

# Economic and Financial Information

<b>3.1</b>	Management Report of the Consolidated Group .....	58
<b>3.2</b>	Annual Consolidated Financial Statements for 2004.....	80
	Consolidated Balance Sheets.....	80
	Consolidated Income Statements .....	82
	Notes to Consolidated Financial Statements .....	84
	Exhibits .....	134
<b>3.3</b>	Auditor's Report on Consolidated Financial Statements.....	166
<b>3.4</b>	Historical Evolution .....	168
<b>3.5</b>	Stock Market Information .....	172





*profitability*

# 3.1

## Management Report of the Consolidated Group

### 1. Business performance of the ACS Group in 2004

#### 1.1. Mains events

In 2004 the ACS Group was immersed in the merger process and took several organizational measures in the various business areas aimed at adapting them to the new organization chart and at achieving the cost savings targets set. The changes implemented included most notably the reorganization of the Construction activity, which now operates under the name of Dragados, and the merger of the various activities included in Environmental Services.

The variations in 2004 in the consolidated Group's main financial aggregates were as follows:

Millions of Euros

Main financial aggregates	2003 <sup>(1)</sup>	2003 Pf <sup>(2)</sup>	2004	Var. 04/03	Var. 04/03 Pf
<b>Net sales</b>	<b>8,825.1</b>	<b>10,733.6</b>	<b>10,960.7</b>	<b>+24,2%</b>	<b>+2,1%</b>
<b>Gross operating income</b>	<b>794.8</b>	<b>931.8</b>	<b>977.3</b>	<b>+23.0%</b>	<b>+4.9%</b>
<i>Margin</i>	9.0%	8.7%	8.9%		
<b>Net operating income</b>	<b>573.5</b>	<b>649.0</b>	<b>711.0</b>	<b>+24.0%</b>	<b>+9.6%</b>
<i>Margin</i>	6.5%	6.0%	6.5%		
<b>Ordinary income</b>	<b>473.4</b>	<b>537.3</b>	<b>645.4</b>	<b>+36.3%</b>	<b>+20.1%</b>
<b>Income before taxes</b>	<b>283.4</b>	<b>498.8</b>	<b>623.5</b>	<b>+120.0%</b>	<b>+25.0%</b>
<b>Net attributable income</b>	<b>229.5</b>	<b>380.3</b>	<b>460.4</b>	<b>+100.6%</b>	<b>+21.1%</b>
<b>EPS</b>	<b>0.76e</b>	<b>1.07e</b>	<b>1.30e</b>	<b>+71.1%</b>	<b>+22.0%</b>
<b>Total net corporate debt</b>	<b>1,230.6</b>		<b>1,423.9</b>		<b>+15.7%</b>
Net corporate debt	914.4		958.0		+4.8%
LT bank financing	611.8		1,499.8		+145.2%
ST net debt / (Cash)	302.6		(541.8)		-279.1%
Project financing	316.2		465.9		+47.3%
<b>Shareholders' equity</b>	<b>1,796.4</b>		<b>2,103.9</b>		<b>+17.1%</b>
<i>Leverage*</i>	48.2%		43.1%		

\* Net corporate debt / (Shareholders' equity + Minority interests).

<sup>(1)</sup> The figures for 2003 include the results of the ACS Group for the whole year plus those of the Dragados Group for the period from May to December (merger effective from May 1, 2003 for accounting purposes) and the extraordinary provision for extraordinary merger expenses recorded in December 2003.

<sup>(2)</sup> In order to analyze the Group's performance in 2004 and to ensure greater uniformity in the year-on-year comparison of information, this report contains pro forma consolidated figures for 2003 which were obtained considering the merger with the Dragados Group to have been effective from January 1, 2003. In addition, the extraordinary provision recorded in December 2003 for extraordinary merger expenses was excluded from the analysis. The figures per books are also reported.

## 1.2. Consolidated income statements

Millions of Euros

	2003	%	2003 Pf	%	2004	%	Var. 04/03	Var. 04/03 Pf
<b>Net sales</b>	<b>8,825.1</b>	<b>100.0%</b>	<b>10,733.6</b>	<b>100.0%</b>	<b>10,960.7</b>	<b>100.0%</b>	<b>+24.2%</b>	<b>+2.1%</b>
Other revenues	283.8	3.2%	376.3	3.5%	418.4	3.8%	+47.4%	+11.2%
<b>Total production value</b>	<b>9,108.9</b>	<b>103.2%</b>	<b>11,109.9</b>	<b>103.5%</b>	<b>11,379.1</b>	<b>103.8%</b>	<b>+24.9%</b>	<b>+2.4%</b>
Operating expenses	(6,338.6)	(71.8%)	(7,695.3)	(71.7%)	(7,761.2)	(70.8%)	+22.4%	+0.9%
Personnel expenses	(1,975.6)	(22.4%)	(2,482.8)	(23.1%)	(2,640.6)	(24.1%)	+33.7%	+6.4%
<b>Gross operating income</b>	<b>794.8</b>	<b>9.0%</b>	<b>931.8</b>	<b>8.7%</b>	<b>977.3</b>	<b>8.9%</b>	<b>+23.0%</b>	<b>+4.9%</b>
Depreciation and amortization expense	(187.4)	(2.1%)	(233.5)	(2.2%)	(234.0)	(2.1%)	+24.9%	+0.2%
Provision to the reversion reserve	(4.7)	(0.1%)	(5.1)	(0.0%)	(5.6)	(0.1%)	+18.0%	+9.2%
Variation in operating allowances	(29.1)	(0.3%)	(44.2)	(0.4%)	(26.8)	(0.2%)	-8.1%	-39.5%
<b>Net operating income</b>	<b>573.5</b>	<b>6.5%</b>	<b>649.0</b>	<b>6.0%</b>	<b>711.0</b>	<b>6.5%</b>	<b>+24.0%</b>	<b>+9.6%</b>
Net financial loss	(106.3)	(1.2%)	(118.5)	(1.1%)	(96.4)	(0.9%)	-9.3%	-18.6%
Companies accounted for by the equity method	60.8	0.7%	67.8	0.6%	111.5	1.0%	+83.4%	+64.6%
Amortization of goodwill	(54.7)	(0.6%)	(61.0)	(0.6%)	(80.7)	(0.7%)	+47.7%	+32.5%
<b>Income from ordinary activities</b>	<b>473.4</b>	<b>5.4%</b>	<b>537.3</b>	<b>5.0%</b>	<b>645.4</b>	<b>5.9%</b>	<b>+36.3%</b>	<b>+20.1%</b>
Extraordinary loss	(190.0)	(2.2%)	(38.5)	(0.4%)	(21.9)	(0.2%)	-88.5%	-43.1%
<b>Income before taxes</b>	<b>283.4</b>	<b>3.2%</b>	<b>498.8</b>	<b>4.6%</b>	<b>623.5</b>	<b>5.7%</b>	<b>+120.0%</b>	<b>+25.0%</b>
Corporate income tax	(48.3)	(0.5%)	(109.7)	(1.0%)	(146.0)	(1.3%)	+202.3%	+33.1%
<b>Consolidated income for the year</b>	<b>235.1</b>	<b>2.7%</b>	<b>389.2</b>	<b>3.6%</b>	<b>477.5</b>	<b>4.4%</b>	<b>+103.1%</b>	<b>+22.7%</b>
Income attributable to minority interests	(5.6)	(0.1%)	(8.9)	(0.1%)	(17.1)	(0.2%)	+206.8%	+92.8%
<b>Net income attributable to the Parent Company</b>	<b>229.5</b>	<b>2.6%</b>	<b>380.3</b>	<b>3.5%</b>	<b>460.4</b>	<b>4.2%</b>	<b>+100.6%</b>	<b>+21.1%</b>

### 1.2.1. Net sales

Net sales amounted to €10,960.7 million in 2004, nearly 2.1% higher than the Group's pro forma sales in 2003.

The detail by business line, is as follows:

Millions of Euros								
Net sales	2003	%*	2003 Pf	%*	2004	%*	Var. 04/03	Var. 04/03 Pf
Construction	4,531.8	50.9%	5,594.9	51.7%	5,230.3	47.3%	+15.4%	-6.5%
Industrial Services	2,725.7	30.6%	3,072.6	28.4%	3,490.5	31.5%	+28.1%	+13.6%
Services and Concessions	1,646.0	18.5%	2,157.2	19.9%	2,344.6	21.2%	+42.4%	+8.7%
Consolidation adjustments	(78.4)		(91.1)		(104.7)			
<b>TOTAL</b>	<b>8,825.1</b>		<b>10,733.6</b>		<b>10,960.7</b>		<b>+24.2%</b>	<b>+2.1%</b>

\* Percentages calculated based on total sales for all business lines

The sharp increase in sales in the Services areas offset the forecast slowdown in Construction activity. Additionally, all the activities abroad grew significantly:

Millions of Euros								
Sales in Spain	2003	%	2003 Pf	%	2004	%	Var. 04/03	Var. 04/03 Pf
Construction	4,296.9	92.7%	5,155.3	92.1%	4,746.0	90.7%	+10.4%	-7.9%
Industrial Services	1,777.7	73.9%	2,132.8	69.4%	2,405.8	68.9%	+35.3%	+12.8%
Services and Concessions	1,619.4	90.1%	1,942.9	90.1%	2,112.4	90.1%	+30.4%	+8.7%
Adjustments	(66.6)		(79.8)		(104.7)			
<b>TOTAL</b>	<b>7,627.5</b>	<b>86.4%</b>	<b>9,151.1</b>	<b>85.3%</b>	<b>9,159.5</b>	<b>83.6%</b>	<b>+20.1%</b>	<b>+0.1%</b>

Millions of Euros								
Sales abroad	2003	%	2003 Pf	%	2004	%	Var. 04/03	Var. 04/03 Pf
Construction	332.7	7.3%	439.6	7.9%	484.4	9.3%	+45.6%	+10.2%
Industrial Services	711.2	26.1%	939.8	30.6%	1,084.7	31.1%	+52.5%	+15.4%
Services and Concessions	162.2	9.9%	214.3	9.9%	232.2	9.9%	+43.2%	+8.3%
Adjustments	(8.5)		(11.2)					
<b>TOTAL</b>	<b>1,197.6</b>	<b>13.6%</b>	<b>1,582.5</b>	<b>14.7%</b>	<b>1,801.3</b>	<b>16.4%</b>	<b>+50.4%</b>	<b>+13.8%</b>

### 1.2.2. Gross operating income

Gross operating income amounted to €977.3 million in 2004, up 4.9% on the 2003 pro forma figure, boosted by the sound performance of the Industrial Services and Services and Concessions business lines, which reported growth of 6.5% and 17%, respectively, and the significant reduction of general expenses, as shown in the table below:

Millions of Euros

Gross operating income	2003		2003 Pf		2004		Var.	Var.
		%*		%*		%*	04/03	04/03 Pf
Construction	345.6	42.1%	424.3	43.7%	389.4	39.0%	+12.7%	-8.2%
Industrial Services	261.3	31.8%	278.0	28.7%	295.9	29.6%	+13.2%	+6.5%
Services and Concessions	213.8	26.0%	267.8	27.6%	313.1	31.4%	+46.5%	+16.9%
Parent Company / Adjustments	(25.9)		(38.3)		(21.1)			
<b>TOTAL</b>	<b>794.8</b>		<b>931.8</b>		<b>977.3</b>		<b>+23.0%</b>	<b>+4.9%</b>

\* Percentages calculated based on the aggregate for all business lines

The gross operating margin (ratio of gross operating income to net sales) was 8.9%, 20 basis points more than the pro forma figure for 2003. This substantial improvement was due mainly to merger savings and the higher growth in the Services areas.

### 1.2.3. Net operating income

Net operating income amounted to €711 million, up 9.6% on the 2003 pro forma figure. This rise was due mainly to the reduction by nearly 40% in the provisions recorded in 2004. The depreciation and amortization expense remained steady with respect to the pro forma figure for 2003. The detail, by business line, is as follows:

Millions of Euros

Net operating income	2003		2003 Pf		2004		Var.	Var.
		%*		%*		%*	04/03	04/03 Pf
Construction	284.9	46.9%	330.9	47.6%	318.9	43.4%	+11.9%	-3.6%
Industrial Services	210.9	34.7%	227.3	32.7%	246.7	33.6%	+17.0%	+8.5%
Services and Concessions	111.5	18.4%	137.0	19.7%	169.4	23.1%	+52.0%	+23.7%
Parent Company / Adjustments	(33.7)		(46.2)		(24.0)			
<b>TOTAL</b>	<b>573.5</b>		<b>649.0</b>		<b>711.0</b>		<b>+24.0%</b>	<b>+9.6%</b>

\* Percentages calculated based on the aggregate for all business lines

The net operating margin (ratio of net operating income to net sales) was 6.5%, 50 basis points more than the 2003 pro forma ratio.

#### 1.2.4. Net financial loss

The net financial loss amounted to €96.4 million in 2004 (18.6% less than the 2003 pro forma figure), the detail being as follows:

Millions of Euros

	2003	2003 Pf	2004	Var. 04/03	Var. 04/03 Pf
Interest paid	(125.4)	(154.7)	(153.8)	+22.6%	-0.6%
Financial provisions	(5.0)	(4.7)	(1.2)	-76.3%	-75.0%
Exchange losses	(24.3)	(35.7)	(43.4)	+78.5%	+21.6%
<b>Financial expenses</b>	<b>(154.7)</b>	<b>(195.1)</b>	<b>(198.4)</b>	<b>+28.2%</b>	<b>+1.7%</b>
Interest received	48.4	66.2	68.7	+41.9%	+3.7%
Exchange gains		10.4	33.2		+219.9%
<b>Financial revenues</b>	<b>48.4</b>	<b>76.6</b>	<b>101.9</b>	<b>+33.1%</b>	<b>+33.1%</b>
Net interest accrued	(77.0)	(88.5)	(85.1)	+10.5%	-3.9%
Financial provisions	(5.0)	(4.7)	(1.2)	-76.3%	-75.0%
Net exchange losses	(24.3)	(25.3)	(10.1)	-58.3%	-59.9%
<b>TOTAL</b>	<b>(106.3)</b>	<b>(118.5)</b>	<b>(96.4)</b>	<b>-9.3%</b>	<b>-18.6%</b>

Financial expenses totaled €198.4 million in 2004, of which €153.8 million related mainly to interest on loans from credit institutions, €1.2 million to financial asset provisions and the remaining €43.4 million to exchange losses.

Total financial revenues in 2004 amounted to €101.9 million, of which €33.3 million related to exchange gains.

Therefore, net exchange losses amounted to €10.1 million, 60% less than the previous year.

#### 1.2.5. Income from ordinary activities

Income from ordinary activities rose by 20.1% to €645.4 million, which represented 5.9% of sales. The net income contributed by investees accounted for by the equity method amounted to €111.5 million, of which €75.8 million arose from concessions (including the holding in Abertis, which contributed more than €70 million) and the remainder from Inmobiliaria Urbis and investees operating in the Construction and Services areas.

Goodwill amortization amounted to €80.7 million, up 32.5% on the pro forma figure for 2003. This variation was due, on the one hand, to the extraordinary amortization charge of €11 million recorded in the second quarter of 2004 to write-off the goodwill from some subsidiaries abroad and, on the other, to the goodwill arising from the purchase of a further holding in Abertis.

### 1.2.6. Extraordinary loss

The extraordinary loss amounted to 21.9 million in 2004, a 43.1% reduction with respect to the 2003 pro forma extraordinary loss, the breakdown being as follows:

- Gains on the sale of fixed assets: €20.1 million
- Gains on treasury stock transactions: €29.6 million
- Extraordinary provisions, mainly for telecommunications assets: -€27.4 million
- The remaining balance of -€44.2 million relates to extraordinary expenses, mainly in connection with restructuring processes implemented at various Group companies.

### 1.2.7. Net income attributable to the Parent Company

Net income attributable to the Parent Company amounted to €460.4 million, an increase of 21.1%, giving a sales margin of 4.2%, 70 basis points higher than in 2003.

The income tax charge amounted to €146 million, up 33% on the pro forma figure for 2003. The effective tax rate was 28.5%, as compared with 25.4% in 2003.



*Dam in Caruachi (Venezuela)*



### 1.3. Consolidated balance sheet

December 31<sup>st</sup>

Millions of Euros

	2003	%	2004	%	Var. 04/03
<b>Due from shareholders for uncalled capital</b>	<b>8.9</b>	<b>0.1%</b>	<b>4.5</b>	<b>0.0%</b>	<b>-49.7%</b>
Start-up expenses	15.9	0.1%	10.6	0.1%	-33.2%
Intangible assets	421.3	3.8%	485.7	3.9%	+15.3%
Tangible fixed assets	1,533.8	13.7%	1,847.1	14.6%	+20.4%
Long-term investments	1,383.6	12.3%	1,723.5	13.7%	+24.6%
<b>Total fixed and other noncurrent assets</b>	<b>3,354.6</b>	<b>29.9%</b>	<b>4,066.9</b>	<b>32.3%</b>	<b>+21.2%</b>
<b>Goodwill</b>	<b>1,039.9</b>	<b>9.3%</b>	<b>1,257.4</b>	<b>10.0%</b>	<b>+20.9%</b>
<b>Deferred charges</b>	<b>43.4</b>	<b>0.4%</b>	<b>56.0</b>	<b>0.4%</b>	<b>+28.8%</b>
Inventories	424.9	3.8%	403.6	3.2%	-5.0%
Accounts receivable	5,159.2	46.0%	5,176.5	41.1%	+0.3%
Short-term investments	744.4	6.6%	1,139.1	9.0%	+53.0%
Treasury stock	26.9	0.2%	29.1	0.2%	+8.4%
Cash	383.1	3.4%	451.0	3.6%	+17.7%
Accrual accounts	40.9	0.4%	25.4	0.2%	-38.0%
<b>Total current assets</b>	<b>6,779.4</b>	<b>60.4%</b>	<b>7,224.7</b>	<b>57.3%</b>	<b>+6.6%</b>
<b>TOTAL ASSETS</b>	<b>11,226.3</b>	<b>100.0%</b>	<b>12,609.4</b>	<b>100.0%</b>	<b>+12.3%</b>
<b>Shareholders' equity</b>	<b>1,796.4</b>	<b>16.0%</b>	<b>2,103.9</b>	<b>16.7%</b>	<b>+17.1%</b>
<b>Minority interests</b>	<b>99.3</b>	<b>0.9%</b>	<b>119.1</b>	<b>0.9%</b>	<b>+20.0%</b>
<b>Negative consolidation differences</b>	<b>3.6</b>	<b>0.0%</b>	<b>4.4</b>	<b>0.0%</b>	<b>+22.8%</b>
<b>Deferred revenues</b>	<b>135.6</b>	<b>1.2%</b>	<b>161.4</b>	<b>1.3%</b>	<b>+19.0%</b>
<b>Project financing</b>	<b>316.2</b>	<b>2.8%</b>	<b>465.9</b>	<b>3.7%</b>	<b>+47.3%</b>
<b>Provisions for contingencies and expenses</b>	<b>405.7</b>	<b>3.6%</b>	<b>258.1</b>	<b>2.0%</b>	<b>-36.4%</b>
Payable to credit institutions	611.8	5.4%	1,499.8	11.9%	+145.2%
Other long-term payables	116.9	1.0%	183.2	1.5%	+56.7%
<b>Total long-term debt</b>	<b>728.7</b>	<b>6.5%</b>	<b>1,683.0</b>	<b>13.3%</b>	<b>+131.0%</b>
Payable to credit institutions	1,456.9	13.0%	1,077.5	8.5%	-26.0%
Trade accounts payable	5,053.7	45.0%	5,507.6	43.7%	+9.0%
Other payables	1,230.2	11.0%	1,228.5	9.7%	-0.1%
<b>Total current liabilities</b>	<b>7,740.8</b>	<b>69.0%</b>	<b>7,813.6</b>	<b>62.0%</b>	<b>+0.9%</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>11,226.3</b>	<b>100.0%</b>	<b>12,609.4</b>	<b>100.0%</b>	<b>+12.3%</b>

### 1.3.1. Long-term assets

Fixed and other noncurrent assets increased by 22% to €4,123 million. This considerable jump was the result of the investment policy implemented by the Group in 2004. The net balance of goodwill amounted to €1,257 million. This year-on-year increase was due mainly to the purchase of a further holding in Abertis.

### 1.3.2. Working capital

At 2004 year-end the net working capital deficiency amounted to -€1,130 million, a year-on-year improvement of 70%. In days of sales the year-on-year variation improved by 15 days and stood at 38 days, mainly as a result of the Group's working capital management policy in the Construction area, which in 2004 gave priority to reducing working capital rather than increasing production, and in the Services area.

### 1.3.3. Net debt

The net on-balance-sheet debt totaled €1,424 million as of December 31, 2004, up 15.7% on the figure at 2003 year-end, the detail being as follows:

Millions of Euros

Breakdown of net debt	2003	2004	Var. 04/03
<b>Project financing</b>	<b>(316.2)</b>	<b>(465.9)</b>	<b>47.3%</b>
<b>Net corporate debt</b>	<b>(914.4)</b>	<b>(958.0)</b>	<b>4.8%</b>
LT payables to credit institutions	(611.8)	(1,499.8)	145.2%
ST payables to credit institutions	(1,456.9)	(1,077.5)	-26.0%
Cash + ST investments + Treasury stock	1,154.4	1,619.3	40.3%
<b>TOTAL NET DEBT</b>	<b>(1,230.6)</b>	<b>(1,423.9)</b>	<b>15.7%</b>
Leverage*	48.2%	43.1%	

\* Net corporate debt / (Shareholders' equity + Minority interests)

The net corporate debt amounted to €958 million, thus reducing the leverage ratio to 43.1% (calculated as the ratio of corporate net debt to equity plus minority interests). Specifically, €1,500 million related to the long-term payables to credit institutions and €542 million to the Group's net cash position as of December 31, 2004.

In order to restructure the Group's debt, on March 9, 2004, the Group arranged a long-term syndicated loan of €900 million with several credit institutions maturing in 2008 and 2009 and with interest tied to Euribor plus a variable spread based on compliance with certain ratios.

Of the total debt, which amounted to €1,424 million at 2004 year-end, €466 million related to without-recourse project financing.

#### 1.3.4. Shareholders' equity

Shareholders' equity amounted to €2,104 million, net of the 2004 interim dividend of €0.14 per share, totaling €49.4 million, approved on December 16, 2004.



