



**MAIN IMPACTS ON 2004 FINANCIAL STATEMENTS  
OF THE TRANSITION TO IFRSs**

**May 6, 2005**

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*The following financial information has been prepared in accordance with the new IFRSs and the existing interpretations for the period ending December 31, 2005. Therefore, the following must be considered :*

- This information has been prepared on the assumption that the current IFRSs will be approved by the European Commission at the appropriate time.
- The standards that have been issued and adopted by the European Union to date are subject to interpretations issued by the IFRIC. Additionally, the IASB might issue new standards applicable to fiscal periods starting on January 1, 2005.
- A body has not yet been created to deal with the correct implementation and detailed regulation of the standards. As a result, there is no organization to whom to address such technical questions as might arise during the application of the regulations.  
In this regard, there is a significant level of uncertainty as to the interpretation of the accounting methodology applicable to concessions. Therefore, only a change with respect to the current methodology has been introduced. This change is detailed in this document.
- This situation could have an impact on certain decisions and interpretations adopted by the ACS Group in the preparation of the information contained in this document.
- As a result of the foregoing, certain changes may be made to some of the figures in this document when the comparative information in the 2005 Annual Report of ACS is published.

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### First-time adoption

European regulations oblige listed companies to report their 2005 consolidated financial statements in accordance with the new IFRSs. Since the regulations require that comparative information for 2004 be presented, it is necessary to restate the 2004 accounts in accordance with IFRSs. In this regard, the first-time adoption date, also known as the transition date, is January 1, 2004. At this date, all the adjustments arising from the application of IFRSs result in increases or decreases in equity.

### Exceptions applied

The ACS Group has decided to apply all the exceptions provided for in the first-time adoption standard, including most notably the following:

- The revaluation of tangible fixed assets made in accordance with Spanish GAAP are maintained.
- Business combinations prior to January 1, 2004, are not recalculated.
- All the accumulated translation differences through December 31, 2003, are reclassified as reserves.
- The application of IAS 32 and IAS 39 (Financial Instruments) as of December 31, 2004 is not included. Only the treasury stock has been included as less equity. As permitted by IFRSs, the date that has been chosen to reflect the first impact is January 1, 2005, the effects of which would be as follows:
  - Hedging instruments valued at market (mainly interest rate swaps and currency hedges).
  - Non consolidated equity investments valued at market.

### Review of external auditors

The external auditors have reviewed the first-time adoption of IFRSs and are currently reviewing the impact thereof on each line of business for 2004.

## General Aspects: Main Impacts in 2004

Euro million

	SP GAAP	IFRSs	Impact	Description
<b>Total net worth</b>	2,103.9	2,108.6	+ 4.7	The increase in net worth is due to the inclusion of the balance of minority interests (117.0 M €), which offsets the negative net adjustments (112.3 M €) arising from the transition to IFRSs.
<b>Net income</b>	<b>460.4</b>	<b>452.5</b>	<b>- 7.9</b>	<ul style="list-style-type: none"> <li>▪ The reduction is due mainly to extraordinary negative impacts caused by reclassifying treasury stock gains into equity.</li> <li>▪ The main recurring effects are as follows:                             <ul style="list-style-type: none"> <li>• an increase in income due to the lack of goodwill amortization</li> <li>• a decrease in income due to the lack of capitalization of the deferred interest on concessions.</li> </ul> </li> </ul>
Construction	217.3	221.4	+ 4.1	
Industrial services	149.0	151.5	+ 2.5	
Services	85.6	98.7	+ 13.1	
Concessions	64.4	39.6	-24.8	
Other	-55.9	-58.7	- 2.8	

The recurring effect on income would be an increase of approximately 28 M €

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## Main differences between Spanish GAAP and IFRSs affecting the ACS Group (1)

### Project expenses

**No capitalization of the pre-contract or project expenses**, excepted those incurred since the award date or final negotiation of the related contract.

### Research expenses

**No capitalization of research expenses**, only development expenses.

### Start-up expenses

**Start-up expenses** are expensed currently. Capital increase expenses are recorded directly as a reduction of shareholders' equity.

