

ACS Group

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experience

2.1

Management Bodies

Board of Directors

Mr. Florentino Pérez Rodríguez

Chairman and CEO ■ ■

Civil Engineer
Chairman and CEO of ACS Group since 1993
Member of the Board of Directors of ACS Group since 1989

Mr. Antonio García Ferrer

Executive Vice Chairman ■ ■

Civil Engineer
Member of the Board of Directors of ACS Group since 2003
Member of the Board of Directors of Abertis Infraestructuras
Member of the Board of Directors of Inmobiliaria Urbis

Mr. Pablo Vallbona Vadell

Vice Chairman ■ ■ ■

Naval Engineer and MBA from the IESE
Member of the Board of Directors of ACS Group since 1997
Executive Vice Chairman of Banca March
Vice Chairman of Corporación Financiera Alba
Vice Chairman of Abertis Infraestructuras

Mr. José María Loizaga Viguri

Member of the Board of Directors ■ ■ ■

Economist
Member of the Board of Directors of ACS Group since 1989
Chairman of Mercapital
Chairman of Cartera Hotelera
Chairman of Bodegas Lan
Vice Chairman of Zardoya Otis
Vice Chairman of Banco Urquijo

Mr. José María Aguirre González

Member of the Board of Directors ■ ■ ■

Doctorate in Civil Engineering
Member of the Board of Directors of ACS Group since 1995
Chairman of Banco Guipuzcoano
Member of the Board of Directors of Acerinox
Member of the Board of Directors of Siemens España

Mr. Agustín Batuecas Torrego

Member of the Board of Directors

Civil Engineer
Member of the Board of Directors of ACS Group since 1999
Chairman and CEO of Continental Auto
Vice Chairman of Fenebús



Atlantic motorway

Mr. Miguel Blesa de la Parra*Member of the Board of Directors*

Lawyer. Tax Inspector

Member of the Board of Directors of ACS Group since 2003

Chairman of Caja de Ahorros de Madrid

Vice Chairman of Iberia Líneas Aéreas España

Member of the Board of Directors of Endesa

Chairman of Fundación General de la Universidad Complutense de Madrid

Mr. Álvaro Cuervo García*Member of the Board of Directors* ■

Doctorate in Economics. Professor of Business Economics

Member of the Board of Directors of ACS Group since 1997

Member of the Advisory Board of Privatizations

Member of the Board of Directors of ThyssenKrupp

Member of the Board of Directors of Sonae Industria, Sonae SGPS and TAFISA

Mr. Isidro Fernández Barreiro*Member of the Board of Directors* ■

Industrial Engineer

Member of the Board of Directors of ACS Group since 2003

CEO of Corporación Financiera Alba

Member of the Board of Directors of Banca March

Member of the Board of Directors of Prosegur

Mr. Joan-David Grimà i Terré*Member of the Board of Directors*

Doctorate in Economics and Business Studies

Member of the Board of Directors of ACS Group since 2003

General Manager of Santander Central Hispano

Vice Chairman and CEO of Auna

Member of the Board of Directors of Antena 3, TV

Mr. Pedro López Jiménez*Member of the Board of Directors* ■

Civil Engineer

Member of the Board of Directors of ACS Group since 1989

Chairman of Terratest

Member of the Board of Directors of Lingotes Especiales

Mr. Santos Martínez-Conde Gutiérrez-Barquín*Member of the Board of Directors* ■

Civil Engineer

Member of the Board of Directors of ACS Group since 2001

General Manager of Corporación Financiera Alba

Member of the Board of Directors of Acerinox

Mr. Miquel Roca i Junyent*Member of the Board of Directors*

Lawyer

Member of the Board of Directors of ACS Group since 2003

Secretary of the Board of Directors of Abertis Infraestructuras

Secretary of the Board of Directors of Banco de Sabadell

Mr. Julio Sacristán Fidalgo*Member of the Board of Directors* ■

B.S. in Chemistry

Member of the Board of Directors of ACS Group since 1998

Mr. Javier Monzón de Cáceres*Member of the Board of Directors*

B.A. in Economics

Member of the Board of Directors of ACS Group since 2003

Chairman of Indra

Mr. Javier Echenique Landiribar*Member of the Board of Directors* ■ ■

B.A. in Economics

Member of the Board of Directors of ACS Group since 2003

Member of the Board of Directors of Telefónica Móviles

Member of the Board of Directors of Uralita

Mr. Manuel Delgado Solís*Member of the Board of Directors*

B.S. in Pharmacy. Lawyer

Member of the Board of Directors of ACS Group since 2003

Mr. José Luis del Valle Pérez*Secretary General and**Member of the Board of Directors* ■ ■ ■

Lawyer and State Attorney

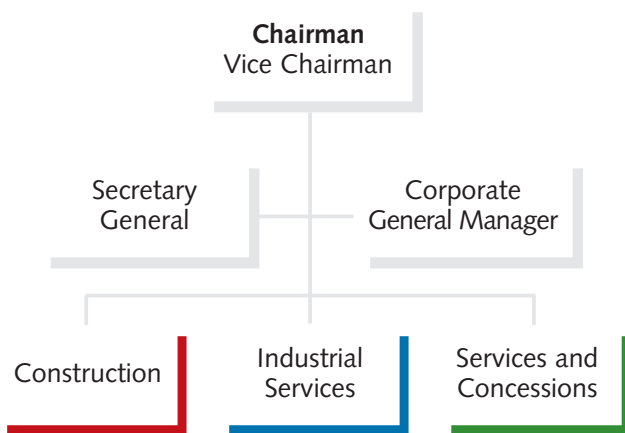
Member of the Board of Directors of ACS Group since 1989

■ Member of the Executive Committee

■ Member of the Audit Committee

■ Member of the Remuneration Committee

Management Committee



Mr. Florentino Pérez Rodríguez

Chairman and CEO

Born in 1947. Civil Engineer. Although Mr. Pérez started his career in the private sector, he held different posts in the Public Administration between 1976 and 1982 when he was Delegate for Sanitation and Environment of the Madrid City Council, General Manager of Transport Infrastructures in the Ministry for Transport, as well as Chairman of IRYDA in the Ministry of Agriculture. In 1983, he returned to the private sector as top executive of Construcciones Padrós, S.A., of which he was one of the main shareholders. Since 1993, he has been the Chairman and CEO of ACS Group, first as the chairman of OCP Construcciones S.A., and since 1997 as the chairman and CEO of the so-called ACS Group.

Mr. Antonio García Ferrer

Executive Vice Chairman

Born in 1945. Civil Engineer. Mr. García started his career in Dragados y Construcciones, S.A. in 1970. After assuming various positions of responsibility in the construction company, in 1989 he was appointed Regional Manager for Madrid. Then in 1998 he was placed at the head of the Building business and in 2001 he became General Manager of the Industrial and Services Divisions. In 2002 Mr. García was appointed as the Chairman of Grupo Dragados, S.A., and in December 2003 he became the Executive Vice Chairman of the ACS Group.

Mr. Ángel García Altozano

Corporate General Manager

Born in 1949. Civil Engineer and MBA, University of Dayton. Mr. García started his professional career in the construction sector. He was General Manager of the Instituto Nacional de Industria (INI) and President of Bankers Trust for Spain and Portugal. In 1997 he joined the ACS Group as Corporate General Manager with responsibility over the economic-financial areas, corporate development and financial shareholdings.

Mr. José Luis del Valle Pérez

Secretary General

Born in 1950. Lawyer and State Attorney. From 1974 until 1983 Mr. del Valle held various positions in the Public Administration and was a member of the Parliament from 1979 to 1982 and Deputy Secretary of the Ministry of Territorial Administration. He has been a member of the Board of Directors of the ACS Group since 1989 and has been the Secretary General to the Board of Directors since 1997.

Mr. Marcelino Fernández Verdes

*Chairman of
the Construction Area*

Born in 1955. Civil Engineer. Mr. Fernández joined the Group in 1987 and was appointed General Manager in 1994. In 1998 he became the CEO of ACS Proyectos, Obras y Construcciones S.A., and in 2001 was appointed Chairman of the company. From 2002 he took on the responsibility of the Construction area of the ACS Group. He is the Chairman of Dragados.

Mr. Ignacio Pérez Rodríguez

*Chairman of
the Industrial Services Area*

Born in 1952. Civil Engineer. After initiating his professional career in the construction sector, Mr. Pérez held several relevant management posts in Control Presupuestario and Bancoval, until 1991, when he joined the ACS Group as Chairman of Semi. He was named CEO of Grupo Cobra in 1997. At present he is Chairman of ACS, Servicios, Comunicaciones y Energía, the Services, Communications and Energy area of the ACS Group.

Mr. Demetrio Ullastres Llorente

*Chairman of
the Services and Concessions Area*

Born in 1945. Civil Engineer. Mr. Ullastres joined Grupo Dragados in 1969, and has carried out his entire professional career within the company where he has been head of the Building activity, Manager of Civil Engineering, International Director, Chairman of Dragados Industrial, Chairman of Dragados Construcción and General Manager of Grupo Dragados in charge of Concessions and Construction. He is currently the Chairman of ACS, Servicios y Concesiones, the Services and Concessions area of the ACS Group.



