

# ACS

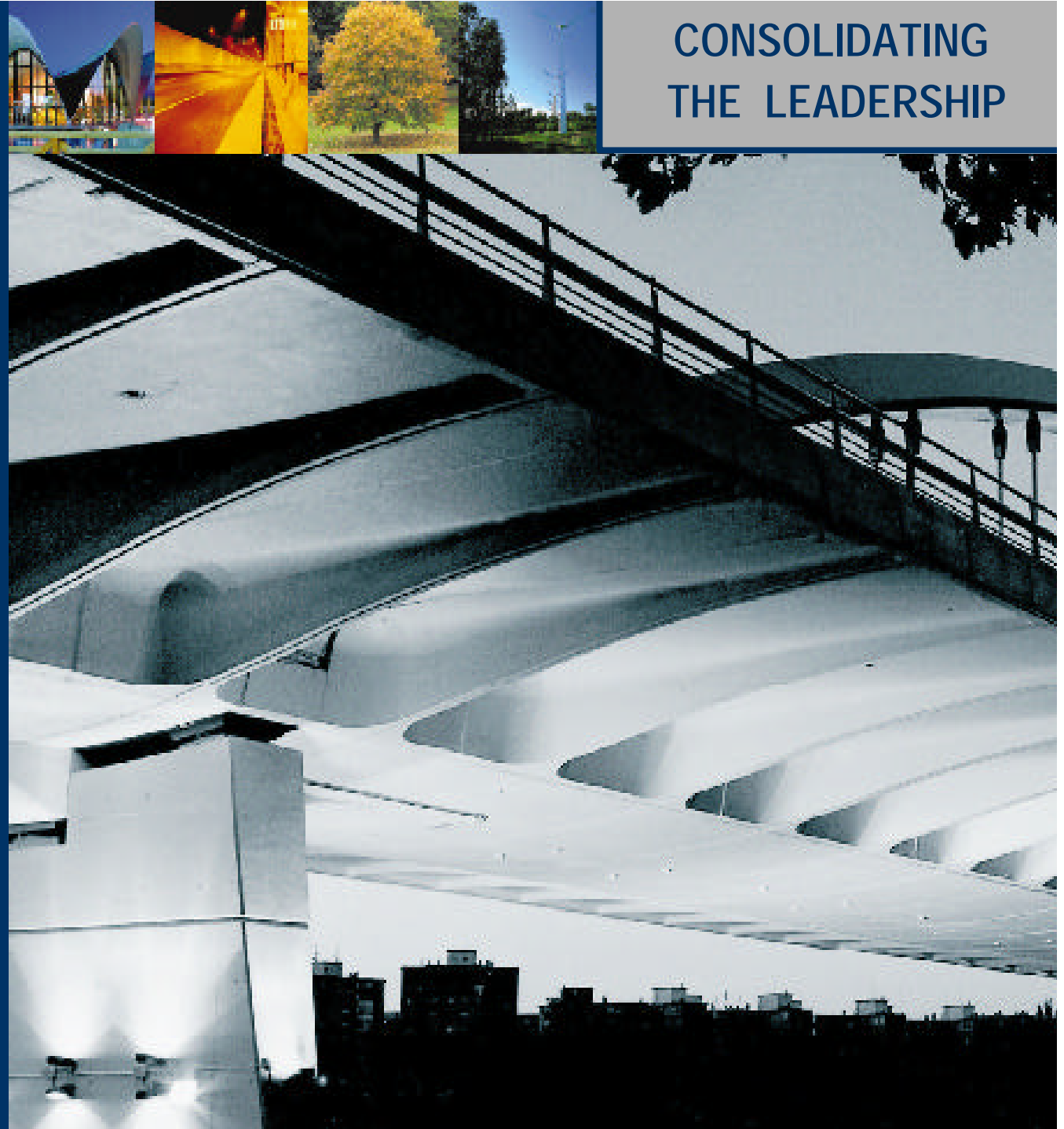
ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS



CONSOLIDATING  
THE LEADERSHIP

## Presentation to Investors

*September 2005*



1. Brief Review of Grupo ACS

2. Key figures – 1H05

3. Business Opportunities

4. Conclusions

TOP GLOBAL CONTRACTORS	
RANK	FIRM
1	VINCI, Rueil-Malmaison, Cedex, France
2	BOUYGUES, Saint-Quentin-en-Yvelines, France
3	Hochtief AG, Essen, Germany
4	<b>Grupo ACS, Madrid, Spain</b>
5	Bechtel, San Francisco, Calif., U.S.A.
6	Skanska AB, Solna, Sweden
7	Taisei Corp., Tokyo, Japan
8	Kajima Corp., Tokyo, Japan
9	Shimizu Corp., Tokyo, Japan
10	Obayashi Corp., Tokyo, Japan
11	China Railway Engineering Corp., Beijing, China
12	KBR, Houston, Texas, U.S.A.
13	Takenaka Corp., Osaka, Japan
14	Centex, Dallas, Texas, U.S.A.
15	China Railway Construction Corp., Beijing, China
16	EIFFAGE, Issy les Moulineaux, France
17	China State Construction Eng'g Corp., Beijing, China
18	Ferrovial, Madrid, Spain
19	Royal BAM Groep nv, Bunnik, The Netherlands
20	FIMAG Finanz Industrie Mgmt. AG, Spittal/Drau, Austria
21	Balfour Beatty plc, London, U.K.
22	Bilfinger Berger AG, Mannheim, Germany
23	FCC, Fomento de Constr. y Contratas, Madrid, Spain
24	Fluor Corp., Aliso Viejo, Calif., U.S.A.
25	TECHNIP, Paris La Defense Cedex, France

