

Dragados Industrial will increase production capacity of EQUATE's High Density Polyethylene plant in Kuwait

With this contract, almost a third of the ACS industrial services division's revenues would come from foreign markets

Madrid, 07 February 2006. Dragados Industrial S.A, an EPC Contracting Company integrated in the industrial services division of the ACS, Actividades de Construcción y Servicios Group, and EQUATE PETROCHEMICAL CO. (K.S.C.), a joint venture between Union Carbide Corporation¹ and PETROCHEMICAL INDUSTRIES COMPANY (K.S.C.) of Kuwait, have signed a "Memorandum of Understanding" (MOU) to increase the production capacity of EQUATE's High Density Polyethylene plant in Al-Shuaiba, Kuwait, by 225,000 tons per annum.

The work that Dragados Industrial will undertake in the framework of this MOU will include engineering, the supply of equipment and materials, as well as construction.

The MOU is part of EQUATE's Olefins II Polyethylene expansion project and will increase capacity of EQUATE's Polyethylene production facility from 600,000 metric tons/year to 825,000 metric tons/year.

For this project, Dragados Industrial had to prove during the qualification stage its ability to carry out projects of this type in addition to showing references for similar work, in particular those related to Dow's plant in Tarragona.

Being pre-qualified and invited to bid in competition with German, Italian and Korean companies is a great achievement given the high demands that were set forth by the client.

Being awarded an MOU for a project of this scope represents a great step in the efforts to position DRAGADOS INDUSTRIAL as a contractor for these types of projects in the Gulf zone, where an important part of its commercial efforts are aimed at.

With 9,000 employees, DRAGADOS INDUSTRIAL leads this field as much in Spain as in Portugal and Latin America. Last year the revenues in this area reached 1.5 billion euros, of which around 57% was generated in foreign markets. The net benefit rose to 85 million euros, with an EBITDA of approximately 102 million euros.

¹ Union Carbide Corporation is a wholly owned subsidiary of The Dow Chemical Company