Management Team

ACS, Actividades de Construcción y Servicios

Mr. Florentino Pérez Rodríguez
Chairman and CEO

Mr. Antonio García Ferrer
Executive Vice Chairman

Mr. Ángel García Altozano
Corporate General Manager

Mr. José Luis del Valle Pérez
Secretary General



ACS head offices building

Dragados

Mr. Marcelino Fernández Verdes
Chairman and CEO

Mr. Juan Ernesto Pérez Moreno
Executive Assistant to the Chairman

Mr. Luis Nogueira Miguelsanz
Secretary General

Mr. José María López Piñol
Civil Engineering Manager

Mr. Ricardo Martín de Bustamante
Civil Engineering Manager

Mr. Gonzalo Gómez Zamalloa
Building Manager

Mr. Ignacio Segura Suriñach
Building Manager

Mr. Antonio Cortés Sánchez
International Manager

Mr. Octavio del Real Sánchez
Subsidiary Companies Manager

Mr. Maximiliano Navascués Redondo
Contracting Manager

Mr. Alfonso Costa Cuadrench
Technical Services Manager

Vías y Construcciones

Mr. Manuel Pérez Beato
Chairman and CEO

Mr. Antonio Alfonso Sánchez
General Manager

Mr. Manuel Álvarez Muñoz
Production Manager

Tecsa

Mr. Rafael Valero Sin
CEO

Drace

Mr. José Luis Sarabia Centeno
CEO

Geocisa

Mr. Francisco Javier Asencio Marchante
CEO

Cogesa

Mr. Enrique Pérez Rodríguez
CEO

ACS Servicios Comunicaciones y Energía

Mr. Ignacio Pérez Rodríguez
Chairman and CEO

Mr. José Alfonso Nebrera García
General Manager

Mr. José Romero de Ávila González-Albo
Secretary General

Cobra Group

Mr. Eugenio Llorente Gómez
CEO of COBRA

Mr. Daniel Vega Baladrón
CEO of SEMI and MAESSA

Mr. Juan Agustín Sánchez Bernal
Chairman of ETRA, API and IMES

Mr. José Reis Costa
Chairman of CME

Dragados Industrial

Mr. Lorenzo Díaz Revenga
Chairman and CEO

Mr. Carlos Rodríguez Méndez
General Manager of CYMI

Mr. Mateo Rodríguez-Sánchez
General Manager of Ingeniería Industrial y Plantas

Mr. Pedro Ascorbe Trian
General Manager of Dragados Offshore

Mr. Juan Enrique Ruiz González
General Manager of Sistemas

Mr. Antonio Benítez Vilches
General Manager of Masa

ACS Servicios y Concesiones

Mr. Demetrio Ullastres Llorente
Chairman and CEO

Mr. Juan Galvañ Morante
Secretary General

Services

Mr. Javier Polanco Gómez-Lavín
CEO of Urbaser

Mr. José Naranjo Hiraldo
General Manager of Urbaser

Mr. Juan Carlos Pery Paredes
CEO of Dragados SPL

Mr. Agustín Batuecas Torrego
Chairman and CEO of Continental Auto

Mr. Cristóbal Valderas Alvarado
CEO of Clece

Concessions

Mr. Jaime Álvarez López
Chairman

Mr. Víctor Revuelta García
General Manager

Mr. Manuel García Buey
General Manager

Mr. Francisco Fernández Lafuente
General Manager

2.2

Corporate Strategy

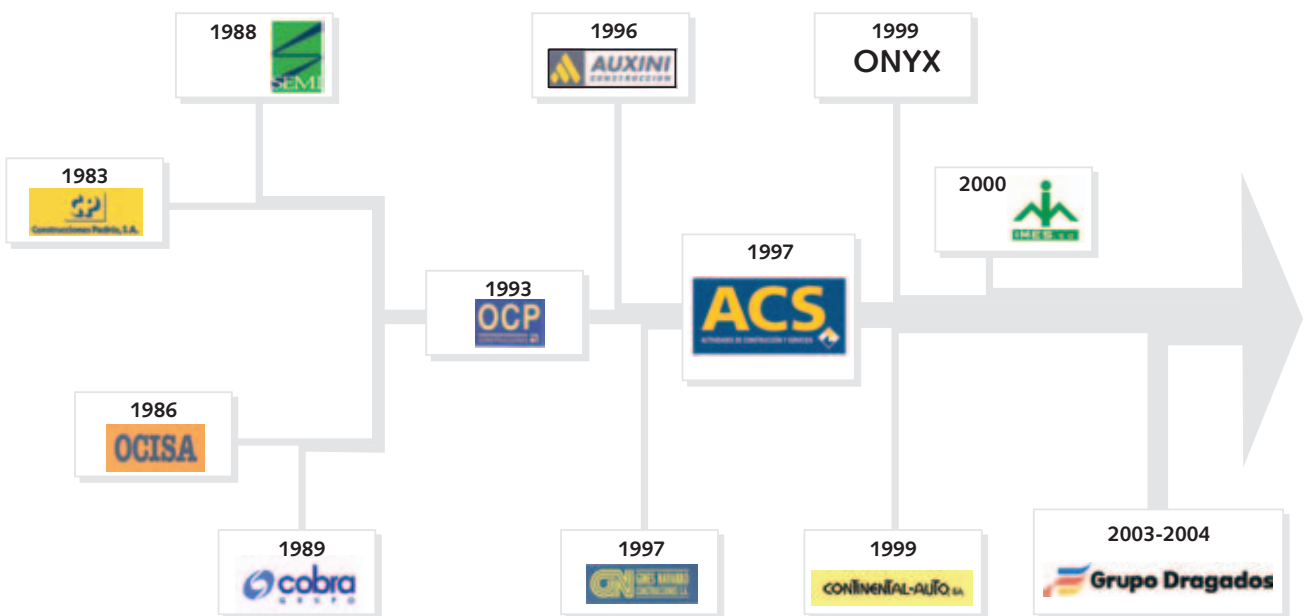
Our History

Although some of the companies of the group are over 70 years old, the ACS Group began in 1983 when a group of engineers acquired Construcciones Padrós, a financially troubled mid-sized construction company located in Badalona. After a restructuring process, the strategy was repeated with the acquisition of OCISA, a prestigious and larger mid-sized contractor in operation for over 40 years.

The diversification process was initiated in 1988 with the acquisition of SEMI, a longstanding company specialized in the maintenance and installation of electric lines. A year later, a majority shareholding was acquired in Cobra, which is one of the leading support services providers to electricity and telecommunication companies.

In the 1990s, OCP Construcciones was born, resulting from the merger of Construcciones Padrós and OCISA. This confirmed ACS as one of the leading corporate groups in Spain in the sectors of construction and services. In 1997, ACS, Actividades de Construcción y Servicios was created, as the result from the merger of OCP Construcciones and the companies Auxini and Ginés Navarro.

From that point onward, the Group has greatly developed its services activity by investing in the incorporation of new companies: In 1999, the Group acquired Continental Auto, which was dedicated to passenger transport by road, and Onyx, a provider of environmental services; In 2000, Grupo Imes, dedicated to public lighting services, integral maintenance and control systems, and Vertresa, the largest waste-treatment plant in Madrid, were absorbed.



With the turn of the century, the ACS Group undertook the largest investment of its history, consisting of €1.38 billion in the most relevant corporate development seen to date. This involved the acquisition of 23.5% stake in Grupo Dragados, subsequently increased by 10% through a take over bid.

In the wake of the recent merger with Grupo Dragados late in 2003, the ACS Group has become a worldwide reference in the promotion, development, construction and management of any type of infrastructure, being the third-ranked by market capitalization in Europe.

The Group's solid success story is based on its decentralized, dynamic and enterprising organization, complemented with a strategy of growth and diversification, with objectives of maximizing shareholder profitability while contributing to sustainable development.

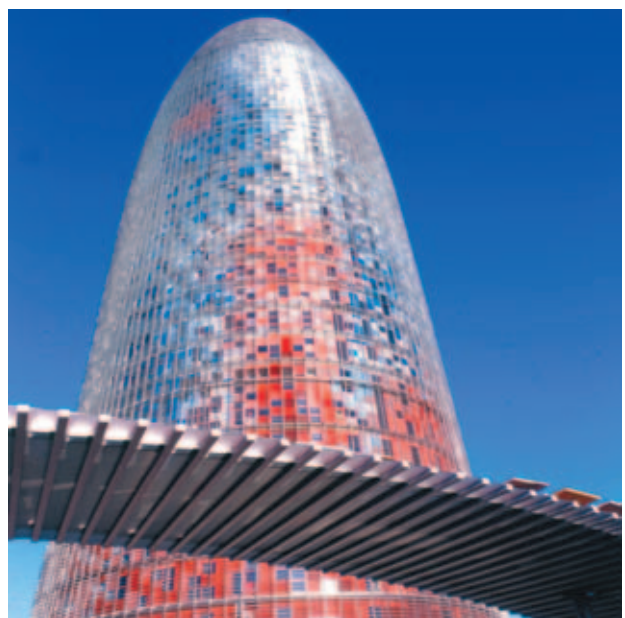
The corporate philosophy of the ACS Group consists of three distinguishing characteristics:

- A unique contractor culture tightly focused on satisfying customer's needs.
- Clear competitive edge as a result of the quality of its employees, technical excellence and ongoing innovation in each project.
- A constant commitment to the creation of long-term economic and social value.

Our Vision

The ACS Group leads the business of promotion, construction and management of infrastructures and services, being fully committed to social development. This dedication seeks to bring on improved welfare and sustainable growth of society through new projects, as:

- The development of infrastructures, covering a wide range of activities, such as civil works projects, industrial installations, energy power plants, telecommunication systems and waste treatment and purification plants.
- The providing of services in the fields of integral management of urban, logistical and industrial infrastructures.



Torre Agbar in Barcelona



Electrical substation

The wide range of products that the ACS Group offers in the markets of construction, applied engineering, services and concessions is characterized by the shared strategic values and the full dedication to serving customers. The former consist of solid know-how obtained through experience, the mutual trust cultivated with our customers, the ongoing search for profitability on managed assets and the commitment to sustainable development of society.

The creation of value of the Group is the result of the contribution of each activity. Hence, the Construction area contributes robust cash generation, Industrial Services offers a combination of growth, recurrence and profitability, and Services and Concessions is characterized by the diverse investment opportunities in capital intensive projects with long-term sustainable return.

Our Values

Experience

For over 60 years, the companies comprising the ACS Group have developed and incorporated the technical and human capacities needed to maintain and broaden the Group's competitive edge in increasingly specialized markets.

The Group's commitment to its customers is reflected in the ongoing management of know-how. Customers are provided with quality service to which new technical developments are incorporated in the different activities.

The Group combines mature businesses, which require experienced management, and new businesses, to which new technologies of design, construction and execution of projects are applied. This combination forms the base of the experience accumulated by our professionals and management, which constitute one of the Group's most valuable assets.

Trust

The long-term relationship we maintain with our customers is based on confidence built up over time and on reciprocal familiarity. This allows us to quickly adapt to individual needs and demands.

Clearly, one of the elements leading to this mutual trust is the dynamism and flexibility of our organization, which allow us to increase the efficiency of our activities by taking advantage of the commercial and productive capacity of each division. This fact, along with an appropriate cost base, heightens the competitiveness of our companies and guarantees that our results meet customers' demands.

Profitability

The profitability that we are able to generate from the resources we manage is key for our future. This is achieved by applying an active risk-control policy in each line of business, in both industrial and corporate terms.

This idea is present throughout the organization and forms a part of our corporate culture. It guarantees the strategic coherence of all the actions of the Group and allows for objective and consistent evaluation of management.

Commitment

The Group maintains a long-term commitment with its customers in its collaboration in their projects. This facilitates the ongoing adaptation to growing demands and quick anticipation of their future needs.

This is made possible by the commitment to excellence of our employees, allowing our Group to attract talent, promote professional development and provide incentives for creativity and dedication, in order to continue growing as a leading company.

Our track record has demonstrated our firm commitment to the creation of shareholder value through profitable and sustained growth, a strict policy of resource allocation and a strategy of investment in recurrent businesses. This allows us to contribute to the development and improvement of society, which we are able to serve in an efficient and ethically responsible manner.



Our Objectives

The strategy of the ACS Group pursues to achieve a leading role in the development of infrastructures in the markets in which we are present, through clearly defined objectives:

1. Meeting the needs of our customers

- Maintaining our high standards of quality, security and reliability in the different products and services that we offer, in order to promote stability and guarantee recurrent income.
- Increasing the supply of products and services that allow for the diversification of our portfolio of activities while reducing our exposure to economic cycles.



VAO bus control systems on the N-VI (Madrid)

- Expanding our current customer base through ongoing commercial effort in new markets.

2. Optimizing the profitability of the resources that we manage

- Through improvements in operating and financial efficiency, offering appealing return on capital.
- Applying rigorous investment criteria adapted to our strategy of expansion and growth.
- Maintaining a solid financial structure that facilitates the raising of resources at low cost.
- Offering an attractive dividend policy, sustainable in the long-term.

3. Improving the society in which we live

- Contributing to its economic growth, whether directly through the wealth generated by our activity and the promotion of investment and employment, or indirectly through improvements represented by the infrastructures that we develop.
- Improving social welfare through the creation of decent and fairly remunerated employment.
- Respecting the environmental and cultural context in each of the activities carried out by the Group, in accordance with the recommendations of leading domestic and international institutions.