# 1 in Spain

# 4 in Europe

# 4 in the World

Source: Engineering News-Record – August 2005

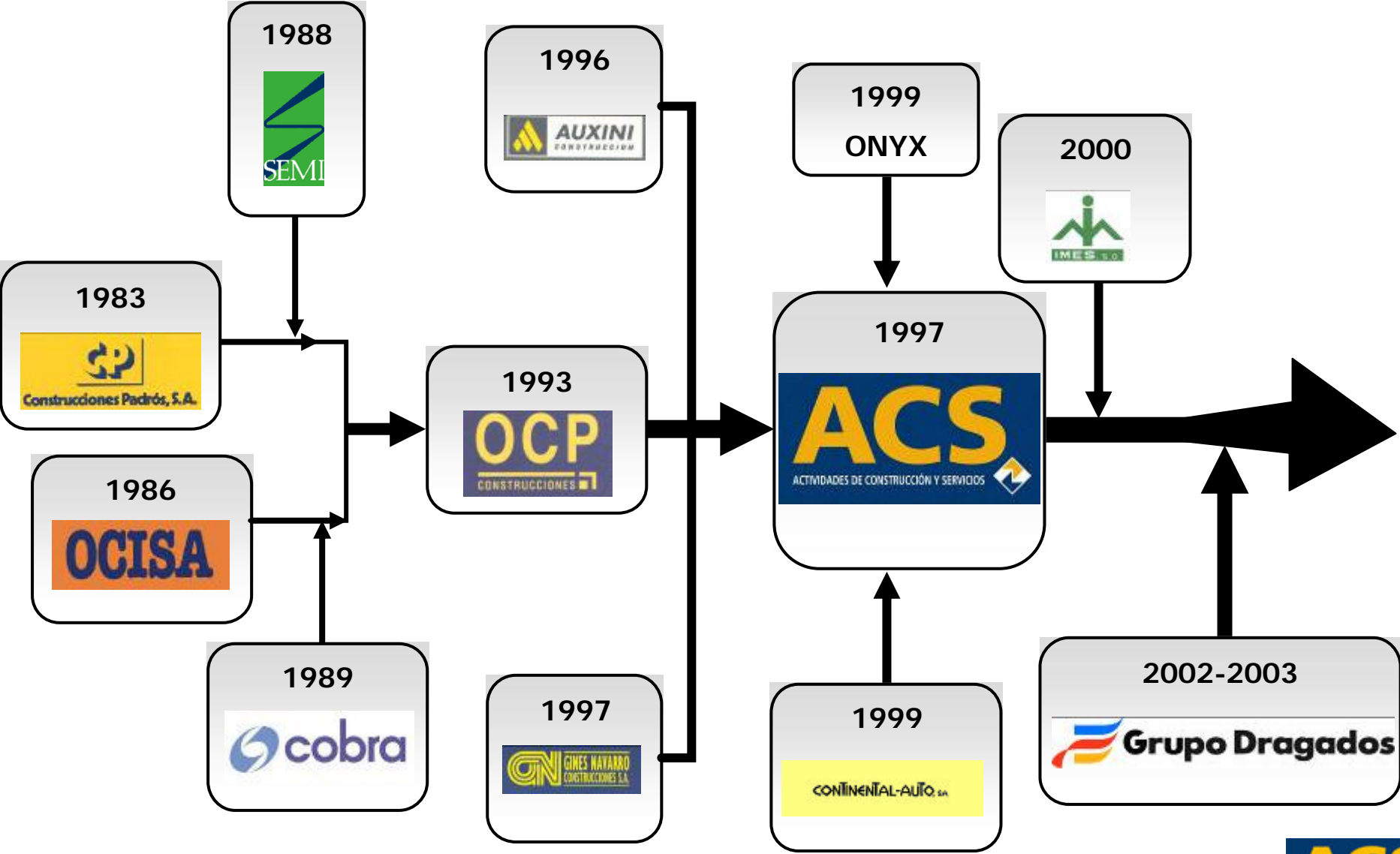


# Performance Ranking

# S&P 350

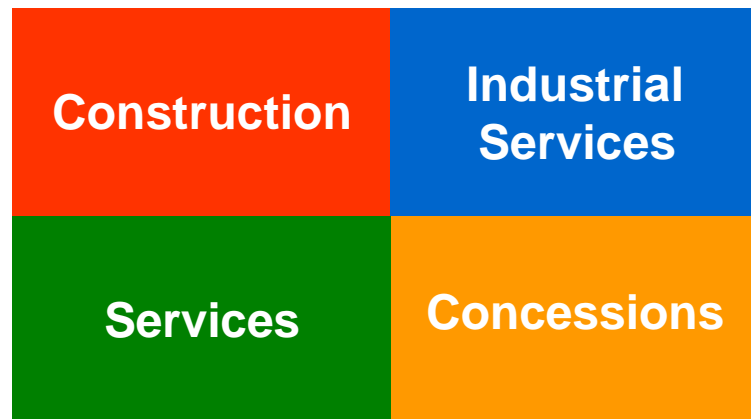
RANK / COMPANY (COUNTRY)	TOTAL RETURN (1 YEAR) %	TOTAL RETURN (3 YEARS) %	SALES 2004 € MIL	CHANGE FROM 2003 %	3-YEAR AVG. CHG. SALES %	PROFITS 2004 € MIL	CHANGE FROM 2003 %	3-YEAR AVG. CHG. PROFITS %	NET MARGIN 2004	RETURN ON TOTAL EQUITY	RECENT SHARE PRICE €	12-MONTH HIGH/LOW €	SECTOR
<b>1 BHP Billiton (Brit.)</b>	<b>47.7</b>	90.5	<b>17996</b>	47	<b>7.6</b>	2657	<b>78</b>	28.4	<b>14.8</b>	23.1	<b>10</b>	12/7	Materials
<b>2 Statoil (Nor.)</b>	<b>40.0</b>	79.9	<b>36976</b>	22	<b>8.8</b>	3033	<b>51</b>	11.5	<b>8.2</b>	28.2	<b>14</b>	15/11	Energy
<b>3 Grupo ACS (Spain)</b>	<b>61.7</b>	92.3	<b>10961</b>	24	<b>45.9</b>	460	<b>101</b>	43.5	<b>4.2</b>	21.9	<b>22</b>	22/13	Industrials
<b>4 A.P. Moller-Maersk (Den.)</b>	<b>39.3</b>	145.5	<b>22312</b>	6	<b>3.3</b>	3274	<b>41</b>	42.4	<b>14.7</b>	21.3	<b>7347</b>	7699/5240	Industrials
<b>5 Grupo Ferrovial (Spain)</b>	<b>56.3</b>	80.4	<b>7268</b>	21	<b>19.7</b>	557	<b>63</b>	28.6	<b>7.7</b>	24.7	<b>50</b>	50/32	Industrials
<b>6 Fortis (Belg.)</b>	<b>34.0</b>	2.4	<b>60453</b>	22	<b>9.1</b>	3359	<b>53</b>	24.5	<b>5.6</b>	23.4	<b>22</b>	23/17	Financials
<b>7 Carnival (Brit.)</b>	<b>24.2</b>	109.8	<b>7648</b>	45	<b>66.7</b>	1458	<b>55</b>	108.5	<b>19.1</b>	11.3	<b>45</b>	48/35	Cons. Discretionary
<b>8 Shell Transport &amp; Trading (Brit.)</b>	<b>27.1</b>	1.0	<b>83406</b>	34	<b>27.7</b>	5228	<b>38</b>	18.1	<b>6.3</b>	19.7	<b>7</b>	8/6	Energy
<b>9 Continental (Ger.)</b>	<b>58.0</b>	206.9	<b>12597</b>	9	<b>3.6</b>	674	<b>115</b>	72.7b	<b>5.3</b>	23.7	<b>58</b>	64/36	Cons. Discretionary
<b>10 BP (Brit.)</b>	<b>19.2</b>	3.2	<b>224137</b>	23	<b>19.0</b>	12369	<b>53</b>	27.5	<b>5.5</b>	19.7	<b>8</b>	9/7	Energy
<b>11 Volvo (Class B) (Swe.)</b>	<b>30.7</b>	100.8	<b>23113</b>	15	<b>3.1</b>	1028	<b>3039</b>	159.1b	<b>4.4</b>	13.6	<b>33</b>	36/26	Industrials
<b>12 HSBC Holdings (Brit.)</b>	<b>12.2</b>	16.8	<b>56485</b>	26	<b>17.3</b>	9310	<b>35</b>	30.9	<b>16.5</b>	13.1	<b>13</b>	14/12	Financials
<b>13 Royal Dutch Petroleum (Neth.)</b>	<b>22.5</b>	-9.8	<b>125108</b>	34	<b>27.7</b>	7842	<b>38</b>	18.1	<b>6.3</b>	19.7	<b>47</b>	49/40	Energy
<b>14 Wolseley (Brit.)</b>	<b>40.6</b>	65.9	<b>14783</b>	23	<b>11.2</b>	579	<b>33</b>	26.2	<b>3.9</b>	20.4	<b>17</b>	17/12	Industrials
<b>15 ENI (Italy)</b>	<b>23.5</b>	36.6	<b>58382</b>	13	<b>6.2</b>	7274	<b>30</b>	0.1	<b>12.5</b>	24.0	<b>21</b>	21/16	Energy
<b>16 KBC Group (Belg.)</b>	<b>44.8</b>	72.9	<b>17588</b>	15	<b>0.7</b>	1758	<b>57</b>	18.6	<b>10.0</b>	16.7	<b>66</b>	68/45	Financials
<b>17 OMV (Aust.)</b>	<b>101.5</b>	209.3	<b>9880</b>	29	<b>8.4</b>	640	<b>63</b>	19.5	<b>6.5</b>	16.5	<b>285</b>	285/140	Energy
<b>18 Xstrata (Brit.)</b>	<b>44.9</b>	12.9	<b>4790</b>	75	<b>112.6</b>	828	<b>280</b>	316.6	<b>17.3</b>	12.6	<b>15</b>	16/10	Materials
<b>19 Scottish &amp; Southern Energy (Brit.)</b>	<b>47.9</b>	58.1	<b>10837</b>	45	<b>23.2</b>	793	<b>21</b>	7.2	<b>7.3</b>	27.9	<b>15</b>	15/10	Utilities
<b>20 Total (France)</b>	<b>20.0</b>	19.4	<b>122700</b>	17	<b>4.9</b>	9612	<b>37</b>	8.9	<b>7.8</b>	30.7	<b>180</b>	185/155	Energy

