

ACS Group's net profit rose by 23%

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ACS Group obtained in the first half of 2004 a net profit of €214.1 million, 23% more than the pro-forma result for the first half of last year. EPS were set at €0.61€, a 23.9% increase after the share buyback approved at the last General Meeting of Shareholders.

The consolidated turnover in the first six months of this year amounted to €5,221 million, which represents a 0.1% increase over the pro-forma sales in the same period one year back, with a steady growth in service activities.

Gross Operating Profit (GOP) between January and June totalled €453.1 million, 8.1% more than the comparable figure for the first half of last year. Net Operating Profit After Taxes (NOPAT) through June amounted to €333.8 million, 12.9% more than in the same period of 2003. This favourable operating profit and the improvement in financial expenditure, which declined by 29%, have allowed ACS Group's ordinary profit in this period to rise by 19.6% over the pro-forma figure, totalling €294,5 million.

Construction activity evolved favourably, with a net operating profit of €153.8 million, representing a 2.9% increase over the pro-forma figure for the year before. This result was achieved in a scenario of decline in sales (-8.3%), as a consequence of the adaptation of production to budgetary programming and of the reduction of construction abroad. The works portfolio totalled €8,460 million, equal to 19 months of production capacity.

The Industrial Services area increased its sales by 8.6% to €1,613 million, and its net operating profit rose by 10% to €111.7 million (percentage increases are compared to the pro-forma figures for the first half of 2003). The portfolio of projects pending at the end of June totalled €3,384 million, 11% more than the aggregate figure for the two companies in December 2003.

The Services and Concessions area had a turnover of €1,148 million and a net operating profit of €81.7 million, representing increases by 11.5% and 24.7% respectively over the pro-forma figures for the first half of 2003.

The contribution to the Group profit of the holdings in Abertis and Inmobiliaria Urbis, both carried by the equity method, amounted to €21.3 million and €14.8 million respectively.

Investment.

The Group's growth policy is taking form via a relevant volume of investments in service activities and concession projects. Specifically, net investment in the first six months of the year amounted to €399 million, with €120 million going to assets for environmental, harbour and logistical services, €70 million to the industrial services area, mainly Aeolian parks, and €65 million to transportation infrastructure concession projects. Also, €87 million were invested in the acquisition of 1.5% of Abertis.

Borrowing.

This important investment volume has not affected the Group's financial structure thanks to its solid cash flow generation capacity. Specifically, net borrowing not including project finance was slightly higher at the end of June (€1,356 million) than one year back, in spite of the heavy investments and the dividend payout of over €96 million. Additionally, project finance amounted to €344 million, 14% over the pro-forma figure for June 2003. These figures confirm ACS Group's capacity to take advantage of investment opportunities, while at the same time keeping up an attractive shareholder remuneration policy.