

ACS GROUP'S NET PROFIT GREW BY 25.1% IN THE FIRST QUARTER OF 2005, REACHING €113.4 MN

The increase of sales and the improvement of operating margins allowed ACS Group to achieve an operating profit of €170.6 mn, 21.1% over the previous year

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Consolidated Results

In the first quarter of 2005 ACS Group attained a **net profit** of €113.4 mn, 25.1% higher than in the same period of 2004, applying identical accounting principles to both periods in accordance with the new International Financial Reporting Standards.

Consolidated turnover totalled €2,692 mn, representing an 8.6% increase, supported by growth in all the service businesses. International sales rose by more than 31% to over €450 mn, accounting for 16.7% of total sales.

Productivity increases in all the areas and the greater weight of service activities led to a significant improvement of operating margins. Thus the **gross operating profit (Ebitda)** rose by 15% to €231.7 mn, and the **net operating profit (Ebit)** amounted to €170.6 mn, 21.1% more than in the first quarter of 2004, with a margin over sales of 6.3%.

The contribution to earnings in the period of the companies carried by the **equity method** virtually doubled to over €24 mn. Most of this came from the listed companies Abertis and Urbis, in which as of today the Group has holdings of 19.9% and 22.6%, respectively.

The excellent operating profit and the earnings of the companies carried by the equity method, together with the positive evolution of financial results, allowed the **profit from the continuing activities** in ACS Group to grow by 27.8% in the period, reaching €162.5 mn.

Business areas results

The **Construction** business achieved sales of €1,224 mn, 0.5% more than the year before in spite of the difficult weather conditions in the first three months of 2005. The improvement of operating margins was offset by the rise in the tax rate and the minority interests of international affiliates, allowing the net profit to reach €52.1 mn, 0.5% more than 12 months back. The portfolio performed favourably, settling at €8,527 mn at the end of March, the equivalent of 20 months of production.

The **Industrial Services** area increased its sales by 22.4% to €937 mn, with a strong boost of international activity, which now accounts for approximately 30% of its sales. The operating profit in this area grew by 28.8% to €60.5 mn, and the net profit amounted to €40

mn, 30.8% more than the previous year. The portfolio of projects at the end of December totalled €3,674 mn, 13% more than in March 2004.

The **Services and Concessions** area had a turnover of €557 mn, representing an increase of 8.9%, the operating profit rose by 31.2% to €42.9 mn, and the net profit grew by 65% to €36.9 mn, including the contribution from the holding in Abertis (€17.2 mn) carried by the equity method.

The contribution to Group profits from Inmobiliaria Urbis totalled €6.9 mn, 46% more than in the first quarter of 2004.

Debt and investments

The Group's high capacity to generate funds has allowed it to maintain its leverage in the first three months of the year and to proceed with its ambitious investment policy.

Thus **net borrowing** without considering project finance amounted to €1,350 mn at the end of March. This represents a **leverage** of 63% for the Group, less than a year ago and significantly below the market value of ACS Group's holdings in listed companies, which amounted to €2,282 mn as of 31 March 2005.

In addition to this, **project finance** totalled €457mn, 40% more than in March 2004. This increase is due to the Group's policy of investing in concession related assets, mainly consisting of transportation infrastructure and renewable energy projects, as well as assets for environmental, harbour and logistical services. In the first quarter of 2005, ACS Group made **net investments** worth €359 mn.