Source: BusinessWeek, June 2005





**Complete portfolio  
of activities**



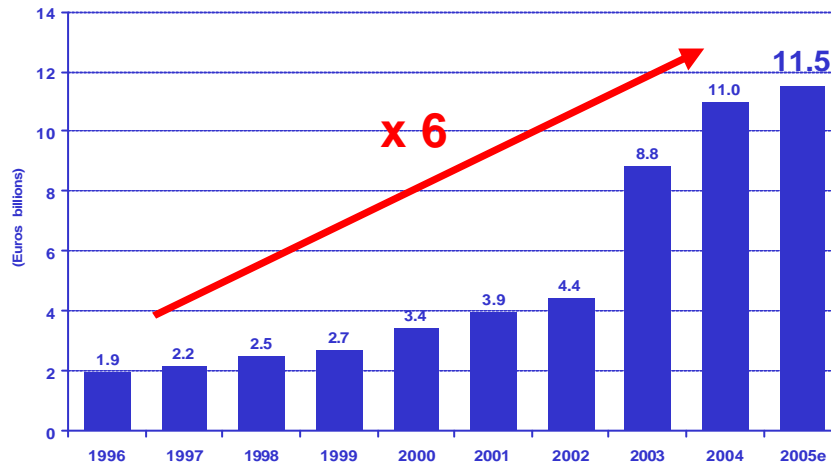
**Own corporate culture  
and values**



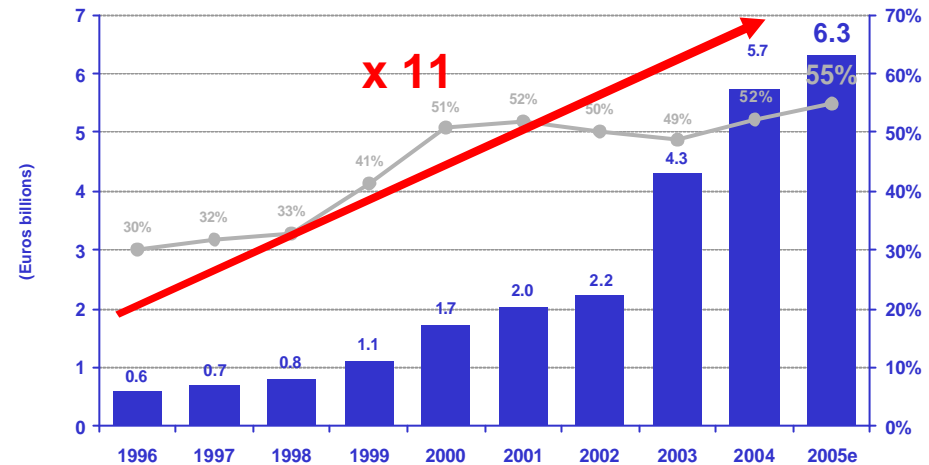
*Cover clients needs of infrastructure developments*