### Goodwill

There is no amortization of **goodwill**. Instead, every year an impairment test will be performed. However, a portion of the goodwill relating to the Abertis shares acquired in 2004 has been partially allocated as an addition to the concession assets and, consequently, it is being depreciated in the corresponding period.

## Main differences between Spanish GAAP and IFRSs affecting the ACS Group (2)

### Extraordinary results

There is no longer a caption for extraordinary results.

### Construction

Under IFRSs revenues and expenses must be accounted for using the percentage-of-completion method. Therefore, the ACS Group considers that in view of the specific nature of this industry, the method currently applied (construction priced listing or percentage-of-completion of construction units, which entails the recognition of physical production completed valued at certification price) is compatible with IAS 11 – Construction Contracts.

## Main differences between Spanish GAAP and IFRSs affecting the ACS Group (3)

### Concessions

- Financial expenses incurred once the concession is in operation may not be capitalized. Therefore, under IFRSs, financial expenses have to be recognized on an accrual basis. **This is the only impact that has been recorded in relation to infrastructure concessions** that are accounted for based on the Spanish industry GAAP. In the ACS Group this affects mainly the companies accounted for by the equity method, since most of the concessions are operated through companies over which the Group has a significant influence.
- According to the draft IFRIC interpretations on concessions published to date, which are now at the exposure draft stage, concessions must be accounted for in one of two different ways, depending on the party that pays the concession-holder:
  - **Intangible asset.**- Applicable when the concession-holder is paid directly by the users. The treatment would be similar to that used at present, except for the fact that the assets are not accounted for as tangible fixed assets but rather as intangible assets, the deferred financial expenses are not capitalized and there are no provisions to a reversion reserve (considered to be an addition to the amortization expense).
  - **Financial asset.**- (long-term account receivable) - Applicable when the grantor pays the operator directly. Only the maintenance or operation of the asset under the concession are recognized as sales. Therefore, the recovery of the investment is treated as collections from the financial asset. Although the EBITDA are reduced, the net income is recognized steadily. This affects mainly environmental concessions and shadow tolls.

## Main differences between Spanish GAAP and IFRSs affecting the ACS Group (4)

### Leased assets

Leased assets are recorded as tangible fixed assets based on their nature. The total debt net of the related financial costs is recorded as a liability. The financial costs are recorded on an accrual basis.

### Financial expenses

Deferred financial expenses are not capitalized under IFRSs but are rather recorded as a reduction of bank debt on an accrual basis.

### Treasury stock

Treasury stock is recorded as a reduction of shareholders' equity. Except for this adjustment, IAS 32 (Financial Instruments) will not be applied until January 1, 2005.

### Deferred tax assets

All deferred tax assets that can be considered recoverable are recognized, without the ten-year limit provided for under Spanish legislation.

## Main differences between Spanish GAAP and IFRSs affecting the ACS Group (5)

### Real estate activity

In the real estate business (mainly through Inmobiliaria Urbis, S.A.) the main impacts are as follows:

- Income may not be recognized even when the property development has been substantially completed. Sales and the associated cost of sales must be accounted for at the delivery date.
- Rental assets may be valued at market (this option has not been adopted by the ACS Group).

### Provisions

There are **no significant effects of implementing IAS 37** (Provisions, Contingent Liabilities and Contingent Assets). Most of the ACS Group's provisions still exist under IFRSs.

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*Under IFRSs there are certain accounting alternatives. In accordance with the accounting principle of prudence and in order to minimize the volatility of results and other impacts on the balance sheet, the ACS Group decided to choose the following options:*

### Financial statements

- Classification at short and long term (IAS 1): Before or after 12 months
- Income statement will be shown by nature, not cost accounting (IAS 1)
- Statement of cash flows will be prepared using the indirect method

### Other

- No recalculation of historical goodwill
- Tangible fixed asset (IAS 16): acquisition cost
- Real estate investment properties (IAS 40): acquisition cost
- Grants (IAS 20): deferred revenues
- Capitalization of financing interest during the construction period (IAS 23)
- Reclassification of the translation differences as of 12/31/03 as reserves
- First-time application of derivatives and other financial instruments as of 01/01/05