2.3

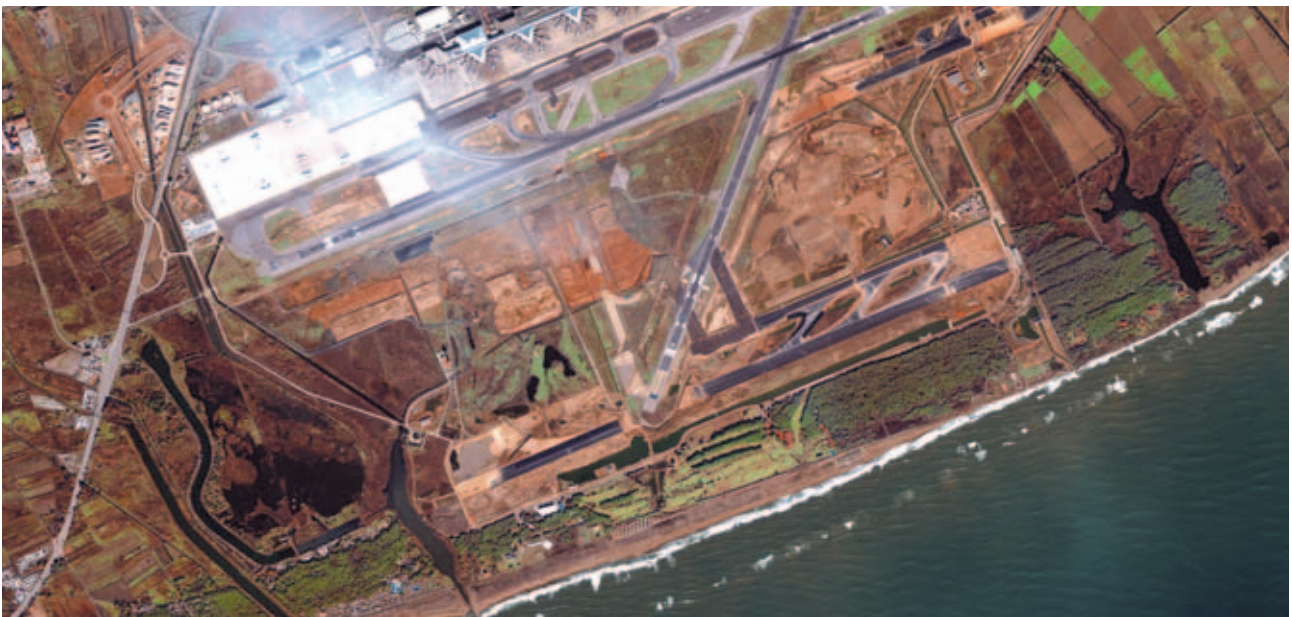
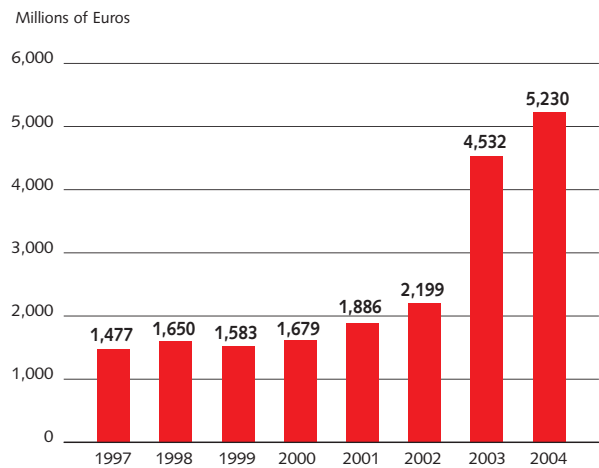
Activity Report

2.3.1. Construction

The Construction area of the ACS Group has consolidated its clear leader position in the sector in Spain, being one of the leading European contractors by net sales and profitability. This privileged position was achieved through the process of integration of ACS Proyectos Obras y Construcciones and DOPSA, completed in 2004, and through the consistent demand in the construction sector in Spain in recent years.

Consequently, turnover of the construction activity of the ACS Group has tripled since 1999, amounting to over €5.2 billion.

Turnover evolution



Third runway of Barcelona Airport

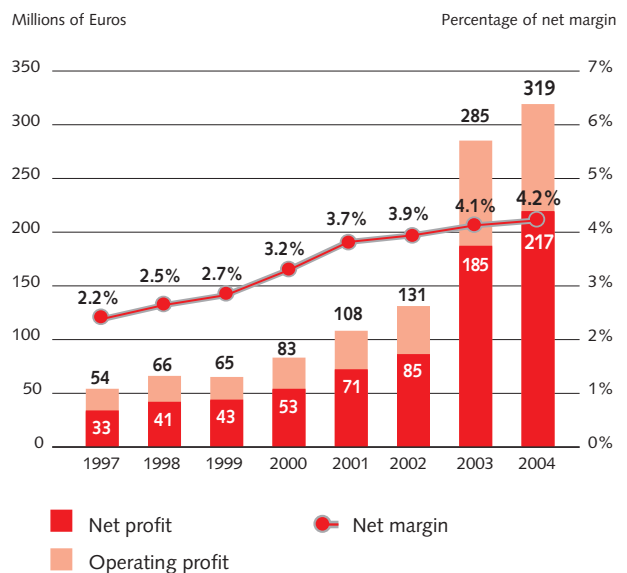


Miel Viaduct in Nerja (Málaga)

The leap in sales was achieved with substantial upturns in profitability, largely due to the application of a strategy focused on strict cost control and the adoption of a commercial policy aimed at highly specialized large-scale projects with high added value.

One of the keys to this outstanding performance is the Group's maintained focus on civil works, such as the construction of important projects of highways, motorways and roads, marine projects, hydraulic works, metropolitan infrastructures, airports, ports, etc. Specifically, this segment of activity accounts for around 60% of the total activity of the Construction area and benefits from a competitive edge worldwide due to the complexity, magnitude and quality of the projects carried out.

Profit evolution



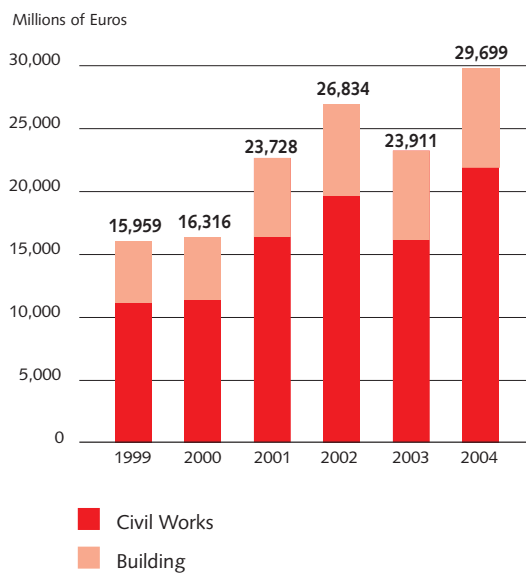


Three-support bridge in Sanchinarro (Madrid)

Prospects for the sector

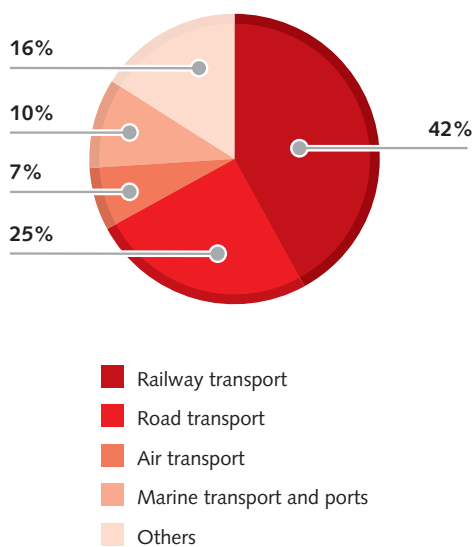
Forecasts for activity in Spain are very positive for 2005, backed by the sound performance of official tendering processes, solid demand in commercial building and the prolongation of the residential cycle.

Official bidding process evolution 1999-2004



Source: Civil Works Ministry

PEIT 2005-2020 forecast investment breakdown



Long-term forecasts have been significantly recovered with the Government's Strategic Plan on Infrastructures and Transport (PEIT), approved by the Council of Ministers in December 2004, aiming to improve the Spanish infrastructures over the period 2005-2020. Said plan substitutes the previous National Infrastructures Plan (2000-2010) and targets the following priorities:

- Promotion of economic development and competitiveness of the Spanish economy.
- Increase in quality and security of infrastructures and transport services.
- Sustained mobility and
- Strengthening of social and territorial cohesion.

The actions of the plan are focused on railways, roads, air transport, marine transport and ports, activities where the ACS Group holds significant competitive advantages.



Jerez-Los Barrios highway

The total foreseen investments of the plan amounts to €241.392 billion, with 60% of this amount charged to the national budget and the remaining 40% to financing schemes which combine private and public funding.

Organizational Structure





AVE, Puente Genil section (Córdoba)

Strategic Objectives

Construction is a mature and competitive business in which the main goal is satisfying customers' needs, which implies predominantly local management. The strategy of the construction business of the ACS Group is based on the maximization of the profitability of its projects through an increased focus on large-scale projects, which generate greater added value due to the inherent degree of specialization. The main strategic objectives of this activity are:

- Maintenance of the share of the domestic market and constant improvement of operating profitability, attaining sustainable and profitable growth.
- Selective international expansion through the development of own concessions and/or unique projects based on a high degree of specialization.

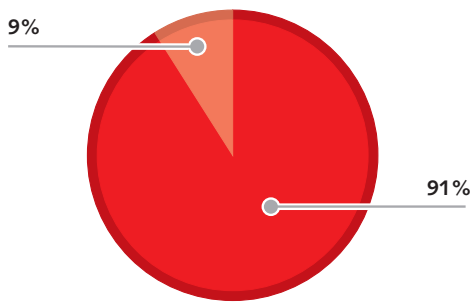
Additionally, this activity benefits from robust cash generation, which allows it to finance the development of other activities that strengthen the Group's long-term growth.

Activity in 2004

Dragados S.A., as the Group's head company in the construction activity, participates in all the infrastructure plans carried out in Spain. Its presence is noteworthy in the construction of important projects involving highways, motorways and other roads, marine works, hydraulic works, metropolitan infrastructures, airports, ports, etc. It is also highly competitive in the construction of buildings, including non-residential, for uses such as commerce, healthcare, educational, administration, cultural and sports events and the rehabilitation of unique buildings, and residential building throughout Spain, in its main cities, residential areas and tourist destinations.

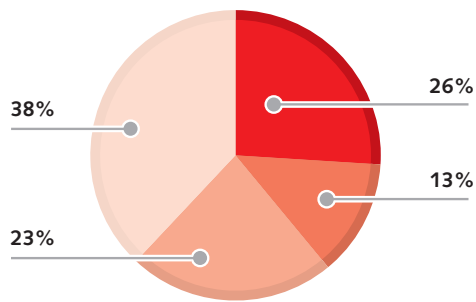
In 2004, the turnover of Dragados amounted to €5.23 billion, with €217 million in net profit, being the highest amount ever reached. The company's international presence, which represented 9% of total construction turnover in 2004, primarily takes place in countries where the Group is active in the transport infrastructures concession projects.

Turnover breakdown by market



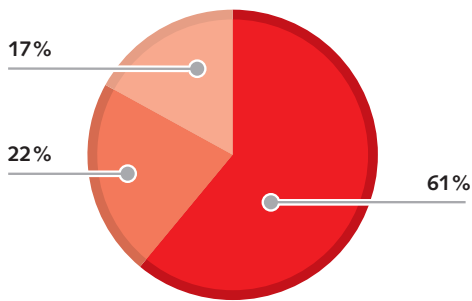
- Domestic
- International

Domestic civil works turnover breakdown



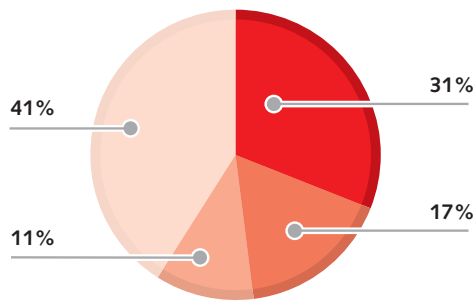
- Highways and roads
- Hydraulic works
- Railways
- Other civil works

Turnover breakdown by activity



- Civil works
- Non-residential building
- Residential building

Domestic turnover breakdown by type of client



- Central Administration
- Autonomic Administration
- Local Administration
- Private clients

In **motorways and roads**, the following projects deserve special mention:

- A-23 motorway from Levante to France passing through Aragón, section Escandón-Teruel.
- Vigo ring road, section Castrelos-Boozas.
- A-7 Mediterranean highway, section Nerja-Almuñécar.
- Planning, construction, conservation and operation of the section Toledo-Consuegra of the Viñedos highway.
- Construction of the fourth lane in the section Montmeló-El Papiol of the A-7 motorway.
- Planning of project and execution of construction in access roads of the A-1 highway between the M-30 and the M-40.
- New A-632 highway from Ribadesella to Lluvia, section Grases-Infanzón.