This strategy has allowed the Group to achieve excellent financial figures

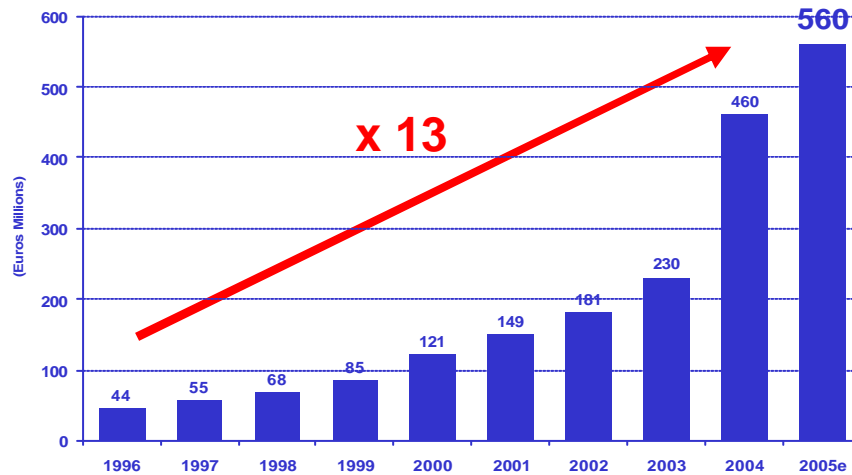
### Turnover



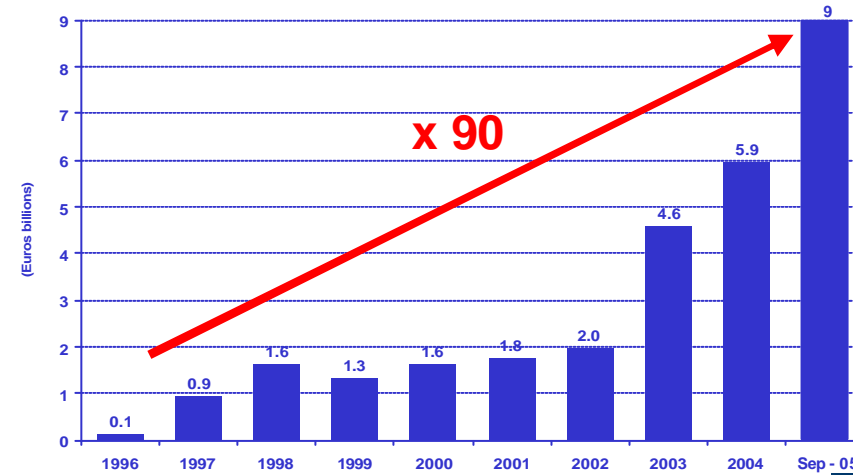
### Diversification



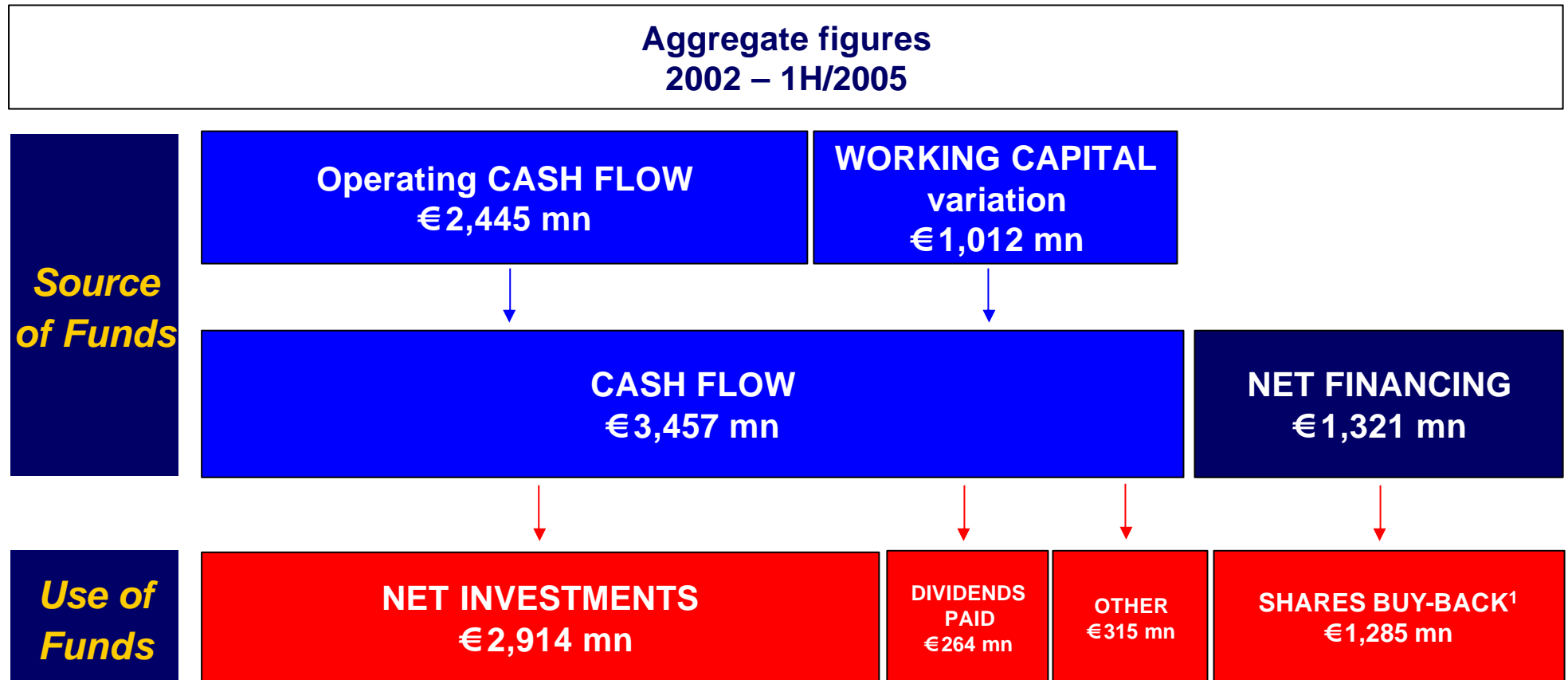
### Net Profit



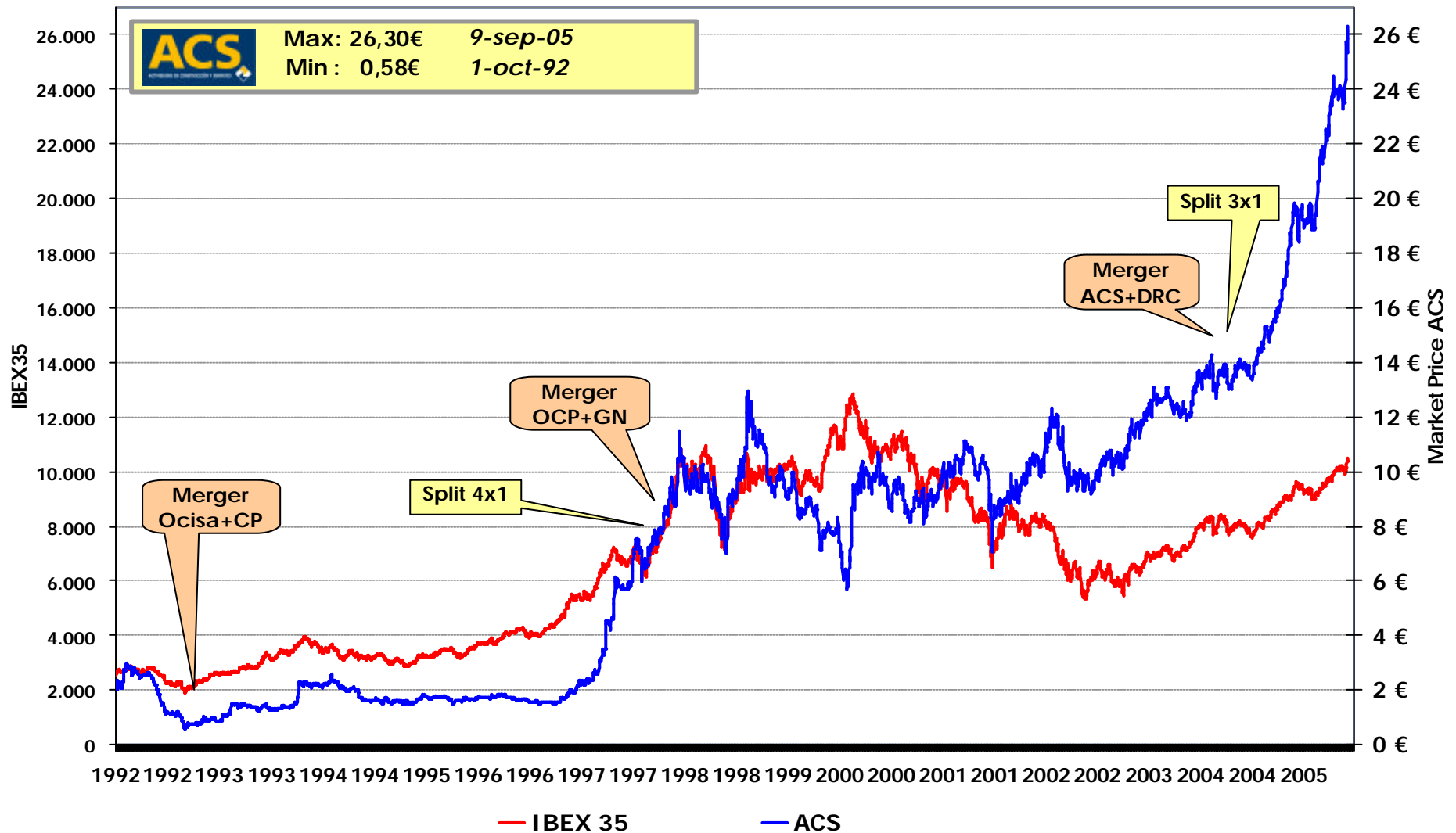
### Market Cap.



Since the Grupo Dragados acquisition in 2002, a total cash flow of € 3,457 mn has been generated.



Note 1: Correspond to the acquisition of a 33.5% stake in Grupo Dragados, which was cancelled after the merger



Source: Infobolsa



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Strong sales growth	Turnover € 5,720 mn +10.9%
Operating margins improvement	EBITDA € 501.4 mn +12.2%
Contribution from Affiliates	Equity method € 48.7 mn +59.7%
Excellent results	Net Profit € 272.5 mn +28.1%
Keeping the gearing level	Corporate Net Debt € 1,210.4 mn D/E = 55%

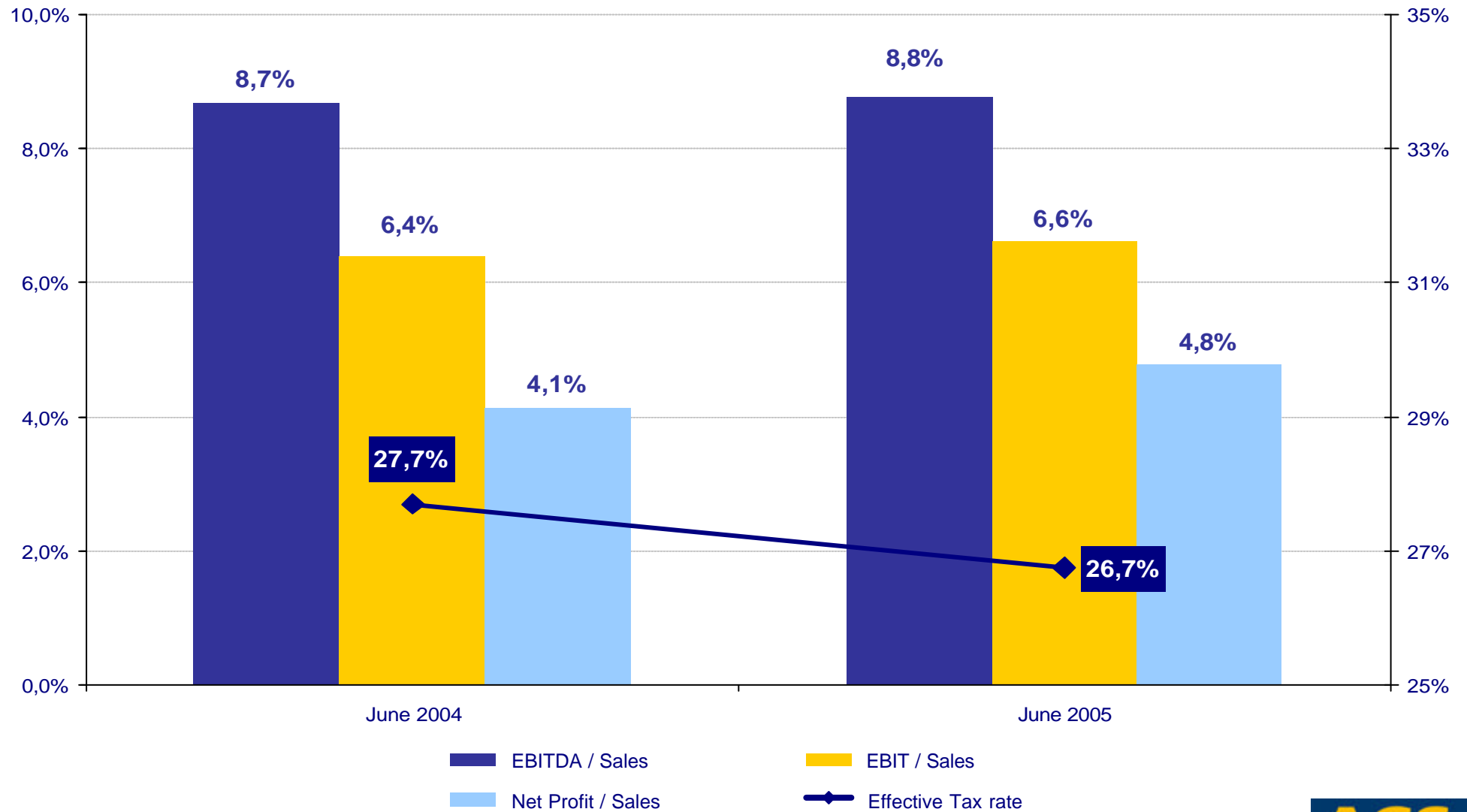
## Key figures 1H/05 Main Group Results

(Euro Million)

	1H/04	1H/05	Variation
Turnover	5.156,0	5.720,0	+10,9 %
EBITDA	447,0	501,4	+12,2 %
EBIT	329,7	377,4	+14,5 %
Net Profit	212,7	272,5	+28,1 %
<i>EPS</i>	<i>0,61 €</i>	<i>0,78 €</i>	<i>+28,6 %</i>
Total Net Debt	1.751,5	1.760,1	+0,5 %
Corporate Net Debt	1.407,9	1.210,4	-14,0 %
Project Finance	343,6	549,7	+60,0 %
Shareholders' Equity	1.808,1	2.206,2	+22,0 %
Net Investments	399,4	723,8	+81,2 %