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Description	(Decrease) / Increase Millions of Euros	Coments
<b>Net worth as of 12/31/04 per Spanish GAAP</b>	<b>2,103.9</b>	Minority interests not included
Construction	- 1.0	Start-up expenses
Industrial	- 15.9	Start-up expenses and precontract expenses
Services	- 4.0	Start-up expenses and precontract expenses
Concessions	- 83.6	Mainly deferred financial expenses
Corporate	- 7.8	Treasury stock, no amortization of goodwill, adjustment to IFRSs of investees and recognition of deferred tax assets
<b>Total adjustments</b>	<b>- 112.3</b>	
Minority interests	+ 117.0	
<b>Net worth as of 12/31/04 per IFRSs</b>	<b>2,108.6</b>	Including effects on minority interests

	Methods		(Decrease) /Increase Impact on S.E. Millions of Euros
	Sp GAAP	IFRSs	
R&D expenses	Straight-line amortization over five years	Only development expenses capitalizable	- 1.4
Preopening expenses	Straight-line amortization over five years	Expensed currently	- 2.2
Precontract expenses	Capitalizable if the project is viable	Capitalizable from the contract negotiation phase only	- 11.3
Other minor expenses	----	----	- 1.0
		<b>TOTAL</b>	<b>- 15.9</b>

Methods			(Decrease) /Increase Impact on S.E. Millions of Euros
	Sp GAAP	IFRSs	
Incorporation and preopening expenses	Straight-line amortization over five years	Expensed currently	- 5.9
Precontract expenses	Capitalizable if the project is viable	Capitalizable from the contract negotiation phase only	- 5.4
Financial expenses	Deferred and recognized in proportion to revenues	Expensed currently	- 4.9
Goodwill	Straight-line amortization over 20 years	Not amortized. Annual impairment test	+ 12.2
<b>TOTAL</b>			<b>- 4.0</b>

	Methods		(Decrease) /Increase Impact on S.E. Millions of Euros
	Sp GAAP	IFRSs	
Financial expenses	Deferred and recognized in proportion to revenues	Expensed currently	- 85.9 <sup>(*)</sup>
Precontract expenses	Capitalizable and amortizable over the term of the project	Capitalizable from the contract negotiation phase only	- 1.3
Other minor expenses	---	----	+ 3.6
		<b>TOTAL</b>	<b>- 83,6</b>

(\*) Relating to: Abertis 62.6 M €, Rutas del Pacifico 8.9 M €, South Africa 5.3 M €, SCL 2.2 M €, R-2 5.7 M € and Ruta de los Pantanos 0.6 M €

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## Comparison of Spanish GAAP and 2004 IFRSs: Total Group

<i>(Millions of Euros)</i>	Sp GAAP	IFRSs	Variation
<b>Turnover</b>	10,960.7	10,817.9	-142.8 (1)
<b>Operating Cash-Flow (EBITDA)</b>	977.3	984.1	+6.8 (2)
<b>Operating Profit (EBIT)</b>	711.0	728.1	+17.1 (3)
<b>Ordinary Income</b>	645.4	624.2	-21.1 (4)
<b>Attributable Net Income</b>	460.4	452.5	-7.9
<i>Operating Cash-Flow (Ebitda)/Turnover</i>	8.9%	9.1%	
<i>Operating Profit (Ebit)/ Turnover</i>	6.5%	6.7%	
<i>Net Profit/Turnover</i>	4.2%	4.2%	

(1) Reduction of sales and cost of sales by the same amount in Port Services due to agency activity. Under IFRSs, only the commission billed is recognized as sales.

(2) Relating mainly to precontract expenses already eliminated as of transition date and expensed in 2004.

(3) No amortization of capital increase and preopening expenses already amortized against reserves in the first-time application.

(4) Including the negative impact of concessions due to the lack of capitalization the deferred financial expenses and the provision for Xfera and the elimination against reserves of the gain on the sale of treasury stock. The positive effect relates to the lack of goodwill amortization.