Radial 2 motorway in Madrid

- Conditioning of road surface of TF-5 highway from Santa Cruz de Tenerife to San Cristóbal de La Laguna.

In **railways**, which include high-speed, interurban and metropolitan projects, the following are the most significant:

- Planning and construction of the Pajares tunnels of the high-speed line León-Asturias.
- High-speed line Córdoba-Málaga, section Gobantes-East Abdalajis tunnel.
- Construction of infrastructure and stations along several sections of Line 9 of the Barcelona subway.
- Construction of interurban Line 1 of the Seville subway.
- New rail access to the North and Northeast of Spain, section Soto del Real-Segovia.
- Underground connection between the stations of Atocha and Nuevos Ministerios.
- Execution of the works for the line Málaga-Fuengirola.

Among the Group's accomplishments in **hydraulic works, coasts and ports**, the following stand out:

- Planning and construction of the Rules dam in Vélez de la Benaudalla (Granada).
- Construction of southern retaining wall for the Barcelona port.
- Enlargement of El Ferrol port.

The Group's most important projects in **airports** include the following:

- New area, including terminal, satellite structure, parking and outlying access, of the Madrid-Barajas airport.
- Runway 15L-335 and taxiing areas in the Madrid-Barajas airport.
- Enlargement of the operating area of the Barcelona-El Prat airport; new runway 07R-25L and taxiing areas.
- Second phase of construction of the Torre Marenostum buildings in Barcelona.
- Building of the Caixa de Galicia Foundation in La Coruña.
- Enlargement of the Museo Nacional del Prado de Madrid.

In **non-residential building**, the ACS Group participates in many public and private projects, including:

- Construction of the Santander Central Hispano Bank head offices in Boadilla del Monte (Madrid).
- Enlargement of the Museo Nacional Centro de Arte Reina Sofía de Madrid.



Harbour of El Ferrol (A Coruña)

- Construction of the Torre Agbar in Barcelona.
- Remodeling of the El Arcángel stadium in Córdoba.
- Construction of the Rockódromo pavilion, located in the fairgrounds of the Casa de Campo of Madrid.
- Construction of the meeting center for the Bilbao Exhibition Centre in Barakaldo (Vizcaya).
- Palacio de las Artes in the Ciudad de las Artes y las Ciencias in Valencia.

In **residential building**, the ACS Group continues carrying out projects for the leading developers of Spain in the construction of residential buildings and complexes throughout the country.

Contracts awarded in 2004

In 2004, the volume of awarded contracts rose to €5,867 billion. At year-end 2004, the order book amounted to €8,525 billion, up by 8.1% from the previous year. The following contracts are of particular interest:



Santander Central Hispano offices in Boadilla del Monte (Madrid)

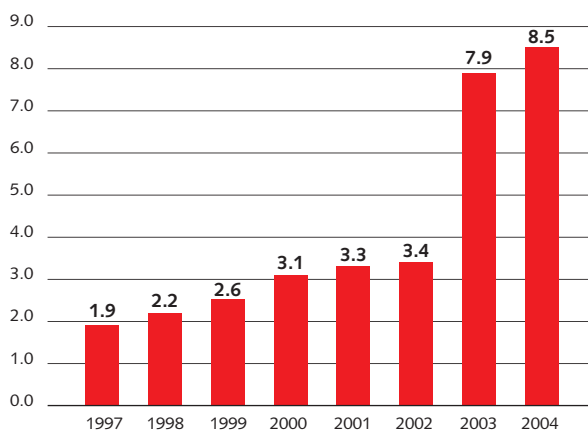
Millions of Euros

Most important contracts awarded

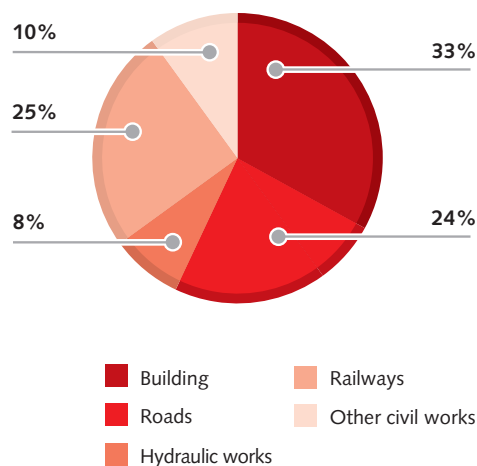
	Type of project	Awarded budget
Alicante ring toll road and toll-free section "El Campello"	Roads	353.8
International connection between Figueras and Perpignan of the high-speed railway line between Spain and France	Railways	263.2
New port installations in Punta Langosteira (Arteixo) in La Coruña	Hydraulic works and ports	233.9
Gijón port enlargement	Hydraulic works and ports	220.1
Right lane of connection of Paseo de Santa María de la Cabeza corresponding to the south tunnel of the M-30	Roads	205.2
Prolongation of Line 7 of the Madrid subway to Coslada and San Fernando de Henares	Railways	168.4
Platform of high-speed line Corredor Norte-Noroeste, section Lalín-Boqueixón (Pontevedra)	Railways	127.1
La Breña II dam	Hydraulic works and ports	120.3
Construction of water-sports center in the Parque Olímpico of Madrid	Non-residential building	109.4
Third tunnel of Guadarrama	Roads	87.4
Platform of high-speed line Corredor Norte-Noroeste, section Lalín Abeleda-Baxán (Pontevedra)	Railways	78.6

Order book evolution

Billions of euros



Order book breakdown by type of project



2.3.2. Industrial Services

The Industrial Services area of the ACS Group benefits from its broad and varied experience of over 75 years in the development of services of applied engineering, installation and maintenance of industrial infrastructures in the sectors of energy, communications and control systems in Spain, Portugal, with an international presence in more than 25 countries.

With €3.49 billion of turnover in 2004, it leads the sector in Spain, it is first-ranked in Europe, and it is a worldwide reference given its positioning as:

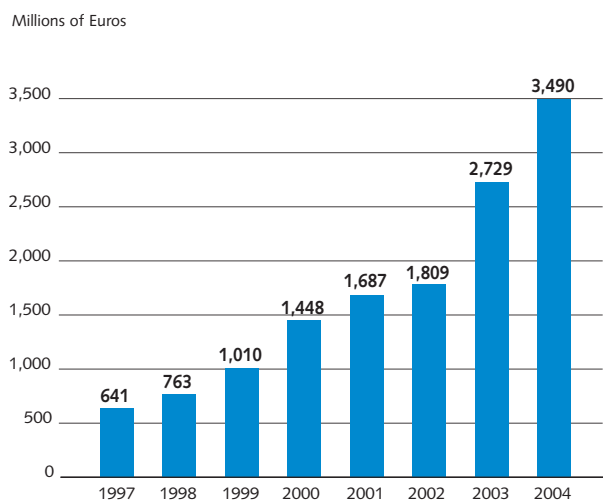
- Main supplier to water, gas and electricity companies in the development and maintenance of their generation and distribution installations.
- Leading agent in the development and maintenance of specialized installations, such as thermodynamic and mechanical, electric, railway (conventional and high speed) and telecommunications installations.
- One of the leading competitors worldwide in the development of large projects for the gas and oil industries, from the construction of offshore platforms and modules to turnkey projects of refineries and petrochemical plants.
- Leading company in energy power projects, such as combined cycle power plants, regassification plants and renewable energy.
- Leading domestic enterprise in the development and maintenance of technological systems related to telecommunications, road and railway traffic, public lighting and industrial control.

This activity promotes its commercial development by product and by client through a decentralized structure that encourages profitable efficiency and the search for new business opportunities.

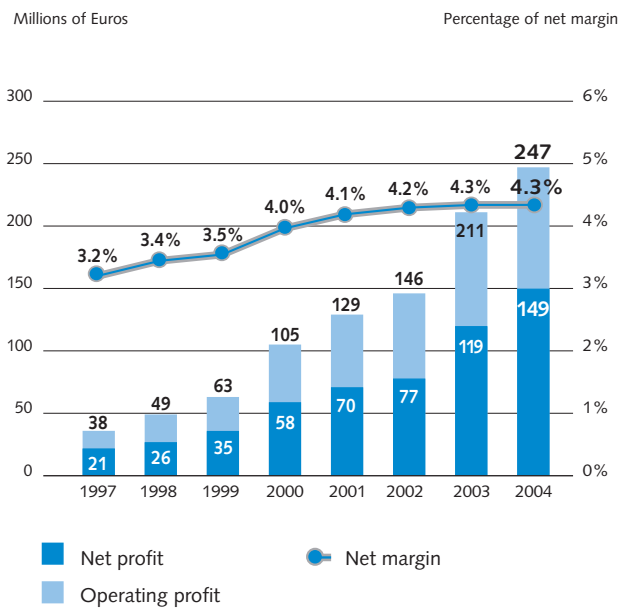
Hence, the ACS Group participates throughout the value chain of industrial services, offering from the promotion, engineering and construction of new projects, to integral maintenance of industrial installations.

This broad range of services leads to a recurrence in revenues of around 70%, which results in high visibility of the activity combined with sustained profitability.

Turnover evolution



Profit evolution



Industrial Services can be broken down into four lines of business:

- Networks:** This activity of maintenance of electric, gas and water distribution networks is backed by over 50 years of experience. Over this time, the Group has developed important competitive advantages, including profound knowledge of the business, high quality of service provided and a high degree of specialization by product and geographic area. These distinguishing characteristics have made the ACS Group a clear leader in this business, particularly in its constant innovation in assembly techniques and in the incorporation of specialized machinery, which, in many cases, is designed and manufactured by the company itself.



Sines-Setúbal gas pipeline (Portugal)



Underground storage of natural gas, Carricho (Portugal)

- **Specialized Products:** Combines the activities of installation and maintenance of high-tension electric lines, engineering, installation and maintenance of telecommunications systems, maintenance of railway installations, electric installation, mechanical assemblies and heating and cooling systems.
 - In **high-tension power lines**, the Group maintains a leading position in the sector, being involved in engineering, supply, assembly, start-up and maintenance of high-tension lines and substations. It is also a pioneer and leader in integral electric maintenance in transmission, distribution and substation tension lines, as well as in all steps of tension in substations.
 - **Telecommunications** includes all projects related to engineering, development, implantation and maintenance of networks and technical equipment used in fixed, wireless and cordless telephony for the local loop and fiber optics, as well as radio links, microwave systems and custom-made telecommunications systems, within others.
 - In **railways**, the Group handles the design, engineering, assembly, start-up and maintenance of railway systems, in specialized areas such as electrification, signaling, railway security systems, communications, support services related to access control, automatic dispatch, escalators, lighting, ventilation and heating and cooling.
 - The ACS Group offers **integral management of support services** in the industrial and manufacturing processes of a broad range of sectors both in Spain and abroad. This activity is comprised of unique projects requiring specialization, such as industrial refrigeration, heating and cooling systems, and mechanical and structural systems.