# Key figures

## Operating ratios performance



## Key figures 1H/05 Results by business areas

<i>(Million Euros)</i>	Construction		Industrial Services		Services	
<b>Turnover</b>	2.643,1	+4,7%	1.960,7	+21,6%	1.158,1	+8.2%
<b>EBITDA</b>	191,6	+4,4%	162,2	+26,1%	162,6	+13,5%
<i>Margin</i>	7.2%		8,3%		14%	
<b>EBIT</b>	163,4	+4,9%	134,0	+23,9%	95,2	+24,2%
<i>Margin</i>	6.2%		6,8%		8,2%	
<b>PBT</b>	171,8	+10,1%	123,9	+24,4%	77,9	+29,1%
<i>Margin</i>	6.4%		6.3%		6.7%	
<b>Net Profit</b>	111,3	+2,7%	85,3	+24,1%	51,1	+23,5%
<i>Margin</i>	4.2%		4.3%		4.4%	

# Key figures 1H/05 - Sales breakdown by area

(Million Euros)

## Construction

- Civil Works
- Home Building
- Commercial Building

	1H/05	Var. 05/04
Civil Works	1.561,6	+4,9 %
Home Building	487,3	+6,3 %
Commercial Building	594,2	+2,9 %
<b>TOTAL</b>	<b>2.643,1</b>	<b>+4,7%</b>

## Industrial Services

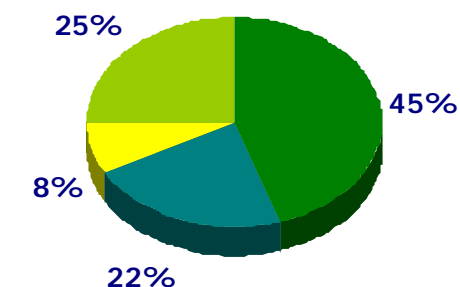
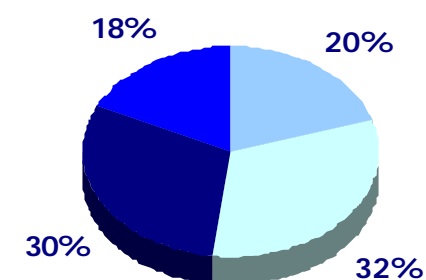
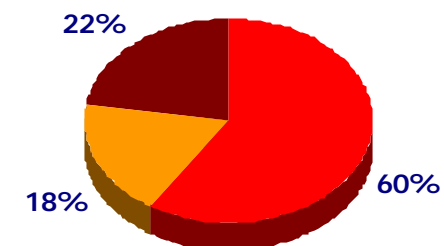
- Networks
- Specialized Products
- Energy Projects
- Control Systems

	1H/05	Var. 05/04
Networks	395,9	+11,7 %
Specialized Products	620,0	+10,6 %
Energy Projects	595,7	+53,0 %
Control Systems	349,2	+13,2 %
<b>TOTAL</b>	<b>1.960,7</b>	<b>+21,6 %</b>

## Services

- Environment
- Ports & Logistics
- Passenger Transportation
- Facility Management

	1H/05	Var. 05/04
Environment	524,2	+5,1 %
Ports & Logistics	254,9	+13,0 %
Passenger Transportation	88,8	+6,1 %
Facility Management	290,1	+10,6 %
<b>TOTAL</b>	<b>1.158,1</b>	<b>+8.2 %</b>



## Key figures Backlog breakdown by area

(Million Euros)

### Construction

- Civil Works
- Home Building
- Commercial Building

	1H/05	Var. 05/04
Civil Works	5.806,0	+1,3 %
Home Building	1.148,9	+2,8 %
Commercial Building	1.764,1	+9,6 %
<b>TOTAL</b>	<b>8.719,1</b>	<b>+3,1 %</b>

### Industrial Services

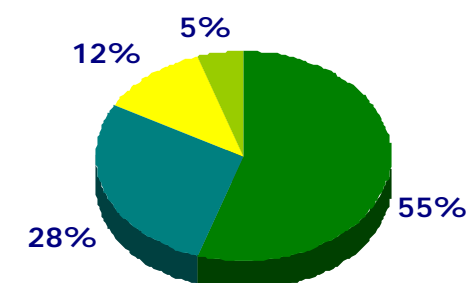
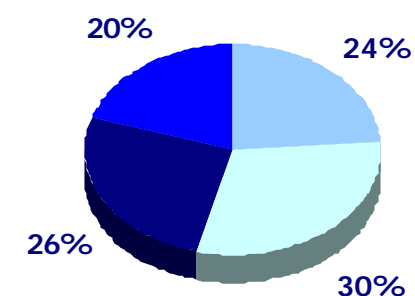
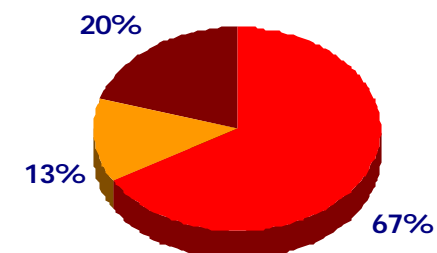
- Networks
- Specialized Products
- Energy Projects<sup>1</sup>
- Control Systems

	1H/05	Var. 05/04
Networks	962,4	+62,2 %
Specialized Products	1.223,5	+37,5 %
Energy Projects <sup>1</sup>	1.038,3	-11,8 %
Control Systems	803,1	+11,0 %
<b>TOTAL</b>	<b>4.027,3</b>	<b>+19,0 %</b>

### Services

- Environment<sup>1</sup>
- Ports & Logistics
- Passenger Transportation
- Facility Management

	1H/05	Var. 05/04
Environment <sup>1</sup>	6.462,3	-1,8 %
Ports & Logistics	3.260,3	+24,2 %
Passenger Transportation	1.386,2	-8,2 %
Facility Management	585,0	-6,1 %
<b>TOTAL</b>	<b>11.693,7</b>	<b>+3,1 %</b>



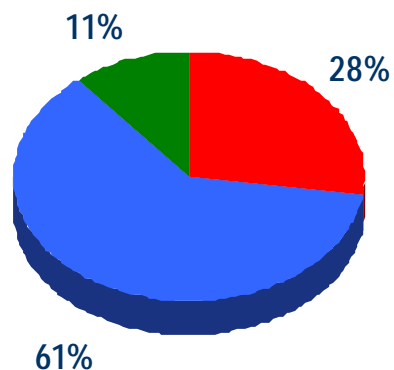
1: Some contracts are not included in this figures as they are not signed yet

## Key figures International activity 1H/05

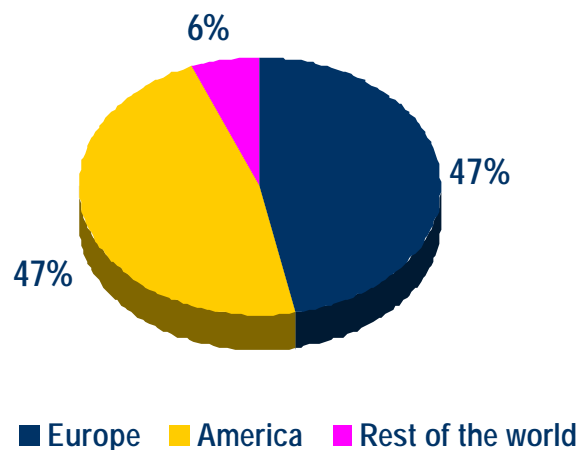
(Million Euros)

	International Sales	International exposure	Var.	Growth opportunities
<span style="color: red;">■</span> Construction	267,4	10%	+39,4%	Infrastructure concessions development worldwide
<span style="color: blue;">■</span> Industrial Services	598,3	31%	+25,6%	Energy, Oil & Gas facilities
<span style="color: green;">■</span> Services	105,7	9%	-0,8%	SUW treatment plants & port services
<b>TOTAL</b>	<b>971,4</b>	<b>17%</b>	<b>+31%</b>	

