

## **ACS GROUP'S NET PROFIT EXCEEDED €460 MILLION IN 2004, 21.1% MORE THAN THE PREVIOUS YEAR**

***The funds generated amounted to €1,230 million, enabling  
annual investment to be doubled to €1,196 million***

**Madrid, 28 February 2005.**

### **Consolidated earnings.**

ACS Group attained a net profit of €460.4 million in 2004, 21.1% more than the pro-forma earnings posted for the year before. EPS therefore amounted to €1.30, representing a 22% increase after the share buyback approved by the General Meeting of Shareholders in May 2004.

The consolidated turnover amounted to €10,961 million, representing a 2.1% increase over pro-forma sales in 2003, especially supported by increases in all the service activities. Increases in productivity and cost savings prompted a significant improvement of operating margins.

Thus the gross operating profit (Ebitda) grew by 4.9% to €977.3 million, 8.9% of sales. Meanwhile, the net operating profit (Ebit) amounted to €711 million, 9.6% more than in 2003, with a 6.5% margin.

This favourable operating profit, the greater contribution of the companies carried by the equity method, particularly Abertis, and the improvement of financial expenditure, which declined by 18.6%, led ACS Group's ordinary profit in the year to grow by 20.1%, totalling €645.4 million.

### **Earnings by business areas.**

The Construction business attained a net profit of €217.3 million, with a 4.2% margin over sales. This excellent result was possible thanks to sales of €5,230 million, representing 6.5% lower turnover than the year before, as a result of the adaptation of output to the budgetary programming of clients, mainly in civil works. The portfolio performed favourably, amounting to €8,525 million at year-end, the equivalent of 20 months of production, with an annual increase of 8.1%.

The Industrial Services area recorded a 13.6% rise in its sales during the year, reaching €3,490 million. Net operating profit (Ebit) rose by 8.5% to €246.7 million, and the net profit totalled €149 million, 11.8% more than the previous year. The project portfolio at the end of the year amounted to €3,415 million, 12% more than the year before.

The Service and Concessions Area attained a turnover of €2,345 million, growing by 8.7%, net operating profit (Ebit) grew by 23.7% to €169.4 million,

and net profit rose by 28.1% to €149.9 million, including the contribution of the holding in Abertis (€70.7 million) carried by the equity method.

The contribution to the Group profit from Inmobiliaria Urbis amounted to €24.6 million. As of the present date the Group's holding in this real estate company amounts to 21.53%.

### **Cash flow generation.**

The cash flow generated by operations increased by 50% in 2004 to a historical high of €1,230 million. This figure is due to the favourable operating performance of all of the divisions, the satisfactory progress of the merger process, and the efficient management of working capital.

The strong cash flow generation capacity has allowed the Group to keep up an ambitious investment policy, together with attractive returns for shareholders, with a dividend payout of over €96 million during 2004.

### **Investments.**

The Group continues to pursue an investment policy focusing on the sustainable and profitable growth of all of its activities. Thus during 2004 ACS has made net investments amounting to €1.196 million, including €451.6 million invested in increasing the holding in Abertis, presently 19.1%.

In addition to this, over €234 million have been invested in assets relating to environmental, harbour and logistical services, €248 million in the industrial services area, including €124 million invested in renewable energy sources and €173 million in transportation infrastructure concession projects, such as the cross-border railway connection between Figueras and Perpignan, the Seville underground, the La Mancha motorway, and toll motorways in Alicante and Santiago de Chile.

### **Borrowing.**

This important investment activity has been possible thanks to the Group's strong cash flow generation and to its sound financial structure. Net borrowing without considering project finance amounted to €958 million at year-end 2004, 5% higher than 12 months back. This entails a Group leverage of 43%, significantly below the market value of ACS Group's holdings in listed companies, which totalled €1,848 million at year-end 2004.

In addition, project finance amounted to €466 million, 47% more than at year-end 2003. This increase is due to the policy of investment in concessions developed by the Group, particularly in transportation infrastructure, renewable energy, and waste treatment facility projects.