- **Integrated Projects:** The Group offers a variety of turnkey projects for a range of applications, from engineering to commercial operation. In these kinds of projects, experience, know-how, credibility and technical capacity are fundamental. These projects are broken down into the following groups:
 - **Energy projects:** Include the execution of large-scale projects such as combined cycle power plants, conventional thermal plants or desalination plants, as well as high-power electric installations such as substations and transformers for the transmission and distribution of energy and solutions for large-scale consumers.
 - **Renewable energies:** Through the promotion, turnkey construction and operation of wind farms. In 2004, the Group had 13 wind farms in operation totaling 267 MW installed, another 7 under construction totaling 222 MW, and 35 wind farms projected, amounting to a total of over 1,400 MW. In addition to this, it develops renewable energy projects for third parties.
 - **Industrial projects:** With over 40 years of solid experience, the Group is highly specialized in the management of turnkey projects. Newly developed management tools are used, which allow it to execute large-scale projects in the international arena. This activity integrates applied engineering services such as installation, construction and transformation in industrial plants, tankers, refineries, petrochemical plants, cement manufacturers, etc.
 - **Oil and gas platforms:** Dragados Offshore began to construct oil and gas platforms in 1972, and since then, it has gone on to become one of the industry leaders worldwide. Its business includes the construction of platforms and installations and floating systems in its own factories in Cádiz and Tampico (Mexico). It is also involved in modular

construction for refineries, processing plants, loading and unloading terminals, and equipment such as port cranes, sluiceways and lockgates, receptacles, tanks, etc.

- **High-speed railway systems:** Design, engineering, assembly, start-up and maintenance of installations for high-speed lines. Highly specialized in electrification, signaling, railway security installations, communications and other support services involved in global projects.
- **Control Systems:** The Group has become the leading provider of engineering, installation and operation of control systems for the industry and the urban services.
- **Traffic control and transport systems:** Characterized by a highly technological profile and constant requirements of new technological developments, this



Combined-cycle power station in Granadilla (Tenerife)

activity includes integral solutions for control and regulation of urban and interurban traffic, technology used in public transport through the management of operating-assistance resources (SAE), control of access to toll roads and parking; design and installation of new dynamic toll systems for highways; and installation and maintenance of lighting systems along public roads.

- **The integral maintenance of public infrastructures:** includes services that are highly specialized and flexible such as, signaling and integral conservation of roads; vertical, horizontal and containment-control signaling; services associated with hydraulic infrastructures, in distribution as well as in networks of treatment, purification and information systems; electric and fluid systems for ornamental fountains; intelligent management systems and automation centers in the integral maintenance of public buildings, and treatments used in forestry.

Prospects for the sector

The corporate dynamism of the ACS Group constitutes a solid base from which it is able to take advantage of opportunities of future growth, largely through its wide diversification of services and geographic presence.

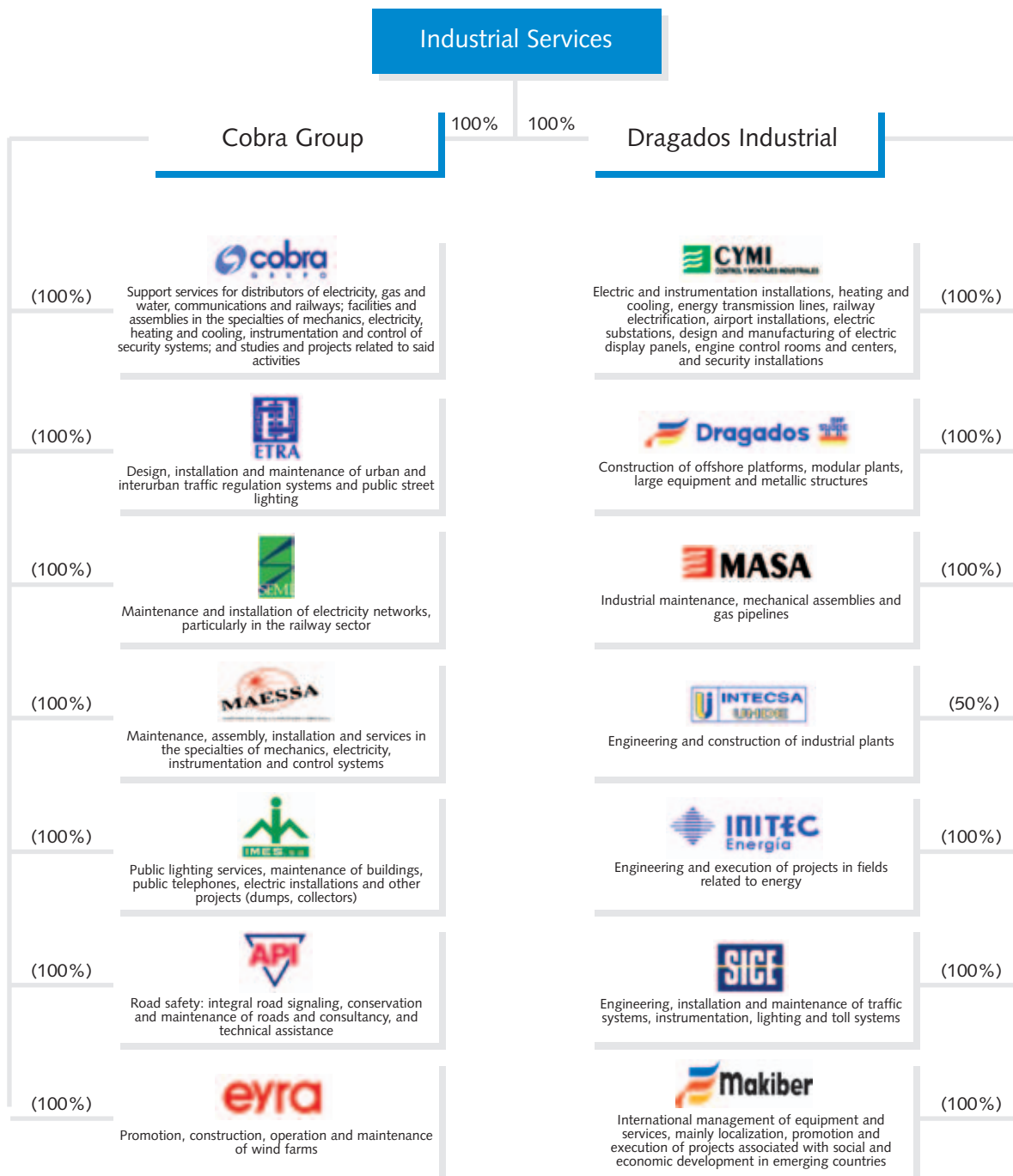
This growth is firmly backed by the need for investment in the energy sector, resulting from the constant growth in demand requiring supply and additional installed capacity to cover said growth. Additionally, this new demand requires an appropriate combination of sources of energy that maintains a competitive level of prices while assuming the requirements of the Kyoto Protocol.

- In the electric energy sector, construction of new generation plants is expected to continue, mainly combined cycle plants and renewable energy, as well as the maintenance of high and low tension power lines.
- In the sectors of oil and gas, the main developments foreseen are in the construction of installations for extraction, storage and refining of crude oil, and in the development and expansion of gas transmission and distribution networks.

Demand is also growing for services of operation and maintenance of installations, largely from public service companies and industrial corporations, as well as from public administrations:

- Many industrial companies are attempting to increase their productivity in order to be able to compete in increasingly liberalized sectors while offering greater flexibility for increasing efficiency and promote expansion to new activities in domestic and international markets.
- Public administrations are attempting to optimize expenditure in order to meet growing social demands, improving existing public services and developing new products and technologies that heighten quality.

Organizational Structure





Las Lomas wind farm

Strategic Objectives

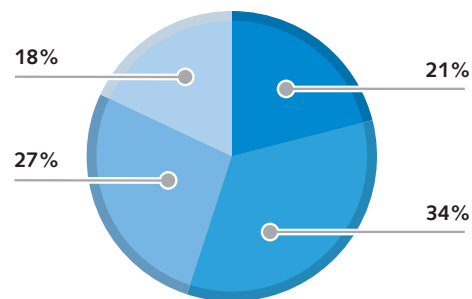
The solid basis of growth allow for the optimization of profitability by applying strict criteria of selection in new projects in relation to their potential creation of value. To this end, several clearly defined targets have been established in order to attain selective, sustainable and profitable growth:

- Continuing to lead future growth in the sector.
- Promote recurrent services, such as integral maintenance of installations.
- Increase the average profitability of the activity by strengthening the businesses with the highest added value, such as turnkey projects, while maintaining a strict policy of cost control.
- Promote new lines of business through investment in projects associated with renewable energies, both wind power and solar energy, and in traffic control and transport systems.
- Applying a policy of geographic expansion, meeting rigorous criteria of profitability and stability.

Activity in 2004

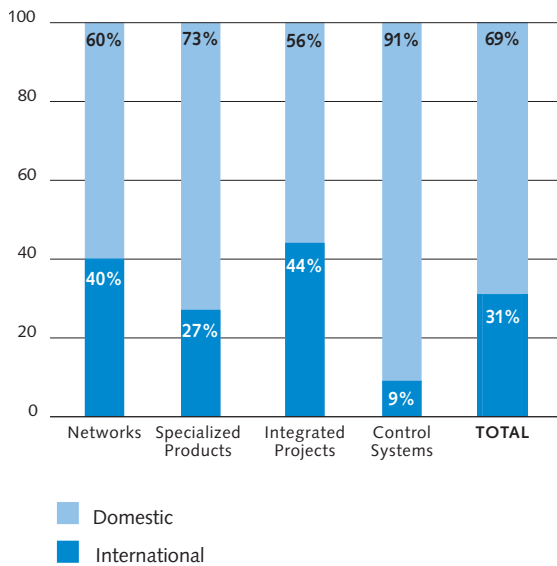
The activity evolution was characterized by a significant growth in the activity of Integrated Projects, with high added value and contributing future revenues to other activities through installation maintenance.

Turnover breakdown by activity



- Networks
- Specialized Products
- Integrated Projects
- Control Systems

Turnover breakdown
by market



The diversification of products guarantees constant growth, while the geographic diversification offers opportunities for growth in markets with increasing needs of development. In 2004, sales abroad accounted for 31% of the total.

Projects undertaken in 2004 in the maintenance of distribution **network** installations include the following:

- Maintenance of low tension lines in the central region for Unión Fenosa.
- Electromechanical assemblies in the Galapagar substations (Madrid) for Red Eléctrica Española (REE).
- Underground cabling of the line L/66 kV Albacete-Romica.
- Burial of aerial power lines in several Spanish cities.



Maintenance of the electrical grid

Specialized projects involving high tension electric grids include the following:

- Escombreras-El Palmar (Murcia) 400 kV high tension line, for REE.
- High tension line and 400 KV transformer substation of the Escatrón thermal power plant, for Heyno-Global.
- Electric submarine line in Mallorca, for Gesa-Endesa.
- Revision of the JINAMAR thermal power plant (Gran Canarias), for Unelco-Endesa.
- Substations, high and medium tension lines in Catalonia (Tramontana Plan), for Fecsa-Endesa.
- Repowering to 220 kV. of the Montouto-Frieira line, for Unión Fenosa.
- Modification of the 400 kV Escombreras-Rocamora line, for REE.
- Development, manufacturing and installation of remote control units for Endesa.
- Repowering to 220 kV of the San Cayetano-Santiago II line, for Unión Fenosa.
- Elancourt-Villejust (France) 225 kV high tension line.
- Construction of electricity transmission line in Paraná (Brazil).
- Eastern subtransmission in Veracruz (Mexico).