International Sales by activity



International Sales by geographical areas



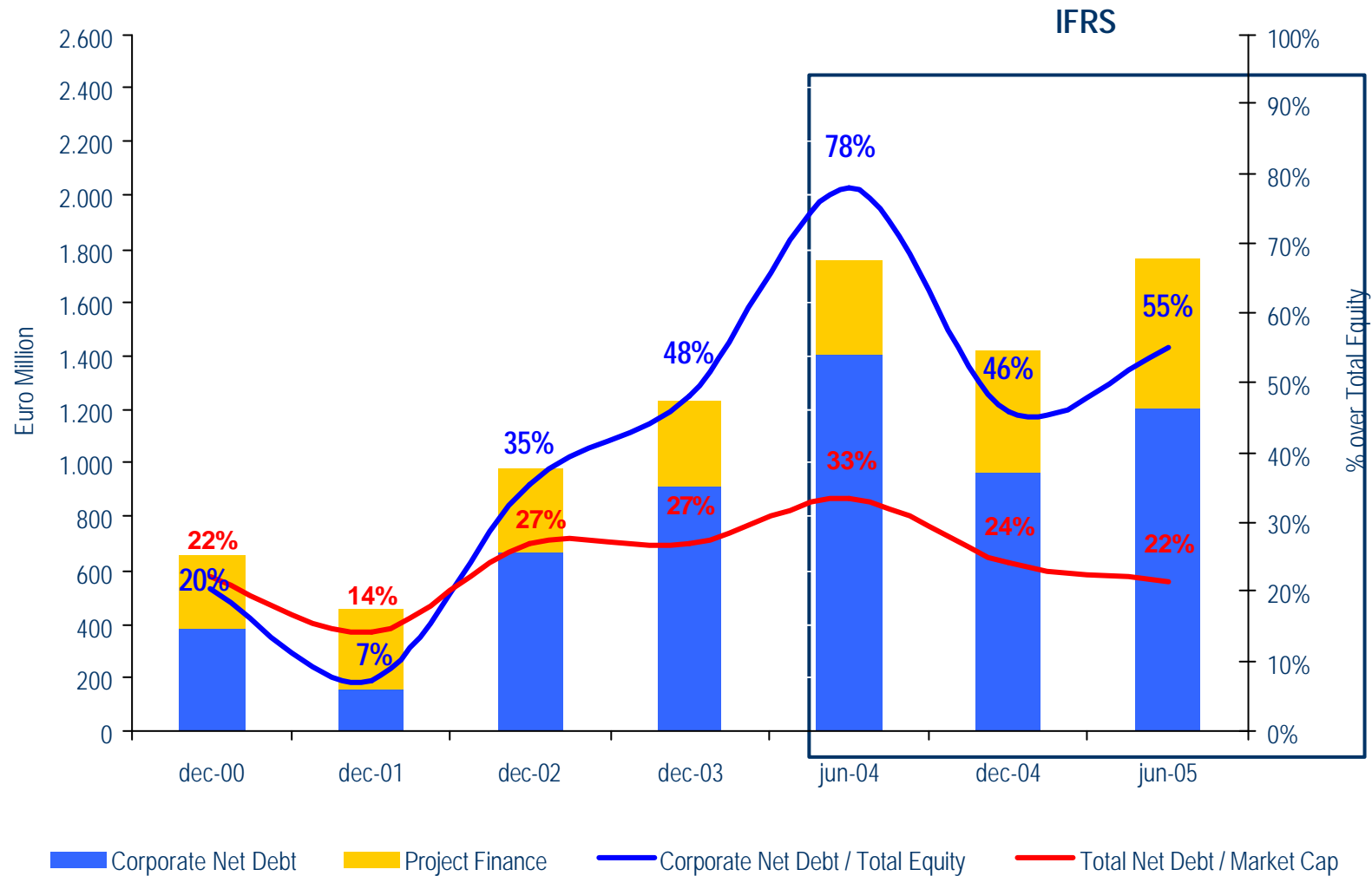
### Main countries (1H/05):

- Portugal 24%
- Mexico 15%
- Chile 15%
- Norway 12%
- Argentina 6%
- U.K. 5%
- Brazil 4%
- France 4%

## Key figures Consolidated balance sheet

<i>(Euro Million)</i>	Jun-04	Dec-04	Jun-05	Variation Jun 05/04
Tangible assets	1.739,6	1.973,5	2.142,0	+23,1 %
Goodwill	998,1	1.012,1	1.032,7	+3,5 %
Other intangible assets	648,0	590,8	750,0	+15,7 %
Financial assets	1.394,7	1.868,1	2.192,9	+57,2 %
<b>Fixed Assets</b>	<b>4.780,4</b>	<b>5.444,5</b>	<b>6.117,6</b>	<b>+28,0 %</b>
Non financial current assets	5.343,5	5.395,1	5.611,8	+5,0 %
Non financial current liabilities	(6.009,5)	(6.699,8)	(7.088,3)	+18,0 %
<b>Working Capital</b>	<b>(665,9)</b>	<b>(1.304,8)</b>	<b>(1.476,5)</b>	<b>+121,7 %</b>
<b>TOTAL ASSETS</b>	<b>4.114,5</b>	<b>4.139,8</b>	<b>4.641,1</b>	<b>+12,8 %</b>
Shareholders' equity	1.716,9	1.973,5	2.084,2	+21,4 %
Minority interest	91,3	117,0	122,0	+33,7 %
<b>Total Equity</b>	<b>1.808,1</b>	<b>2.090,5</b>	<b>2.206,2</b>	<b>+22,0 %</b>
<b>Other non current liabilities</b>	<b>554,9</b>	<b>625,4</b>	<b>674,8</b>	<b>+21,6 %</b>
Loans from credit entities	2.396,7	2.508,5	3.240,4	+35,2 %
Project finance	343,6	462,3	549,7	+60,0 %
Other financial liabilities	23,2	49,4	40,5	+74,2 %
Cash & equivalents	(1.012,1)	(1.596,3)	(2.070,5)	+104,6 %
<b>Net Debt</b>	<b>1.751,5</b>	<b>1.423,9</b>	<b>1.760,1</b>	<b>+0,5 %</b>
<b>TOTAL LIABILITIES &amp; EQUITIES</b>	<b>4.114,5</b>	<b>4.139,8</b>	<b>4.641,1</b>	<b>+12,8 %</b>

# Key figures Net debt evolution



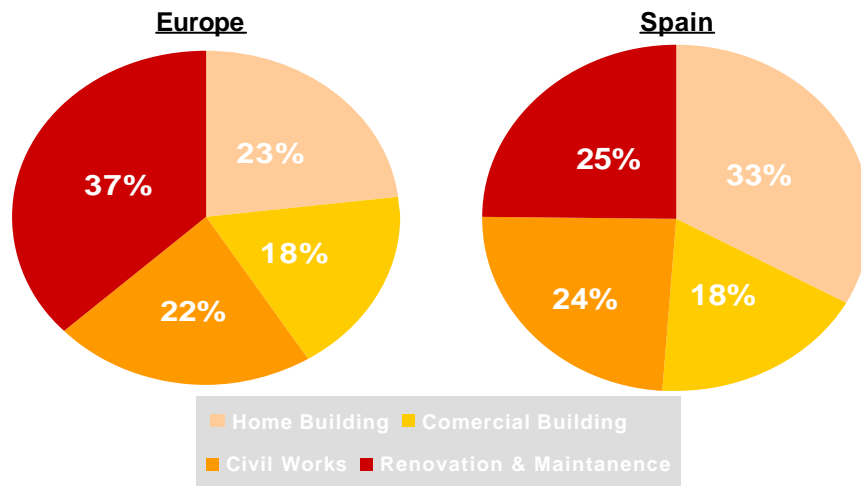
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### Spanish construction sector:

- One of the largest and most dynamic markets across Europe
- Higher weight in new building and civil works
- An important and consistent contributor to the GDP growth

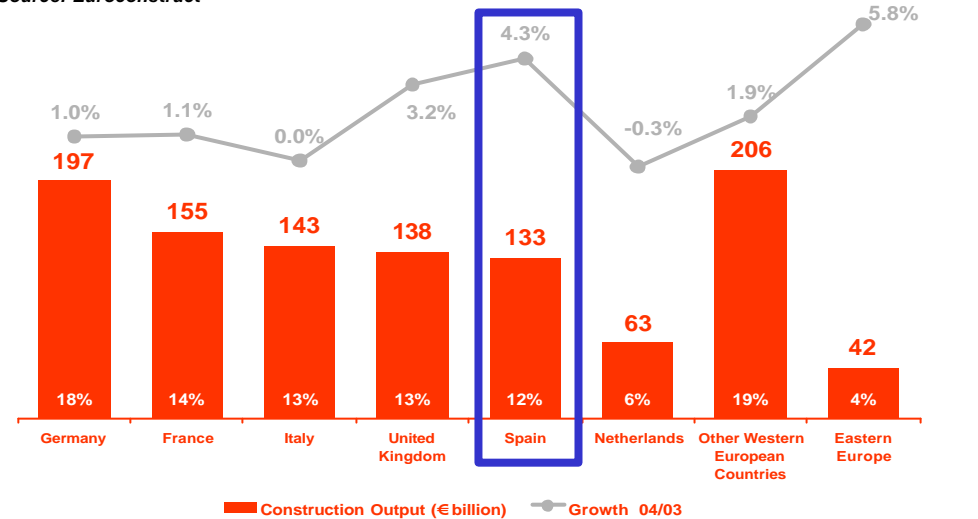
Graph 2 - Distribution of Activities (2004)