*Facilities of the Airport of Asturias*

## 1.4. Consolidated cash flow statement

Millions of Euros

	2003 Pf	2004	Var. 04/03 Pf
<b>Gross operating income</b>	<b>931.8</b>	<b>977.3</b>	<b>+4.9%</b>
add: Dividends received from investees	57.3	36.2	
add: Interest received	66.2	68.6	
less: Interest paid	(154.7)	(153.8)	
less: Extraordinary operating loss	(47.1)	(17.6)	
less: Corporate income tax	(109.7)	(146.0)	
<b>Funds obtained from operations</b>	<b>743.8</b>	<b>764.7</b>	<b>+2.8%</b>
Decr/(Incr) Trade receivables, completed work pending certification and other accounts receivable	(370.4)	(17.3)	
Decr/(Incr) Inventories	(10.4)	21.3	
Incr/(Decr) Trade accounts payable	363.4	448.4	
Incr/(Decr) Other payables and provisions	92.0	12.7	
<b>Variation in net working capital</b>	<b>74.6</b>	<b>465.1</b>	<b>+523.2%</b>
<b>Net cash flows from operating activities</b>	<b>818.4</b>	<b>1,229.8</b>	<b>+50.3%</b>
less: Investments in tangible fixed assets and intangible assets	(381.2)	(326.6)	
less: Investments in concession projects	(175.2)	(412.0)	
less: Long-term investments	(101.1)	(510.0)	
<b>Fixed and other noncurrent asset investments</b>	<b>(657.5)</b>	<b>(1,248.6)</b>	<b>+89.9%</b>
<b>Fixed and other noncurrent asset divestments</b>	<b>114.5</b>	<b>52.2</b>	
<b>Net cash flows from investment activities</b>	<b>(543.0)</b>	<b>(1,196.4)</b>	<b>+120.3%</b>
Incr/(Decr) Short-term bank loans	431.5	(379.4)	
Incr/(Decr) Project financing	10.9	149.7	
Incr/(Decr) Long-term bank loans	(18.2)	888.0	
<b>Bank financing</b>	<b>424.2</b>	<b>658.3</b>	<b>+55.2%</b>
less: Dividends paid	(56.3)	(96.5)	
less: Acquisition of treasury stock <sup>(1)</sup>	(384.5)	(29.1)	
<b>Own financing</b>	<b>(440.8)</b>	<b>(125.6)</b>	<b>-71.5%</b>
<b>Other sources of financing</b>	<b>(86.6)</b>	<b>(103.4)</b>	<b>+19.4%</b>
<b>Net cash flows from financing activities</b>	<b>(103.2)</b>	<b>429.5</b>	<b>n.a.</b>
Incr/(Decr) Cash and short-term investments	172.3	462.7	
<b>Cash and short-term investments at the beginning of the year</b>	<b>955.2</b>	<b>1,127.5</b>	<b>+18.0%</b>
<b>Cash and short-term investments at year-end</b>	<b>1,127.5</b>	<b>1,590.2</b>	<b>+41.0%</b>

<sup>(1)</sup> The 2003 figure includes the amount paid (€384.5 million) for the purchase of 10% of Dragados through the tender offer launched in the first quarter of 2003

#### 1.4.1. Net cash flows from operations

The net cash flows from operations amounted to €1,229.8 million in 2004, up 50.3% on the pro forma figure for 2003, as a result of the following events:

- The funds obtained from operations amounted to €764.7 million, up 2.8% on the pro forma figure for 2003, which included the extraordinary dividend of Aurea, amounting to €30 million, and a lower tax rate.
- Working capital management enabled the Group to generate a further €465 million, which was a significant improvement with respect to the preceding year.

#### 1.4.2. Investments and divestments

Total Group investments in 2004 amounted to €1,248.5 million, the detail being as follows:

Millions of Euros

Breakdown of investments	Gross Investments	Disposals	Net Investments
Construction	127.5	(33.5)	94.0
Industrial services	239.2	(1.3)	237.9
Services	230.7	(15.6)	215.1
Concessions	172.6	(1.8)	170.8
Parent Company	478.5		478.5
<b>TOTAL</b>	<b>1,248.5</b>	<b>(52.2)</b>	<b>1,196.3</b>

Noteworthy was the acquisition of a 5.76% holding in Abertis for €451.6 million. The other investments include most notably the following:

- Investments in construction machinery and facilities in the Construction area.
- In the Industrial Services area, mention should be made of the investments in wind-powered facilities. Also, investment continued in concession projects for high-voltage lines, industrial facilities and technical equipment.
- In the Services area, investments were earmarked for environmental assets, port and logistics services assets and the partial renewal of Continental Auto's fleet.
- In the Concessions area, the main projects were the cross-border railroad connection between Figueras and Perpignan, the La Mancha highway, the Sevilla subway, the Alicante bypass and the Central Highway in Chile.

Divestments totaled €52.2 million, including most notably the sale of fixed assets at Dragados and the disposal of buses at Continental Auto as part of the renewal of its fleet.

Net investments amounted to €1,196.3 million, more than twice the aggregate net figure for the two companies in 2003, disregarding the tender offer for 10% of Dragados which amounted to €385 million.

## 1.5. Earnings by business line

### 1.5.1. Construction

Millions of Euros

Main aggregates	2003 Pf	2004	Var. 04/03 Pf
<b>Sales</b>	<b>5,594.9</b>	<b>5,230.3</b>	<b>-6.5%</b>
<b>Gross operating income</b>	<b>424.3</b>	<b>389.4</b>	<b>-8.2%</b>
<i>Margin</i>	7.6%	7.4%	
<b>Net operating income</b>	<b>330.9</b>	<b>318.9</b>	<b>-3.6%</b>
<i>Margin</i>	5.9%	6.1%	
<b>Ordinary income</b>	<b>341.3</b>	<b>337.3</b>	<b>-1.2%</b>
<i>Margin</i>	6.1%	6.4%	
<b>Net income</b>	<b>214.8</b>	<b>217.3</b>	<b>+1.2%</b>
<i>Margin</i>	3.8%	4.2%	

The variation in sales reflects the effect of adapting domestic production, basically civil works, to the customers' budget allocations. This construction policy enabled the Group to improve substantially the working capital of the Construction area, particularly through the reduction of completed work pending certification by more than €150 million in the last 12 months.

Sales abroad experienced an upswing in 2004, particularly in the last quarter, as a result of the seasonality of concession projects in austral countries such as Chile, Argentina or South Africa. The breakdown of Construction sales is as follows:

Millions of Euros

Breakdown by activity	2003 Pf	2004	Var. 04/03 Pf
Spain	5,144.4	4,745.9	-7.7%
Civil works	2,940.6	2,664.5	-9.4%
Building construction	2,203.8	2,081.4	-5.6%
Abroad	450.5	484.4	+7.5%
<b>TOTAL</b>	<b>5,594.9</b>	<b>5,230.3</b>	<b>-6.5%</b>

Gross operating margin was 7.4%, a decrease with respect to the 2003 pro forma margin mainly as a result of the accounting treatment of an exceptional transaction performed in Argentina in the third quarter of 2003, which was recognized for sales and gross operating income purposes but, since a full provision was recorded, it had no effect on net operating income.

The net operating margin improved by 20 basis points in 2004 and stood at 6.1% as a result of the lower level of provisions recorded.

Net income amounted to €217 million, similar to the 2003 figure, and the related margin increased by 40 basis points to 4.2% of sales.

At 2004 year-end the construction backlog amounted to €8,525 million, up 8% on December 2003, equivalent to approximately 20 months of production. The excellent performance of the order book in Spain, which grew by over 13%, confirms a steady market share in the public works segment in Spain, which largely offsets the decrease in the international order book.

### 1.5.2. Industrial Services

Millions of Euros

<b>Main aggregates</b>	<b>2003 Pf</b>	<b>2004</b>	<b>Var. 04/03 Pf</b>
<b>Sales</b>	<b>3,072.6</b>	<b>3,490.5</b>	<b>+13.6%</b>
<b>Gross operating income</b>	<b>278.0</b>	<b>295.9</b>	<b>+6.5%</b>
<i>Margin</i>	9.0%	8.5%	
<b>Net operating income</b>	<b>227.3</b>	<b>246.7</b>	<b>+8.5%</b>
<i>Margin</i>	7.4%	7.1%	
<b>Ordinary income</b>	<b>199.1</b>	<b>226.6</b>	<b>+13.8%</b>
<i>Margin</i>	6.5%	6.5%	
<b>Net income</b>	<b>133.3</b>	<b>149.0</b>	<b>+11.8%</b>
<i>Margin</i>	4.3%	4.3%	

Consolidated sales increased by 13.6% to €3,490.5 million, the breakdown by activity being as follows:

Millions of Euros

<b>Breakdown by activity</b>	<b>2003 Pf</b>	<b>2004</b>	<b>Var. 04/03 Pf</b>
Networks	637.9	722.2	+13.2%
Specialized Products	1,139.2	1,170.2	+2.7%
Integrated Projects	659.3	954.8	+44.8%
Control Systems	636.2	643.3	+1.1%
<b>TOTAL</b>	<b>3,072.6</b>	<b>3,490.5</b>	<b>+13.6%</b>



*Buzzard Project in the North Sea*

- The Networks activity grew by over 13%, underpinned by its leadership as a service provider to the industry in general and, particularly, to electricity, water and gas distribution companies. Noteworthy was the 22% increase in international sales, which account for 40% of this segment's revenues.
- Specialized Products grew by nearly 3% and started to show signs of recovery both in the domestic market and in the international market, as evidenced by the more than 25% growth in the backlog of this activity in 2004.
- Integrated Projects grew significantly, by almost 45%, boosted by the increase in energy projects through the installation of new power plants, particularly combined-cycle and renewable energy plants, and the development and construction of off-shore platforms.
- Control Systems, which includes traffic, transportation and lighting control systems, and integral public infrastructure maintenance, grew by slightly more than 1% with respect to 2003.

Operating margins increased steadily in 2004, with the gross operating margin standing at 8.5% at 2004 year-end and the net operating margin at 7.1%. As compared with the preceding year, the Integrated Projects activity increased, mainly for large turnkey projects whose value added is substantially higher although gross margins are lower, with the consequent impact on margins.

Net income increased by 11.8% to €149 million and the sales margin was 4.3% despite the higher tax rate.

The backlog amounted to €3,415 million, up 12% on 2003. This figure and the sound base of maintenance contracts not included in the backlog, enable the Group to maintain the promising prospects for this business line in the coming years.



### 1.5.3. Services and Concessions

#### 1.5.3.1. Services

Millions of Euros

<b>Main aggregates</b>	<b>2003 Pf</b>	<b>2004</b>	<b>Var. 04/03 Pf</b>
<b>Sales</b>	<b>2,153.8</b>	<b>2,329.3</b>	<b>+8.2%</b>
<b>Gross operating income</b>	<b>274.8</b>	<b>314.9</b>	<b>+14.6%</b>
<i>Margin</i>	12.8%	13.5%	
<b>Net operating income</b>	<b>142.7</b>	<b>171.5</b>	<b>+20.2%</b>
<i>Margin</i>	6.6%	7.4%	
<b>Ordinary income</b>	<b>89.8</b>	<b>118.3</b>	<b>+31.7%</b>
<i>Margin</i>	4.2%	5.1%	
<b>Net income</b>	<b>61.8</b>	<b>85.6</b>	<b>+38.4%</b>
<i>Margin</i>	2.9%	3.7%	

Consolidated Services sales totaled €2,329.3 million in 2004, the breakdown by activity being as follows:

Millions of Euros

<b>Breakdown by activity</b>	<b>2003 Pf</b>	<b>2004</b>	<b>Var. 04/03 Pf</b>
Environment	982.3	1,000.4	+1.8%
Ports and Logistics	552.1	606.3	+9.8%
Passenger Transportation	157.4	178.1	+13.1%
Facility Management	462.0	544.5	+17.9%
<b>TOTAL</b>	<b>2,153.8</b>	<b>2,329.3</b>	<b>+8.2%</b>

- The Environmental activity recorded moderate growth as a result of the delay in construction of several treatment plants in Spain.
- The Ports and Logistics activity grew by 10% owing, mainly, to the expansion of capacity at Terminales Marítimas del Sudeste de Málaga and Terminal de Caucedo, and the substantial growth in demand from the industry.
- Passenger Transportation grew by 13% as a result of the increase in passengers using the long-distance and suburban lines and the investment in new routes.
- Facility Management grew by 18% as a result of the new contracts awarded and the development of new business lines.

Gross operating income increased by nearly 15%, bringing the sales margin to 13.5%, a 70-basis point rise with respect to 2003. All activities recorded improved margins in 2004. Net operating income rose by 20%, leading to an 80-basis point improvement in the sales margin to 7.4%.

Net income jumped by 38% to €85 million, thus confirming the increased profitability of the Services area.

At 2004 year-end the environmental services backlog amounted to €7,177 million, guaranteeing almost 5 years of activity. The backlog for the other activities, mainly port, logistics and transport services, totaled €4,811 million relating to the long-term contracts or concessions that were in force at year-end.

### 1.5.3.2. Transport infrastructure concessions

Millions of Euros

Main aggregates	2003 Pf	2004	Var. 04/03 Pf
Sales	3.4	15.3	n.a.
Gross operating income	-7.1	-1.8	n.a.
Net operating income	-5.7	-2.0	n.a.
Ordinary income	44.8	75.8	+69.2%
Net income	55.3	64.4	+16.5%

The contribution of Abertis to the ACS Group's income from companies accounted for by the equity method was €70.7 million in 2004, 78% more than the contribution made in 2003.

The remaining balance (€5.1 million) of the income from companies accounted for by the equity method was contributed by various concessions that have already commenced operations.

On June 24, 2004, Sociedad Concesionaria Vespucio Norte Express S.A., a 54%-owned investee of ACS, made the largest private placement of bonds in the history of Chile, since it issued in a single series a total of UF16 million (US\$ 428 million - €356 million). The quality and soundness of the financial asset (urban tollroad in Santiago de Chile) and the features of the issue (24.5-year term and AAA rating due to MBIA monoline guarantee) facilitated the great success of the issue, since demand almost doubled placing the effective rate at 5.25%.

On September 21, 2004, the ACS Group and la Caixa acquired on the market, in two equal halves, Autostrade's 4.98% holding in Abertis. Consequently, ACS acquired a 2.49% stake for €200.5 million. In 2004, the Group gradually acquired on the market a further holding in Abertis for €251.1 million, representing 3.27% of capital stock, thus increasing ACS's holding in this company to 17.58% as of December 31, 2004.

#### 1.5.4. Other

The contribution of Inmobiliaria Urbis to the ACS Group's income amounted to €24.6 million, 41% more than in 2003.

## 2. Treasury stock

As of December 31, 2004, the Parent Company owned 1,726,969 shares of treasury stock, of €0.5 par value each, representing 0.489% of capital stock, with a book value of €29,131 thousand which is recorded under the "Short-Term Parent Company Shares" caption.

As required by Article 79.3 of the Spanish Corporations Law, the Parent Company has recorded a reserve for treasury stock, amounting to €29,131 thousand, with a charge to voluntary reserves. This reserve is unrestricted until the shares are disposed of or retired.

The variations in treasury stock in 2004 were as follows:

	Shares	Thousands of Euros	Par Value (euros)
Balance at December 31, 2003	902,453	26,875	1,353,679.5
Purchases before stock split	1,895,439	75,823	2,843,158.5
Retirement of treasury stock	(902,453)	(33,125)	(1,353,679.5)
Balance after stock split	5,686,317	69,573	2,843,158.5
Purchases	6,144,713	93,486	3,072,356.5
Sales	(10,104,061)	(133,928)	(5,052,031)
<b>Balance at December 31, 2004</b>	<b>1,726,969</b>	<b>29,131</b>	<b>863,484.5</b>

The gain on the sale of treasury stock amounted to €29,611 thousand and was recorded as an extraordinary income in the statement of income.

### 3. Research and development activities

One of the cornerstones of the ACS Group's commitment to provide integrated customer services is technological innovation in the development of new products and services. Innovation is a key aspect on which the Group has focused traditionally with a view to improving productivity and competitiveness.

In this connection, the ACS Group has its own planned research program aimed at developing new know-how applicable to the design of processes, systems, new materials, etc. in each activity.

This firm commitment was reaffirmed through the establishment of various committees at the various Group companies responsible for performing an exhaustive quality control of the products, processes and services. The main function of these committees is to analyze and promote technological development and innovation initiatives, in the fields of new techniques, machinery and equipment and of procedure improvement. The committees are also responsible for setting Innovation Policies and fostering the active presence of technicians at different forums sponsored by various Spanish and European organizations and institutions, in which innovative industry guidelines are weighted and channeled within the framework of joint actions.

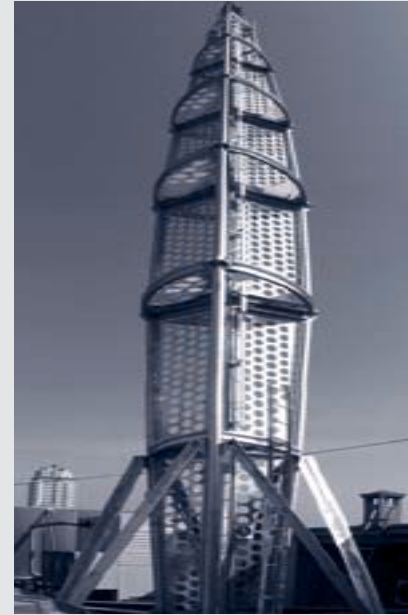
In keeping with this line of action, in 2004 the Group commenced the following significant projects:

#### Construction area

- TECNOSEGUR Project: aimed at improving occupational safety and health in the construction industry.
- TECNOTUNEL Project: aimed at developing new technologies for the construction of tunnels and underground works.
- MANUBUILD (Open Building Manufacturing) Project, with a budget of €24 million, and TUNCONSTRUCT (Technology Innovation in Underground Construction) Project, with a budget of €35 million, supported by the European Union as part of the 7<sup>th</sup> Framework Program. Spain has a significant involvement in the two projects, which will be implemented in the next four years and in which DRAGADOS plays a leading role as a member of the respective management committees.

#### Industrial Services area

- Development of the project "Design of Advanced Configurations for the Catenary of High Speed Railroads" in cooperation with Instituto de Investigación Tecnológica (Institute for Technological Research) of Universidad Pontificia de Comillas.
- Research and Development on Filter Miniaturization Techniques for Broadcasting in cooperation with Instituto Técnico Eléctrico.



*Camouflaging of antennas*

- Research and development on a new echo cancellation system for single frequency digital terrestrial television networks, in cooperation with Universidad Politécnica de Madrid.
- Information and early warning system for air quality monitoring networks, in cooperation with the Fraunhofer Institute for Applied Information Technology (Germany), the Aristóteles University of Thessaloniki (Greece) and the Norwegian Institute for Air Research (Norway).
- Research and development on new dielectric material for antenna screening in cooperation with Universidad Politécnica de Madrid.
- DUPLO (Universal Toll, Localization and Operation Device) Project for the electromechanical and functional design, development, manufacture and operation of an intelligent device for application in passenger transport systems which is able to perform all the tasks involved.

#### **Services and Concessions area**

- Research, development and real-scale testing of biomethanization of urban solid waste by the wet-process.
- Development and innovations in underground containers and industrial-scale tests.
- Research on molten carbonate fuel cell technology using biogas as fuel.

This innovation effort and commitment gave rise not only to the Group's leadership in the technological research and development activities in which it participates, but also to increased competitiveness of the Group and the Spanish industry in general.

## 4. Significant events subsequent to year-end

On January 24, 2005, pursuant to the resolution adopted by the Company's Board of Directors on December 16, 2004, the ACS Group paid its shareholders a gross interim dividend out of 2004 income of €0.14 per share, equal to 51% of the total dividend paid in 2003.

## 5. Outlook for 2005

The prospects for the Construction activity continue to be favorable thanks mainly to the Spanish Government's National Infrastructures and Transport Plan (PEIT) of December 2004, which is aimed at improving Spanish infrastructures in the period from 2005 to 2020. This Plan replaces the former National Infrastructures Plan (2000-2010) and its priority objectives are as follows:

- to foster the economic development and competitiveness of the Spanish economy,
- to increase the quality and safety of transport infrastructures and services,
- sustainable mobility; and
- to strengthen social and territorial cohesion.

This Plan focuses on railroads, roads and air and sea transport, in which the ACS Group has significant competitive advantages.

The projected total investment under the Plan amounts to €241,392 million, 60% of which is funded by the State Budget and the remaining 40% is financed using mixed public-sector and private financing.

Growth in the Industrial Services area is strongly supported by the need for investment in the energy field in Spain:

- On the one hand, the sharp increase in demand for energy forces the supply side and the additional installed capacity to meet the new market demand, with an appropriate mix of energy sources, while maintaining competitive energy prices and complying with the Kyoto Protocol. Therefore, in electricity terms, Industrial Services will grow through the construction and maintenance of generating plants, mainly C.C.G.T. and renewable energy, and the installation and maintenance of high- and low-voltage lines.
- As regards oil and gas, the focus is mainly on the construction of operations and drilling structures, the development of storage facilities, the construction and expansion of pipelines, the installation and maintenance of industrial networks and the development of gas distribution to households.

There is also an increasing demand for outsourcing services, mainly from public utility companies, industrial corporations and public authorities.

- Many industrial companies try to raise productivity in order to be able to compete in increasingly deregulated industries, while introducing greater flexibility in order to improve efficiency and promoting expansion into new activities in the domestic and international markets.
- Public authorities try to optimize public spending in order to respond to increasing social demands by improving current public services, such as waste and water management, traffic systems, etc., and developing new products and technologies which expand the service offering.

In the Services area, the Group has multiple opportunities for development:

- The Environmental segment has a strong growth potential for new businesses as a result of the increasingly stricter legislation and the evident greater social concern. The industry trend points towards a higher degree of technification in waste treatment and recycling, the development of activities related to the green business, the improved management of water resources and the optimization of industrial processes. In this field, the Group has highly-competitive proprietary technology which enables it to be a leader in the promotion and management of urban solid waste treatment and recycling plants, precisely in the most dynamic business areas.
- Significant business growth is forecast for Port and Logistics Services, which will grow and consolidate their presence in the industry with special emphasis on outdoor container terminals and on automobile logistics, since the ACS Group owns the first containers company in the Mediterranean region.
- The prospects for Passenger Transport Services are very promising in the area of urban transport by bus, urban and suburban light railroad networks, etc., also taking into account that the road passenger transport is currently in the consolidation stage.
- The Facility Management area also offers very promising prospects in view of the increasing outsourcing of services of this kind by large companies and the entry into new areas of activity.

Finally, in the Concessions area, the ACS Group will continue to develop the projects already initiated and to expand its operations provided that the principles of prudence and profitability are strictly complied with. The areas with the highest growth potential are tollroads, transport interchanges, light trains and airports.



*Harbour of Hayovel (Israel)*



# 3.2

## Consolidated Balance Sheets as of December 31, 2004 and 2003

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Note 24). In the event of a discrepancy, the Spanish-language version prevails.