High-voltage electrical grid

In **telecommunications**, the following projects undertaken in 2004 deserve special mention:

- Wireless telephony infrastructure network in tunnels of new Madrid-Lérida railway line, for all operators.
- Supply, equipment and maintenance services for radio sites in Mexico and Chile for Telefónica Móviles.
- Integral maintenance contracts for communication lines for Telefónica in Spain and Peru.
- Maintenance and collection of public telephones in Madrid and Castilla-La Mancha for Telefónica.
- Installation and maintenance of base stations for Telefónica Móviles Chile.

In **railways**, the following projects are of particular interest:

- Projects involving energy distribution and electrification in the remodeling of Line 3 of the Madrid subway.
- Design and installation of the 25kV fixed overhead power cabling of the new Line 2 of the New Delhi subway in India.
- Modernization and compensation of the overhead power cabling in several lines of the Spanish network for RENFE.

Contracts signed in 2004 involving **the integral management of support services** include the following:

- Specialized assembly of components in the engine room of the minesweeper 0225 for Izar Cartagena.
- Mechanical maintenance, industrial cleaning and minor revision of the thermal power plants of Granadilla, Candelaria, Jinamar and Tirajana for Unelco-Endesa.

- Expansion of fire-alarm systems for Repsol Butano.
- Manipulation and operation of the slag treatment plant in the Aceralia factories in Avilés and Gijón.
- Maintenance of auxiliary equipment of turbine, mills and burners, the electric motors and the systems of instrumentation and control in the Endesa thermal power plant in Teruel.
- Installation and maintenance of heating and cooling systems in the new terminal of Barajas airport in Madrid.
- Installations of running water, heating and cooling, and electricity in the Trade Center hotel in Tarragona.
- Maintenance of heating and cooling systems in the Repsol YPF refinery in Tarragona.

In **energy projects**, contracts were signed involving the regassification of Sagunto and the construction of the combined cycle plants of Castellón, Castejón, Santurce, Amorebieta, Aceca, Castelnou, Cartagena and Skikda (Algeria). The following projects were also undertaken:

- PTA plant for Interquisa (Canada).
- Virgen del Milagro desalination plant (Murcia).
- Power plant in Nubaria (Egypt).
- Cacimbas-Vittoria gas pipeline for PETROBRAS, in Brazil.

In **renewable energies**, the Group has 10 wind farms in operation totaling 267 MW installed, and has another 7 wind farms under construction. Preliminary work has begun for the construction of the first solar-energy plant in Spain, to be located in Granada.

Wind farms in operation

Wind farms	Location	MW
L'Enderrocada	Tarragona	29.85
Monte da Serra	La Coruña	16.07
Monte Marban	La Coruña	11.40
Monte Villalbesa	La Coruña	22.20
Los Llanos	Málaga	33.40
Monte Redondo	La Coruña	49.50
Novo	La Coruña	18.75
Requeixo	La Coruña	11.69
Raposeiras	Logroño	39.00
Serra de Outes	La Coruña	35.00
TOTAL		266.86

Wind farms under construction

Wind farms	Location	MW
Ortiga	Leiria (Portugal)	12.00
El Perul	Burgos	49.60
La Lastra	Burgos	11.20
Ecovent II	Tarragona	48.10
Touriñan IV	La Coruña	24.65
Marmellar	Burgos	49.40
El Colmenar II	Almeria	28.00
TOTAL		222.95

In **industrial projects**, and in relation to the petrochemical industry, contracts were signed involving upstream projects, refining, petrochemicals and fertilizers, including the following developments in 2004:

- HDT unit for Repsol in La Coruña.
- Plant for separation of gas, water and crude for Cepsa in Rhourde El Khrouf (Algeria).
- Cheshmeh Khosh (Iran) of 80.000 BOD, for Cepsa.
- Block 16 of 150,000 BOD for Repsol-YPF in Ecuador.
- NPK fertilizer plants in India, the Philippines and Saudi Arabia.

In **extraction platforms**, the following projects in execution are of particular interest:

- Manufacturing of platforms IPC 39, IPC 60, IPC 78 and PBU-KU-A2, for PEMEX (Mexico).
- Expansion of the Snohvit-Hammerfest (Norway) project for Statoil, consisting of the construction of a gas liquefaction plant (LNG). Total weight: 24,000 tons.
- Buzzard project, consisting of the natural construction of a crude and gas production module in the North Sea, for Encana.

In **control systems**, the contracts carried out in 2004 include:

- Maintenance of dynamic installations and control of the R-3 and R-5 motorways of Madrid.
- Supply and installation of operating-assistance system equipment for urban buses of Madrid and Bilbao.

- Automatic system of luggage handling in the Barcelona airport, for AENA.
- Maintenance of automatic system of hydrological information of the Ebro river in Aragón.
- Maintenance of lighting on public roads, fountains and monuments for several Spanish municipal governments.
- Maintenance, conservation and operations of installations of the Somport (Huesca) tunnel control center over a two-year period.
- Integral maintenance of several sections of main highways in Spain.



Snohvit-Hammerfest project (Norway)

Contracts awarded in 2004

At the end of 2004, the order book amounted to €3,415 billion after having obtained €3,856 billion in contracts. The most important contracts were the following:

Millions of Euros

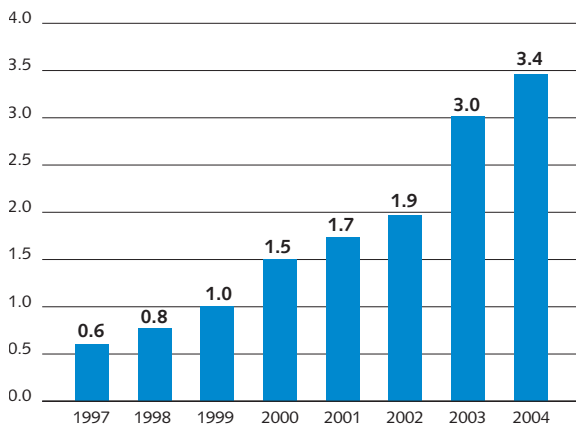
Most important contracts awarded

Budget

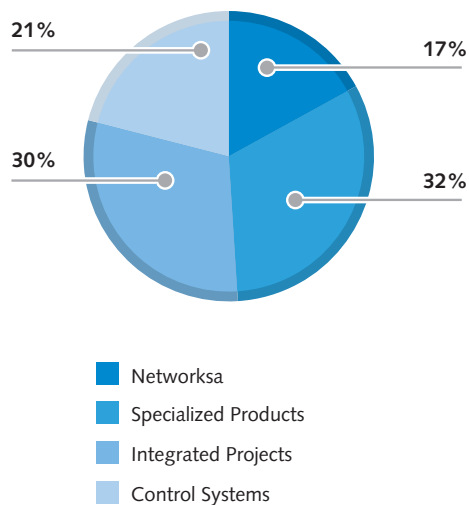
2 desalination plants in Algeria	263.9
Crude production platform PB-KU-A2	154.4
Buzzard project: Crude and gas production modules	72.5
Electric transmission line in Paraná (Brazil)	64.8
Installation of the coordinated security system of the Madrid subway	62.3
Closure of El Encino combined cycle plant in Mexico	60.9

Order book evolution

Billions of euros



Order book breakdown by type of project



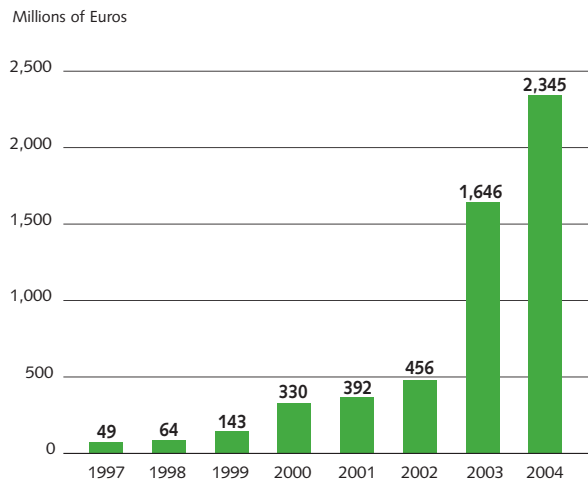


Solid urban waste treatment plant in Barcelona

2.3.3. Services and Concessions

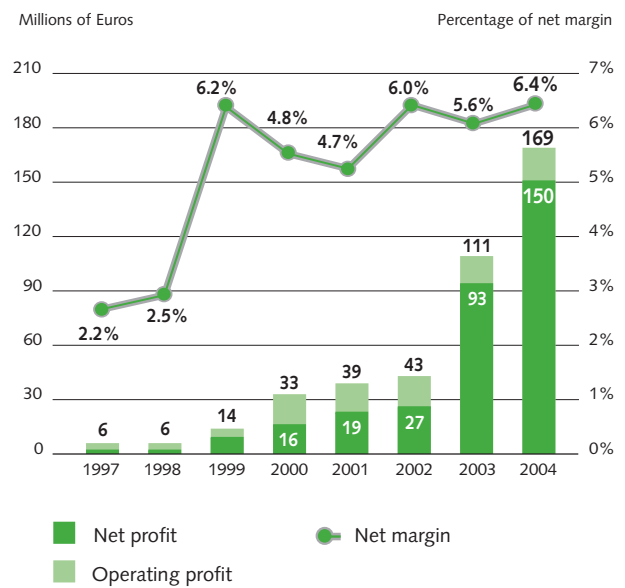
The Services and Concessions area groups together the activities of the ACS Group that attend the growing demands of society, both domestically and abroad, for services that contribute to the conservation and improvement of the environment, and those that allow for the outsourcing of facility management, as well as logistics and transport services, and those involving the development of transport infrastructures that make economic growth possible without deteriorating the national public budgets. These activities of the ACS Group led to a total turnover of €2.345 billion in 2004.

Turnover evolution



This Group of activities represents a diversified and high-quality offer. These businesses are capital intensive, highly recurrent and extremely long term, which provides the Group with stability in revenues. The critical mass and geographical scope of the business favor the obtaining of economies of scale, with the resulting consistent improvements in profitability.

Profit evolution



Gardening services in Granada

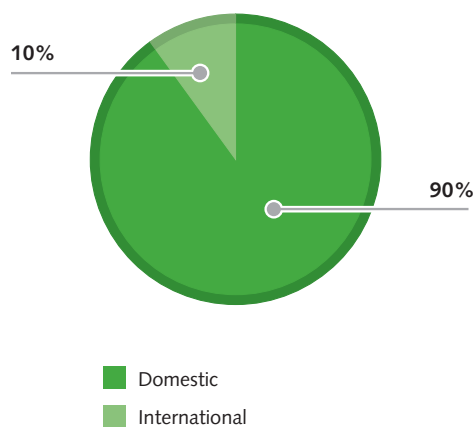
Services

The Services area is a domestic reference in environmental services, in which it leads the segment of solid urban waste, in facility management, and in the sector of port and logistics services, where it is the leader in the handling of containers. It is also a leading reference in the regular transport of passengers by road.

Sales of the ACS Group in the Services area in 2004 amounted to €2.329 billion. This area presents a multiple services offer divided into four main business lines, which are carried out in the domestic market and abroad:

- **Environmental services:** Specialized in waste management and treatment; street cleaning; collection and treatment of solid urban waste (SUW); construction and operation of treatment plants, clean points and dumps; integral management of special wastes, industrial and hospital; treatment and regeneration of used oils; management of renewable energies and cogeneration; and the water cycle management.
- **Facility management services:** including indoor cleaning; management and operation of real estate installations and services; airport services; gardening, reforestation and landscape restoration services; the restoration of large collectives; social attention for underprivileged collectives or those facing social risk; and management of advertising spaces in large installations and means of transport.
- **Port and logistics services:** which include port management and handling, shipping agency and forwarding, drydock management, combined transport and specialized logistics.