## Comparison of Spanish GAAP and 2004 IFRSs: Construction

<i>(Millions of Euros)</i>	Sp GAAP	IFRSs	Variation
<b>Turnover</b>	5,230.3	5,230.3	
<b>Operating Cash-Flow (EBITDA)</b>	389.4	398.1	+8.7 (1)
<b>Operating Profit (EBIT)</b>	318.9	327.7	+8.8 (1)
<b>Ordinary Income</b>	337.3	335.9	-1.3
<b>Attributable Net Income</b>	217.3	221.4	+4.1
<i>Operating Cash-Flow (Ebitda)/Turnover</i>	7.4%	7.6%	
<i>Operating Profit (Ebit)/ Turnover</i>	6.1%	6.3%	
<i>Net Profit/Turnover</i>	4.2%	4.2%	

(1) Relating to precontract expenses already eliminated as of transition date expensed during 2004.

## Comparison of Spanish GAAP and 2004 IFRSs: Industrial

<i>(Millions of Euros)</i>	Sp GAAP	IFRSs	Variation
<b>Turnover</b>	3,490.5	3,490.5	
<b>Operating Cash-Flow (EBITDA)</b>	295.9	293.8	-2.1 (1)
<b>Operating Profit (EBIT)</b>	246.7	246.9	+0.2 (2)
<b>Ordinary Income</b>	226.6	217.6	-9.0 (3)
<b>Attributable Net Income</b>	149.0	151.5	+2.5
<i>Operating Cash-Flow (Ebitda)/Turnover</i>	8.5%	8.4%	
<i>Operating Profit (Ebit)/ Turnover</i>	7.1%	7.1%	
<i>Net Profit/Turnover</i>	4.3%	4.3%	

(1) Due mainly to initial expenses incurred in relation to new projects that were expensed under IFRSs and capitalized under Spanish GAAP.

(2) Amortization of R&D and capital increase expenses already recognized under IFRSs.

(3) Basically the reclassification of extraordinary losses under IFRSs.

## Comparison of Spanish GAAP and 2004 IFRSs: Services

*((Millions of Euros))*

	Sp GAAP	IFRSs	Variation
<b>Turnover</b>	2,329.3	2,186.5	-142.8 (1)
<b>Operating Cash-Flow (EBITDA)</b>	314.9	314.2	-0.7 (2)
<b>Operating Profit (EBIT)</b>	171.5	178.5	+7.0 (3)
<b>Ordinary Income</b>	118.3	138.9	+20.6 (4)
<b>Attributable Net Income</b>	85.6	98.7	+13.2
<i>Operating Cash-Flow (Ebitda)/Turnover</i>	13.5%	14.4%	
<i>Operating Profit (Ebit)/ Turnover</i>	7.4%	8.2%	
<i>Net Profit/Turnover</i>	3.7%	4.5%	

(1) Reduction of sales and cost of sales by the same amount in Port Activity due to agency activity. Under IFRSs, only the commission billed is recognized as sales.

(2) Research and start-up expenses incurred in 2004 that are not capitalizable under IFRSs.

(3) No amortization of capital increase and preopening expenses already amortized against reserves in the first-time application.

(4) Due mainly to the lack of goodwill amortization.

## Comparison of Spanish GAAP and 2004 IFRSs: Concessions

<i>(Euro Millions)</i>	Sp GAAP	IFRSs	Variation
Turnover	15.3	15.3	
Operating Cash-Flow (EBITDA)	(1.8)	(0.9)	+0.9
Operating Profit (EBIT)	(2.0)	(1.0)	+1.1
Ordinary Income	57.8	32.4	-25.4 (1)
Attributable Net Income	64.4	39.6	-24.8

(1) The negative adjustment of the non-deferral of the financial expenses on concessions. Mainly Albertis 14.8 M €, R-2, 4.4 M €, South Africa, 3.2 M €, R. del Pacífico, 2.6 M €. Also, the goodwill on the acquisitions of Albertis shares in 2004 was partially allocated as an addition to the concession assets and, therefore, it is being amortized over the corresponding period.