Thousands of Euros

ASSETS	12/31/04	12/31/03
<b>DUE FROM SHAREHOLDERS FOR UNCALLED CAPITAL</b>	<b>4,495</b>	<b>8,940</b>
<b>FIXED AND OTHER NONCURRENT ASSETS</b>		
Start-up expenses (Note 7)	10,563	15,525
Intangible assets (Note 8)	276,232	239,640
Cost	386,876	336,965
Accumulated amortization	(110,644)	(97,325)
Long-term assets in projects (Note 9)	872,726	641,922
Tangible fixed assets (Note 10)	1,183,892	1,073,899
Land and structures	429,939	345,004
Plant and machinery	940,344	876,815
Other tangible fixed assets	558,809	560,300
Advances and construction in progress	201,716	140,799
Accumulated depreciation	(946,916)	(849,019)
Long-term investments	1,723,456	1,383,603
Investments accounted for by the equity method (Note 6)	1,350,556	1,081,186
Loans to companies accounted for by the equity method	56,963	30,519
Long-term investment securities (Note 11)	153,068	152,584
Other receivables	231,414	181,951
Allowances (Note 11)	(68,545)	(62,637)
<b>TOTAL FIXED AND OTHER NONCURRENT ASSETS</b>	<b>4,066,869</b>	<b>3,354,589</b>
<b>CONSOLIDATION GOODWILL (Note 5)</b>		
Fully consolidated companies	951,535	1,007,325
Companies accounted for by the equity method	305,844	32,569
<b>TOTAL GOODWILL</b>	<b>1,257,379</b>	<b>1,039,894</b>
<b>DEFERRED CHARGES</b>	<b>55,969</b>	<b>43,440</b>
<b>CURRENT ASSETS</b>		
Inventories (Note 12)	403,562	424,894
Accounts receivable (Note 13)	5,176,533	5,159,247
Trade receivables for sales and services	4,478,888	4,301,859
Companies accounted for by the equity method	45,617	35,346
Other accounts receivable	754,767	914,489
Allowances	(102,739)	(92,447)
Short-term investments	1,139,137	744,362
Short-term investments securities (Note 11)	697,550	410,375
Other loans	443,279	335,655
Allowances	(1,692)	(1,668)
Short-term Parent Company shares	29,131	26,875
Cash	451,011	383,140
Accrual accounts	25,351	40,910
<b>TOTAL CURRENT ASSETS</b>	<b>7,224,725</b>	<b>6,779,428</b>
<b>TOTAL ASSETS</b>	<b>12,609,437</b>	<b>11,226,291</b>

\* The accompanying Notes 1 to 24 and Exhibits I to IV are an integral part of the consolidated balance sheet as of December 31, 2004

Thousands of Euros

SHAREHOLDERS' EQUITY AND LIABILITIES	12/31/04	12/31/03
<b>SHAREHOLDERS' EQUITY (Note 14)</b>		
Capital stock	176,437	177,791
Additional paid-in capital	897,294	897,294
Revaluation reserve	2,124	2,124
Other reserves of the Parent Company	485,024	236,182
Unrestricted reserves	420,601	216,769
Restricted reserves	64,423	19,413
Reserves at fully or proportionally consolidated companies	320,504	429,382
Reserves at companies accounted for by the equity method	16,709	76,403
Translation differences	(205,154)	(209,575)
At fully or proportionally consolidated companies	(146,266)	(204,006)
At companies accounted for by the equity method	(58,888)	(5,569)
<b>Income attributable to the Parent Company</b>	<b>460,385</b>	<b>229,508</b>
Consolidated income	477,489	235,081
Income attributed to minority interests	(17,104)	(5,573)
Interim dividend paid during the year	(49,402)	(42,670)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>2,103,921</b>	<b>1,796,439</b>
<b>MINORITY INTERESTS (Note 15)</b>	<b>119,097</b>	<b>99,269</b>
<b>NEGATIVE CONSOLIDATION DIFFERENCE</b>	<b>4,405</b>	<b>3,588</b>
<b>DEFERRED REVENUES (Note 16)</b>	<b>161,419</b>	<b>135,599</b>
<b>PROJECT FINANCING (Note 9)</b>	<b>465,911</b>	<b>316,207</b>
<b>PROVISIONS FOR CONTINGENCIES AND EXPENSES (Note 17)</b>	<b>258,087</b>	<b>405,729</b>
<b>LONG-TERM DEBT</b>		
Payable to credit institutions (Note 18)	1,499,811	611,791
Payable to companies accounted for by the equity method	27,215	32,004
Other payables	147,347	84,182
Other long-term payables	8,614	698
<b>TOTAL LONG-TERM DEBT</b>	<b>1,682,987</b>	<b>728,675</b>
<b>CURRENT LIABILITIES</b>		
Payable to credit institutions (Note 18)	1,077,498	1,456,943
Payable to companies accounted for by the equity method	7,011	5,568
Trade accounts payables	5,507,635	5,053,659
Other nontrade payables (Note 18)	986,879	1,008,592
Operating allowances	204,262	192,256
Accrual accounts	30,325	23,767
<b>TOTAL CURRENT LIABILITIES</b>	<b>7,813,610</b>	<b>7,740,785</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>12,609,437</b>	<b>11,226,291</b>

# Consolidated Income Statements for the years ended December 31, 2004 and 2003

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Note 24). In the event of a discrepancy, the Spanish-language version prevails.

Thousands of Euros

<b>DEBIT</b>	<b>12/31/04</b>	<b>12/31/03</b>
<b>EXPENSES</b>		
Cost of materials used and other external expenses	6,589,778	5,332,730
Decrease in finished goods and work-in-process inventories	21,692	1,837
Personnel expenses	2,640,577	1,975,527
Wages, salaries and similar expenses	2,035,142	1,516,870
Employee welfare expenses	605,435	458,657
Depreciation and amortization expense	234,006	192,094
Variation in operating allowances	26,758	29,129
Other operating expenses	1,176,963	1,005,865
<b>Operating income</b>	<b>710,995</b>	<b>573,547</b>
Financial expenses	150,073	125,275
Losses on short-term investments	3,701	159
Variation in investment valuation allowances	1,175	4,965
Exchange losses	43,412	23,935
Translation losses	-	387
<b>Financial income</b>	<b>-</b>	<b>-</b>
Share in losses of companies accounted for by the equity method	5,306	1,629
Amortization of goodwill (Note 5)	80,843	55,010
<b>Income from ordinary activities</b>	<b>645,355</b>	<b>473,372</b>
Losses on fixed assets	14,621	7,195
Variation in intangible asset, tangible fixed asset and control portfolio allowances	-	10,787
Losses on disposals of investments accounted for by the equity method	11,964	-
Extraordinary expenses (Note 21)	73,377	229,282
Prior years' expenses and losses	8,324	6,163
<b>Extraordinary income</b>	<b>-</b>	<b>-</b>
<b>Consolidated income before taxes</b>	<b>623,469</b>	<b>283,370</b>
Corporate income tax (Note 19)	145,980	48,289
<b>Consolidated income for the year</b>	<b>477,489</b>	<b>235,081</b>
Income attributed to minority interests (Note 21)	(17,104)	(5,573)
<b>Income for the year attributed to the Parent Company (Note 21)</b>	<b>460,385</b>	<b>229,508</b>

The accompanying Notes 1 to 24 and Exhibits I to IV are an integral part of the 2004 consolidated income statements

Thousands of Euros

<b>CREDIT</b>	<b>12/31/04</b>	<b>12/31/03</b>
<b>REVENUES</b>		
Net sales (Note 21)	10,960,656	8,825,118
Capitalized expenses of Group work on fixed assets	64,776	48,558
Other operating revenues	375,337	237,053
<b>Operating loss</b>	<b>-</b>	<b>-</b>
Revenues from shareholdings	100	-
Other financial revenues	64,288	46,605
Income from short-term investments	4,284	1,790
Exchange gains	33,269	-
<b>Financial loss</b>	<b>96,420</b>	<b>106,326</b>
Share in the income of companies accounted for by the equity method	116,823	62,451
Reversal of negative consolidation differences	106	339
<b>Loss on ordinary activities</b>	<b>-</b>	<b>-</b>
Gains on fixed assets (Note 21)	34,478	25,300
Gain on disposals of investments in fully or proportionally consolidated companies	243	7,225
Gains on disposal of investments in companies accounted for by the equity method	-	7,399
Gains on transactions involving treasury stock (Note 14)	29,611	-
Capital subsidies transferred to income for the year	3,061	2,100
Extraordinary revenues	13,781	18,571
Prior years' revenues and income	5,226	2,830
<b>Extraordinary loss</b>	<b>21,886</b>	<b>190,002</b>

# Notes to Consolidated Financial Statements for the year ended December 31, 2004

*Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Note 24). In the event of a discrepancy, the Spanish-language version prevails.*

## 1. Activities of the consolidated Group

The main activities of the ACS Actividades de Construcción y Servicios, S.A. Group and Subsidiaries are as follows:

1. Performance of all manner of private- or public-sector construction projects, performance of studies and provision of counseling and technical assistance and, in general, of all manner of construction-related services.
2. Transport infrastructure concessions.
3. Management of services, mainly relating to urban cleaning, waste treatment, cleaning of interiors and integral building maintenance.
4. Management of logistics and port services.
5. Industrial plant engineering and construction, performance of studies, projects and execution of all manner of construction, installation and erection work in relation to energy production and distribution.
6. Vertical and horizontal signposting of public roads, industrial paint and coatings, maintenance of installations and buildings and integral road maintenance.
7. Undertaking and marketing of real estate developments.
8. Activities relating to change of image and the re-launch of companies or trade names, and all aspects relating to the manufacture and installation of advertising items.
9. Development, installation and maintenance of projects and construction work relating to traffic and lighting and research and development of related software and hardware.
10. Environmental activities which range from consulting and engineering and the operation of water treatment facilities to the management of industrial, urban, agricultural and hospital waste.
11. Construction, maintenance, operation and sale of electricity obtained through the use of wind power and other forms of renewable energy.
12. Regular road passenger transportation, distribution of oil products by road, operation and management of bus stations and the transportation of urgent packages.
13. Provision of lighting, urban maintenance, electrical installation, industrial cleaning and integral building maintenance services.
14. Performance of all manner of telecommunications activities.
15. The provision of all manner of services, integral computer support, lease of goods and equipment and provision of supplies to surgical, sanitary and hospital establishments.
16. Other supplementary activities encompassing the business activities not included in the foregoing categories.

Grupo Dragados, S.A. was merged into ACS, Actividades de Construcción y Servicios, S.A. in 2003, effective from May 1, 2003, for accounting purposes.

## 2. Companies composing the ACS Group

The ACS Group is formed by the Parent Company ACS, Actividades de Construcción y Servicios, S.A. and the subsidiaries and associated companies detailed in Exhibits I, II and III.

Under Royal Decree 1815/1991 regulating the rules for the preparation of the consolidated financial statements, the subsidiaries detailed in Exhibit III were excluded from consolidation since they are presently inactive or are of scant interest with respect to the true and fair view given by the consolidated financial statements as a whole.

The associated and multigroup companies included in the scope of consolidation of the ACS, Actividades de Construcción y Servicios Group are listed in Exhibit II.

## 3. Basis of presentation of the consolidated financial statements

### a) Consolidation principles

The accompanying consolidated financial statements were prepared from the 2004 accounting records of ACS, Actividades de Construcción y Servicios, S.A. and of its subsidiaries whose respective individual financial statements were prepared by their respective directors in accordance with the Spanish National Chart of Accounts. All the amounts in these consolidated financial statements are expressed in thousands of euros.

The financial statements of ACS, Actividades de Construcción y Servicios, S.A. and its subsidiaries, which were prepared by its directors, will be submitted for approval by the respective Shareholders' Meetings and it is considered that they will be approved without any changes.

The companies detailed in Exhibit I in which a majority of the voting rights in their representation and decision-making bodies is held or in which, although there is not such a majority, effective management is exercised, were fully consolidated. The multigroup companies which are managed jointly with third parties were proportionally consolidated.

The companies in which significant influence is exercised but a majority of the voting rights is not held or effective management is not exercised were accounted for by the equity method.

The proportionally consolidated companies and the companies accounted for by the equity method are detailed in Exhibit II.

The equity of minority interests in the net worth and results of the fully consolidated subsidiaries is presented under the "Minority Interests" caption on the liability side the consolidated balance sheet and under the "Income Attributed to Minority Interests" caption in the consolidated statement of income, respectively.

## b) Comparative information

As required by Spanish corporate law, the financial statements must show, in addition to the 2004 figures for each item in the balance sheet and statement of income, the figures for 2003.

As a result of the merger with Grupo Dragados, S.A. in 2003, the figures for 2004 in the statement of income are not comparable with the figures for 2003 since the latter include through April 30 the holding in the Dragados Group accounted for by the equity method; however, from May 1 through December 31, 2003, they include all the revenues and expenses for this period of all the companies belonging to the former Dragados Group.

## c) Variations in the scope of consolidation

The most significant variations in the scope of consolidation in 2004 were as follows:

### Inclusions and increases in ownership interest:

- Urbaser Libertador, C.A. (Formation)
- TP Ferro Concesionaria S.A. (Formation)
- Dragados Dundalk Ireland (Formation)
- Celtic Road Group Dundalk, Ltd. (Formation)
- Trenmedia, S.A. (Formation)
- Desarrollo de Concesiones Aeroportuarias, S.L. (Formation)
- Desarrollo de Concesiones Ferroviarias, S.L. (Formation)
- Circunvalación Alicante, S.A. (Formation)
- Jintang International Container Terminal Co. Ltd. (Formation)
- Mepsa, Servicios y Operaciones, S.A. (Formation)
- Urbaenergía Tratamiento y Generación, S.L. (Formation)
- La Lora II Energía, S.L. (Formation)
- La Lora I Parque Eólico, S.L. (Formation)
- Sistemas Energéticos Seron, S.A. (Formation)
- Sistemas Energéticos Carrascal, S.A. (Formation)
- Sistemas Energéticos La Cerradilla, S.A. (Formation)
- Sistemas Energéticos Tinadas, S.A. (Formation)
- Sistemas Energéticos La Mata, S.A. (Formation)
- Sistemas Energéticos El Chaparral, S.A. (Formation)
- Sistemas Energéticos Tíjola, S.A. (Formation)
- Desarrollos Energéticos Asturianos, S.L. (Formation)
- Eyra, Energías y Recursos Ambientais Ltd. (Formation)
- Eyra Barrigoso, S.L. (Formation)
- Coinsal Instalaciones y Servicios S.A. de CV (Formation)

Drace Prefabricados de Edificación, S.L. (Formation)  
 Antennea Technologies, S.L. (Formation)  
 Burgos Visión, S.L. (Formation)  
 Dragados Offshore de México KU - A2 S.A. de C.V. (Formation)  
 France Semi, S.A. (Formation)  
 AW Augusta Wind, S.L. (Formation)  
 Foresta Individual 1, S.A. (Formation)  
 Viabal Manteniment i Conservació, S.A. (Formation)  
 Electromur, S.A. (Acquisition)  
 Emurtel, S.A. (Acquisition)  
 Ecocivil Electromur, G.E. S.L. (Acquisition)  
 Venture Infrastructure Limited (Acquisition)  
 Andasol 1, S.A (Acquisition)  
 Roads Users Services (Formation)  
 Abertis Infraestructuras, S.A. (5.76% increase in ownership interest)  
 Hijos de Simón Maestra, S.A. (35.24% increase in ownership interest)  
 Intebe, S.A. (33% increase in ownership interest)  
 Lafuente Alicante, S.L. (19% increase in ownership interest)  
 Limpiezas Lafuente, S.L. (18.27% increase in ownership interest)  
 Inmobiliaria Urbis, S.A. (0.3672% increase in ownership interest)  
 Xfera Móviles, S.A. (3.13% increase in ownership interest)

#### Exclusions from the scope of consolidation:

Empresa Navarro, S.L. (Sale of a 37.36% stake)  
 Gizaintza, S.L. (Sale)  
 Marina del Portixol, S.A. (Sale)  
 Nevada Bus, S.A. (Dissolution)  
 Control and Applicatios Asia Pte, Ltd. (Sale)  
 Constructora de Equipos de Compresión S.A. de C.V. (Dissolution)  
 Ejido Medio Ambiente, S.A. (Sale)  
 C.A. Group (Sale)  
 Columar, S.A. (Sale)  
 Vía Dragados, S.A. (Sale)  
 Rashid Dragados Industrial Ltd. (Dissolution)  
 Servicios Sociosanitarios Generales S.L. (Sale)  
 Inrev S.A. (Liquidation)  
 Tecnologías Integrales de Telecomunicaciones S.A. (Sale)  
 Parque Avila, S.A. (Dissolution)  
 Proconvías, S.A. (Dissolution)  
 Promotora Inmobiliaria la Cima C.V. (Sale)



The changes in the scope of consolidation that had a significant impact are explained in the related notes to financial statements.

As a result of the merger of ACS, Actividades de Construcción y Servicios, S.A., the main Group subsidiaries were reorganized as follows:

- a. Non-monetary contribution of Dragados Obras y Proyectos, S.A. to ACS, Proyectos, Obras y Construcciones, S.A. for the net carrying value per individual books, and the latter company changed its name to Dragados, S.A. after the merger of the two companies.
- b. Non-monetary contribution of Dragados Concesiones de Infraestructuras, S.A., Continental Auto, S.L. and Técnicas Medioambientales, Tecmed, S.A. to ACS, Servicios y Concesiones, S.L. (formerly Dragados Desarrollo y Gestión de Servicios, S.L.) for their carrying value per individual books.
- c. Non-monetary contribution of Dragados Industrial, S.A. to ACS, Servicios, Comunicaciones y Energía, S.L. for its carrying value per individual books.
- d. Sale of Inversora de Infraestructuras, S.L. to Dragados Concesiones de Infraestructuras, S.A. for its underlying book value. Subsequently, ACS Chile, S.A. was contributed (non-monetary contribution) to Inversora de Infraestructuras, S.L. and this holding was subsequently sold to Dragados Concesiones de Infraestructuras, S.A. Infraestructuras y Radiales, S.A. and Ruta de los Pantanos, S.A. had previously been contributed to Inversora de Infraestructuras, S.L.
- e. Sale of DHM, S.A. to Inversora de Infraestructuras, S.L. for its net carrying value.
- f. Acquisition of a 100% holding in ACS Telefonía Móvil, S.L. to which the shares of Xfera Móviles, S.A. directly owned by ACS, Actividades de Construcción y Servicios, S.A. were subsequently contributed.

#### **d) Joint ventures**

The various captions in the balance sheets and income statements of the joint ventures in which the Group companies have an ownership interest are included in proportion to the holding owned therein. The main joint ventures operating in the year ended December 31, 2004, are detailed in Exhibit IV.

## 4. Valuation standards

The main valuation methods applied in preparing the accompanying consolidated financial statements were as follows:

### a) Goodwill and negative consolidation difference

Goodwill was calculated as the positive difference between the cost of the investment in each of the consolidated companies at the date of consolidation and the underlying book values of these holdings per the available balance sheets prepared closest to the acquisition date.

Goodwill arising from the acquisition of a company with a currency other than the euro is treated as an asset in the country in which the investment is made and, accordingly, is translated at the year-end exchange rate.

If the positive difference relates to unrealized gains on the subsidiary's asset items and can be reliably estimated, it is recorded as an increase in the value of these assets.

Goodwill is systematically amortized over the estimated period during which it will contribute to the generation of income for the Group (up to 20 years).

The negative consolidation difference was calculated as the negative difference between the cost of the investment and the underlying book value of the holding at the date of its inclusion in the Group.

If the negative difference relates to contingent or undervalued liabilities, it is recorded as an increase in the amount of these liabilities.

This negative difference is recorded in the statement of income at the date on which the gain that generated this difference is realized or the holding is disposed of.

### b) Transactions between consolidated companies

In the preparation of the consolidated financial statements, all material balances and revenue and expense transactions between consolidated companies were eliminated in consolidation.

### **c) Standardization of items**

In order to uniformly present the items included in the consolidated financial statements, the valuation principles and standards adopted by the Parent Company, regulated in the Commercial Code, the Corporations Law and related enacting regulations and in the Spanish National Chart of Accounts and the adaptations thereof for the related industries were applied at all the consolidated companies.

The main uniformity adjustments relate to foreign toll-road concession-holders in accordance with the Ministerial Order dated December 30, 1998, enacting the standards for adaptation of the Spanish National Chart of Accounts for toll-road, tunnel, bridge and other tollway concession-holders, and to water supply and treatment companies in accordance with the Ministerial Order dated December 10, 1998, enacting the standards for adaptation of the Spanish National Chart of Accounts for water supply and treatment companies.

### **d) Translation of financial statements denominated in foreign currencies of companies abroad**

The assets and liabilities in the financial statements of the foreign subsidiaries included in consolidation were translated to euros at the year-end exchange rate, capital and reserves were translated at historical exchange rates, and income statement accounts were translated by applying the average exchange rates for the year. The resulting translation difference is recorded under the "Shareholders' Equity - Translation Differences" caption, net of the portion relating to minority shareholders, which is included under the "Minority Interests" caption on the liability side of the consolidated balance sheet.

The financial statements of Group companies in certain South American countries were adjusted for the effect of inflation, in accordance with the legislation in force in the countries concerned and with generally accepted accounting principles. This adjustment gave rise to a nonmaterial variation in consolidated reserves and income.

### **e) Start-up expenses**

Start-up expenses, which comprise capital increase and preopening expenses, are recorded at cost and relate to public deed and registration expenses and taxes. These costs are recorded net of amortization, which is taken over a maximum period of 5 years.

## f) Intangible assets

This caption comprises:

1. Rights on assets leased under financial lease contracts, which are recorded as intangible assets at the cash cost of the leased assets and the lease payments payable plus the amount of the purchase option are recorded as a liability. The difference between the lease liability and the net value of the assets is recorded as deferred charges.

The assets under the financial lease contracts are amortized in accordance with the years of estimated useful life thereof at the date of their original acquisition.

The related interest is recorded as an expense on an accrual basis by the interest method.

2. Administrative concessions are recorded at the amount paid by the companies as the operating fee, plus the amount of the costs of the construction and assembly of facilities used in administrative concessions. The administrative concessions are amortized on a straight-line basis over the concession term.
3. The expenses incurred in research and development projects whose technical results are satisfactory are capitalized and amortized over a maximum period of 5 years once the project is considered to be commercially and economically viable. If the results are not favorable, or the circumstances enabling the expenses to be capitalized vary, the unamortized portion is taken to income in the same period in which these circumstances become known.
4. Patents, licenses and similar rights are recorded at cost and amortized over 5 years.
5. Computer software acquired from third parties is valued at cost and amortized on a straight-line basis over a period ranging from 3 to 4.

## g) Long-term assets in projects

This caption includes the amount of the investments in transport, energy and environmental infrastructures which are operated by ACS Group subsidiaries and which are financed by the Project Finance method (financing without recourse applied to projects).

These financing structures are applied to projects capable in their own right of providing sufficient guarantee to the participating financial institutions with regard to the repayment of the funds borrowed to finance them. Each project is performed through specific companies in which the project's assets are financed, on the one hand, through a contribution of funds by the developers, which is limited to a determined amount, and on the other, generally of a larger amount, through

borrowed funds in the form of long-term debt. The debt servicing of these credit facilities or loans is mainly supported by the cash flows generated by the project in the future.

These assets are valued at the costs directly allocable to construction incurred through their entry into operation (studies and designs, expropriations, reinstatement of services, project execution, project management and administration expenses, installations and facilities and similar items) and the portion relating to other indirectly allocable costs, to the extent that they relate to the construction period.

Also included in this caption are the financial expenses incurred prior to the entry into operation of the assets arising from external financing thereof.

Repair and maintenance expenses which do not lead to a lengthening of the useful life of the assets or an extension of their production capacity are expensed currently.

Concession-holders cover all the investment made on completion of the concession term by way of amortization. Accordingly, amortization is calculated by applying the proportion of toll road/landing fee revenues for each year with respect to total projected toll road/landing fee revenues for the full concession term to total projected investment on completion of the concession term, in accordance with the economic and financial plans of the various concessions. In view of the nature of this amortization, any excess over the depreciation of the assets on the basis of their useful lives is recorded as a reversion reserve on the liability side of the consolidated balance sheet.

## **h) Tangible fixed assets**

Tangible fixed assets are valued at cost, revalued pursuant to the applicable enabling legislation which, in the case of certain Group companies, includes Royal Decree-Law 7/1996.

The costs of expansion, modernization or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalized.

The replacement and maintenance expenses which do not lead to a lengthening of the useful lives or to increased production capacity of the related assets are expensed currently.

Group work on its own fixed assets is valued at construction cost.

The Group companies depreciate their tangible fixed assets by the straight-line method at annual rates based on the following years of estimated useful life:

	Years of estimated useful life
Structures	33-50
Plant and machinery	3-20
Other fixtures, tools and furniture	3-14
Other tangible fixed assets	4-12

Concession-related tangible fixed assets are depreciated over their years of useful life. When the term of the concession contracts is shorter than the years of useful life, the depreciation expense is supplemented by the reversion reserve (see Note 4-p-2).

### **i) Short-term and long-term marketable securities**

Short- and long-term marketable securities include the cost of holdings in nonconsolidated companies, that of companies excluded from the scope of consolidation (see Exhibit III) and the short-term investments in government debt securities.

The holdings in nonconsolidated companies are valued at cost, net, where appropriate, of the required allowances for decline in value, in order to reflect the lower of acquisition cost or underlying book value of the holding, adjusted by the amount of the unrealized gains disclosed at the time of acquisition and still existing at the date of subsequent valuation.

