9.0%		8.3%	
EBIT	202	227	+12.3%	112	+10.0%
Margin	7.2%	7.4%		6.9%	
Ordinary Profit	157	199	+26.7%	106	+7.0%
Margin	5.6%	6.5%		6.6%	
Net Profit	100	132	+32.6%	70	+11.6%
Margin	3.5%	4.3%		4.3%	
Tax rate	32.1%	29.7%		31.7%	

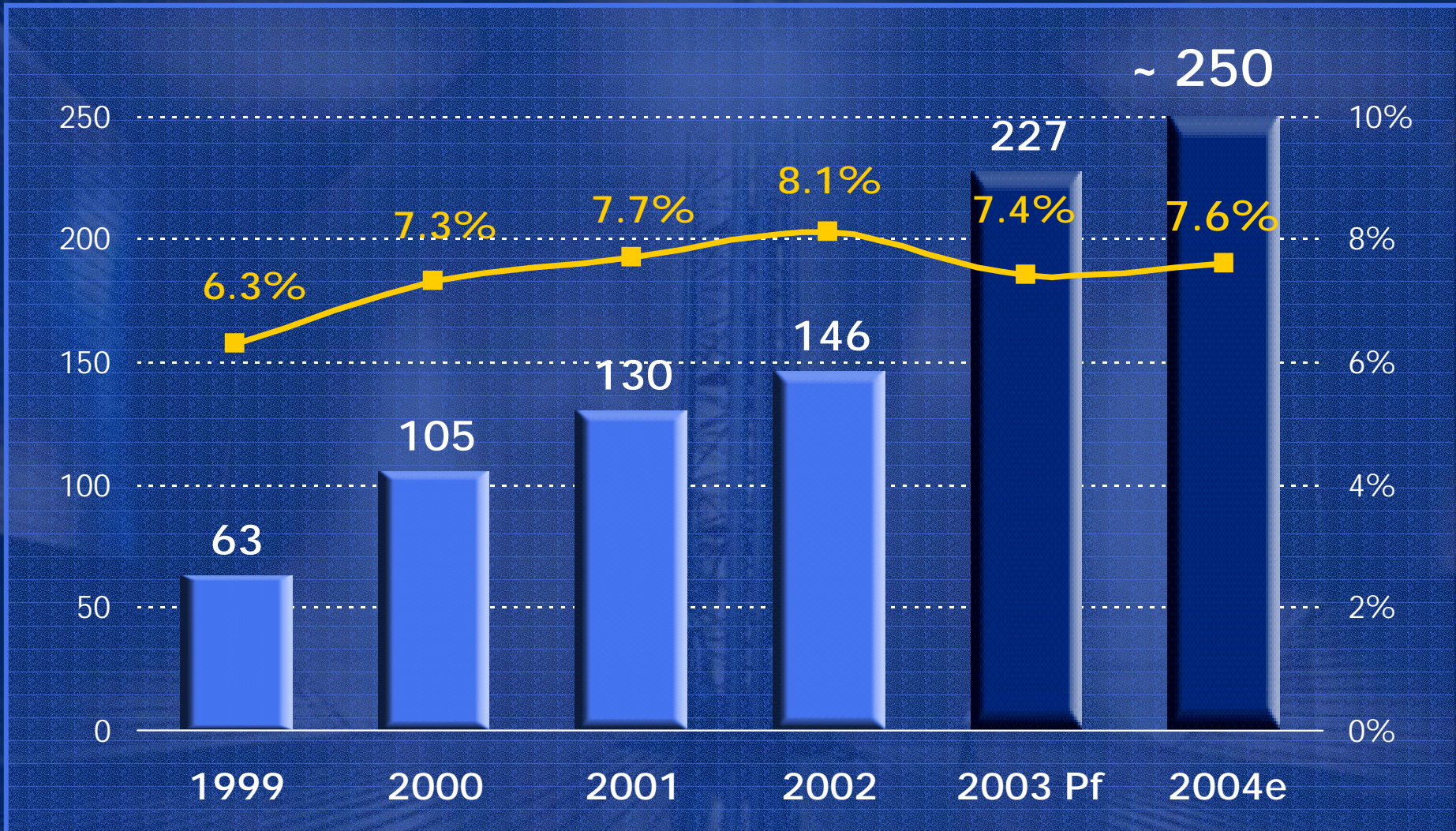
(€ mn)



EBIT evolution

(€ mn)