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## IFRS Balance Sheet – 12/31/04 - ASSETS

(€ Millions)	Increase / (Decrease)		
	Spanish GAAP	IFRS	Total Variation
Due from shareholders for uncalled capital	4.5	0.0	-4.5 (1)
Start-up expenses	10.6	0.0	-10.6 (2)
Intangible assets	276.2	97.2	-179.0 (3)
Tangible fixed assets + long term assets in projects	2,056.6	2,190.4	+133.8 (4)
Long term investments	1,723.5	2,152.3	+428.8 (5)
Goodwill	1,257.4	1,012.1	-245.3 (6)
Deferred charges	55.9	0.0	-55.9 (7)
Current assets	7,224.7	6,991.5	-233.2 (8)
<b>TOTAL ASSETS</b>	<b>12,609.4</b>	<b>12,443.5</b>	<b>-165.9</b>

(1) This caption is shown net of minority interest

(2) This caption can not be capitalized according to IFRS

(3) Mainly, reclassifications from leasing to tangible fixed assets and no capitalization of the research expenses

(4) Mainly increases from reclassifications of leasing and reclassification of the Reversion reserve as less tangible fixed assets

(5) Mainly: Increase due to reclassification of Abertis goodwill as equity method. Decrease in equity method by non deferring the financial expenses in concessions. Increase by the deferred tax assets

(6) Reduce due to the reclassification of Abertis goodwill to equity method and no amortization of goodwill

(7) Mainly reclassification as less financial debt of the leasing financial expenses and deferred financial costs

(8) Mainly reduction of the precontract expenses that are not capitalizable, treasury stock as less net equity and reclassification of the deferred tax assets to long term

## IFRS Balance Sheet – 12/31/04 – Equity and Liabilities

(€ Millions)	Increase / (Decrease)		
	Spanish GAAP	IFRS	Total Variation
Parent shareholders' equity (without minority interest)	2,103.9	1,991.6	-112.3
Capital + additional paid in	1,073.7	1,073.7	+0.0
Reserves	824.4	532.0	-292.4 (9)
Translation differences	(205.2)	(17.2)	+188.0 (10)
Interim dividend paid during the year	(49.4)	(49.4)	+0.0
Income attributable to the parent company	460.4	452.5	-7.9
Minority interest	119.1	117.0	-2.1
Negative consolidation difference	4.4	0.0	-4.4
Deferred revenues	161.4	151.9	-9.5
Provisions for contingences and expenses	258.1	234.5	-23.6 (11)
Long term payables	2,111.9	2,118.8	+6.9
Current liabilities	7,850.6	7,829.7	-20.9
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>12,609.4</b>	<b>12,443.5</b>	<b>-165.9</b>

(9) All IFRS impacts plus rename of the translation differences to reserves

(10) Rename of the translation differences as reserves based on first time adoption

(11) Reclassification of the Reversion reserve as less tangible fixed assets

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1

The ACS Group's recurring consolidated net income under IFRSs is estimated as being approximately 28 M € higher than under Spanish GAAP.

2

The ACS Group's dividend policy will not be affected by the application of IFRSs.

3

The effective tax payments will not be affected by the application of IFRSs.

4

The indebtedness is not significantly affected by the implementation of IFRSs.

5

The application of IFRSs will make it easier to compare the ACS Group with its European competitors.

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## Comparison of Spanish GAAP with 2004 IFRSs: Total Group

<i>(Millions of Euros)</i>	SP GAAP-04	IFRS - 04	Variation
<b>Turnover</b>	10,960.7	10,817.9	-142.8
Operating Expenses	9,983.3	9,833.8	-149.6
<b>Operating Cash-Flow (EBITDA)</b>	<b>977.3</b>	<b>984.1</b>	<b>+6.8</b>
Amortization and Provisions	266.3	256.1	-10.3
<b>Operating Profit (EBIT)</b>	<b>711.0</b>	<b>728.1</b>	<b>+17.1</b>
Impairment non current assets results	N/A	(28.2)	-28.2
Net Financial Results	(86.3)	(86.2)	+0.1
Foreign Exchange Results	(10.1)	(10.1)	+0.0
Results on Equity Method	111.5	75.7	-35.8
Results on non current assets disposals	N/A	15.5	+15.5
Other profits / expenses	N/A	(70.5)	-70.5
Goodwill Amortization	80.7	N/A	+80.7
<b>Ordinary Income</b>	<b>645.4</b>	<b>624.2</b>	<b>-21.1</b>
Net Extraordinary Results	(21.9)	N/A	-21.9
<b>Profit before tax of the continued operations</b>	<b>623.5</b>	<b>624.2</b>	<b>+0.8</b>
Corporate Income Tax	146.0	153.8	+7.9
<b>Profit of the continued operations</b>	<b>477.5</b>	<b>470.4</b>	<b>-7.1</b>
Profit after taxes of the discontinued operations	N/A	0.0	+0.0
<b>Consolidated Results</b>	<b>477.5</b>	<b>470.4</b>	<b>-7.1</b>
Minority Interest	17.1	17.9	+0.8
<b>Net profit attributable to the Parent Company</b>	<b>460.4</b>	<b>452.5</b>	<b>-7.9</b>
<i>Operating Cash-Flow (Ebidta)/Turnover</i>	8.9%	9.1%	
<i>Operating Profit (Ebit)/Turnover</i>	6.5%	6.7%	
<i>Net Profit/Turnover</i>	4.2%	4.2%	

