

THE NET PROFIT OF THE ACS GROUP INCREASED BY 39.5% TO € 158.2 MILLION IN THE FIRST QUARTER OF 2006

- *The growth in sales and the improvement in operating margins gave rise to a 24% increase in operating income, which amounted to € 211.5 million.*
- *The contribution of the consolidated companies accounted for using the equity method amounted to € 71.6 million.*

Consolidated profit

In the first quarter of 2006 the ACS Group earned net profit of € 158.2 million, up by 39.5% on the same period in 2005, as a result of the good performance of all its operating activities and the increased contribution of its investees.

Revenue amounted to € 3.200 million, an increase of 18.9%. There was two digit growth in all activities, and most notable was the revenue from construction activity. International sales accounted for 15.5 % of total sales and exceeded € 495 million.

The increases in productivity and the continued control of fixed costs allowed for a significant improvement in operating margins. Consequently, EBITDA rose by 21% to € 280.4 million, representing a sales margin of 8.8%. EBIT amounted to € 211.5 million, up by 24% on the first quarter in 2005, with a sales margin of 6.6%.

The contribution to period profit of the consolidated companies accounted for using the equity method practically reached € 71.6 million, to a great extent as a result of the inclusion of Unión Fenosa in the Group's scope of consolidation.

Profit by Business Area

The construction area recorded sales of € 1,501 million, 22,6% higher than in the past year. This significant increase was a result of the heavy activity in the domestic market, given that the improvement in weather conditions as compared to the previous winter and the heavy rise in tenders increased the rhythm of production. In this respect, the backlog at the end of March

amounted to € 9,640 million, equivalent to 20 months of production. The performance of net profit was as positive as that of sales and totalled € 64 million.

Of the recent tenders awarded, most noteworthy were the construction of the new Plaza railroad complex in Zaragoza, the remodelling of the new Sants station for the AVE in Barcelona, the splitting of the M-501 motorway in Madrid, the construction of the Villalba Barros dam in Badajoz, the construction of the new Morón de la Frontera prison in Sevilla and the construction and maintenance under concession of five police stations in Catalonia.

The Industrial Services area increased its sale by 16.4% to € 1,091 million, with heavy international activity accounting for 32% of sales. Its operating income was up by 30.3% to € 79 million, whereas net profit amounted to € 49 million, 22.3% higher than in the previous year. The backlog of projects at the end of December was € 4,550 million, up 24% on March 2005. Most noteworthy were the different projects carried out in the Lázaro Cárdenas refinery in Mexico, the expansion of the Statoil project in Norway, the extension in the electricity supply of line 1 of the metropolitan railroad of Barcelona and the installation of protection against fire hazards in the new tunnels of Guadarrama in Madrid.

The Services area achieved revenue of € 626 million, an increase of 12.6%, whereas its operating income rose by 12.8% to € 49 million and its net profit rose by 11,8% to € 26 million. Its backlog currently amounts to € 13,000 million, equivalent to 64 months of production. Of the recent tenders awarded, most notable were the construction and operation of purification plants in zone 2 in Aragón, the contract for the cleaning of beaches in the metropolitan area of Barcelona and the integral management of services in different halls of residence of the Carlos III university.

The contributions to the Group's profit of Abertis, Unión Fenosa and Inmobiliaria Urbis were € 16.8 million, € 44.4 million and € 9.1 million, respectively, which together with the profits of the rest of the consolidated companies accounted for using the equity method totalled € 71.6 million as a result of the inclusion in the scope of consolidation of Unión Fenosa.

Investments and Borrowings

Of the investments made, most notable was the takeover bid launched on an additional 10% of the share capital of Unión Fenosa for €1,005 million at

the end of November 2005. The rest of the net investments in the period, amounting to € 161 million, relate to the Group's different activity areas dedicated to promoting its organic growth. Noteworthy of these were the investments in concession projects, treatment plants and wind energy projects.

Without taking into account project financing, net borrowings amounted to € 2,590 million at the end of March 2006. Additionally, the balance of project financing was € 3,143 million.

Accordingly, net consolidated borrowings, both with and without recourse to the shareholder, amounted to € 5,733 million at March 31, 2006, significantly lower than the market price of the holdings of ACS in listed companies, which at the same date amounted to € 6,984 million.

Madrid, May 4, 2006