Source: Euroconstruct



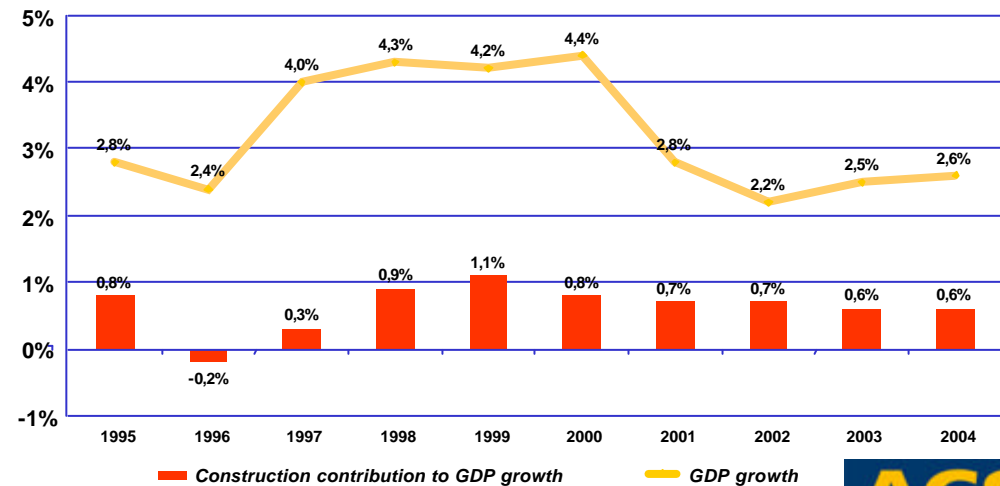
Graph 1 - Construction output and Growth – by country (2004)

Source: Euroconstruct



Graph 3 - Construction contribution to GDP growth (95-04)

Source: Seopan



## Civil Works

- 2005 Public Budget : +5%
- PEIT 2005-20: € 249 bn
- Strong investments by Regional Governments (PPP)

## Building

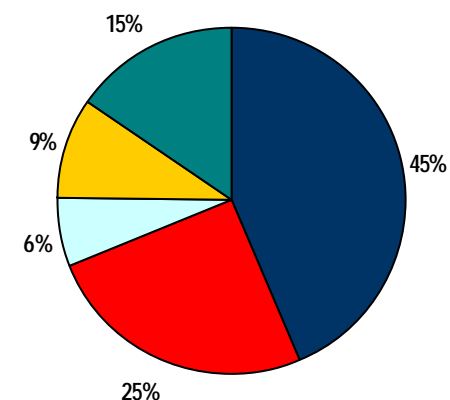
- Public: Health and Education
- Commercial activity recovery
- Residential: sustained demand

**Visibility**

PFI traditionally used in the Spain's  
infrastructures development  
programs

## New National Strategic Infrastructure Plan 2005-2020 (PEIT)

■ Railroads	€ 108.6 bn	Update current railway communications (HST)
■ Highways	€ 62.7 bn	Complete the high capacity road network
■ Airports	€ 15.7 bn	New airports infrastructures
■ Ports	€ 23.5 bn	Modernisation & enlargement Spanish ports
■ Others	€ 38.2 bn	Urban & suburban transportation & other actions
<b>Total Investments</b>	<b>€ 248.7 bn</b>	<b>(60% Public. 40%: Private-Public)</b>

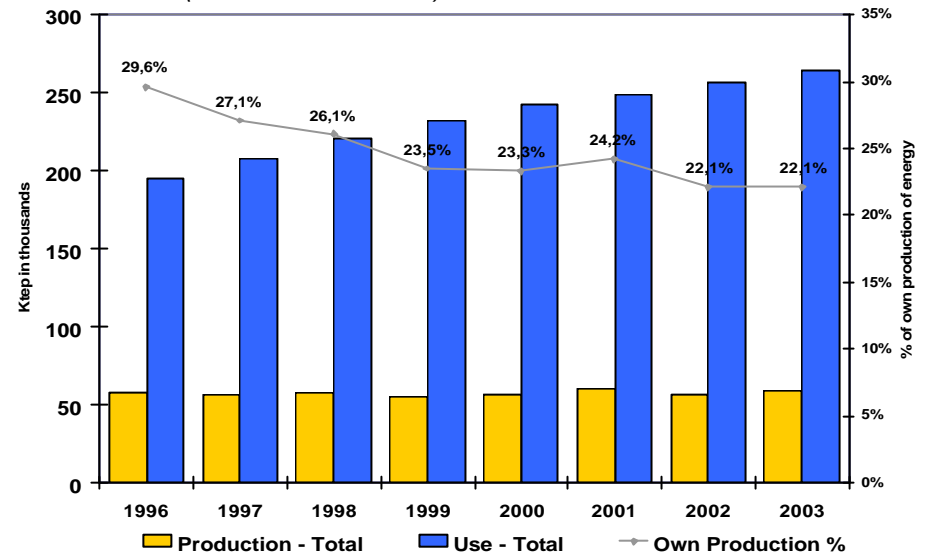


### Industrial services sector:

- Substantial growth of energy demand
- Capacity increase of renewable and gas based energy in the forthcoming years
- High oil prices accelerate investments in the oil industry (drilling, refining, transportation, distribution)

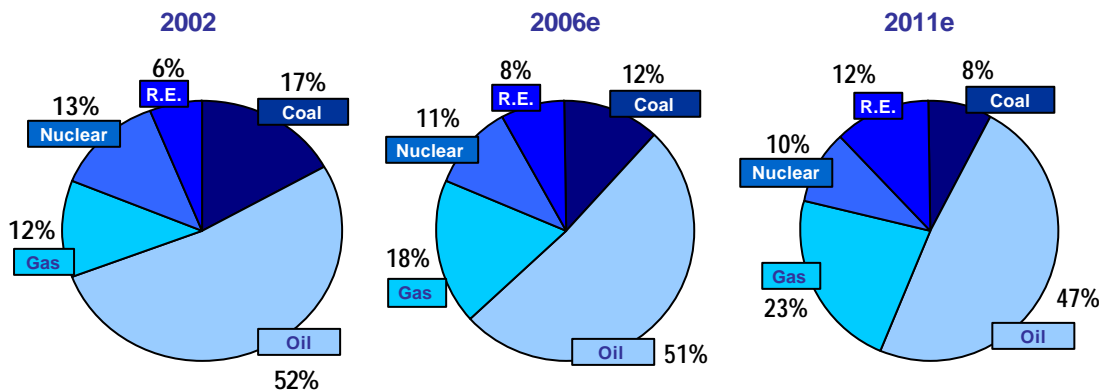
Graph 1– Production and Use of energy – Spain – 96/03

Source: INE (National Statistics Institute)



Graph 2 – Evolution primary energy use – Spain – 2002-2011e

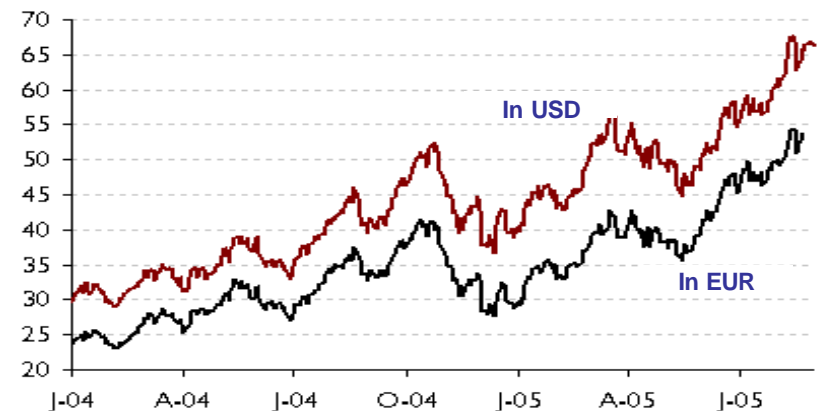
Source: Spanish Industry, Tourism and Commerce Ministry.