Turnover breakdown by market

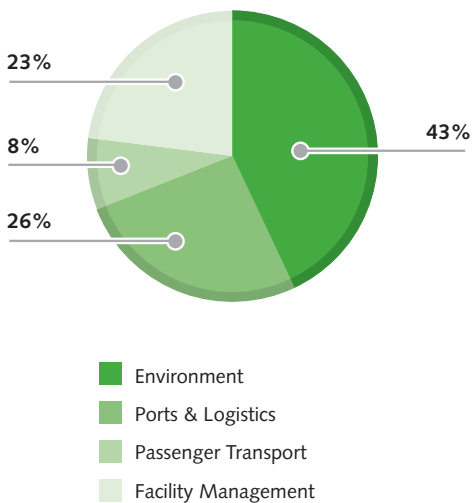


- **Passenger transport services:** regular transportation of passengers by road, being long distance, interurban and urban; operation of stations and interchanges. At present, service is provided covering four of the main regions of peninsular Spain: Madrid, northern Spain, Catalonia and Andalusia.



Cleaning service in Barcelona

Turnover breakdown by type of activity

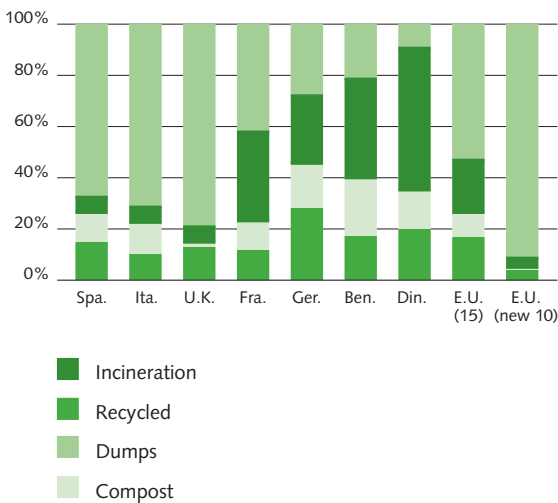


Prospects for the sector

The development of the welfare state and the growing sensitivity of public administrations towards the environment have led to ongoing improvements of public services. Hence, the different state institutions try to optimize public expenditure to meet growing social demands, improving existing services such as waste management, social attention, public transport, etc., and developing new technologies that optimize the services provided.

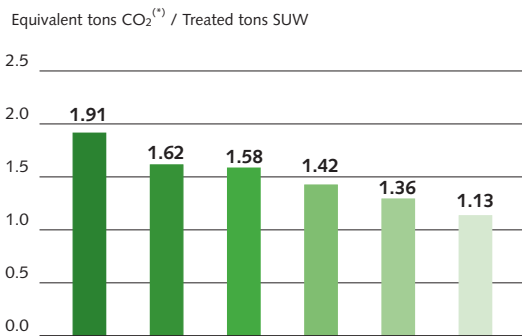
In this sense, there is still great potential for growth in Spain in the construction and operation of treatment plants and recycling of solid urban waste that substitute the existing controlled and uncontrolled landfills, following European directives on waste management and environmental issues. This type of installations also achieve a significant reduction in greenhouse gases, in accordance with the Kyoto Protocol objectives.

SUW treatment breakdown in Europe



Source: Eurostat

Factors of GHG emission in SUW plants



- Dump
- Selective collection + Compost + Dump
- Incineration
- Selective collection + Dry biogasification + Compost + Dump
- Selective collection + Compost + Incineration + Dump
- Selective collection + Wet biogasification + Compost + Incineration + Dump

^(*) Equivalent tons of CO₂ correspond to the sum of generated CO₂ plus effects similar to those of CO₂ from other greenhouse gases, such as METHANE and PERSISTENT ORGANIC CONTAMINANTS.

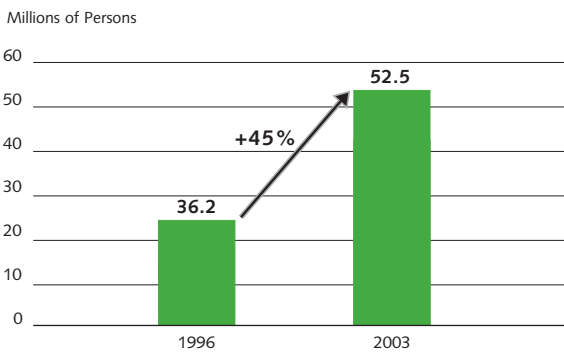
Source: Polytechnic University of Catalonia



Social care services

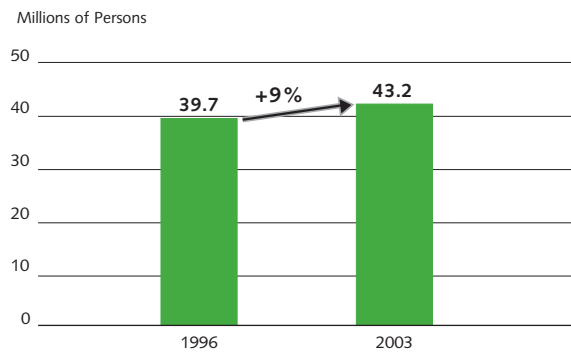
Additionally, the future of this sector is firmly backed by the foreseen increase in outsourcing of this type of services by large corporations and by the significant increase in population and long-stays tourism in Spain.

Tourist entries in Spain evolution



Source: INE

Spanish population evolution

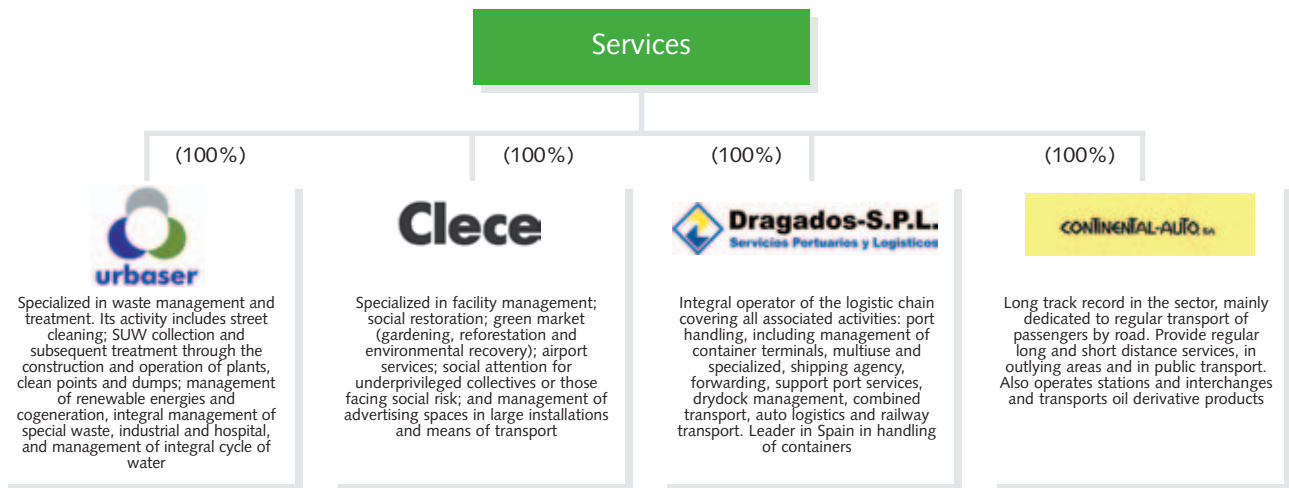


Source: INE



Urgent cleaning services (Selur)

Organizational Structure



Strategic Objectives

In these activities, the ACS Group maintains its focus on sustainable and profitable growth, summarized as:

- Promoting organic growth of services and backing said growth with new acquisitions.
- Continuing to lead the sector of solid urban waste (SUW) treatment.
- Promoting the expansion of port and logistics services and passenger transport.
- Consolidating international activity with criteria of profitability.
- Improving operating efficiency.

Activity in 2004

Environmental Services

The ACS Group is the leader in management of SUW treatment plants in Spain. It currently manages 63 plants, of which 43 are in Spain, with an installed capacity of 8.2 million tons, which generated savings of CO₂ emissions of over 2.9 million tons. The investment carried out in these installations amounts to €685 million to date, worth mentioning:

- Tirmadrid, las Dehesas, La Paloma and Pinto plants in Madrid.
- Ecoparc I, II and III in Barcelona.
- Aldaba plant in La Coruña.
- Installations in Málaga and the Costa del Sol in Andalusia.
- Regio VII plant in León.
- Environmental Technology Park in Mallorca.

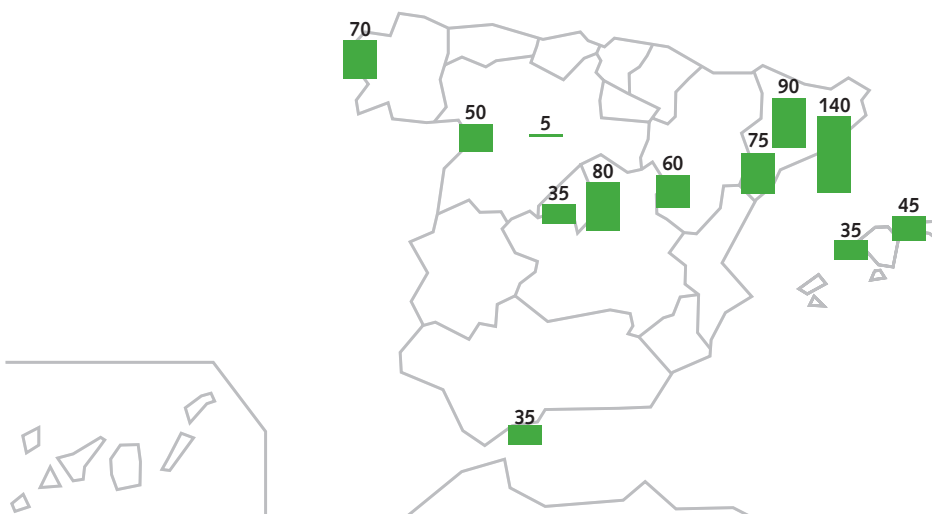


Harbour of Jing Tang (China)

One of the main objectives of this activity is the recovery of energy through biomethanization installations in 12 plants under the Group's management, of a total of 22 operating in Spain. The Group has 81 MW of installed power, which produced 533 GWh in 2004.

In street cleaning and SUW collection, the Group's most important contracts involve the Madrid neighborhoods of Argüelles, Latina-Carabanchel, Salamanca, Arganzuela, Puente de Vallecas, Chamberí and Moncloa; those of northern Barcelona; and those of the cities Ceuta, Elche, Jerez de la Frontera, León, Logroño, Santa Cruz de Tenerife and San Cristóbal de la Laguna.

Urbaser Biomethanization plants in operation



Port Services and Logistics

In 2004, the ACS Group consolidated its leadership as operator of container terminals in Spain, handling nearly 3.5 million TEUs. Worth special mention is its activity in the ports of Valencia, Las Palmas de Gran Canaria, Bilbao, Málaga and Caucedo (Dominican Republic).

- In other types of cargo, the Group has moved over 4 million tons, mainly in the ports of Santander, La Coruña, Castellón, Valencia and Iquique (Chile).
- In bulk materials, the Group has handled over 9.3 million tons. Its activity in the ports of Sagunto, La Coruña and Málaga deserve special mention.
- The Group transported nearly 500,000 vehicles through the ports of Barcelona and Santander.

In 2004, in the port of Santander, construction of the terminal for solid bulk mineral materials concluded, for which the Group had been awarded a 25-year contract, and, in China, work began on the container terminal of the port of Jing-Tang. Additionally, capacity was expanded for container terminals of the ports of Valencia, Las Palmas, Málaga and Caucedo (Dominican Republic).