Short-term investments in government debt securities are valued at cost plus accrued interest at year-end.

The valuation methods are as follows:

1. Listed securities: At the lower of cost or market. The market value was taken to be the lower of average official market price in the last quarter or closing market price on the last trading day of the year.
2. Unlisted securities: At acquisition or formation cost, net, where appropriate, of the necessary allowances for decline in value, if cost was higher than the underlying book value of the holding at year-end, adjusted by the amount of the unrealized gains disclosed at the time of acquisition and still existing at the date of subsequent valuation.

## **j) Nontrade loans**

Nontrade loans are recorded at face value. Loans repayable in under 12 months from year-end are classified as short-term loans and those repayable at over 12 months as long-term loans.

These loans earn interest at market rates. Interest is recorded on an accrual basis, and the uncollected portion is recorded under this caption at long or short term, as appropriate.

## **k) Deferred charges**

This caption includes the financial expenses relating to the financing of fully consolidated concessions for transport infrastructure and services, and other unaccrued financial expenses. Since there is reasonable evidence for the recovery through future year rates of the concession-related financial expenses incurred from when each infrastructure section enters into operation, these expenses are allocated to income as follows:

1. Financial expenses are charged to income each year based on the proportion of fee revenues for the year with respect to total projected fee revenues for the concession period, applied to the total projected financial expenses, in accordance with the economic and financial plans of the concession.
2. The positive difference between the projected financial expense and the expense to be charged to income as described in paragraph 1) above is capitalized to the "Deferred Charges" caption; if the difference is negative, it will be charged to income by the method described above.

## **l) Inventories**

The Group values its inventories as follows:

1. Assets received in settlement of receivables are recorded at the amount due, plus the necessary expenses arising from the transaction. Should the realizable value be lower, the related allowance for decline in value is recorded to adjust the net book value.
2. The Group's building lots and real estate developments are valued at cost increased, where appropriate, by development and construction costs and other acquisition-related costs, and reduced, where appropriate, by the allowance required to reduce these inventories to their estimated realizable value.
3. Raw materials and supplies, consumables and replacement materials are valued at the lower of cost or net realizable value.

4. Ancillary work and initial project expenses include mainly work on site facilities, both specific and general, valued at acquisition or production cost, and the costs incurred before the contract date. These expenses are allocated to the cost of the project on the basis of the completed construction work. Should the project finally not be awarded, these costs are allocated to income for the year.
5. Work-in-process includes the cost of the work performed and materials used at the end of each year for corporate image and traffic regulation activities and other facilities.

#### **m) Parent Company shares held by the Group**

The shares are valued at the lower of average acquisition cost or consolidated underlying book value, adjusted by the amount of the unrealized gains still existing at the date of valuation.

The related restricted reserve was included under the "Shareholders' Equity" caption.

As of December 31, 2004, the Group owned 1,726,969 Parent Company shares.

#### **n) Subsidies**

The ACS Group was granted subsidies by various public agencies mainly to finance environmental tangible fixed assets. Evidence of compliance with the conditions in the relevant decisions granting the subsidies was provided to the relevant competent agencies.

These subsidies are included under the "Deferred Revenues" caption in the accompanying consolidated balance sheet and are charged to income each year in proportion to the depreciation on the subsidized assets.

#### **o) Provisions for pensions and similar obligations**

ACS, Actividades de Construcción y Servicios, S.A. (as a result of the merger by absorption of Grupo Dragados, S.A. in 2003) and, to an insignificant extent, three subsidiaries are required, under certain conditions, to make monthly payments to their employees to supplement the mandatory standard social security benefits for retirement, disability, death of spouse and death of parent.

In 2000 Grupo Dragados, S.A. (absorbed by ACS, Actividades de Construcción y Servicios, S.A.) partially externalized the aforementioned commitments of the Parent Company and of one of the subsidiaries, and in 2002 it externalized those



relating to the other two subsidiaries as well as the retirement bonus commitments pursuant to collective labor agreements of the subsidiaries bound by these commitments. The insurance taken out guarantees the mortality tables and interest rates.

Based on the valuation made, €95.114 thousand and €163,730 thousand were required to meet the commitments to serving and retired employees, respectively, as of December 31, 2004. The actuarial assumptions used are those indicated below, with the exception of the assumed interest rate applied, which fell as a result of the interest rate cut and ranged from 5.93% to 3.51%:

Annual rate of increase of maximum social security pension benefit	2.00%
Annual wage increase	2.35%
Annual growth rate of the Consumer Price Index (CPI)	2.00%
Mortality table (*)	PERMF-2000 P

(\*) Guaranteed assumptions which will not vary

Additionally, ACS, Actividades de Construcción y Servicios, S.A. has certain commitments with certain members of the management team and the Board of Directors. These commitments have been formalized through several defined contribution group savings insurance policies which provide benefits in the form of a lump sum. The total accumulated contribution was €15,490 thousand as of December 31, 2004.

The amounts recorded in the accompanying 2004 statement of income in connection with pension commitments are as follows:

1. €866 thousand recorded under the "Financial Expenses" caption relating to the interest on the portion that was financed in 2000 and fell due in 2004.
2. €2,402 thousand relating to the net premium accrued by the Parent Company in 2004, of which €1,378 thousand related to prepayments made in 2003. The remaining amount of €1,024 thousand was recorded under the "Personnel Expenses" caption in 2004.
3. €2,107 thousand recorded under the "Personnel Expenses" caption for premiums paid by other Group companies.

The amount of the net premium accrued disclosed in paragraph 2) above includes the pension plan obligations, amounting to €1,803 thousand, relating to the Parent Company's directors who performed executive duties in 2004.

### p) Other provisions for contingencies and expenses

The Group records "Other Provisions for Contingencies and Expenses" as follows:

1. Provision for third-party liability and contingencies: The Group has recorded provisions for contingencies and expenses relating to the estimated amount required for probable or certain third-party liability and to obligations outstanding whose exact amount cannot be determined or whose date of payment is uncertain, since it depends on compliance with certain conditions. This provision is recorded when the liability or obligation arises.

Additionally, in accordance with the opinion of the external lawyers dealing with the legal aspects of this matter, the Group considers that no economic risk exists in relation to the claim filed by Boliden-Apirsa in 2004.

2. Reversion reserve. A reversion reserve is recorded for the assets used in administrative concessions that are reverted to public agencies on completion of the concession terms. The reserve is calculated with the aim of supplementing the depreciation of the related assets, so that their net book value is zero on completion of the concession term.

The companies consider that the periodic maintenance plans, whose cost is allocated to expenses in the year they are incurred, are sufficient to ensure that the assets used are reverted in good working condition on completion of the concession terms and that, accordingly, no significant expenses will arise as a result of the reversion.

3. Severance costs. Under current labor legislation, the consolidated companies are required to pay severance to employees terminated under certain conditions.

Management of the companies consider that, on the basis of estimates of the severance pay payable for possible terminations of permanent employees, the accrued liability for severance costs is reasonably covered by the provision for restructuring due to merger.

Also, pursuant to current legislation, the companies recorded an allowance under the "Operating Allowances" caption on the liability side of the balance sheet to meet the cost of temporary employee terminations.

4. Provision for restructuring due to merger. The Group maintained a portion of the provision recorded to meet the expenses arising from restructuring due to the merger by absorption of Grupo Dragados, S.A. in 2003.

#### **q) Classification of debt**

Short- and long-term debts are recorded at face value. Debts maturing in under 12 months from year-end are classified as current liabilities and those maturing at over 12 months as long-term debt.

These debts are increased by the unmatured accrued interest thereon, and are recorded by the same method as the principal amount. Interest is recorded in the year in which it accrues.

#### **r) Corporate income tax**

The corporate income tax expense for the year at each company is calculated on the basis of book income before taxes, increased or decreased, as appropriate, by the permanent differences from taxable income, net of tax relief and tax credits.

The Spanish companies in which the Parent Company has more than a 75% ownership interest file consolidated tax returns pursuant to current regulations as part of Tax Group 30/99.

#### **s) Foreign currency transactions**

Foreign currency transactions are translated to euros at the exchange rates ruling at the transaction date. The balances of foreign currency accounts are adjusted at year-end to the year-end exchange rates. The net translation losses are charged to the statement of income and the net translation gains are deferred until they are realized.

#### **t) Revenues and expenses**

Revenues and expenses are generally recognized on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

However, in accordance with the accounting principle of prudence, the Group only records realized income at year-end, whereas foreseeable contingencies and losses, including possible losses, are recorded as soon as they become known.

In the construction business, the Group recognizes each year as the period result on construction projects the difference between production and the costs incurred in the year.

Since in the construction industry estimated revenues and costs of construction projects are susceptible to variations during the performance period which cannot be readily foreseen or objectively quantified, the consolidated companies that engage in construction activities recognize as the period result on their construction projects the difference between production each year and the actual costs incurred during the projects. Production each year is valued at certification price of the units completed in the period that, since they are covered in the contract entered into with the owners, or in approved addenda or amendments thereto, do not give rise to any doubts regarding their certification. In addition, production is valued at certification price of other project units that have already been completed for which management of the consolidated companies consider there is reasonable assurance of recovery.

On the basis of the latest cost and revenue projections prepared by the consolidated companies for the projects in progress, the result recognized by them, under the above-mentioned method, does not significantly differ from that that would have been obtained under the percentage-of-completion method. Under this method, the result from projects with expected final income would be that arising from the application thereto of the percentage arising from comparison between the actual costs incurred and total estimated costs; in the event of construction projects for which a final loss is expected, the result would be the full amount of the loss from the moment in which it is determined.

Should the amount of production from inception, valued at certification price, of each project be greater than the amount certified through the balance-sheet date, the difference between the two amounts is recorded under the "Completed Production Pending Certification" caption on the asset side of the consolidated balance sheet. Should the amount of production from inception be lower than the amount of the certificates issued, the difference is recorded under the "Trade Accounts Payable – Customer Advances" caption on the liability side of the consolidated balance sheet.

Inspection fee expenses, estimated costs for site clearance and other expenses that may be incurred from completion of the project through final settlement thereof are accrued over the execution period on the basis of production volumes and are recorded under the "Operating Allowances" caption on the liability side of the consolidated balance sheets.

The real estate companies record sales and the cost of sales when sale contracts have been entered into with customers and construction of the units for sale is substantially completed (i.e. at least 80%), in which case a provision is recorded for the estimated future costs to be incurred in completing the buildings.

Revenues on turnkey industrial construction and engineering projects are generally recognized by applying the expected percentage margin on total estimated costs (which are updated constantly) to the costs actually incurred.

## u) Activities with an impact on the environment

Any operation, the main aim of which is to prevent, reduce or repair environmental damage is considered to be an environmental activity.

However, the business activities carried on by the Group include street cleaning, collection of solid urban waste, water treatment and quality control and other activities involving the provision of environmental services to third parties. Also, most of the construction contracts include a study of environmental impact and the performance of work to preserve, maintain and restore the environment.

The Group does not treat as environmental assets and expenses those relating to the provision of the aforementioned services since they are performed for third parties. Notwithstanding this, the environmental claims and obligations are included regardless of whether they involve in-house operations or operations performed for third parties.

Investments arising from environmental activities are valued at cost and capitalized as an addition to fixed assets in the year in which they are incurred in accordance with the methods described in Note 4-h.

Expenses arising from environmental protection and improvement are charged to income in the year in which they are incurred, regardless of when the resulting monetary or financial flow arises.

The provisions for probable or certain third-party liability, litigation in progress or outstanding indemnity payments or obligations of undetermined amount of an environmental nature, which are not covered by the insurance policies taken out by the Group, are recorded when the liability or obligation giving rise to the indemnity or payment arises.

## 5. Consolidation goodwill

The variations in the balance of this caption in the consolidated balance sheet were as follows:

Thousands of Euros

<b>Balance at December 31, 2003</b>	<b>1,039,894</b>
Additions	317,806
Amortization	(80,843)
Reductions	(17,460)
Translation difference	(2,018)
<b>Balance at December 31, 2004</b>	<b>1,257,379</b>

The main addition to consolidation goodwill relates to the acquisition by ACS, Actividades de Construcción y Servicios, S.A. of a further 5.76% holding in Abertis Infraestructuras, S.A. for €283,609 million in 2004.

The detail, by company, of goodwill as of December 31, 2004, is as follows:

Thousands of Euros	Goodwill	Accumulated Amortization	Net Amount
<b>Parent Company</b>			
Merger with Grupo Dragados, S.A.	842,603	(103,794)	738,809
<b>Concessions</b>			
Abertis Infraestructuras, S.A.	294,363	(9,494)	284,869
<b>Construction</b>			
Tecsa Empresa Constructora, S.A. and other	9,194	(9,065)	129
<b>Industrial</b>			
Injar, S.A.	3,559	(541)	3,018
Electromur, S.A.	9,210	(189)	9,021
Sistemas Radiantes F. Moyano, S.A.	6,146	(1,222)	4,924
S.I.C.E., S.A.	15,616	(4,689)	10,927
Other subsidiaries	13,799	(3,222)	10,577
<b>Services</b>			
Urbaser, S.A.	52,141	(13,903)	38,238
Consenuar, S.A.	6,026	(2,117)	3,909
Aguas del Huesna, S.L.	2,924	(731)	2,193
KDM, S.A.	6,044	(1,805)	4,239
Servicios Urbanos y Medio Ambiente, S.A.	3,509	(595)	2,914
Ecolube, S.L.	9,647	(1,305)	8,342
Continental Auto, S.L.	32,939	(8,728)	24,211
Empresa Navarro, S.L.	2,678	(297)	2,381
Autobuses García, S.L.	2,833	(499)	2,334
Grupo Hijos de Simón Maestra, S.L.	7,345	(678)	6,667
Limpiezas Lafuente, S.L.	2,828	(399)	2,429
TV Transit, S.A.	8,204	(5,103)	3,101
New and Publicity, S.A.	5,936	(2,723)	3,213
CSX World T. Dominicana, Ltd.	6,565	(329)	6,236
Grupo Sintax	35,383	(4,825)	30,558
Marítima del Mediterráneo, S.A.	15,978	(3,853)	12,125
Operaciones Portuarias Canarias, S.A.	11,192	(2,112)	9,080
Other subsidiaries	47,147	(14,212)	32,935
<b>TOTAL</b>	<b>1,453,809</b>	<b>(196,430)</b>	<b>1,257,379</b>

## 6. Investments in companies accounted for by the equity method

The variations in the balance of this caption in 2004 were as follows:

Thousands of Euros

<b>Balance at December 31, 2003</b>	<b>1,081,186</b>
Change in consolidation method	7,578
Acquisitions and capital subscriptions	283,336
Income for the year	111,517
Sales	(4,506)
Decreases	(70,175)
Translation difference	(8,925)
Dividend distribution	(49,455)
<b>Balance at December 31, 2004</b>	<b>1,350,556</b>

The acquisitions and capital subscriptions relate mainly to the purchase of a 5.76% holding in Abertis Infraestructuras, S.A. in 2004. Noteworthy was the purchase made on September 21, 2004, whereby ACS and La Caixa acquired on the market, in two equal halves, Autostrade's 4.98% holding in Abertis. Consequently, ACS acquired a 2.49% stake for €200,567 thousand. In 2004, ACS gradually acquired a further holding in Abertis representing 3.27% of capital stock, thus increasing its total holding in this company to 17.58% as of December 31, 2004. At the date of preparation of these financial statements, the ownership interest in Abertis Infraestructuras, S.A. was 19.5%.

At the date of preparation of these financial statements, the holding in Inmobiliaria Urbis, S.A. was 22.0%.

The change in consolidation method arose mainly from the accounting of Bidelan Guipuzkoako Autobideak, S.A. by the equity method.

The translation differences caption relates mainly to the Chilean peso and the Mexican peso.

The detail, by company, of the balance of this caption as of December 31, 2004, is as follows:

Thousands of Euros

**Company****Construction**

Covisur, S.A.	3,220
Other subsidiaries	3,344

**Industrial**

Red Eléctrica del Sur, S.A.	4,333
Expansión de Transmisión Eléctrica Brasil, S.A.	5,443
Transmissão Itumbiara Marimondo, S.A.	4,240
Cachoeira Paulista Transmisora de Energía, S.A.	5,971
Serra de Moncoso Cambas, S.L.	2,516
Cygnus Air, S.A.	2,467
Nordeste Transmisora de Energía, Ltda.	20,946
STE – Sul Transmisora de Energía, Ltda.	9,968
Other subsidiaries	11,682

**Services**

Tirme, S.A.	4,123
Aguas del Gran Buenos Aires, S.A.	3,183
American Forestry Technology, Inc.	2,195
E.M. de Aguas del Ferrol, S.A.	2,740
Ecoparc, S.A.	2,505
Estaciones El Pilar, S.A.	2,872
Foresta Individual 1, S.A.	4,959
Remolcadores de Barcelona, S.A.	10,649
Terminal Marítima Servicesa, S.A.	2,082
CSX World T. Dominicana, Ltd.	7,184
A.T.M. Cartera, S.A.	2,458
Iquique Terminal Internacional, S.A.	3,364
Operaciones Portuarias Canarias, S.A.	16,673
Other subsidiaries	15,028

**Concessions**

Abertis Infraestructuras, S.A.	658,994
Aeropuertos Mejicanos del Pacífico, S.A. de C.V.	49,196
Sociedad Concesionaria Autopista Central, S.A.	40,022
Sociedad Concesionaria Autopista Vespucio Norte, S.A.	32,312
Infraestructuras y Radiales, S.A.	28,202
Scutvias Autoestradas da Beira Interior, S.A.	16,398
Ruta de los Pantanos, S.A.	3,909
Bakwena Platinum Corridor Concessionaire, Ltd.	7,099
Bidelan Guipuzkoako Autobideak, S.A.	3,237
Metro de Sevilla Sdad. Concesionaria de la Junta de Andalucía, S.A.	23,931
SCL Terminal Aéreo Santiago, S.A., Sociedad Concesionaria	2,366
TP Ferro Concesionaria, S.A.	17,132
Circunvalación Alicante, S.A.	25,084
Rutas del Pacífico, S.A.	46,320
Other subsidiaries	1,779

**Other companies**

Inmobiliaria Urbis, S.A.	181,438
Xfera Móviles, S.A.	58,632
Other subsidiaries	360

**TOTAL****1,350,556**



As of December 31, 2004, the Group had an effective ownership interest of 32.47% in the capital stock of Xfera Móviles, S.A. through ACS Telefonía Móvil, S.L. Xfera Móviles, S.A. is in the start-up phase of its business. As a result of the current technological and regulatory framework, Xfera Móviles, S.A. has adapted the economic variables of its initial business plan, which was updated and transformed into a business plan different from that prepared when the tender bid for the license was submitted, which demonstrates its viability. This business plan was prepared under the basic assumptions that the commercial launch will take place as soon as the technological framework and the market conditions permit it, and that the company will operate using its own network and the roaming and infrastructure sharing agreements entered into with other operators, adapting the investments and contracts to the new strategy.

As a result of the foregoing, the Group recorded an allowance for the losses incurred, adjusting the investment to the underlying book value of its holding.

In addition to the allowances recorded to adjust the investment to the underlying book value of the holding, and as a result of the general situation of uncertainty and slowdown currently affecting the telecommunications industry, which will affect the recovery period of the investments made, the Group, in accordance with the principle of prudence, recorded additional provisions totaling €60,594 thousand (€6,085 thousand of which were recorded in the year) as a reduction of the value of accounting Xfera Móviles, S.A. by the equity method, which are shown as decreases in the period variations.

In 2004 the Group acquired for €12,816 thousand, through an arbitral award, 9,674,513 shares of Xfera Móviles, S.A. from Vodafone Holding GmbH, and the related counter-guarantees were replaced.

## 7. Start-up expenses

The variations in the balance of this caption in 2004 were as follows:

Thousands of Euros

<b>Balance at 12/31/03</b>	<b>15,525</b>
Additions	2,047
Amortization	(4,883)
Variations in the scope of consolidation and other	(1,960)
Translation difference	(166)
<b>Balance at 12/31/04</b>	<b>10,563</b>

The additions relate mainly to preopening expenses incurred at the new companies formed in the year.

## 8. Intangible assets

The variations in the balance of this caption in 2004 were as follows:

Thousands of Euros	Balance at 12/31/03	Transfers	Variations in the Scope of Consolidation	Additions or Provisions	Translation Differences	Retirements or Reductions	Balance at 12/31/04
Investment	336,965	(11,355)	5,341	82,595	(246)	(26,424)	386,876
Accumulated amortization	(97,325)	3,934	(1,858)	(30,844)	145	15,304	(110,644)
<b>TOTAL</b>	<b>239,640</b>	<b>(7,421)</b>	<b>3,483</b>	<b>51,751</b>	<b>(101)</b>	<b>(11,120)</b>	<b>276,232</b>

The main additions are leased assets relating to the fleet of Continental Auto buses and machinery for logistics and port services. Also noteworthy in the additions column are the computer software and administrative concessions relating to logistics and port services.

The main retirements relate to computer software and R&D expenses.