## Comparison of Spanish GAAP with 2004 IFRSs: Construction

<i>(Euro Millions)</i>	SP GAAP-04	IFRS - 04	Variation
<b>Turnover</b>	5,230.3	5,230.3	-0.0
Operating Expenses	4,841.0	4,832.3	-8.7
<b>Operating Cash-Flow (EBITDA)</b>	<b>389.4</b>	<b>398.1</b>	<b>+8.7</b>
Amortization and Provisions	70.5	70.4	-0.1
<b>Operating Profit (EBIT)</b>	<b>318.9</b>	<b>327.7</b>	<b>+8.8</b>
Impairment non current assets results	N/A	(12.6)	-12.6
Net Financial Results	30.0	30.9	+0.9
Foreign Exchange Results	(1.9)	(1.9)	-0.0
Results on Equity Method	2.1	2.1	+0.0
Results on non current assets disposals	N/A	14.0	+14.0
Other profits / expenses	N/A	(24.4)	-24.4
Goodwill Amortization	11.9	N/A	+11.9
<b>Ordinary Income</b>	<b>337.3</b>	<b>335.9</b>	<b>-1.3</b>
Net Extraordinary Results	(8.5)	N/A	-8.5
<b>Profit before tax of the continued operations</b>	<b>328.8</b>	<b>335.9</b>	<b>+7.2</b>
Corporate Income Tax	101.9	105.1	+3.1
<b>Profit of the continued operations</b>	<b>226.8</b>	<b>230.9</b>	<b>+4.1</b>
Profit after taxes of the discontinued operations	N/A	0.0	+0.0
<b>Consolidated Results</b>	<b>226.8</b>	<b>230.9</b>	<b>+4.1</b>
Minority Interest	9.6	9.5	-0.0
<b>Net profit attributable to the Parent Company</b>	<b>217.3</b>	<b>221.4</b>	<b>+4.1</b>
<i>Operating Cash-Flow (Ebidta)/Turnover</i>	7.4%	7.6%	
<i>Operating Profit (Ebit)/Turnover</i>	6.1%	6.3%	
<i>Net Profit/Turnover</i>	4.2%	4.2%	

## Comparison of Spanish GAAP with 2004 IFRSs: Industrial

<i>(Euro Millions)</i>	SP GAAP-04	IFRS - 04	Variation
<b>Turnover</b>	3,490.5	3,490.5	+0.0
Operating Expenses	3,194.6	3,196.7	+2.1
<b>Operating Cash-Flow (EBITDA)</b>	295.9	293.8	-2.1
Amortization and Provisions	49.2	46.9	-2.3
<b>Operating Profit (EBIT)</b>	246.7	246.9	+0.2
Impairment non current assets results	N/A	(2.3)	-2.3
Net Financial Results	(15.9)	(17.1)	-1.2
Foreign Exchange Results	(5.6)	(5.6)	+0.1
Results on Equity Method	4.2	4.2	+0.0
Results on non current assets disposals	N/A	0.4	+0.4
Other profits / expenses	N/A	(8.9)	-8.9
Goodwill Amortization	2.8	N/A	+2.8
<b>Ordinary Income</b>	226.6	217.6	-9.0
Net Extraordinary Results	(11.0)	N/A	-11.0
<b>Profit before tax of the continued operations</b>	215.6	217.6	+2.0
Corporate Income Tax	65.1	64.0	-1.1
<b>Profit of the continued operations</b>	150.5	153.6	+3.1
Profit after taxes of the discontinued operations	N/A	0.0	+0.0
<b>Consolidated Results</b>	150.5	153.6	+3.1
Minority Interest	1.5	2.2	+0.7
<b>Net profit attributable to the Parent Company</b>	149.0	151.5	+2.5
<i>Operating Cash-Flow (Ebidta)/Turnover</i>	8.5%	8.4%	
<i>Operating Profit (Ebit)/Turnover</i>	7.1%	7.1%	
<i>Net Profit/Turnover</i>	4.3%	4.3%	