R.E. stands for Renewable Energies

Graph 3 – Oil price per barrel - Brent

Source: Reuters



## Energy Investments

- New infrastructures
- Sustained growth of demand
- Kyoto Protocol accomplishment
- International market

## Industrial maintenance

- Increasing services outsourcing
- New public services in control systems

**Growth**

**Government's policy: assure supply capacity to satisfy new demand with an appropriate mix of energy sources to meet the Kyoto Protocol**

## 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 refining and drilling facilities
- Development of storage capacity
- Construction & enlargement of pipelines
- Installation & maintenance of industrial networks
- Development of gas retail distribution infrastructure

## Outsourcing

- Enhancement of productivity: increase competitiveness in a more liberalized industry
- Introduction of flexibility to gain efficiency
- It facilitates expansion into domestic & international markets

## Public Admin.

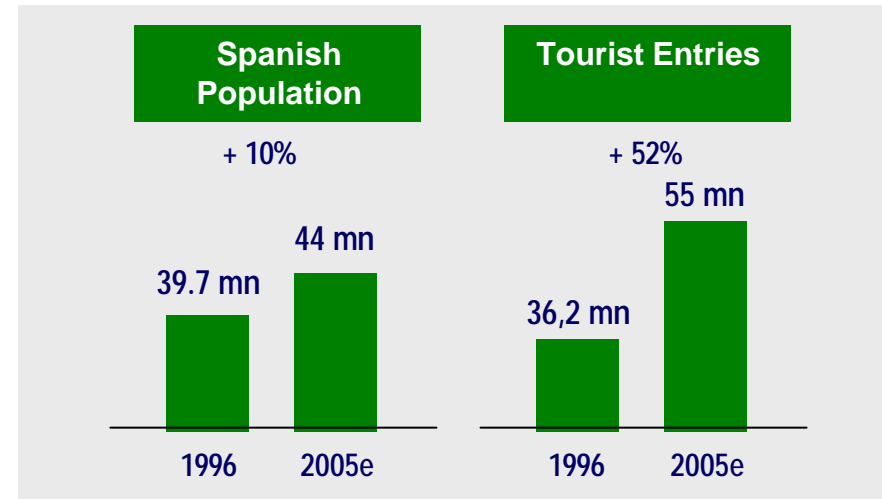
- Optimize public spending in accordance to social demands
- Improve current public services
- Implement new products & technologies to enhance the services provided to population

### Urban services sector:

- Spanish Urban Services market addresses the growing Spanish population as well as the 55 million visitors per year.
- Globalization drives sustained growth in ports activities
- Waste management services increase supported by higher environmental awareness

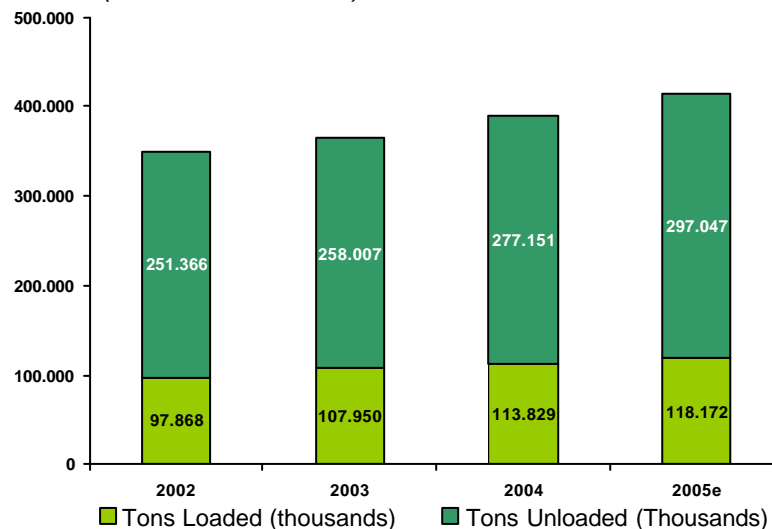
Graph 1 – Spanish Population Evolution and Tourists entries

Source: INE (National Statistics Institute)



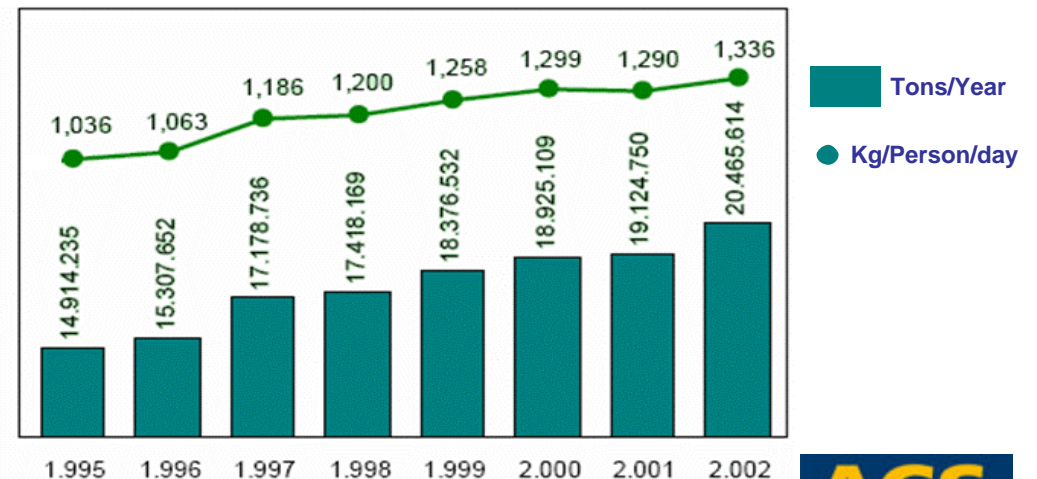
Graph 2 - Spanish Ports Activity – Tons – 2002-2005e

Source: INE (National Statistics Institute)



Graph 3 – Solid Urban Waste generated – Spain – 95/02

Source: Spanish Environmental Ministry  
Latest statistics published by Eurostat



## Public Services

- Social demand for Environment
- Outsourcing services
- New services to Public Administrations

## Transports and logistics

- Economic activity growth
- Globalization: export-import

**Recurrence**

Substantial growth backed by  
population and tourism rise

## Environmental

- Urban Solid Waste (USW) management and treatment
  - Collection & street cleaning
  - Treatment Plants
  - Landfills
  - Waste to Energy Plants
- Special Waste management: Hospital & industrial waste

## Facility Mgmt.

- Integrated building maintenance & cleaning
- Gardening, reforestation and landscape restoration
- Airports' multiservices
- Social-sanitary services

## Ports & Logistics

- Integral operator of the logistics chain:
  - Port handling
  - Shipping Agent
  - Land, air and sea forwarding
  - Combined transport & specialized logistics

## Passenger Transportation

- Scheduled passenger service on a concession basis:
  - Long distance, interurban and urban road transportation
  - Services in the Madrid, North of Spain, Catalonia and Andalusia
  - New routes through concession acquisitions
- Continental Rail: shipping materials by rail

## DEMAND

- Increasing demand of new & more complex infrastructures
- Public initiative to satisfy such demand, without Government spending

## STABLE MARKET CONDITIONS

- Large availability of financial resources for this kind of projects
- Legal framework which encourages Public & Private partnerships
- PEIT supports private financing

## SUPPLY

- Strong companies to face the whole value chain of these projects
- Contracting firms are the best positioned
  - L.T. commitment
  - Project risks' management
  - Technical specialization

**Excellent market opportunities to develop new Concessions projects**

### Coverage of the whole value chain



23 concessions in highways, airports, railroads, with a total equity investment > € 714 mn

ACS holds 21.7% of Abertis, valued at € 2.8 bn

**Infrastructure  
promotion world  
leader <sup>(1)</sup>**

<sup>(1)</sup> Source: Public Works Financing (PWF)

1. Brief Review of Grupo ACS
2. Key figures – 1H05
3. Business Opportunities
4. Conclusions

Good operating performance: excellent results and 2005 prospects so far

International expansion: International sales growth by 25%

Capex in concessional projects: more than €540 mn invested in 1H/05

Financial soundness: gearing lower than 55% of total equity



Focus on shareholder's return

### Construction

**Highly competitive position in public sector projects**

- Proven quality and technical capacity
- Wide global multi-disciplinary experience
- Solid backlog

**Wide geographical presence**

- Complete domestic coverage

**Corporate reputation**

- Worldwide prestige
- Technical awareness

### Industrial Services

- Leadership position
- State-of-the-art technical qualification
- Processes and services integration capacity
- Wide geographical reach
- Dynamic and efficient structure
  - Strong corporate culture, focused on:
    - Clients needs
    - Productivity increase
  - Geographic/ product matrix structure
  - Compensation scheme linked to objectives
- Business diversification

### Services and Concessions

- Technological leadership in environmental services:
  - SUW: Incineration, biological treatment, compost
  - Special Waste: Toxic waste, oil, sanitary waste
- Leadership in domestic port activity
- Critical mass benefit from economies of scale
- Geographical reach
  - Over 300 centres
  - Population covered > 50 mn
- Wide range of services per client type

Main Objectives

Client Focus

Profitability

Social Commitment



**TURNOVER**

+ 5 - 10%

**Construction**

+ 5 - 8%

**Industrial Services**

+ 8 - 12%

**Services and Concessions**

+ 5 - 10%

**EBIT**

+ 9 - 15%

**NET PROFIT**

~ 20 %

**INVESTMENTS**

> € 1,000 mn