The detail of intangible assets as of December 31, 2004, is as follows:

Thousands of Euros	Cost	Accumulated Amortization	Net Amount
<b>Concept</b>			
Research and development expenses	16,284	(12,788)	3,496
Administrative concessions	82,212	(22,346)	59,866
Intellectual property	3,285	(3,232)	53
Goodwill	3,499	(518)	2,981
Leasehold assignment rights	261	(17)	244
Computer software	40,855	(27,612)	13,243
Rights on leased assets	201,173	(41,832)	159,341
Advances on intangible assets	20,441	-	20,441
Other	18,866	(2,299)	16,567
<b>TOTAL</b>	<b>386.876</b>	<b>(110.644)</b>	<b>276.232</b>

The main characteristics of the principal financial lease contracts are as follows:

Thousands of Euros	
Original cost of leased assets	201,173
Lease payments payable (including purchase option)	145,158

## 9. Long-term assets in projects

The balance of the "Long-term Assets in Projects" caption on the asset side of the consolidated balance sheet as of December 31, 2004, includes the costs incurred by the fully consolidated companies in the construction of infrastructures whose operation constitutes the corporate purpose of the respective companies, the detail being as follows:

Thousands of Euros

Company	Type of Infrastructure	Investment	Accumulated Depreciation	Net Value of Long-Term Assets in Projects
Parques eólicos de Subgrupo Tecneira	Wind-powered facility	42,624	-	42,624
Energías Ambientales de Somozas, S.A.	Wind-powered facility	46,878	(10,553)	36,325
Sociedad Eólica de La Enderrocada, S.A.	Wind-powered facility	28,481	(8,279)	20,202
Energías Ambientales de Vimianzo, S.A.	Wind-powered facility	49,394	(8,926)	40,468
Energías Ambientales de Novo, S.A.	Wind-powered facility	17,633	(2,785)	14,848
Energía Ambientales de Outes, S.A	Wind-powered facility	37,850	(844)	37,006
Somozas Energía Renovables, S.A.	Wind-powered facility	11,254	(430)	10,824
Parque Eólico Valdecarro, S.L.	Wind-powered facility	1,010	-	1,010
Ortiga Energía Eólica, S.A.	Wind-powered facility	7,904	-	7,904
Ecovent Parc Eolic, S.A.	Wind-powered facility	16,981	(2)	16,979
Parque Eólico El Peru, S.L.	Wind-powered facility	35,387	(23)	35,364
Parque Eólico Marmellar, S.L.	Wind-powered facility	566	-	566
Vertresa RWE Senda UTE Las Dehesas (*)	Integral urban solid waste treatment plant	53,921	(11,191)	42,730
Tecmed BKU UTE Albada	Integral urban solid waste treatment plant	61,660	(4,343)	57,317
Servicios de Aguas de Misiones, S.A.	Water supply	3,887	(547)	3,340
Tirmadrid, S.A.	Waste treatment	127,468	(47,207)	80,261
Aguas del Huesna, S.L.	Water supply	113,975	(16,673)	97,302
Artemis Transmissora de Energia Ltda	Electricity transmission	14,423	-	14,423
Munirah Transmissora de Energia Ltda	Electricity transmission	9,383	-	9,383
Intercambiador de Transportes Avda. de América, S.A.	Transport interchange	22,854	(6,769)	16,085
Autovia de La Mancha, S.A.C.J.CC.CLM	Road	77,487	-	77,487
Aufé, S.A. Concesionaria (Dycasa)	Road	10,679	(6,259)	4,420
Servicios de Mantenimiento de Carreteras, S.A. (Semacar)	Road	49,287	(49,287)	-
Aunor, S.A. (Dycasa)	Road	4,878	(1,100)	3,778
Ferrocarriles del Norte de Colombia, S.A.	Railroad	113,407	-	113,407
Inversiones Nocedal, S.A.	Road	43,066	(19)	43,047
Taurus Holdings Chile, S.A.	Road	45,626	-	45,626
<b>TOTAL COST</b>		<b>1,047,963</b>	<b>(175,237)</b>	<b>872,726</b>

(\*) Includes €51 thousand of start-up expenses

The variations in 2004 in the balance of this caption were as follows:

Thousands of Euros	Balance at 12/31/03	Variations in the Scope of Consolidation	Additions or Provisions	Translation Differences	Retirements or Reductions	Balance at 12/31/04
Investment	799,227	67,509	189,250	(4,416)	(3,607)	1,047,963
Accumulated depreciation	(157,305)	(2)	(24,445)	5,717	798	(175,237)
<b>TOTAL</b>	<b>641,922</b>	<b>67,507</b>	<b>164,805</b>	<b>1,301</b>	<b>(2,809)</b>	<b>872,726</b>

The "Project Financing" caption on the liability side of the balance sheet includes the amount of financing allocated to the projects. The breakdown, by company, as of December 31, 2004, is as follows:

Thousands of Euros		Short Term	Long Term	Total
<b>Company</b>				
Parques Eólicos Subgrupo Tecneira		-	35,432	35,432
Energías Ambientales de Somozas, S.A.		2,951	30,322	33,273
Sociedad Eólica de La Enderrocada, S.A.		1,904	12,587	14,491
Energías Ambientales de Vimianzo, S.A.		2,515	34,794	37,309
Energías Ambientales de Novo, S.A.		543	10,710	11,253
Energías Ambientales de Outes, S.A.		255	31,804	32,059
Somozas Energías Renovables, S.A.		12,585	-	12,585
Ortiga Energía Eólica, S.A.		-	3,851	3,851
Ecovent Parc Eolic, S.A.		65	16,669	16,734
Parque Eólico El Perul, S.L.		-	30,650	30,650
Servicios Aguas de Misiones, S.A.		1,167	5,917	7,084
Vertresa RWE Senda UTE Las Dehesas		3,114	28,062	31,176
Tecmed – BKU UTE Albada		2,278	27,598	29,876
Intercambiador de Transportes Avda. de América, S.A.		199	11,500	11,699
Autovía de La Mancha, S.A. C.J.CC.CLM.		-	69,478	69,478
Aufé, S.A. Concesionaria (Dycasa)		499	-	499
Aunor, S.A.		500	1,749	2,249
Aguas del Huesna, S.L.		1,809	34,274	36,083
Tirmadrid, S.A.		6,661	43,469	50,130
<b>TOTAL</b>		<b>37,045</b>	<b>428,866</b>	<b>465,911</b>

The detail, by maturity, of the portion maturing at long term is as follows:

Thousands of Euros	Maturity in				Total
	2006	2007	2008	2009 and Subsequent Years	
Balance at December 31, 2004	49,749	38,718	42,246	298,153	428,866

Noteworthy, due to its relative importance, is the financing relating to:

- Wind-powered facilities. These are loan agreements tied to variable Euribor based on certain ratios, maturing between 2013 and 2019.
- Integral urban solid waste treatment plants. The loans, maturing in 2016, bear interest tied to MIBOR or Euribor, which varies depending on the debt ratios and the repayment percentage.
- Tirmadrid, S.A. Comprises the following loans:
  - Loans for €54,091 thousand, with a fixed annual rate of 5.3%, systematically repayable in 10% annual installments through 2011. At 2004 year-end the outstanding principal amounted to €37,865 thousand.
  - Syndicated loan and subordinated loan from the shareholders, at interest rates tied to MIBOR, repayable in variable installments through 2010. At year-end the outstanding amounts totaled €10,789 thousand and €4,099 thousand, respectively.
- Aguas del Huesna, S.L. Outstanding loans amounting to €20,932 thousand and €15,151 thousand, with interest tied to MIBOR and Euribor, repayable in annual installments. The last installment will be paid in 2009 and 2019, respectively.
- Autovía de la Mancha, S.A. Long-term loan amounting to €118,000 thousand, of which €105,000 thousand are earmarked to finance project costs, with a grace period of four years and maturing in 2028. The other two tranches of €10,000 thousand and €3,000 thousand are assigned to possible additional costs and working capital requirements. There is a fixed interest rate of 4.8% for €84,000 and a floating interest rate formula for the remaining amount
- The Group has arranged various interest rate hedging contracts in connection with the aforementioned financing.

## 10. Tangible fixed assets

The variations in tangible fixed asset accounts and in the related accumulated depreciation in 2004 were as follows:

Thousands of Euros	Balance at 12/31/03	Variations in Scope of Consolidation	Additions or Provisions	Retirements or Reductions	Translation Difference	Transfers	Balance at 12/31/04
Land and structures	345,004	5,192	85,025	(12,170)	(759)	7,647	429,939
Plant and machinery	876,815	(8,886)	130,767	(81,019)	(1,968)	24,635	940,344
Other tangible fixed assets	560,300	5,841	83,931	(72,203)	(1,693)	(17,367)	558,809
Advances and construction in progress	140,799	832	92,449	(30,506)	(16)	(1,842)	201,716
<b>Total tangible fixed assets</b>	<b>1,922,918</b>	<b>2,979</b>	<b>392,172</b>	<b>(195,898)</b>	<b>(4,436)</b>	<b>13,073</b>	<b>2,130,808</b>
<b>Accumulated depreciation</b>	<b>(849,019)</b>	<b>(3,604)</b>	<b>(174,529)</b>	<b>84,513</b>	<b>2,750</b>	<b>(7,028)</b>	<b>(946,916)</b>
<b>Total tangible fixed assets, net</b>	<b>1,073,899</b>	<b>(625)</b>	<b>217,643</b>	<b>(111,385)</b>	<b>(1,686)</b>	<b>6,045</b>	<b>1,183,892</b>

As indicated in Note 4-h), the consolidated companies revalued their tangible fixed assets in accordance with current legislation.

There are mortgage loans on "Land and Structures" with an unmatured principal amount of €26,474 thousand.

Tangible fixed assets located abroad amounted to €223,383 thousand and the related accumulated depreciation to €117,683 thousand.

Of the Group's tangible fixed assets as of December 31, 2004, assets with a historical cost of €299,508 thousand had been depreciated in full and were in use.

The Group takes out the insurance policies to cover the possible risks to which its tangible fixed assets are subject.

The most significant amounts relating to assets that must revert to public-sector agencies on expiration of the concession period are recorded under the "Long-Term Assets in Projects" caption (see Note 4).

## 11. Marketable securities

### a) Long-term marketable securities

The variations in the balance of this caption in 2004 were as follows:

Thousands of Euros	Cost	Allowances
<b>Balance at 12/31/03</b>	<b>152,584</b>	<b>(60,123)</b>
Additions or provisions	16,812	(8,077)
Retirements or reductions	(16,328)	7,661
<b>Balance at 12/31/04</b>	<b>153,068</b>	<b>(60,539)</b>

The detail of the balance of this caption as of December 31, 2004, is as follows:

Thousands of Euros	Cost	Allowance	Net Balance
<b>Parent company</b>			
Broadnet Consorcio, S.A.	11,722	(11,722)	-
World Trade Center Barcelona, S.A.	2,404	(518)	1,886
<b>Construction</b>			
Build 2 Build, S.A.	3,113	(2,242)	871
Can Brians 2, S.A.	10,355	-	10,355
Cleon, S.A.	25,337	(51)	25,286
Transportes Ferroviarios Madrid, S.A.	3,414	(1,442)	1,972
Compañía Nueva Plaza de Toros de Barcelona, S.A.	4,361	(152)	4,209
Parque Temático de Madrid, S.A.	5,924	(5,924)	-
Sacresa Belgique, S.A.	4,086	-	4,086
<b>Industrial</b>			
Saneamiento Norte, S.A.	3,667	(3,667)	-
<b>Services</b>			
Terra Mítica, S.A.	4,357	(4,357)	-
<b>Concessions</b>			
Autopista Central Gallega, Concesionaria Española, S.A.	4,296	-	4,296
Accesos Madrid, Concesionaria Española, S.A.	31,343	-	31,343
Autopista del Sol, S.A.	8,889	(8,889)	-
<b>Other investments</b>	<b>29,800</b>	<b>(21,575)</b>	<b>8,225</b>
<b>TOTAL</b>	<b>153,068</b>	<b>(60,539)</b>	<b>92,529</b>

The "Other Investments" caption includes mainly the cost of holdings in companies excluded from the scope of consolidation due to their scant materiality, and the cost of other investments that do not form part of the consolidated Group.

### b) Other loans

The main items recorded under the "Other Loans" caption relate to the Securitization SPV, as indicated in Note 13.

### c) Short-term investment securities

The balance of this caption includes investments in government debt securities amounting to €697,550 thousand made in order to place cash surpluses. These investments relate to high-liquidity and high-rotation assets that generate market returns.

### d) Marketable securities in foreign currencies

The marketable securities in foreign currencies as of December 31, 2004, amounting to €30,653 thousand, are mainly in Chilean pesos and are recorded as long-term investment securities.

## 12. Inventories

The detail of the "Inventories" caption as of December 31, 2004, is as follows:

Thousands of Euros

Property products for sale	10,733
Raw materials and other supplies	219,673
Work-in-process, semifinished goods and finished goods	32,403
Advances	66,906
Precontract expenses	48,320
Facilities	24,857
Assets received in settlement of receivables	3,368
Allowances	(2,698)
<b>TOTAL</b>	<b>403,562</b>

Property products for sale relate to building lots, apartments, commercial premises and parking spaces belonging to Group companies that are earmarked for sale.

As of December 31, 2004, the foreign currency inventory balance relates mainly to the Chilean peso (€12,355 thousand), the Mexican peso (€9,260 thousand) and the Brazilian real (€8,807 thousand).

As of December 31, 2004, a mortgage had been arranged on a residential development in Las Tablas (Madrid) for €2,100 thousand, maturing at short term.



## 13. Accounts receivable

### a) Trade receivables for sales and services

The detail of the balance of this caption as of December 31, 2004, is as follows:

Thousands of Euros

Trade receivables and notes receivable	3,544,293
Completed work pending certification	934,595
<b>Total</b>	<b>4,478,888</b>
Advances received on orders	(1,113,042)
Allowances for bad debts	(77,838)
<b>TOTAL NET TRADE RECEIVABLES BALANCE</b>	<b>3,288,008</b>

The detail of the net trade receivables balance, by activity, is as follows:

Thousands of Euros

Construction	1,455,844
Industrial	1,155,879
Services	720,515
Parent company, other and eliminations	(44,230)
<b>TOTAL</b>	<b>3,288,008</b>

The detail, by customer type, of the net balance receivable for construction-related activities is as follows:

Thousands of Euros

<b>Public sector</b>	
Central government	352,275
Autonomous Community governments	119,192
Municipal Councils	113,488
Autonomous agencies and state-owned companies	173,452
<b>Private sector</b>	<b>697,437</b>
<b>TOTAL</b>	<b>1,455,844</b>

The "Completed Work Pending Certification" caption reflects the difference at year-end between the amount of production from inception on each of the projects and contracts in progress at December 31, 2004, and the amount certified for each of them.

Consequently, the amount of this caption relates to the valuation at certification price of the construction units completed and of the services provided at year-end which have already been approved by the related customer or which, although pending approval, do not give rise to any doubts regarding their immediate approval, and which, accordingly, will be subsequently certified.

The average age of the balances receivable from the public sector in connection with construction is three months.

The "Trade Receivables and Notes Receivable" balance as of December 31, 2004, was reduced by €167,900 thousand relating to certificates receivable assigned through factoring without recourse in the construction area, €98,300 thousand in the industrial services area and €127,700 thousand in the services area.

The "Trade Receivables and Notes Receivable" balance was also reduced by the amounts received from the CAP – TDA1 "Fondo de Titulización de Activos", a securitization SPV which was set up on June 25, 2003.

Securitization involves the transformation of receivables into bonds marketed through the SPV acquiring the claims and issuing the securities. The bond issued by the securitization SPV, consisting of the accounts receivable of the ACS Group backlog, received the AAA rating from the rating agencies.

The amount of the receivables sold to the securitization SPV was €239,692 thousand as of December 31, 2004, of which €81,140 thousand were recorded as a current account with the securitization SPV included under the "Short-Term Investments – Other Short-Term Receivables" caption in the accompanying balance sheet.

## b) Nontrade loans

### Other short-term accounts receivable

The detail of the balance of this caption as of December 31, 2004, is as follows:

Thousands of Euros

Employee receivables	8,047
Taxes receivable	423,165
Other	323,555
<b>TOTAL</b>	<b>754,767</b>
<b>ALLOWANCES</b>	<b>(24,901)</b>

Nontrade loans in foreign currencies as of December 31, 2004, relate mainly to the Brazilian real (€7,911 thousand), the Argentine peso (€5,742 thousand), the pound sterling (€3,416 thousand) and the Mexican peso (€2,758 thousand).

## 14. Shareholders' equity

The variations in consolidated equity accounts in 2004 were as follows:

Thousands of Euros	Additional			Reserves of the Parent Company		Reserves at Consolidated Companies		Translation Differences	Income for the Year	Interim Dividend	Total
	Capital Stock	Paid-in Capital	Revaluation Reserve	Restricted Reserves	Other Reserves	Fully Consolidated Companies	Equity Accounted Companies				
<b>Balance at 12/31/03</b>	<b>177,791</b>	<b>897,294</b>	<b>2,124</b>	<b>19,413</b>	<b>216,769</b>	<b>429,382</b>	<b>76,403</b>	<b>(209,575)</b>	<b>229,508</b>	<b>(42,670)</b>	<b>1,796,439</b>
Retirement of treasury stock	(1,354)	-	-	-	(31,771)	-	-	-	-	-	(33,125)
Distribution of income:											
Reserves	-	-	-	15,879	263,467	(86,310)	(60,720)	-	(132,316)	-	-
Dividends	-	-	-	-	1,238	-	-	-	(97,192)	42,670	(53,284)
2004 interim dividend	-	-	-	-	-	-	-	-	-	(49,402)	(49,402)
Reserve for treasury stock	-	-	-	29,131	(29,131)	-	-	-	-	-	-
Variations in the scope of consolidation and other	-	-	-	-	29	(22,568)	1,026	24,051	-	-	2,538
Translation differences	-	-	-	-	-	-	-	(19,630)	-	-	(19,630)
Income for the year	-	-	-	-	-	-	-	-	460,385	-	460,385
<b>Balance at 12/31/04</b>	<b>176,437</b>	<b>897,294</b>	<b>2,124</b>	<b>64,423</b>	<b>420,601</b>	<b>320,504</b>	<b>16,709</b>	<b>(205,154)</b>	<b>460,385</b>	<b>(49,402)</b>	<b>2,103,921</b>

### a) Capital stock

As of December 31, 2004, the capital stock consisted of 352,873,134 fully subscribed and paid bearer shares of €0.5 par value each, all with the same voting and dividend rights.

On May 20, 2004, the Shareholders' Meeting adopted the following resolutions:

- To reduce capital stock by 1,353,679.50 (par value) through the retirement of 902,453 shares of treasury stock, leaving the capital stock amount at €176,436,567.
- To reduce the par value of the shares from €1.5 to €0.50 with the consequent simultaneous increase in the number of shares of capital stock, which after the reduction mentioned in the preceding paragraph increased from 117,624,378 shares of €1.5 par value each to 352,873,134 shares of €0.50 par value each.

The shares of ACS, Actividades de Construcción y Servicios, S.A. are listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and traded through the Spanish computerized trading system.

Apart from the Parent Company, the companies included in the scope of consolidation whose shares are listed on securities markets are Abertis Infraestructuras, S.A. and Inmobiliaria Urbis, S.A. (on the Spanish stock markets) and Dragados y Construcciones Argentina, S.A.I.C.I. (on the Buenos Aires Stock Exchange).

As of December 31, 2004, the sole shareholder with a holding equal to or exceeding 10% of the capital stock of the Parent Company was the Banca March Group with a holding of 15.55%.

As of December 31, 2004, the shareholders with a holding equal to or exceeding 10% of the capital stock of the Group's main investees were as follows:

Group Company	Percentage of Ownership	Shareholder
Sopol, S.A.	49.9 %	Silger Sgps, S.A.
Tirmadrid, S.A.	18.6 %	Unión Fenosa Renovables, S.A.
	15.0 %	Endesa Cogeneración y Renovables, S.A.
Procme, S.A.	25.0 %	José Reis Costa
Rutas del Pacífico, S.A.	50.0 %	Itinere Infraestructuras, S.A.
Abertis Infraestructuras, S.A.	23.99 %	Caja de Ahorros y Pensiones de Barcelona, S.A.
Inmobiliaria Urbis, S.A.	51.28 %	Banco Español de Crédito, S.A.

### b) Additional paid-in capital

The revised Corporations Law expressly permits the use of the additional paid-in capital balance to increase capital and establishes no specific restrictions as to its use for other purposes.

### c) Revaluation reserve

Pursuant to Royal Decree Law 7/1996, the Parent Company availed itself of account revaluation and recorded a revaluation reserve of €2,124 thousand, net of the single 3% tax.

The balance of this account may be used, free of taxes, to eliminate recorded losses, both accumulated losses and current losses, or losses which may be incurred in the future, and to increase capital. Once a ten-year period has elapsed, the balance may be taken to unrestricted reserves, provided that the monetary surplus has been realized. The surplus will be deemed to have been realized in respect of the portion on which depreciation has been taken for accounting purposes or when the revalued assets have been transferred or retired from the accounting records.

If this balance were used in a manner other than that provided for in Royal Decree-Law 7/1996, it would be subject to tax.

## d) Other reserves of the Parent Company

### Restricted reserves

Under the revised Corporations Law, 10% of income for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of capital stock. The legal reserve may not be distributed to shareholders, except in the event of liquidation of the Company.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased capital stock amount.

Except as mentioned above, until the legal reserve exceeds 20% of capital stock, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

The legal reserve at the Parent Company amounted to €35,130 thousand.

This caption also includes the reserve for redenomination of capital stock to euros amounting to €162 thousand, which is restricted.

### Treasury stock

As of December 31, 2004, the Parent Company owned 1,726,969 shares of treasury stock, of €0.5 par value each, representing 0.489% of capital stock, with a book value of €29,131 thousand which is recorded under the "Short-Term Parent Company Shares" caption.

As required by Article 79.3 of the Spanish Corporations Law, the Parent Company has recorded a reserve for treasury stock, amounting to €29,131 thousand, with a charge to voluntary reserves. This reserve is unrestricted until the shares are disposed of or retired.

The variations in treasury stock in 2004 were as follows:

Thousands of Euros	Shares	Amount
<b>Balance at 12/31/03</b>	<b>902,453</b>	<b>26,875</b>
Purchases before stock split	1,895,439	75,823
Retirement of treasury stock	(902,453)	(33,125)
Balance after stock split	5,686,317	69,573
Purchases	6,144,713	93,486
Sales	(10,104,061)	(133,928)
<b>Balance at 12/31/04</b>	<b>1,726,969</b>	<b>29,131</b>

The gain on the sale of treasury stock amounted to €29,611 thousand.

### Unrestricted reserves

These reserves are voluntary and are not subject to any regulations restricting their use.

### e) Reserves at fully consolidated companies and at companies accounted for by the equity method

The amounts contributed to reserves by the Group's main Business Units, taking into account the net worth effect of the companies included therein, are as follows:

Thousands of Euros

#### Fully and proportionally consolidated companies

Construction	51,450
Industrial	123,298
Services and Concessions	142,311
Other	3,445
<b>TOTAL</b>	<b>320,504</b>

#### Companies accounted for by the equity method

Construction	(2)
Industrial	1,418
Services and Concessions	36,743
Other	(21,450)
<b>TOTAL</b>	<b>16,709</b>

### f) Translation differences

#### Translation differences at fully or proportionally consolidated companies

Translation losses amounted to €146,266 thousand as of December 31, 2004, the detail being as follows:

Thousands of Euros

Construction	(34,569)
Industrial Services	(16,944)
Services and Concessions	(94,451)
Other	(302)
<b>TOTAL</b>	<b>(146,266)</b>

### Translation differences at companies accounted for by the equity method

Translation losses amounted to €58,888 thousand as of December 31, 2004, the detail being as follows:

Thousands of Euros

Industrial services	(861)
Services	(21,667)
Concessions	(36,360)
<b>TOTAL</b>	<b>(58,888)</b>

### g) Interim dividend paid during the year

At the meeting on December 16, 2004, the Parent Company's Board of Directors resolved to distribute an interim dividend of €0.14 per share, totaling €49,402 thousand, which was paid on January 24, 2005. On October 31, 2004, the Company prepared the liquidity statement required under Article 216 of the revised Corporations Law in this connection. This interim dividend paid is recorded under the "Interim Dividend Paid During the Year" caption as a reduction of "Shareholders' Equity".

## 15. Minority interests

This caption in the accompanying consolidated balance sheet reflects the proportional amount of the equity of minority interests in the Group companies. The variations in 2004, by item, were as follows:

Thousands of Euros

<b>Balance at 12/31/03</b>	<b>99,269</b>
Income for the year	17,104
Dividends received	(7,121)
Variation in the scope of consolidation	5,023
Capital variations	5,161
Translation differences and other	(339)
<b>Balance at 12/31/04</b>	<b>119,097</b>

The breakdown of the balance of this caption as of December 31, 2004, is as follows:

Thousands of Euros	Capital Stock	Reserves	Income for the Year	Total
Construction	8,204	4,828	9,562	22,594
Industrial Services	18,448	5,044	1,508	25,000
Services and Concessions	47,537	17,932	6,034	71,503
<b>TOTAL</b>	<b>74,189</b>	<b>27,804</b>	<b>17,104</b>	<b>119,097</b>

## 16. Deferred revenues

The variations in the "Deferred Revenues" caption in 2004 were as follows:

Thousands of Euros	Balance at 12/31/03	Variation in Scope of Consolidation	Translation Difference	Additions	Transfers	Allocation to Income for the Year	Balance at 12-31-04
Subsidies	119,678	(4,295)	2,639	26,763	5,091	(3,061)	146,815
Other deferred revenues	15,921	17	91	9,378	(6,073)	(4,730)	14,604
<b>TOTAL</b>	<b>135,599</b>	<b>(4,278)</b>	<b>2,730</b>	<b>36,141</b>	<b>(982)</b>	<b>(7,791)</b>	<b>161,419</b>

The subsidies were granted by various public agencies mainly to finance investments in tangible fixed assets. Evidence of compliance with the conditions established in the relevant decisions granting the subsidies was provided to the relevant competent agencies.