## Comparison of Spanish GAAP with 2004 IFRSs: Services

<i>(Euro Millions)</i>	SP GAAP-04	IFRS - 04	Variation
<b>Turnover</b>	2,329.3	2,186.5	-142.8
Operating Expenses	2,014.4	1,872.4	-142.0
<b>Operating Cash-Flow (EBITDA)</b>	<b>314.9</b>	<b>314.2</b>	<b>-0.7</b>
Amortization and Provisions	143.4	135.7	-7.7
<b>Operating Profit (EBIT)</b>	<b>171.5</b>	<b>178.5</b>	<b>+7.0</b>
Impairment non current assets results	N/A	(4.1)	-4.1
Net Financial Results	(41.7)	(41.3)	+0.4
Foreign Exchange Results	(0.8)	(0.8)	-0.0
Results on Equity Method	4.9	5.1	+0.2
Results on non current assets disposals	N/A	1.5	+1.5
Other profits / expenses	N/A	0.0	+0.0
Goodwill Amortization	15.6	N/A	+15.6
<b>Ordinary Income</b>	<b>118.3</b>	<b>138.9</b>	<b>+20.6</b>
Net Extraordinary Results	3.1	N/A	+3.1
<b>Profit before tax of the continued operations</b>	<b>121.4</b>	<b>138.9</b>	<b>+17.5</b>
Corporate Income Tax	29.5	33.6	+4.1
<b>Profit of the continued operations</b>	<b>91.9</b>	<b>105.3</b>	<b>+13.4</b>
Profit after taxes of the discontinued operations	N/A	0.0	+0.0
<b>Consolidated Results</b>	<b>91.9</b>	<b>105.3</b>	<b>+13.4</b>
Minority Interest	6.4	6.5	+0.2
<b>Net profit attributable to the Parent Company</b>	<b>85.6</b>	<b>98.7</b>	<b>+13.2</b>
<i>Operating Cash-Flow (Ebidta)/Turnover</i>	13.5%	14.4%	
<i>Operating Profit (Ebit)/Turnover</i>	7.4%	8.2%	
<i>Net Profit/Turnover</i>	3.7%	4.5%	

## Comparison of Spanish GAAP with 2004 IFRSs: Concessions

<i>(Euro Millions)</i>	SP GAAP-04	IFRS - 04	Variation
<b>Turnover</b>	15.3	15.3	+0.0
Operating Expenses	17.1	16.2	-0.9
<b>Operating Cash-Flow (EBITDA)</b>	<b>(1.8)</b>	<b>(0.9)</b>	<b>+0.9</b>
Amortization and Provisions	0.2	0.1	-0.2
<b>Operating Profit (EBIT)</b>	<b>(2.0)</b>	<b>(1.0)</b>	<b>+1.1</b>
Impairment non current assets results	N/A	0.0	+0.0
Net Financial Results	(5.9)	(5.9)	+0.0
Foreign Exchange Results	(1.6)	(1.6)	+0.0
Results on Equity Method	75.8	43.0	-32.7
Results on non current assets disposals	N/A	0.1	+0.1
Other profits / expenses	N/A	(2.2)	-2.2
Goodwill Amortization	8.4	N/A	+8.4
<b>Ordinary Income</b>	<b>57.8</b>	<b>32.4</b>	<b>-25.4</b>
Net Extraordinary Results	(2.2)	N/A	-2.2
<b>Profit before tax of the continued operations</b>	<b>55.5</b>	<b>32.4</b>	<b>-23.1</b>
Corporate Income Tax	(8.5)	(6.8)	+1.7
<b>Profit of the continued operations</b>	<b>64.1</b>	<b>39.2</b>	<b>-24.8</b>
Profit after taxes of the discontinued operations	N/A	0.0	+0.0
<b>Consolidated Results</b>	<b>64.1</b>	<b>39.2</b>	<b>-24.8</b>
Minority Interest	(0.3)	(0.3)	+0.0
<b>Net profit attributable to the Parent Company</b>	<b>64.4</b>	<b>39.6</b>	<b>-24.8</b>