Facility Management

In *indoor cleaning*, the following contracts in execution in 2004 are of particular interest:

- Cleaning of aircrafts, establishments and runway equipments for Iberia.
- Housing cleaning of the civil guard and national police.
- Cleaning of the Lines 1, 2, 3, 6, 10 and 11 of the Madrid subway.

- Cleaning of the Hospital Regional Universitario Carlos Haya, in Málaga.
- Cleaning of regional trains for RENFE.

In *socio-sanitary services*, the following contracts are worth mentioning:

- Integral catering service for the Defense Ministry throughout the country.
- Management of the at-home assistance public program for the Madrid municipal government.
- At-home assistance for the elderly and disabled for the Seville municipal government.
- Management of the Getafe residence for Alzheimer victims for the Autonomous Community of Madrid.

Integral maintenance services are provided for the following installations:

- Hospital Doctor Negrín of Las Palmas de Gran Canaria.
- Hospital Conxo and Hospital Clínico of Santiago de Compostela.
- Administration and educational buildings, urbanization and gardens of the Universidad de Valencia.
- Puertollano refinery (Ciudad Real) for Repsol Petróleo S.A.
- Buildings of the Universidad Autónoma de Madrid.

In *gardening services*, the following deserve special mention:

- Conservation of urban parks, gardens and trees in Melilla.
- Conservation, maintenance and improvement of green spaces for the Málaga municipal government.
- Maintenance of gardens, trees, irrigation systems and urban furnishings for the Granada municipal government.

Passenger Transport

The main figures of Continental Auto Group for 2004 are the following:

- €178 million in turnover.
- 58 million passengers transported.
- 2 million tons transported.
- 978 vehicles.
- 110 million kilometers traveled.
- 2,177 employees.

In the transport of goods, Continental Auto operates as a distributor of oil derivatives for Repsol in the areas of Burgos, Tarragona, Málaga, Granada, Motril, Córdoba, Seville, Cádiz and Almería.



Continental Auto route map



Continental Auto bus

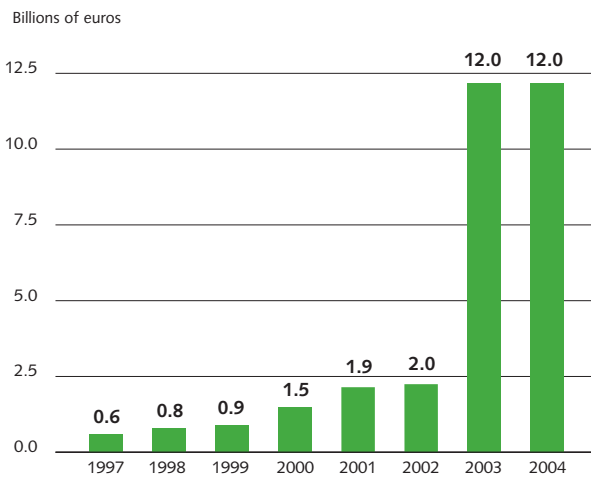
Contracts awarded in 2004

The Services order book amounts to €11.988 billion. The most important contracts are the following:

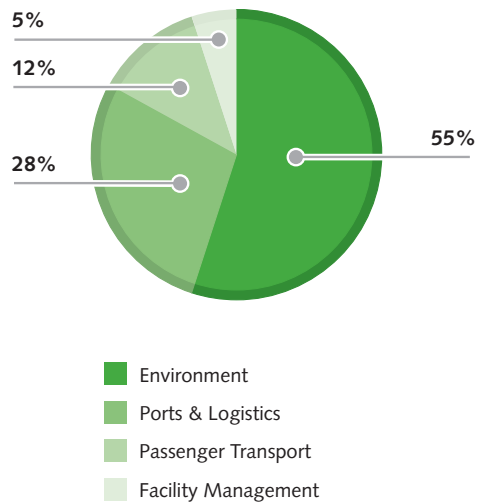
Millions of Euros

Most important contracts awarded	Budget
SUW cleaning and collection, Zone 4, Buenos Aires	36.0
Cleaning of the civil guard and national police buildings	26.0
SUW cleaning and collection of Salou	22.7
SUW cleaning and collection of Chiclana de la Frontera	21.0
Cleaning of various airports	20.8
Cleaning of vehicles of Cat Spain	20.0
Cleaning of Virgen las Nieves Hospital	18.9
Cleaning of La Paz Hospital	18.5
Management of at-home assistance services in Madrid	17.9

Order book evolution



Order book breakdown by type of activity



Concessions

The Concessions area benefits from over 30 years of proven experience, backed by a solid track record in creation of value. This makes it an international point of reference in the promotion, financing and construction of new transport infrastructures.

With the experience accumulated through more than 50 projects, its technical and human resources and its sound financial standing, the ACS Group has been the worldwide leader in transport infrastructure concessions

for 11 years, as reported in the prestigious specialized magazine "Public Works Financing."

The ACS Group operates throughout the whole value chain of the concessionaire business in two complementary ways:

- Firstly, through the promotion, financing and construction of concessions. At present, the ACS Group participates in 23 concessionaires of roads, airports and railways. This represents approximately €714 million in investment, including contributions made and those committed.

Concession	Participation		Country	Activity	Stage	Km ⁽⁴⁾	Expiry date	Contribution ASC ⁽⁵⁾
A8 - Bidelan Guipuzkoako Autobideak	50.0%	E.A. ⁽¹⁾	Spain	Motorways	Operation	78	2013	3
Autopista Central Gallega (Santiago Orense)	13.3%	N.C. ⁽²⁾	Spain	Motorways	Constr./Oper.	57	2074	7
Autovía de La Mancha	66.7%	G.C. ⁽³⁾	Spain	Motorways	Construction	52	2033	17
Circunvalación de Alicante	50.00%	E.A. ⁽¹⁾	Spain	Motorways	Construction	147	2043	38
Radial 2 (R2 y M50)	35.00%	E.A. ⁽¹⁾	Spain	Motorways	Operation	80	2028	29
Radiales R3/R5 y M50	15.8%	N.C. ⁽²⁾	Spain	Motorways	Operation	92	2049	31
Ruta de los Pantanos	25.00%	E.A. ⁽¹⁾	Spain	Motorways	Operation	22	2024	4
Américo Vespucio Norte	54.00%	E.A. ⁽¹⁾	Chile	Motorways	Construction	29	2033	115
Autopista Central (Sistema Urbano Norte Sur)	48.00%	E.A. ⁽¹⁾	Chile	Motorways	Constr./Oper.	62	2031	154
Santiago Valparaiso (Rutas del Pacífico)	50.00%	E.A. ⁽¹⁾	Chile	Motorways	Operation	129	2025	53
Variante Vespucio El Salto - Kennedy	50.00%	E.A. ⁽¹⁾	Chile	Motorways	Awarded	4	2034	12
Dundalk	33.33%	E.A. ⁽¹⁾	Ireland	Motorways	Construction	54	2034	13
Scut da Beira Interior	20.00%	E.A. ⁽¹⁾	Portugal	Motorways	Construction	187	2029	15
A1 Darrington-Dishforth	25.00%	E.A. ⁽¹⁾	U.K.	Motorways	Construction	53	2036	7
A-13, Puerta del Támesis	25.00%	E.A. ⁽¹⁾	U.K.	Motorways	Constr./Oper.	22	2030	9
Proyecto Platinum	25.00%	E.A. ⁽¹⁾	South Africa	Motorways	Operation	381	2031	16
MOTORWAYS						1,449		521
SCL	14.78%	E.A. ⁽¹⁾	Chile	Airports	Operation	1	2018	5
Aerocali	33.33%	E.A. ⁽¹⁾	Colombia	Airports	Operation	1	2019	2
Montego Bay	35.00%	E.A. ⁽¹⁾	Jamaica	Airports	Constr./Oper.	1	2033	10
AMP (Aeropuertos Mexicanos del Pacífico)	28.16%	E.A. ⁽¹⁾	Mexico	Airports	Operation	12	2049 (pr. 2099)	71
AIRPORTS						15		87
Figueras Perpignan	50.00%	E.A. ⁽¹⁾	Spain-Fr	Railways	Construction	45	2054	51
Metro de Sevilla (Guadalmetro)	27.83%	E.A. ⁽¹⁾	Spain	Railways	Construction	19	2038	25
Fenoco	71.32%	G.C. ⁽³⁾	Colombia	Railways	Constr./Oper.	1,484	2030	29
RAILWAYS						1,548		106
TOTAL								714

⁽¹⁾ Equity-accounted

⁽²⁾ Not consolidated

⁽³⁾ Global consolidation

⁽⁴⁾ Units for Airports

⁽⁵⁾ Contributions made and committed as of December 2004

- Secondly, through Abertis as its main industrial partner, with a year-end 2004 stake of 17.58%.
- Obtaining appealing profitability by taking advantage of the capacities and experience of the Group throughout all stages of development of the concession.

Strategic Objectives

The strategic positioning of the ACS Group and its competitive edge allows it to invest selectively, assuming ambitious objectives, summarized as:

- Continuing to lead the worldwide market of the promotion of concessions.
- Continuing to develop a diversified project portfolio.
- Applying a policy of international expansion in economically stable countries.



Santiago-Valparaiso motorway (Chile)

Activity in 2004

Spain has been in a transition period in 2004, and there has been practically no tendering for new concessions. On the international market, tendering and resolution of bids have slowed. Both scenarios are expected to see an upturn in 2005.

The following are the most important contracts awarded:

- Concession of the Figueras-Perpignan railway for 50 years awarded by the governments of France and Spain, with subsidies from both countries. Investment for the project amounts to €1.087 billion. The project consists of financing, construction and operation of 44.5 Km. of double lane high-speed railway for passengers and cargo. It is the first concessionary project of this kind foreseen in the EU.

- Concession for 30 years of the section of the Western Dundalk by-pass motorway between Dublin and Belfast (Ireland). Investment amounts to €150 million.
- Concession for 40 years of the ring road of Alicante. Expected investment amounts to €440 million.
- Concession for 30 years of the Vespucio-El Salto-Kennedy (Chile) by-pass motorway, measuring 4.1 Km. in length. With this contract, the Group participates in three of the five urban motorways of Santiago. This section is the continuation of the Américo Vespucio Norte motorway. Expected investment amounts to €77 million.

The following transactions were made in relation to the financing of the concessionary projects:

- Long-term loan of €145.5 million for the financing of the Dundalk Western by-pass motorway in Ireland.



Montego Bay Airport (Jamaica)

- Loan granted by the European Investment Bank for €50 million, with an additional €210 million available, for the Seville subway.
- Long-term syndicated loan from eight financial entities for €105 million for the financing of the Autovía de los Viñedos highway, section Toledo-Consuegra.
- Issuance of 16.3 million UF (€356 million) for the financing of the autopista Vespucio Norte Express highway of Santiago de Chile. The transaction constitutes the largest private placement in the history of Chile, and was awarded by the magazine Latin Finance as the best structured financing of 2004.
- Refinancing of the Ruta de los Pantanos (Madrid) through a €82.2 million long-term loan.
- Bond issuance totaling 3 million UF (€65 million) for the financial restructuring of the Alfonso Benítez de Santiago airport of Chile.

In 2004, the following concessions were opened to traffic:

- Madrid trunk roads R-3 to Valencia and R-5 to Extremadura.
- Central Gallega motorway between Santiago de Compostela and Duzón.
- The first section of the urban motorway Sistema Norte-Sur of Santiago, which is the first in Latin America and the third worldwide to use the TAG system, which automatically registers users, thus avoiding the accumulation of vehicles at entry and exit points.



Central motorway (North-South urban system) in Chile