Certain subsidies are assigned to various administrative concessions. The most significant subsidies were those granted to Aguas del Huesna, S.L., Ferrocarriles del Norte de Colombia, S.A. and Tecmed BKU UTE Albada. The Group allocates these subsidies to income over the concessions term.



## 17. Provisions for contingencies and expenses

The variations in 2004 were as follows:

Thousands of Euros

<b>Balance at 12/31/03</b>	<b>405,729</b>
Variations in the scope of consolidation	(24)
Translation difference	(241)
Period provisions	72,505
Transfers	(61,139)
Amounts used or reductions	(158,743)
<b>Balance at 12/31/04</b>	<b>258,087</b>

€26,693 thousand of the balance of this caption relate to the reversion reserves contributed by various Group companies.

The balance of this caption was recorded to meet probable third-party liability, as described in Notes 4-p and 6. This caption also includes, in accordance with the principle of utmost prudence, the provisions for possible contingent risks associated with various international projects. €60,594 thousand of the transfers (€6,085 thousand of which were recorded in the year) relate to the provision recorded by Xfera Móviles, S.A., which was reported as a reduction of the value of accounting this holding by the equity method (see Note 6).

The amounts used relate mainly to payments made as a result of the restructuring made after the merger with Grupo Dragados, S.A.

## 18. Long- and short-term nontrade payables

The detail of the payables to credit institutions is as follows:

Thousands of Euros

	<b>Short Term</b>	<b>Long Term</b>	<b>Total</b>
Secured loans	20,749	22,743	43,492
Drawdowns against credit facilities	934,929	1,338,308	2,273,237
Discounted bills and notes	10,338	-	10,338
Discounted construction certificates	39,918	-	39,918
Financial lease payments payable	33,699	111,459	145,158
Unmatured interest payable	14,993	-	14,993
Other loans	22,871	27,302	50,173
<b>TOTAL</b>	<b>1,077,497</b>	<b>1,499,812</b>	<b>2,577,309</b>

The limit on the credit facilities granted to the Group is €2,789,453 thousand, of which €516,216 thousand had not been drawn down as of December 31, 2004.

The most significant secured loan relates to the mortgage loan of €5,409 thousand to the subsidiary COGESA. This loan matures in 2009 and is secured by the building at Avenida de Pío XII, 102, Madrid, the cost of which is recorded under the "Tangible Fixed Assets" - "Land and Structures" caption in the accompanying consolidated balance sheet.

There is also a loan of €2,100 thousand secured by mortgage on a property development in Las Tablas (Madrid), which is currently in process and is earmarked for sale, maturing at short term.

In order to restructure its debt as a result of the acquisition of a 33.5% holding in Grupo Dragados, S.A., in March 2004 the Parent Company arranged a long-term syndicated loan with various credit institutions, the main features of which are as follows:

- Agent entities and underwriters: Caja de Ahorros y Monte de Piedad de Madrid and Caixa d'Estalvis i Pensions de Barcelona
- Loan amount. €900,000 thousand
- Maturity: 50% in 2008 and 50% in 2009
- Interest at market rates tied to Euribor
- The Group must comply with certain financial ratios which are being met.

The "Payable to Credit Institutions" caption includes €42,857 thousand at long term and €85,117 thousand at short term relating to a syndicated loan, with repayment of part of the principal in 2005 and with final maturity in 2006. This loan bears market interest tied to Euribor. The agent bank for the loan is Santander Central Hispano and the grant conditions establish compliance with certain consolidated financial ratios that the Group meets. The Parent Company has arranged various interest rate hedging contracts in connection with this loan.

The interest accrued on the financial debt was tied to Mibor and Euribor, plus a spread based on market conditions.

The detail, by maturity, of "Long-term Debt" – "Payable to Credit Institutions" caption as of December 31, 2004, is as follows:

Thousands of Euros	2006	2007	2008	2009	2010 and Subsequent Years	Total
Balance at December 31, 2004	226,583	109,570	524,468	564,635	74,555	1,499,811

The foreign currency amount included in nontrade payables relates mainly to the Venezuelan bolivar (€12,610 thousand), to the Chilean peso (€7,571 thousand) and to the Mexican peso (€7,095 thousand).

As of December 31, 2004, foreign currency amounts payable to credit institutions included €21,754 thousand in Chilean pesos and €13,774 thousand in Egyptian pounds.

The Group has arranged various interest rate hedging contract in connection with significant long-term projects.

## 19. Tax matters

The reconciliation of consolidated income for the year per books to the taxable income for corporate income tax purposes is as follows:

Thousands of Euros	Increases	Decreases	Amount
Income per books before taxes			623,469
Net income from equity accounting			(114,655)
Permanent differences:			
Individual companies	46,028	60,198	(14,170)
Consolidation adjustments	34,548	12,895	21,653
2004 tax losses available for carryforward			29,662
Offset of prior years' tax losses			(10,803)
<b>ADJUSTED INCOME</b>			<b>535,156</b>
Tax charge (35% of adjusted income)			187,305
Tax credits and tax relief			(28,214)
Differential due to effective taxation abroad			(1,500)
Adjustments to corporate income tax			(11,611)
<b>CORPORATE INCOME TAX EXPENSE</b>			<b>145,980</b>

The Group companies resident in Spain which qualify for the consolidated tax regime file consolidated tax returns. The "Corporate Income Tax" caption in the consolidated statement of income reflects the tax charge relating to the Tax Group, plus the tax charges of companies which submit individual tax returns.

€10,803 thousand of "Prior-Years' Tax Losses" were offset in 2004. Under current tax legislation, the tax loss of a given year can be carried forward to offset against the taxable income of the following 15 years.

The 2003 tax losses available for carryforward, totaling €29,662 thousand, relate to losses at companies outside the Tax Group, the tax effect of which has not been recorded.

The tax losses available for carryforward at Group companies resident in Spain as of December 31, 2004, amounted to €46,671 thousand, the detail by tax years being as follows:

Thousands of Euros

**Year**

1994 - 2000	3,899
2001	13,527
2002	19,425
2003	3,327
2004	6,494

In accordance with the principle of prudence in valuation, the positive tax effect of these tax losses on the corporate income tax for the coming years has not been recorded in the accompanying consolidated balance sheet, with the exception of non-material amounts for which there are no doubts as to their future recoverability.

In 2004, ACS, Actividades de Construcción y Servicios, S.A., as the Parent Company of the Tax Group, was notified of the tax audit of years 1999 through 2002. The outcome of this tax audit has not yet been documented.

## 20. Guarantee commitments to third parties

As of December 31, 2004, the Group has received from financial institutions and insurance companies guarantees provided to third parties for a total amount of €4,077,281 thousand, mainly in connection with the performance of projects.

Also, ACS, Actividades de Construcción y Servicios, S.A. has provided guarantees of €115,314 thousand to secure the performance of commitments acquired to receive the telecommunications licenses (Xfera Móviles S.A. and Broadnet Consorcio, S.A.), the costs of which are borne by these companies.

Group management considers that any unforeseen liabilities at 2004 year-end which might arise from the guarantees provided would not be material.

## 21. Revenues and expenses

### a) Breakdown of net sales

The breakdown of the Group's net ordinary sales is as follows:

Thousands of Euros

#### By activity

Construction	5,230,330
Civil works	3,092,470
Building construction	2,137,860
Industrial	3,490,487
Services and Concessions	2,344,613
Intercompany and Parent Company eliminations	(104,774)
<b>TOTAL</b>	<b>10,960,656</b>

#### By market

Domestic market	9,159,383
Foreign market	1,801,273
Europe	843,546
America	831,155
Other	126,572
<b>TOTAL</b>	<b>10,960,656</b>

The detail of net sales relating to the Construction area, by type of customer, is as follows:

Thousands of Euros

Central Government	1,486,070
Autonomous Community Governments	819,490
Municipal Councils	509,970
Private Entities	1,930,420
Exports	484,380
<b>TOTAL CONSTRUCTION</b>	<b>5,230,330</b>

In 2004, foreign currency transactions relating to sales and services rendered amounted to €785,681 thousand and those relating to purchases and services received amounted to €615,882 thousand.

## b) Backlog

The backlog by line of business as of December 31, 2004, was as follows:

Thousands of Euros

Construction	8,525,450
Industrial	3,414,883
Environmental Services	7,177,455
Port, Logistics and Transport Services	4,810,625
<b>TOTAL</b>	<b>23,928,413</b>

The detail of the Construction backlog, by type of project, is as follows:

Thousands of Euros

<b>Domestic market:</b>	<b>7,932,150</b>
Civil works	5,063,870
Building construction	2,868,280
<b>Foreign market</b>	<b>593,300</b>
<b>TOTAL</b>	<b>8,525,450</b>

## c) Personnel

The average number of employees at the Group companies in 2004 was 106,994, of whom 67 were employees of the Parent Company.

The detail of the average number of employees, by professional category, is as follows:

Category	Number of Employees
University graduates	5,339
Junior college graduates	4,883
Non-graduate line employees	6,486
Clerical personnel	5,769
Other personnel	84,517
<b>TOTAL</b>	<b>106,994</b>

The distribution of employees in 2004, by line of business, was as follows:

	<b>Number of Employees</b>
Parent and other companies	82
Construction	17,533
Industrial	28,302
Services	60,491
Concessions	586
<b>TOTAL</b>	<b>106,994</b>

#### **d) Extraordinary revenues and expenses**

Extraordinary revenues and expenses were mainly as follows:

- Gain on the sale of treasury stock amounting to €29,611 thousand.
- The gains on fixed assets relate mainly to the sale of vehicles belonging to Continental Auto and to assets not required for the Group's business activity.
- The extraordinary expenses relate mainly to the restructuring of various Group companies and to the coverage of possible risks in the telecommunications industry.

#### **e) Contribution of each line of business to consolidated income**

The detail of the contribution from each line of business to 2004 consolidated income was as follows:

Thousands of Euros	<b>Aggregate Income</b>	<b>Minority Interests</b>	<b>Income Attributed to the Parent Company</b>
Construction	226,493	(9,570)	216,923
Industrial	150,407	(1,500)	148,907
Services and concessions	152,973	(6,034)	146,939
Parent company, others and adjustments	(52,384)	-	(52,384)
<b>TOTAL</b>	<b>477,489</b>	<b>(17,104)</b>	<b>460,385</b>

## 22. Other information

### Directors' compensation

In 2004 the members of the Parent Company's Board of Directors received compensation for wages and professional fees amounting to €5,948 thousand and bylaw-stipulated directors' fees amounting to €2,220 thousand related to statutory attendance payments from the Group companies of which they are directors or board members. Additionally, they earned €4 thousand of life insurance premiums. These amounts do not include the commitments referred to in Note 4.o) of these notes to consolidated financial statements.

### Stock Options Plans

At the meetings held on December 16, 1999, on June 13, 2000, and finally on March 21, 2002, and by virtue of the authorization granted by the Shareholders' Meeting on June 29, 1999, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. resolved to establish a Stock Options Plan on the shares of ACS, Actividades de Construcción y Servicios, S.A. with the following salient features:

Number of shares covered by plan: initially 1,095,000 shares, later increased to 192,235 shares. As a result of the stock split described in Note 10, the number of shares increased to 3,285,000 and 576,705, respectively.

Beneficiaries: 24 managers in four categories: 1<sup>st</sup> category: 1 beneficiary with 906,354 shares; 2<sup>nd</sup> category: 5 beneficiaries with options on between 443,010 and 210,000 shares each; 3<sup>rd</sup> category: 13 beneficiaries with 184,000 shares each and 4<sup>th</sup> category: 5 beneficiaries with 45,000 shares each.

The acquisition price is €9.10 per share for a total of 3,285,000 shares and €10.19 per share for the remaining 576,705 shares.

The options will be exercisable in three equal parts and may be accumulated at the beneficiary's option in the fourth, fifth and sixth year after January 1, 2000, inclusively. As of December 31, 2004, 444,902 options had already been exercised.

The tax withholdings and applicable taxes will be borne by the beneficiaries.

Additionally, on July 1, 2004, the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A., in keeping with the resolutions adopted by the Shareholders' Meeting on May 20, 2004, set up a new Stock Options Plan with the following features:

Number of shares of the Plan: 7,038,000 shares

Beneficiaries: 33 managers: 1 manager with 1,710,000 shares; 6 managers with between 900,000 and 300,000 shares; 16 managers with 108,000 shares, 10 managers with between 75,000 and 45,000 shares.

Acquisition price: €13.91 per share.



The other features are the same as for the aforementioned plan.

The Parent Company has externalized these commitments and transferred them to a financial institution. The Parent Company reports annually the costs incurred by this institution as a result of the externalization.

The stock market price of ACS shares as of December 31, 2004, was €16.80 and, therefore, no risk arose for the Company at that date.

## Environmental matters

The main environmental measures taken by the ACS Group in 2004 were as follows:

- Preparation of Good Environmental Practices manuals.
- Certification of Environmental Management Systems.
- Training programs.
- Awareness campaigns with the main construction companies with the highest environmental impact.
- Campaign for the recycling of construction waste and the demolition and recycling of goods.
- Cooperation in research projects relating to the generation of waste in construction.
- ANTENNEA Project to reduce the radio impact for wireless telephony networks.
- Ecoparc Program for the creation of environmental spaces in port environments.
- Measures aimed at reducing CO<sub>2</sub> emissions basically in the Services area.

### Environmental assets

The main environmental assets are the purifying facilities, biofilters and other assets, the purpose of which is to minimize damage to the environment. As of December 31, 2004, the value of these assets, net of depreciation, was €34,215 thousand.

### Environmental expenses

The environmental expenses incurred in 2004 had no material impact on the statement of income.

### Long-term obligations and contingent liabilities

The directors of the ACS Group consider that any environmental contingencies which might arise are sufficiently covered by the third-party liability insurance policies that have been taken out. The amount of the provisions for probable or certain third-party liability, litigation in progress and indemnity payments recorded under the "Provision for Contingencies and Expenses" caption (see Note 18) is not material.

The guarantees provided to secure the implementation of the plans to restore the land on which the Group has set up plants or carried on its production activity amount to €683 thousand.

## Auditors' fees

The fees for financial statement audit services provided to the various companies composing the Consolidated Group in 2004 amounted to €2,992 thousand.

The Group paid €500 thousand to audit firms for other services, mainly accounting services.

## Detail of directors' equity interests in companies engaging in similar business activities and performance by directors, as independent professionals or as employees, of similar activities

Pursuant to Article 127 ter.4 of the Spanish Corporations Law, introduced by Law 26/2003, which amends Securities Market Law 24/1988, and the revised Spanish Corporations Law, in order to reinforce the transparency of listed corporations, following is a detail of the companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the corporate purpose of ACS, Actividades de Construcción y Servicios, S.A. in which the members of the Board of Directors own equity interests, and of the functions, if any, that they discharge thereat:

Director	Investee	Line of Business	Holding	Function
Miguel Blesa de la Parra	Cintra, Concesiones de Infraestructuras de Transportes S.A.	Infrastructure concessions	0.001%	None
Pedro José López Jiménez	Terratest Técnicas Especiales, S.A.	Special foundations	45%	Chairman (through Fapindus, S.L.)
José Luis del Valle Pérez	Inmobiliaria Paredes, S.A.	Real estate	13.57%	Sole director
	Del Valle Inversiones, S.A.	Real estate	33.33%	Director acting severally
	Inversiones Montecarmelo, S.A.	Real estate	23.49%	None
	Sagital, S.A.	Security and cleaning	5.10%	None
Antonio García Ferrer	Inmobiliaria Urbis, S.A.	Real estate	0.000%	Director
Santos Martínez-Conde Gutierrez-Barquin	FCC, S.A.	Construction and services	0.003%	None
	Ferrovial, S.A.	Construction and services	0.001%	None
	Abengoa, S.A.	Engineering and assembly	0.002%	None
	Gamesa, S.A.	Wind-powered facilities	0.000%	None
	Abertis Infraestructuras, S.A.	Infrastructure concessions	0.000%	None
Isidro Fernández Barreiro	FCC, S.A.	Construction and services	0.001%	None
Javier Monzón de Cáceres	Indra Sistemas, S.A.	Information technologies and defense systems	0.039%	Chairman

Also pursuant to the aforementioned law, following is a detail of the activities performed by the directors, as independent professionals or as employees, that are identical, similar or complementary to the activity that constitutes the corporate purpose of ACS, Actividades de Construcción y Servicios, S.A., excluding the companies controlled by the ACS Group:

<b>Director</b>	<b>Activity</b>	<b>Type of Arrangement</b>	<b>Company through which the Activity is Performed</b>	<b>Position or Function at the Company</b>
Miguel Blesa de la Parra	Holding of equity interests empresariales	Employee	Corporación Financiera de Caja Madrid, S.A.	Chairman of the Board of Directors
Pedro José López Jiménez	Engineering	Employee	Ghesa Ingeniería y Tecnología, S.A.	Director
	Marketing of machinery	Employee	Atlas Copco, SAE	Director
José Luis del Valle	Tyres and other automobile products	Employee	Continental Industrias del Caucho, S.A.	Chairman
	Franchise of automobile products	Employee	FSC Servicios de Franquicia, S.A.	Chairman
	Parking lots	Employee	Saba Aparcamientos, S.A.	Director
	Wireless telephony	Employee	Xfera Móviles, S.A.	Director
	Tollroad concessions	Employee	Iberpistas, S.A.C.E.	Director-Secretary
Pablo Vallbona Vadell	Tollroad concessions	Employee	Abertis Infraestructuras, S.A.	Director-Deputy Chairman
	Tollroad concessions	Employee	Iberpistas, S.A.C.E.	Director-Chairman
Santos Martínez Conde	Tollroad concessions	Employee	Autopistas Concesionaria Española (ACESA)	Director
Javier Echenique Landiribar	Maritime	Employee	Erhardt y Compañía	Director
	Wireless telephony	Employee	Telefónica Móviles, S.A.	Director
	Construction components	Employee	Uralita, S.A.	Director
Julio Sacristán Fidalgo	Tollroad concessions	Employee	Autopistas Aumar, S.A.C.E.	Director
Antonio García Ferrer	Infrastructure concessions	Employee	Abertis Infraestructuras, S.A.	Director
Miguel Roca Junyent	Infrastructure concessions	Employee	Abertis Infraestructuras, S.A.	Nondirector Secretary

Director	Activity	Type of Arrangement	Company through which the Activity is Performed	Position or Function at the Company
Javier Monzón de Cáceres	Information technologies and defense systems	Employee	Indra Sistemas, S.A.	Chairman
	Information technologies	Employee (Argentina)	Indra SI., S.A. accionista Indra Sistemas, S.A.	Director in representation of the shareholder Indra Sistemas, S.A.
	Consulting	Employee	Europraxis - Atlante, S.L.	Chairman of the Board in representation of the shareholder Indra Sistemas, S.A.
	Activities related to computer and telematic systems	Employee	Inversis Networks, S.A.	Director in representation of the shareholder Indra Sistemas, S.A.
	On-line financial institution	Employee	Banco Inversis Net, S.A.	Director in representation of the shareholder Indra Sistemas, S.A.
	Venture capital	Employee	Marco Polo Investments, S.C.R.	Individual in representation of the Board of Indra Sistemas, S.A.
Isidro Fernández Barreiro	Security	Employee	Prosegur, S.A.	Director
Álvaro Cuervo García	Construction components	Employee	TAFISA, Tableros de Fibras, S.A.	Director
José María Loizaga Viguri	Elevators	Employee	Zardoya Otis, S.A.	Deputy Chairman
	Venture capital	Independent professional	Mercapital, S.L.	Chairman
	Venture capital	Independent professional	Capital Stock	Chairman

In 2004 the ACS Group had commercial relationships with companies in which certain of its directors hold management functions. All these commercial relationships were performed in the ordinary course of business on an arm's-length basis and related to transactions usually performed by the Group companies.

## 23. Transition to International Financial Reporting Standards (IFRSs)

Under Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002, all companies governed by the law of an EU Member State and whose securities are admitted to trading on a regulated market of any Member State must prepare their consolidated financial statements for the years beginning on or after January 1, 2005, in conformity with the International Financial Reporting Standards (IFRSs) previously adopted by the European Union. In conformity with this Regulation,

the Group will have to present its consolidated financial statements for 2005 in accordance with the IFRSs adopted by the European Union. In Spain, the obligation to present consolidated financial statements under the IFRS approved in Europe has been regulated in Final Provision 11 of Law 62/2003 on Tax, Administrative, Labor and Social Security Measures (Spanish Official State Gazette of December 31, 2003).

Under IFRS 1, First-Time Adoption of International Financial Reporting Standards, approved by Commission Regulation (EC) 707/2004 dated April 6 (OJEU of April 17), although the first consolidated financial statements prepared in accordance with IFRSs will, in the case of the Group, be those for the year ending December 31, 2005, it will be necessary to include, for comparison purposes, the figures for the preceding year (2004) prepared on a basis consistent with that used to calculate the figures for 2005. Accordingly, an opening balance sheet will have to be prepared as of the date of transition to IFRS accounting methods (January 1, 2004, in the case of the Group), also in accordance with the IFRSs in force as of December 31, 2005.

In order to meet the obligation imposed by Regulation (EC) no. 1606/2002 and the provisions of Law 62/2003, the Group has established a plan for the transition to IFRSs that includes, inter alia, the following steps:

1. Analysis of the differences between the methods provided for in the National Chart of Accounts in force in Spain and in IFRSs, and of the effects of these differences on the estimates required to prepare the financial statements.
2. Selection of the methods to be used in cases or areas in which IFRSs permit alternative accounting treatments to be applied.
3. Assessment and determination of the appropriate changes to or adaptations of the operating procedures and systems used for compiling and providing the information required in order to prepare the consolidated financial statements.
4. Assessment and determination of the changes that have to be made in the planning and organization of the process involved in the compilation of information and the conversion and consolidation of the information of Group and associated companies.
5. Preparation of the opening consolidated financial statements, as of the transition date, in accordance with IFRSs.

Since the aforementioned plan is currently being implemented and will be finally completed in 2005, it is not possible to estimate fully and reliably at present, with all the relevant information available, the possible effects of the transition taking into account the following matters:

- As a result of the requirements of IFRS 1, the final determination of these possible effects will be subject to the International Financial Reporting Standards (IFRS) and interpretations (IFRIC) thereof that are ultimately in force as of the date of the first consolidated financial statements that the Group prepares in accordance with IFRSs, i.e. December 31, 2005, in the case of the Group.
- Lastly, the Company has not yet adopted final decisions in connection with the selection of the methods to be used in cases in which alternative accounting treatments are permitted under IFRSs.

## 24. Explanation added for translation to English

These consolidated financial statements are presented on the basis of accounting principles generally accepted in Spain. Certain accounting practices applied by the Group that conform with generally accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries.



*Valverde-Ardón highway (León)*

## Exhibit I

### Fully consolidated companies

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
<b>PARENT COMPANY</b>						
ACS, Actividades de Construcción y Servicios, S.A. <i>Avda. de Pío XII, 102, Madrid</i>	A Parent Company					
ACS Colombia, S.A. <i>Santa Fe de Bogotá (Colombia)</i>	Construction	92.00	8.00	100.00	628	Dragados, S.A.
Sociedad Promotora de Proyectos Integrados, PR PISA, S.A. <i>Avda. de Burgos, 16-D, 3º dcha., Madrid</i>	Concession Studies and Promotion	66.67	33.33	100.00	270	Cobra Instalaciones y Servicios, S.A.
Nexo 50 Correduría de Seguros, S.A. <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>	Insurance brokers	99.99	0.01	100.00	307	Villanova, S.A.
Novovilla, S.A. <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>	Acquisition of movable and immovable property	99.99	0.01	100.00	3,588	Villanova, S.A.
Villanova, S.A. <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>	Acquisition of movable and immovable property	99.99	0.01	100.00	343	Novovilla, S.A.
<b>CONSTRUCTION</b>						
Dragados S.A. <i>Avda. de Pío XII, 102, Madrid</i>	A Construction	100.00		100.00	342,472	ACS Actividades y Comunidades Gestionadas, S.A.
Acainsa, S.A. <i>Orense, 34. Madrid</i>	Real estate		99.99	99.99	2,984	Dragados, S.A.
Aparcamiento Tramo C. Rambla- Coslada.S.L. <i>Orense, 34. Madrid</i>	Parking lot operation		99.99	99.99	2,299	Dragados, S.A.
Cariátide, S.A. <i>Orense, 34. Madrid</i>	Real estate holding company		99.99	99.99	1,785	Dragados, S.A. (99.99%) and Aparc. Tramo C. Rambla-Coslada, S.L. (0.01%)
Castellano Leonesa de Minas, S.A. <i>Prado de la Guzpeña-León</i>	Mining. Inactive		100.00	100.00	447	Dragados, S.A.
Comunidades Gestionadas, S.A. (COGESA) <i>Orense, 34 Madrid</i>	A Real estate	99.99	0.01	100.00	18,282	Dragados, S.A.
Construcciones Especiales y Dragados, S.A. (Drace) <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>	A Construction		100.00	100.00	16,612	Dragados, S.A. (99.99%) and Villanova, S.A. (0.01%)
Constructora Dycven, S.A. <i>Veracruz, Edificio Torreón, Piso 3 Urbanización Las Mercedes Caracas</i>	C Construction		100.00	100.00	2,460	Dragados, S.A.
Constructora Vespucio Norte, S.A. <i>Avda. Américo Vespucio, 1565 Quilicura. Santiago de Chile</i>	C Construction		54.00	54.00	7	Dragados, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Corporación Constructora del Sur, S.A. de C.V. <i>Cuernavaca (Mexico)</i>	Construction		99.88	99.88	0	Dragados, S.A.
Drace Prefabricados de Edificación, S.L. <i>Camino de la Vega, Parcela 69, 70, 71. Chiloeches - 19160 Guadalajara</i>	Construction		100.00	100.00	6	Construcciones Especiales y Dragados, S.A. (Drace) (98.33%) and Dragados, S.A. (1.67%)
Dragados Maroc, S.A. <i>C/ 63 Moulay Youssef, Residence Adriana Casablanca Morocco</i>	M Construction		100.00	100.00	0	Dragados, S.A. (99.99%) and other (0.01%)
Dragados Roads, Ltd. <i>Stonemason's Court. Cementery Pales Rookwood Woking GU24 OBI (United Kingdom)</i>	A Construction		100.00	100.00	0	Dragados, S.A.
Dragados y Construcciones Argentina, S.A.I.C.I. (Dycasa) <i>Avda. Leandro N. Alem., 986. 1001 Buenos Aires (Argentina)</i>	L Construction		66.10	66.10	12,508	Dragados, S.A.
Drasel, S.A. <i>Route de Versonnex, 5 Cessy 7500 France</i>	Construction		60.00	60.00	5	Dragados, S.A.
Electren, S.A. <i>Raimundo Fdez. Villaverde, 53 - Madrid</i>	A Specialized construction		99.99	99.99	1,503	Vias y Construcciones.S.A.
Gasoductos y Redes Gisca, S.A. <i>Orense, 11. Madrid</i>	Construction		52.50	52.50	1,250	Vias y Construcciones.S.A.
Geotecnia y Cimientos, S.A. <i>Los Llanos de Jerez, 10 y 12. 28820 Coslada Madrid</i>	A Construction		100.00	100.00	3,972	Dragados, S.A. (99.99%) and Villanova, S.A. (0.01%)
Gestifisa, S.A. <i>Orense, 34. Madrid</i>	Real estate		100.00	100.00	109	Aparcamiento Tr. C. Rambla- Coslada, S.L.
Ginés Navarro Construcciones, S.A. de C.V. <i>Mexico</i>	Construction		100.00	100.00	0	Dragados, S.A.
Hullera Oeste de Sabero.S.A. <i>Ramiro Valbuena, 16. León</i>	Mining. Inactive		100.00	100.00	304	Dragados, S.A. (99.99%) and Aplicación de Pinturas API, S.A.
Inmobiliaria Alabega, S.A. <i>Orense, 34. Madrid</i>	Real estate		99.99	99.99	5,993	Dragados, S.A.
Lucampa, S.A. <i>Orense, 34. Madrid</i>	Real estate		99.99	99.99	1,683	Dragados, S.A.
Promotora Inmobiliaria La Cima, C.V. <i>Mexico</i>	Real estate		99.84	99.84	0	Dragados, S.A.
Protide, S.A. <i>Orense, 34. Madrid</i>	Real estate		100.00	100.00	60	Aparcamiento Tr. C. Rambla- Coslada, S.L.
Residencial Leonesa, S.A. <i>Ramiro Valbuena, 12. León</i>	Real estate		100.00	100.00	60	Aparcamiento Tr. C. Rambla- Coslada, S.L.
Residencial Montecarmelo, S.A. <i>Orense, 34. Madrid</i>	Real estate		100.00	100.00	481	Comunidades Gestionadas, S.A. (COGESA) and Roperfeli, S.L.



Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Roperfeli S.L. <i>Orense, 34. Madrid</i>	Real estate		100.00	100.00	9,000	Comunidades Gestionadas, S.A. (COGESA) and Dragados S.A.
Sopol, S.A. <i>Rua de Sao Bento, 644 6º Lisbon Portugal</i>	C Construction		50.36	50.36	9,836	Dragados, S.A.
Técnicas e Imagen Corporativa, S.L. <i>La Cañada, 53. 28850 - Torrejón de Ardoz (Madrid)</i>	A Construction		75.47	75.47	415	Construcciones Especiales and Dragados S.A.
Tecsa, Empresa Constructora, S.A. <i>Avda. Madariaga 1- 4º 48014 Bilbao</i>	A Construction		100.00	100.00	18,509	Dragados, S.A. (99.99%) and Villanova, S.A. (0.01%)
Vías y Construcciones Portugal, S.G.P.S., S.A. <i>Portugal</i>	Holding Company		100.00	100.00	2,620	Vías y Construcciones.S.A.
Vías y Construcciones, S.A. <i>Orense, 11. Madrid</i>	A Construction	99.99		99.99	47,567	
<b>INDUSTRIAL</b>						
ACS, Servicios, Comunicaciones y Energía, S.L. <i>Avda. Pío XII, 102. Madrid</i>	A Services	99.67	0.33	100.00	214,620	Comunidades Gestionadas, S.A. (COGESA)
Actividades de Instalaciones y Servicios, Cobra, S.A. <i>Carrera, 77 nº 76 - 64 - A.A. 9050 - Santa Fé de Bogotá D.C. Colombia</i>	Services		100.00	100.00	153	Cobra Sistemas y Redes, S.A., Atil Cobra, S. A., Cobra Instalaciones y Servicios, S.A., Hidrogestión, Moncobra, S.A.
Actividades de Montajes y Servicios, S.A. <i>C/ Ntra. Señora de Fátima, 38 - 15007 A Coruña</i>	Services		100.00	100.00	60	Cobra Instalaciones y Servicios, S.A., Moncobra, S.A.
Actividades de Montajes y Servicios, S.A. de C.V. <i>Melchor Ocampo, 193 Torre C14 °D 11300 Colonia Verónica Anzures Delegación Miguel Hidalgo Mexico</i>	H Services		100.00	100.00	50	Cobra Instalaciones y Servicios, S.A.
Actividades de Servicios e Instalaciones, Cobra, S.A. <i>43 Calle A, 5-01 - Zona 12 Guatemala City</i>	Services		98.00	98.00	12	Cobra Instalaciones y Servicios, S.A.
Agrupación Offshore 60 S.A. de C.V. <i>Presa de Tetuxtepec 32 5º Col Irrigacion Mexico DF 11500</i>	D Industrial engineering and construction		100.00	100.00	0	Dragados Offshore, S.A.
Albatros Logistic Maroc, S.A.. <i>Casablanca - Morocco</i>	Storage and distribution of telecommunications equipment		75.00	75.00	303	Albatros Logistic, S.A.
Albatros Logistic, S.A. <i>Doctor Franklin, 13 - 24 Pol. Indust. San Marcos - Getafe - Madrid</i>	A Storage		100.00	100.00	2,892	Instalaciones y Montajes Eléctricos, S.A. (IMES) and Contratas y Servicios, S.A. (Cosersa)
Andasol, S.A. <i>Pza Rodrigo s/n. Granada</i>	Energy production		70.00	70.00	46	Cobra Sistemas y Redes, S.A.
Antennea Technologies, S.L. <i>C/ Sepúlveda, 6 - Alcobendas 28100 Madrid</i>	Telecommunications services		93.96	93.96	2,886	Dragados Sistemas (55.29%) and S.R.F. Moyano (38.67%)

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
API Conservación, S.A. <i>C/ General Moscardó, 27. Madrid</i>	A Roads maintenance		100.00	100.00	211	Aplicación de Pinturas, API, S.A. (99.99%) and Salmantina de Seguridad Vial, S.A. (0.01%)
API Fabricación, S.A. <i>Raso de la Estrella s/n Aranjuez (Madrid)</i>	A Manufacturing		100.00	100.00	350	Aplicación de Pinturas API, S.A. and API Conservación, S.A.
Aplicación de Pinturas, API, S.A. <i>C/ General Moscardó, 27. Madrid</i>	A Painting and signposting		100.00	100.00	3,907	ACS, Servicios, Comunicaciones y Energía, S.L. and API Conservación, S.A.
Argencobra, S.A. <i>C/ Viamonte 1145 7º A 1153 Buenos Aires, Argentina</i>	E Services		100.00	100.00	2,389	Cobra Instalaciones y Servicios, S.A.
Artemis Transmissora de Energia, Ltda <i>Avda. Marechal Camara 160 salas 1833/1834 Rio de Janeiro. Brazil</i>	Industrial control, installation and assembly		51.00	51.00	3,581	Control y Montajes Industriales, S.A. (Cymi)
Atil Cobra, S. A. <i>C/ Cardenal Marcelo Spinola, 10 28016 Madrid</i>	A Industrial installation work		100.00	100.00	473	Cobra Inversiones y Gestion, S.L., Moncobra, S.A., Cobra Instalaciones y Servicios, S.A.
Bienes Raíces Josebeso, C.A. <i>Venezuela</i>	Industrial cleaning		100.00	100.00	78	Venezolana de Limpiezas Industriales, C.A. (Venelin)
BTOB Construccion Ventures, S.L <i>C/ Sepúlveda, 6, Alcobendas - 28100 Madrid</i>	A Administrative management services		100.00	100.00	35	Dragados Industrial, S.A.
Cachoeira Montages e Serviços Ltda. <i>Rua Marechal Câmara, 160/1807 - Rio de Janeiro. Brazil</i>	Services		100.00	100.00	0	Cobra Internacional, Moncobra, S.A.
Catalana de Treballs Publics, S.A. <i>C/ Pi i Margall, 82 -84 - 08025 Barcelona</i>	A Services		100.00	100.00	88	Cobra Instalaciones y Servicios, S.A., Moncobra, S.A.
Cil Montagens e Serviços Ltda. <i>Rua Marechal Câmara, 160/1807 - Rio de Janeiro, Brazil</i>	Services		100.00	100.00	0	Cobra Internacional, Moncobra, S.A.
Cobra Bolivia, S.A. <i>Rosendo Gutierrez, 686- Sopocachi. La Paz. Bolivia</i>	Services		98.00	98.00	7	Cobra Instalaciones y Servicios, S.A., Other
Cobra Chile, S.A. <i>Avda. José Pedro Alesandri , 2323 Macul. Santiago de Chile</i>	A Services		100.00	100.00	266	Cobra Instalaciones y Servicios, S.A., Other
Cobra Ingeniería de Montajes, S.A. <i>C/ Fernando Villalón, 3 - 41004 Seville</i>	Services		100.00	100.00	60	Cobra Instalaciones y Servicios, S.A., Moncobra, S.A.
Cobra Instalaciones y Servicios India PVT <i>B - 324 - 110065 New Friends colony - New Delhy. India</i>	Services		100.00	100.00	22	Cobra Internacional, Other
Cobra Instalaciones y Servicios, S.A. <i>C/ Cardenal Marcelo Spinola, 10 - 28016 Madrid</i>	A Services		100.00	100.00	44,162	ACS, Servicios, Comunicaciones y Energía, S.L.
Cobra Instalaciones y Servicios, S.A. (R.D.) <i>Vereda Nº 6 - Monoguyabo Santo Domingo. Dominican Republic</i>	Services		100.00	100.00	266	Cobra Instalaciones y Servicios, S.A.
Cobra Instalações y Serviços, Ltda <i>Rua Uruguai, 35 Conj. 133 Porto Alegre Porto Alegre RS Brazil</i>	Services		100.00	100.00	3,229	Cobra Instalaciones y Servicios, S.A., Other

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Cobra Internacional <i>C/ Cardenal Marcelo Spinola, 10 - 28016 Madrid</i>	Services		100.00	100.00	33	Cobra Inversiones y Gestión, S.L., Cobra Instalaciones y Servicios, S.A.
Cobra Inversiones y Gestion, S.L. <i>C/ Cardenal Marcelo Spinola, 10 - 28016 Madrid</i>	Holding Company		100.00	100.00	393	Cobra Instalaciones y Servicios, S.A., Pr Prisa
Cobra Instalaciones Mexico, S.A. de C.V. <i>Melchor Ocampo 193, Torre C, Piso 14, Letra D 11300 Colonia Verónica Anzures Mexico DF Mexico</i>	Services		100.00	100.00	808	Cobra Instalaciones y Servicios, S.A., Cobra Internacional
Cobra Peru II, S.A. <i>Abelardo Quiñones, 870 - Iquitos Loreto - Peru</i>	Services		100.00	100.00	27	Cobra Perú, S.A., Other
Cobra Peru, S.A. <i>C/ Jr Salaberry, 300 - Callao Lima - Peru</i>	D Services		100.00	100.00	6,661	Cobra Instalaciones y Servicios, S.A.
Cobra Servicios Auxiliares, S.A. <i>C/ Cardenal Marcelo Spinola, 10 - 28016 Madrid</i>	A Services		100.00	100.00	60	Cobra Instalaciones y Servicios, S.A., Catalana de Treballs Publics, S.A.
Cobra Sistemas de Seguridad, S.A. <i>C/ Cardenal Marcelo Spinola, 10 - 28016 Madrid</i>	Security systems		100.00	100.00	120	Moncobra, S.A., Cobra Instalaciones y Servicios, S.A.
Cobra Sistemas y Redes, S.A. <i>C/ Cardenal Marcelo Spinola, 10 - 28016 Madrid</i>	Installation work		100.00	100.00	177	Cobra Inversiones y Gestión, S.L., Cobra Instalaciones y Servicios, S.A.
Cobra de Honduras (Codehon) <i>Honduras</i>	Installation work		100.00	100.00	1	Cobra Instalaciones y Servicios, S.A.
Coinsal Instalaciones y Servicios, S.A. de C.V. <i>Pasaje Senda Florida, 167 San Salvador El Salvador</i>	Installation work		100.00	100.00	0	Cobra Internacional
Construcciones Dorsa, S.A. <i>Cristobal Bordiú, 35 - 5º oficina 515-517, Madrid</i>	Construction		99.99	99.99	90	Sociedad Española de Montajes Industriales.S.A.
Control y Montajes Industriales de Méjico, S.A. de C.V. <i>Juan Racine nº 112, 6º piso Col. Los Morales Polanco. Mexico 11510, D.F.</i>	A Industrial control, installation and assembly		100.00	100.00	3,067	Control y Montajes Industriales, S.A. (Cymi)
Control y Montajes Industriales, Cymi S.A. <i>C/ Teide, 4, San Sebastián de los Reyes. 28709 Madrid</i>	A Industrial control, installation and assembly		100.00	100.00	6,922	Dragados Industrial (99.99%) and Villanova (0.01%)
Contratas y Servicios, S.A. (Cosersa) <i>Avda. Ramón y Cajal, 107 - Madrid</i>	Industrial cleaning		100.00	100.00	210	Instalaciones y Montajes Eléctricos, S.A. (IMES) (99.99%), Sermicro, S.A. (0.01%)
Cuerda de Rodaderos, S.L. <i>C/ Loja 8, Local 27 18220 Polig. Juncaril - Albacete</i>	Wind-power		60.00	60.00	7	Urbaenergía, S.A.
Cymi do Brasil Ltd. <i>Ciudad de Rio de Janeiro, Estado do Rio de Janeiro, na Marechal Câmara nº 160, salas 1833/1834</i>	Industrial control, installation and assembly		100.00	100.00	824	Control y Montajes Industriales, S.A. (Cymi)
Cymi Seguridad, S.A. <i>C/ Teide, 1, 1ª Planta San Sebastián de los Reyes 28709 Madrid</i>	Security installations and set-up		100.00	100.00	120	Control y Montajes Industriales, S.A. (Cymi) (99.99%) and Dragados Industrial, S.A (0.01%)
Desarrollos Energéticos Asturianos, S.L. <i>Pol. Ind. Las Merindades, C/ B nº 6 9550 Villarcayo de Merindad de Castilla la Vieja. Burgos</i>	Energy production		50.00	50.00	0	Energía y Recursos Ambientales, Eyra, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Desarrollos Energéticos Riojanos, S.L. Pol. Ind. Las Merindades, C/ B nº 6 9550 Villarcayo de Merindad de Castilla la Vieja. Burgos	Energy production		80.00	80.00	926	Energía y Recursos Ambientales, Eyra, S.A.
Dimática, S.A. Pradillo, 48 y 50 - Madrid	Marketing of computer equipment		100.00	100.00	120	Instalaciones y Montajes Eléctricos, S.A. (IMES) (99.99%) and Contratas y Servicios, S.A. (Cosersa) (0.01%)
Dragados Industrial Algeria.S.P.A. 141 BK Krim-Belkacem Gouver Norat Du Gmd Alger (Algeria)	Marketing of computer equipment		97.00	97.00	4	Mantenimiento y Montajes Industriales. S.A. (Masa) (93%) and others (4%)
Dragados Sistemas, S.A. Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)	Administrative management services		100.00	100.00	44,252	Dragados Industrial, S.A. (99.99%) and Villanova, S.A. (0.01%)
Dragados Construc. Netherlands, S.A. Amsteldijk 166-6, 1079 LH Amsterdam, Netherlands	Industrial control, installation and assembly		83.25	83.25	132	Cymi (33.25%), Masa (33.25%) and Intecsa-Uhde, S.A. (16.75%)
Dragados Industrial Canada Inc. 620 Rene Levesque West Suite 1000, H3B 1N7 Montreal, Quebec, Canada	Industrial control, installation and assembly		83.25	83.25	142	Dragados Construc. Netherlands
Dragados Industrial, S.A. Avda. de Tenerife, 4-6. 28709 San Sebastián de los Reyes (Madrid)	A Electrical installation work		99.79	99.79	73,238	ACS Servicios, Comunicaciones y Energía, S.L.
Dragados Offshore de Méjico, S.A. de C.V. C/ Juan Racine, 112 8º Col. Los Morales Del. Miguel Hidalgo Mexico City 11510	D Industrial engineering and construction		95.00	95.00	0	Dragados Offshore, S.A.
Dragados Offshore de Méjico KU-A2, S.A. de C.V. C/ Juan Racine, 112 8º Col. Los Morales Del. Miguel Hidalgo Méjico City 11510	D Industrial engineering and construction		95.00	95.00	4	Dragados Offshore de México, S.A.
Dragados Offshore, S.A. (Dossa) Bajo de la Cabezuela s/n Puerto Real (Cadiz) 11510	A Industrial engineering and construction		100.00	100.00	7,156	Dragados Industrial, S.A. (99.99%) and Villanova (0.01%)
Dragados Proyectos Industriales de México, S.A. de C.V. Juan Racine nº 112, 7º piso Col. Los Morales Polanco. Mexico City 11510	Industrial engineering and construction		95.00	95.00	2,892	Dragados Industrial, S.A.
Dragados Telecomunicaciones Dyctel Brasil, Ltda. Rua Madre Cabrini 137 Barrio Vila Mariana 04020000 Sau Paulo. Brazil	Telecommunications services		100.00	100.00	0	Electronic Traffic, S.A.
Dragados Telecomunicaciones, S.A. Avda. Tenerife 4-6 San Sebastián de los Reyes - Madrid	Telecommunications services		100.00	100.00	887	Dragados Industrial (99.99%) and Villanova (0.01%)
DYCTEL Infraestructuras de Telecomunicaciones, S.A. C/ La Granja 29 Alcobendas - Madrid	A Telecommunications services		100.00	100.00	0	Dragados Sistemas, S.A.
Dyctel Puerto Rico, INC. Montellano Final sector embalse de San Jose. San Juan Puerto Rico	A Telecommunications services		100.00	100.00	0	DYCTEL Infraestructuras de Telecomunicaciones, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Easa Somozas, S.A. <i>C/ Jose Luis Bugallal Marchesi, 10 - 15008 La Coruña</i>	Energy production		47.00	47.00	970	Energías Ambientales, Easa, S.A.
Ecocivil Electromur G.E..S.L. <i>Cuatro Vientos, 1. San Ginés. Murcia</i>	Civil engineering work		81.00	81.00	950	Electronic Traffic, S.A.
Ecovent Parc Eolic, S.L. <i>Nil Fabricç, 34 - 38 entresuelo 08012 Barcelona</i>	Energy production		100.00	100.00	2,810	Energía y Recursos Ambientales, Eyra, S.A.
Electromur, S.A. <i>C/ Cuatro Vientos, nº 1. 30169 San Ginés (Murcia)</i>	A Public lighting		100.00	100.00	17,348	Electronic Traffic S.A.
Electronic Traffic.S.A. <i>Tres Forques, 147 Valencia</i>	A Traffic regulation		100.00	100.00	22,295	ACS, Servicios, Comunicaciones y Energía, S.L. (99.99%) and API (0.01%)
Emplogest, S.A. <i>Rua Alfredo Trinidade, 4/A - 1649 - 027 Lisbon. Portugal</i>	Holding Company		98.00	98.00	1,283	Cobra Instalaciones y Servicios, S.A.
Initec Energía S.A <i>Príncipe de Vergara, 120 Madrid 28002</i>	Industrial engineering and construction		100.00	100.00	4,199	Dragados Industrial, S.A.
Emurtel, S.A. <i>Crta. Cartagena-La Paloma s/n. 30120 El Palmar (Murcia)</i>	A Engineering		84.00	84.00	2,136	Electronic Traffic, S.A.(72%) and Electromur, S.A. (12%)
Enclavamientos y Señalización Ferroviaria, S.A. (Enyse) <i>C/ La Granja 29 Alcobendas. Madrid</i>	A Electrical installation work		100.00	100.00	590	Dragados Sistemas (99.99%) and Villanova (0.01%)
Enelec - Proyectos e Montagens Electricos e de Instrumentos, S.A. <i>Avda. Marechal Gomes de Costa, nº 27, 3º Esq. 1800-255 Lisbon</i>	U Industrial control, installation and assembly		100.00	100.00	1,603	Control y Montajes Industriales, S.A. (99.84%), Mantenimiento y Montajes Industriales, S.A. (0.08%), Dragados Offshore, S.A. (0.04%), Makber (0.04%)
Energía y Recursos Ambientales, Eyra, S.A. <i>Avda. Pío XII, 102 - 28036 Madrid</i>	D Renewable energies		100.00	100.00	4,207	ACS, Servicios, Comunicaciones y Energía, S.L.
Energía y Recursos Ambientales, Outes, S.A <i>C/ Jose Luis Bugallal Marchesi, 10 - 15008 La Coruña</i>	Energy production		60.00	60.00	1,170	Energía y Recursos Ambientales, Eyra, S.A.
Energías Ambientales de Novo, S.A. <i>C/ Jose Luis Bugallal Marchesi, 10 - 15008 La Coruña</i>	D Energy production		60.00	60.00	1,168	Energías Ambientales, Easa, S.A.
Energías Ambientales de Vimianzo, S.A. <i>C/ Jose Luis Bugallal Marchesi, 10 - 15008 La Coruña</i>	D Energy production		60.00	60.00	5,240	Energías Ambientales, Easa, S.A.
Energías Ambientales, Easa, S.A. <i>C/ Jose Luis Bugallal Marchesi, 10 - 15008 La Coruña</i>	D Energy production		60.00	60.00	9,306	Energía y Recursos Ambientales, Eyra, S.A.
Enq, S.L. <i>Pol. Ind. C/F nº 13 - Mutilua Baja - Pamplona</i>	Software		99.54	99.54	1,018	Electronic Traffic, S.A. and Etra Investigación y Desarrollo, S.A.
Equipos de Señalización y Control, S.A. <i>Severino Cobas 100, Vigo</i>	A Traffic regulation		100.00	100.00	569	Electronic Traffic .S.A. (99.99%) and Etra Cataluña (0.01%)
Etra Cataluña, S.A. <i>Mercuri, 30-32 Barcelona</i>	A Traffic regulation		100.00	100.00	2,625	Electronic Traffic .S.A. (99.99%) and Etralux (0.01%)
Etra Interandina, S.A. <i>C/ 100 N° 8a-51- Of. 610 "Torre B" Santa Fe de Bogotá - Colombia</i>	Traffic regulation		100.00	100.00	128	Electronic Traffic, S.A., Etra Cataluña, S.A., Etra Investigación y Desarrollo, Etralux, S.A. and Murciana de Tráfico, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Etra Investigación y Desarrollo , S.A. <i>Tres Forques, 147 Valencia</i>	A R&D		100.00	100.00	3,332	Electronic Traffic .S.A. (99.99%) and Etra Cataluña, S.A. (0.01%)
Etra Norte, S.A. <i>Bizcargi, Bloque, 2 nº 5 Bilbao</i>	A Traffic regulation		100.00	100.00	601	Electronic Traffic .S.A. (99.99%) and Etra Cataluña, S.A. (0.01%)
Etralux, S.A. <i>Tres Forques, 147 Valencia</i>	A Traffic regulation		100.00	100.00	1,503	Electronic Traffic .S.A. (99.99%) and Etra Cataluña, S.A. (0.01%)
Eyra Barrigoso, S.L. <i>Jose Luis Bugallal Machesi, 20 1º Izda 15008 Galicia</i>	Energy production		100.00	100.00	4	Energía y Recursos Ambientales, Eyra, S.A.
Eyra, Energías y Recursos Ambientais Lda. <i>Av. Sidonio Pais, 28 2ª Ida Lisbon. Portugal</i>	Energy production		100.00	100.00	5	Energía y Recursos Ambientales, Eyra, S.A.
Eyra Ponteceso, S.L. <i>José Luis Bugallal Margesi, 20 1º Ida 15008 Galicia</i>	Energy production		100.00	100.00	4	Energía y Recursos Ambientales, Eyra, S.A.
France Semi, S.A. <i>20/22 Rue Louis Armand - 75015 Paris</i>	Services		100.00	100.00	20	Sociedad Española de Montajes Industriales.S.A.
Hidra de Telecomunicaciones y Multimedia, S.A. <i>C/ Severo Ochoa 10 29190 Campañillas. Malaga</i>	Electricity operation outsourcing		100.00	100.00	1,617	Dragados Sistemas, S.A.
Hidrogestión, S.A. <i>Avda. Manoteras, 28. Madrid</i>	A Water management		100.00	100.00	7,018	Electronic Traffic .S.A. (99.99%) and Etra Investigación y Desarrollo, S.A. (0.01%)
Hidrolazan, S.L. <i>Paseo de la Castellana, 167. Madrid</i>	Construction and operation		100.00	100.00	3	Obras Hidráulicas y Viarias, S.A.
Injar, S.A. <i>C/ León y Castillo, 421 35005 Las Palmas de Gran Canaria</i>	A Services		100.00	100.00	4,808	Atil Cobra, S.A.
Instalaciones y Montajes Eléctricos, S.A. (IMES) <i>Avda. Ramón y Cajal, 107. Madrid</i>	A Services	0.01	99.99	100.00	57,371	ACS, Servicios, Comunicaciones y Energía, S.L.
Intebe, S.A. <i>Ctra. Comarcal 1411 - PK 91 - Cercs. Barcelona</i>	A Maintenance		100.00	100.00	491	Mant. ayuda a la explot. y servicios S.A.(MAESSA)
Iscobra Instalacoes e Servicos, Ltda <i>Rua Marechal Câmara, 160/1807 - Rio de Janeiro (Brazil)</i>	Services		100.00	100.00	236	Cobra Instalações y Servicos, Ltda, Other
Itumbiara Marimbondo, Ltda. <i>Rua Marechal Câmara, 160/1807 - Rio de Janeiro (Brazil)</i>	Services		100.00	100.00	0	Cobra Internacional
La Lora II Energía, S.L. <i>Guitard, 43 7º 2ª 08012 Barcelona</i>	Energy production		50.93	50.93	2	Energía y Recursos Ambientales, Eyra, S.A.
La Lora I Parque Eólico, S.L. <i>Guitard, 43 7º 2ª 08012 Barcelona</i>	Energy production		29.06	29.06	1	Energía y Recursos Ambientales, Eyra, S.A.
Lumican, S.A. <i>Arco, 40 - Gran Canaria</i>	A Traffic regulation		100.00	100.00	307	Electronic Traffic .S.A. (99.99%) and Etra Cataluña, S.A. (0.01%)
Maessa Telecomunicaciones, S.A. (Maetel) <i>Plaza Antonio Beltran Martínez, 1 - 8º C - Zaragoza</i>	A Assembly		100.00	100.00	180	Mantenimientos, ayuda a la explotación y servicios, S.A.(MAESSA) (99.99%) and Sociedad Española de Montajes Industriales, S.A.(SEMI) (0.01%)