0. Introduction
1. General aspects
2. Main differences between Spanish GAAP and IFRSs affecting the ACS Group
3. Accounting options
4. Impact as of December 31, 2004

Summary of impacts by business area

Comparative income statement - Spanish GAAP - IFRSs

Comparative balance sheet - Spanish GAAP - IFRSs

5. Conclusions

## Exhibits:

Income statement December 2004

Income statement March 2004

## Comparison of Spanish GAAP with IFRSs: Total Group

March 2004

(Euro Millions)

	SP GAAP	IFRSs	Variation
Turnover	2,506.4	2,478.1	-28.2
Operating Cash-Flow (EBITDA)	206.1	201.4	-4.7
Operating Profit (EBIT)	144.3	140.8	-3.4
Ordinary Income	126.2	127.2	+0.9
Attributable Net Income	87.8	90.7	+2.9
<i>Operating Cash-Flow (Ebitda)/Turnover</i>	8.2%	8.1%	
<i>Operating Profit (Ebit)/ Turnover</i>	5.8%	5.7%	
<i>Net Profit/Turnover</i>	3.5%	3.7%	

## Comparison of Spanish GAAP with IFRSs: Construction

March 2004

	SP GAAP	IFRSs	Variation
Turnover	1,217.8	1,217.8	+0.0
Operating Cash-Flow (EBITDA)	88.4	88.4	+0.0
Operating Profit (EBIT)	68.5	68.5	+0.0
Ordinary Income	73.6	74.1	+0.6
Attributable Net Income	51.2	51.8	+0.6
<i>Operating Cash-Flow (Ebitda)/Turnover</i>	7.3%	7.3%	
<i>Operating Profit (Ebit)/ Turnover</i>	5.6%	5.6%	
<i>Net Profit/Turnover</i>	4.2%	4.3%	

## Comparison of Spanish GAAP with IFRSs: Industrial

March 2004

(Euro Millions)

	SP GAAP	IFRSs	Variation
Turnover	766.0	766.0	+0.0
Operating Cash-Flow (EBITDA)	61.2	57.6	-3.6
Operating Profit (EBIT)	50.3	47.0	-3.3
Ordinary Income	48.1	45.0	-3.1
Attributable Net Income	32.2	30.6	-1.6
<i>Operating Cash-Flow (Ebitda)/Turnover</i>	8.0%	7.5%	
<i>Operating Profit (Ebit)/ Turnover</i>	6.6%	6.1%	
<i>Net Profit/Turnover</i>	4.2%	4.0%	

## Comparison of Spanish GAAP with IFRSs: Services

March 2004

(Euro Millions)

	SP GAAP	IFRSs	Variation
Turnover	539.5	511.2	-28.2
Operating Cash-Flow (EBITDA)	65.8	64.7	-1.1
Operating Profit (EBIT)	33.9	33.6	-0.2
Ordinary Income	21.5	26.1	+4.7
Attributable Net Income	13.5	16.9	+3.4
<i>Operating Cash-Flow (Ebitda)/Turnover</i>	12.2%	12.7%	
<i>Operating Profit (Ebit)/ Turnover</i>	6.3%	6.6%	
<i>Net Profit/Turnover</i>	2.5%	3.3%	

## Comparison of Spanish GAAP with IFRSs: Concessions

March 2004

*(Euro Millions)*

	SP GAAP	IFRSs	Variation
Turnover	0.4	0.4	N/A
Operating Cash-Flow (EBITDA)	(2.0)	(2.1)	N/A
Operating Profit (EBIT)	(0.9)	(0.9)	N/A
Ordinary Income	7.3	3.8	-3.5
Attributable Net Income	8.2	5.4	-2.8

# ACS

ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS