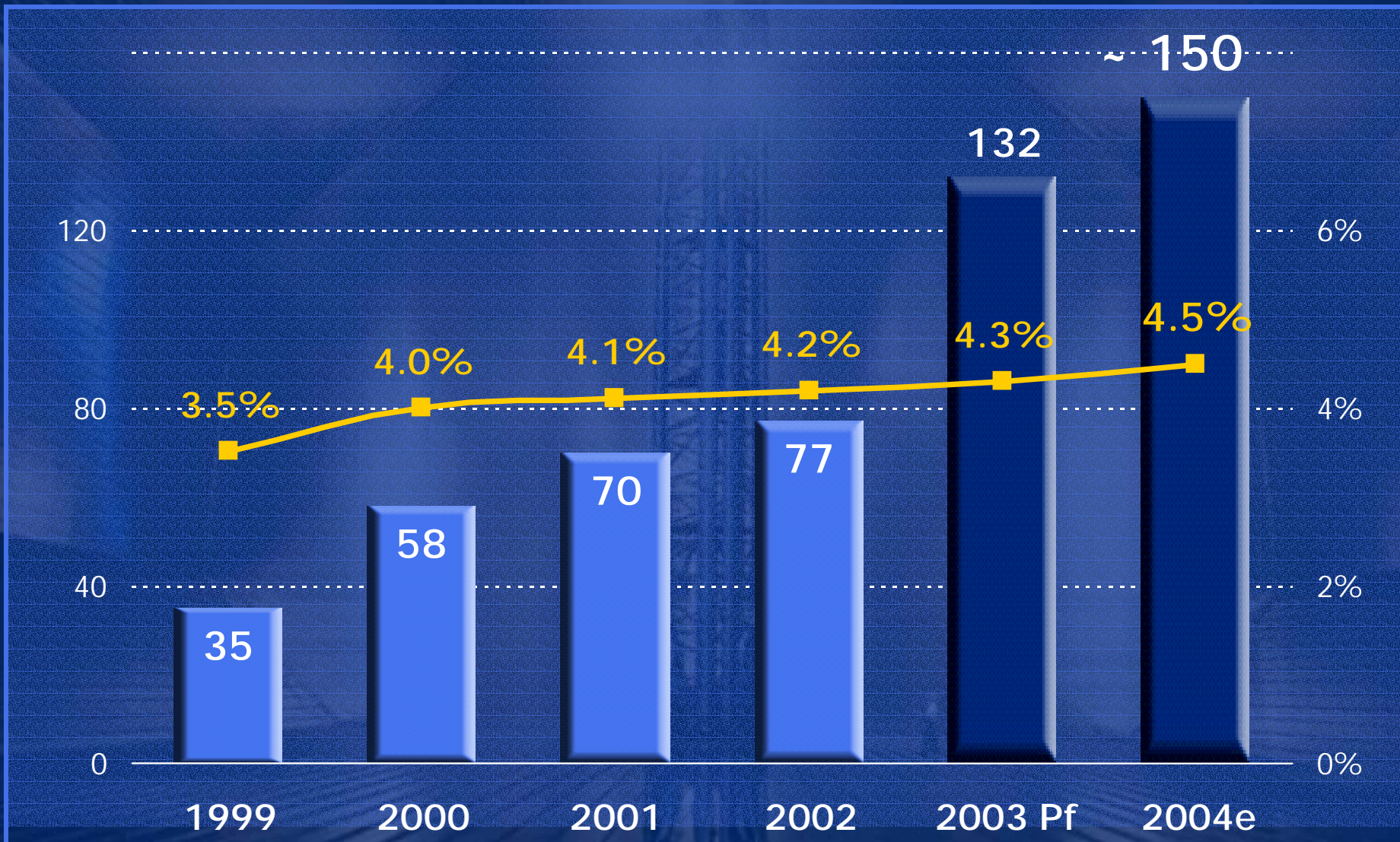
(Margin over Sales)



Net Profit evolution

(€ mn)

(Margin over Sales)



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Development and maintenance of energy infrastructures

Investment in new installations and industrial services

Increasing outsourcing of public and private services

Higher internationalization of our activities

Sustained demand of new projects and services, in line with world economic growth

New energy infrastructures

National market

National Energy Plan (2002-12)

Government's policy to assure that current supply and additional installed capacity will satisfy new demand from the market with an appropriate mix of energy sources in order to meet the Kyoto Protocol

International market

Demand growth worldwide

- Strong energy demand in emerging countries
- Limited production capacity
- Need of new installations

Electricity

- Construction & maintenance of power generation plants:
 - CCGT
 - Renewable Energy
- Installation & maintenance of the electric grid:
 - HT & MT transmission lines
 - Transformers
 - LT distribution lines

Oil & Gas

- Construction of operating and drilling structures
- Development of storage facilities
- Construction & enlargement of pipelines
- Installation & maintenance of industrial networks
- Development of gas home distribution

Growing demand of outsourcing

"Utilities" & Industrial

- Increase productivity to be competitive in industries more liberalized
- Introduce flexibility in our companies in order to increase efficiency levels
- Promote the expansion to new activities in the domestic and international markets

Public Administrations

- Optimize the public expenditure according to social demands
- Improve current social services: waste and water management, traffic systems, integral maintenance, etc...
- Develop new products and technologies to increase services for the population



Strong growth potential of profitable and recurrent businesses

Achievable financial targets

Business Plan 2003 - 2007

	2007 Target	CAGR
Sales	> € 4,200 mn	8-10%
EBIT	> € 325 mn	~ 10%
Net Profit	> € 200 mn	~ 15%



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