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Makiber, S.A. <i>Paseo Castellana 182 1º Madrid 28046</i>	A Merchandise export		100.00	100.00	5,710	Dragados Industrial (99.99%) and Villanova (0.01%)
Mantenimiento y Montajes Industriales, S.A. (Masa) <i>Edif. Milenium C/ Teide 5 1º San Sebastián de los Reyes (Madrid) 28709</i>	A Industrial maintenance and assembly		100.00	100.00	16,873	Dragados Industrial, S.A. (99.99%) and Villanova (0.01%)
Mantenimientos, ayuda a la explotación y servicios, S.A.(MAESSA) <i>Gran Vía, 67. Madrid</i>	A Industrial maintenance		100.00	100.00	2,346	ACS, Servicios, Comunicaciones y Energía, S.L. (99.99%) and Sociedad Española de Montajes, S.A.(0.01%)
Masa Algeciras, S.A. <i>Virgen del Carmen.89 11202 Algeciras (Cádiz)</i>	A Industrial maintenance and assembly		100.00	100.00	523	Mantenimiento y Montajes Avda. Industriales, S.A. (Masa) (99.99%) and Villanova, S.A. (0.01%)
Masa Argentina, S.A. <i>C/ Donado 1090 Bahía Blanca 8000 Argentina</i>	Ñ Industrial maintenance and assembly		90.00	90.00	204	Mantenimiento y Montajes Industriales, S.A.
Masa Brasil, S.L. <i>Rua Joaquin Eugenio de Lima 680 01403-901 Sau Paulo Brazil</i>	Industrial maintenance and assembly		100.00	100.00	0	Mantenimiento y Montajes Industriales, S.A. (50%) and Masa Madrid, S.A. (50%)
Masa Galicia, S.A. <i>Polígono Ind. De la Grela c/ Guttemberg 27 1º 15008 La Coruña</i>	A Industrial maintenance and assembly		100.00	100.00	100	Mantenimiento y Montajes Industriales, S.A. (99.99%) and Villanova, S.A. (0.01%)
Masa Huelva, S.A. <i>C/ Alonso de Ojeda 1 - 21002 Huelva</i>	A Industrial maintenance and assembly		100.00	100.00	61	Mantenimiento y Montajes Industriales, S.A. (99.99%) and Villanova, S.A. (0.01%)
Masa Madrid, S.A. <i>Edif. Milenium - C/ Teide 5 1º San Sebastián de los Reyes (Madrid)</i>	Industrial maintenance and assembly		100.00	100.00	192	Mantenimiento y Montajes Industriales, S.A. (99.99%) and Villanova, S.A. (0.01%)
Masa Méjico S.A. de C.V. <i>C/ Juan Racine, 112 8º Col. Los Morales Del. Miguel Hidalgo Mexico City 11510</i>	A Industrial maintenance and assembly		100.00	100.00	0	Mantenimiento y Montajes Industriales, S.A.
Masa Norte, S.A. <i>C/ Rivera de Axpe 50 3º Erandio Vizcaya</i>	A Industrial maintenance and assembly		100.00	100.00	123	Masa (99.99%) and Villanova (0.01%)
Masa Puertollano, S.A. <i>Ctra. Calzada de Calatrava km. 3.4 13500 Puertollano (C. Real)</i>	A Industrial maintenance and assembly		100.00	100.00	213	Masa (99.99%) and Villanova (0.01%)
Masa Servicios, S.A. <i>Pol. Ind. Zona Franca Secor B Calle B Barcelona 08040</i>	A Industrial maintenance and assembly		100.00	100.00	94	Masa (99.99%) and Villanova (0.01%)
Masa Tenerife, S.A. <i>Marina, 7 38002 Santa Cruz de Tenerife</i>	Industrial maintenance and assembly		100.00	100.00	187	Masa (99.99%) and Villanova (0.01%)
Mexsemi, S.A. de C.V. <i>Avda. Dolores Hidalgo, 817 - C.D. Industrial 36541 Irapuato, GTO. (Mexico)</i>	S Services		100.00	100.00	5	Sociedad Española de Montajes Industriales.S.A.
Mimeca C.A. <i>Venezuela</i>	Industrial cleaning		100.00	100.00	39	Venezolana de Limpiezas Industriales, C.A. (Venelin)

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Moncobra Canarias Instalaciones, S.A. C/ León y Castillo, 238 - 35005 Las Palmas Las Palmas de G Canaria	Installation work		100.00	100.00	60	Cobra Instalaciones y Servicios, S.A., Moncobra, S.A.
Moncobra, S.A. C/ Cardenal Marcelo Spínola, 10 - 28016 Madrid	A Installation work		100.00	100.00	4,185	Cobra Instalaciones y Servicios, S.A.
Monelec, S.A. Cerristas, 14 - Málaga	A Traffic regulation		100.00	100.00	2,284	Etralux, S.A.
Munirah Transmissora de Energía Ltda Ciudad de Rio de Janeiro, Estado do Rio de Janeiro, na Marechal Câmara nº 160, salas 1833/1834	Industrial control, installation and assembly		95.00	95.00	262	Control y Montajes Industriales, S.A.
Murciana de Tráfico, S.A. Carril Molino Nerva. Murcia	Traffic regulation		100.00	100.00	564	Electronic Trafic .S.A (99.99%) and Etra Cataluña, S.A. (0.01%)
Nuevas Energías Valencianas, S.A. Pedraquiers, 2 - 46014 Valencia	Energy production		100.00	100.00	1,159	Energía y Recursos Ambientales, Eyra, S.A.
Obras Hidráulicas y Viarias, S.A. Pso. de la Castellana, 167 - 28046 Madrid	A Construction		100.00	100.00	5,682	Cobra Instalaciones y Servicios, S.A.
Parque Eólico de Valdecarro, S.L. C/ Cardenal Marcelo Spínola, 10 - 28016 Madrid	Energy production		100.00	100.00	3	Energía y Recursos Ambientales, Eyra, S.A.
Parque Eólico El Peru, S.L. C/ Cardenal Marcelo Spínola, 10 - 28016 Madrid	Energy production		51.00	51.00	561	Energía y Recursos Ambientales, Eyra, S.A.
Parque Eólico La Boga, S.L. C/ Cardenal Marcelo Spínola, 10 - 28016 Madrid	Energy production		100.00	100.00	3	Energía y Recursos Ambientales, Eyra, S.A.
Parque Eólico Marmellar, S.L. C/ Cardenal Marcelo Spínola, 10 - 28016 Madrid	Energy production		100.00	100.00	3	Energía y Recursos Ambientales, Eyra, S.A.
Parque Eólico Valcaire, S.L. Albuñuelas. Granada	Energy		55.00	55.00	305	Urbaenergía, S.A.
Percomex, S.A. Melchor Ocampo 193, Torre C, Piso 14, Letra D 11300 Colonia Verónica Anzures Mexico City Mexico	Services		100.00	100.00	5	Cobra Instalaciones y Servicios, S.A.
Portumasa, S.A. Avda. Nerchal Gomes da Costa 27 3º 1800 Lisbon	Industrial maintenance and assembly		100.00	100.00	349	Mantenimiento y Montajes Industriales, S.A. (99.97%), Masa Galicia, S.A. (0.01%), Masa Norte, S.A. (0.01%) and Masa Huelva, S.A. (0.01%)
Procme, Ltda. Rua a Prof de Cavaco Silva, 13 Ed. Ciencia II Tagus Part 2780 - 920 Oeiras (Portugal)	Holding Company		75.00	75.00	703	Cobra Instalaciones y Servicios, S.A., Emplogest, S.A.
Promservi, S.A. Avda. Ramón y Cajal, 107 - Madrid	A Real estate development		100.00	100.00	1,501	Instalaciones y Montajes Eléctricos, S.A. (IMES) (99.99%) and Contratas y Servicios, S.A. (Cosersa) (0.01%)
Roura Cevasa, S.A. Caracas, 5 (Barcelona)	A Corporate image		100.00	100.00	18,088	Vías y Construcciones, S.A.



Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Safra Energía Eólica, S.A. <i>Rua Cinco de outubro, 17 Leiria Portugal</i>	Energy production		60.00	60.00	30	Energía y Recursos Ambientales, Eyra, S.A.
Salmantina de Seguridad Vial, S.A. <i>C/ América, 2 - Pol. Ind. Villares de la Reina 7184 Villares de la Reina (Salamanca)</i>	A Painting and signposting		100.00	100.00	60	Aplicación de Pinturas API, S.A. (99.99%) and API Conservación, S.A. (0.01%)
Senax, S.A. <i>Políg. Ind. Baix Ebre, Parcela 89, Campredo, Tarragona</i>	Assembly		100.00	100.00	0	Mant. Ayuda a la explotación y Servicios, S.A. (Maessa)
Sermacon Joel, C.A. <i>Venezuela</i>	Industrial cleaning		100.00	100.00	55	Venezolana de Limpiezas Industriales, C.A. (Venelin)
Sermicro, S.A. <i>Pradillo, 48 y 50 - Madrid</i>	A Computer maintenance		100.00	100.00	120	Instalaciones y Montajes Eléctricos, S.A. (IMES) (99.99%) and Contratas y Servicios, S.A. (Cosersa) (0.01%)
Serpista, S.A. <i>Aeropuerto de Barajas</i>	Services		51.00	51.00	3,404	Cobra Instalaciones y Serv. Internacional
Serveis Catalans, Serveica, S.A. <i>Ntra. Sra.de Bellvitche, 238 - 244 - Barcelona</i>	Electrical installation work		100.00	100.00	60	Instalaciones y Montajes Eléctricos S.A. (IMES) (99.99%) and Contratas y Servicios, S.A. (Cosersa) (0.01%)
Servicios Dinsa, S.A. de C.V. <i>Juan Racine nº 112, 4º piso Col. Los Morales Polanco. Mexico City 11510</i>	A Provision of personnel services		95.00	95.00	51	Dragados Proyectos Industriales de México, S.A. de C.V.
Servicios y Proyectos Industriales de Méjico, S.A. de C.V. <i>Juan Racine nº 112, 4º piso Col. Los Morales Polanco. Mexico City 11510</i>	Provision of personnel services		95.00	95.00	4	Dragados Proyectos Industriales de México, S.A. de C.V.
Setec Solucoes Energéticas de Transmissao e Controle Ltda. <i>Ciudad de Rio de Janeiro, Estado do Rio de Janeiro, na Marechal Câmara nº 160, salas 1833/1834</i>	Industrial control, installation and assembly		100.00	100.00	353	Cymi (99.99%) and Cymi do Brasil Ltd (0.01%)
Sice do Brasil, S.A. <i>Avda. Eng. Luis Carlos Berrini 1461 4º Sao Paulo Brazil 04511-903</i>	All manner of construction work		100.00	100.00	14	SICE (Sociedad Ibérica de Construcciones Eléctricas, S.A.)
Sice Sudáfrica Pty Ltd. <i>Building A First Floor east wing Montana Tark ofices Calliandra Steet Pretoria (South Africa)</i>	All manner of construction work		100.00	100.00	5	SICE (Sociedad Ibérica de Construcciones Eléctricas, S.A.)
Sidetel, S.A. <i>Avda. Manoteras, 28. Madrid</i>	Traffic regulation		100.00	100.00	382	Electronic Traffic .S.A. (99.99%) and Etra Cataluña, S.A. (0.01%)
Sistemas Energéticos Carrascal, S.A. <i>Portal de Gamarra, 40. Álava</i>	Energy production		90.00	90.00	59	Energía y Recursos Ambientales, Eyra, S.A.
Sistemas Energéticos El Chaparral, S.A. <i>Portal de Gamarra, 40. Álava</i>	Energy production		90.00	90.00	59	Energía y Recursos Ambientales, Eyra, S.A.
Sistemas Energéticos La Cerradilla, S.A. <i>Portal de Gamarra, 40. Álava</i>	Energy production		90.00	90.00	59	Energía y Recursos Ambientales, Eyra, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Sistemas Energéticos La Mata, S.A. <i>Portal de Gamarra, 40. Álava</i>	Energy production		90.00	90.00	59	Energía y Recursos Ambientales, Eyra, S.A.
Sistemas Energéticos Serón, S.A. <i>Portal de Gamarra, 40. Álava</i>	Energy production		90.00	90.00	59	Energía y Recursos Ambientales, Eyra, S.A.
Sistemas Energéticos Tijola, S.A. <i>Portal de Gamarra, 40. Álava</i>	Energy production		90.00	90.00	59	Energía y Recursos Ambientales, Eyra, S.A.
Sistemas Energéticos Tinadas, S.A. <i>Portal de Gamarra, 40. Álava</i>	Energy production		90.00	90.00	59	Energía y Recursos Ambientales, Eyra, S.A.
Sistemas Radiantes F. Moyano, S.A. <i>C/ La Granja 72 Alcobendas. Madrid</i>	A Antenna manufacturing		86.50	86.50	5,686	Dragados Sistemas, S.A.
Societat Eòlica de l'Enderrocada, S.A. <i>C/ Amistat, 23 - 08005 Barcelona</i>	D Energy production		48.00	48.00	4,587	Energías Ambientales, Easa, S.A.
Sociedad Española de Montajes Industriales, S.A. (SEMI) <i>Barquillo, 19 (Madrid)</i>	A Services		99.73	99.73	7,097	ACS, Servicios, Comunicaciones y Energía, S.L.
Sociedad Ibérica de Construcciones Eléctricas, S.A. (SICE) <i>C/ Sepúlveda 6 Alcobendas Madrid 28100</i>	A All manner of construction work		100.00	100.00	43,167	Dragados Sistemas, S.A.
Sociedad Industrial de Construcciones Eléctricas, S.A. <i>Juan Racine nº 112, 1º piso Col. Los Morales Polanco. Mexico City 11510</i>	All manner of construction work		100.00	100.00	10	SICE (Sociedad Ibérica de Construcciones Eléctricas, S.A.)
Societe Espagnole de Montage Industriel du Maroc, S.A. <i>22, Rue Le Catelet, Appt. Nº 16 Sémétage-Belvédère- Casablanca (Morocco)</i>	Services		99.99	99.99	91	Sociedad Española de Montajes Industriales, S.A.
Somozas Energías Renovables, S.A. <i>C/ Amistat, 23 - 08005 Barcelona</i>	Energy production		55.00	55.00	33	Energía y Recursos Ambientales, Eyra, S.A.
Spcobra Instalacoes E Servicos, Ltda <i>Av. Dom Pedro I, 790 CEP 091100-000 Vila Pires Santo André SP Brazil</i>	Services		56.00	56.00	1,738	Cobra Instalações y Servicios, Ltda
Sumipar, S.A. <i>C/ B Sector B Polígono Ind. Zona Franca Barcelona</i>	Electrical installation work		100.00	100.00	645	SICE (Sociedad Ibérica de Construcciones Eléctricas, S.A.)
Técnicas de Desalinización del Agua, S.A. (Tedagua) <i>Pol. De Arinaga, II fase. Parc. 15 - 16 35119 Agüimes Las Palmas de G Canaria</i>	Installation work		100.00	100.00	5,606	Cobra Instalaciones y Servicios, S.A.
Tecnología de Sistemas Electronicos.S.A. (EYSSA-TESSIS) <i>Rua General Pimenta de Castro.11-1º 1740-018 Lisbon - Portugal</i>	A Traffic regulation		100.00	100.00	7,874	Electronic Traffic .S.A.
Telcarrier, S.A. <i>C/ La Granja .29 Alcobendas Madrid</i>	Other telecommunication services		100.00	100.00	1,313	Dragados Sistemas, S.A. (99.99%) and Novovilla, S.A. (0.01%)
Telsa Instalaciones de Telecomunicaciones y Electricidad, S.A. <i>C/ La Granja .29 Alcobendas Madrid</i>	Telecommunication engineering		100.00	100.00	1,481	Dragados Sistemas, S.A. (99.99%) and Dragados Industrial, S.A. (0.01%)
Trafiurbe Comercio e Industria <i>Maquinas para Sinalizaço, S.A. Quinta das Mas Fetais Camarate, 2685-561 - Sacavem (Portugal)</i>	Painting and signposting		76.20	76.20	500	Aplicación de Pinturas.API.S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Trasinal, S.L. <i>Qta. Das mos Lugar de Fetais - 2685 Camarate Lisbon (Portugal)</i>	Traffic regulation		100.00	100.00	155	Equipos de señalización y control, S.A. (99.99%) and Murciana de Tráfico, S.A. (0.01%).
Urbaenergía, S.L. <i>C/ Cardenal Marcelo Spínola, 10 - 28016 Madrid</i>	A Renewable energies		100.00	100.00	5,500	ACS Servicios, Comunicaciones y Energía, S.L. and Cobra Instalaciones y Servicios, S.A.
Venezolana de Limpiezas Industriales, C.A. (Venelin) <i>Caracas (Venezuela)</i>	R Cleaning	82.80		82.80	1,057	
Vent Sol y Energía, S.A. <i>Sagrado Corazón de Jesús, 17 03330 Crevillente Alicante</i>	A Energy		50.00	50.00	100	Energía y Recursos Ambientales, Eyra, S.A.
Venture Infrastructure Limited <i>S/ O v. Anjaneyulu F-33 110065 New Delhy (India)</i>	Installation work		50.00	50.00	8	Cobra Instalaciones y Serv. India PVT
Viabal Manteniment i Conservació, S.A. <i>C/ Roders (Pol. Marrabxi) 12 - 07141 Marrabxi (Balears)</i>	Painting and signposting		100.00	100.00		Aplicación de Pinturas, API, S.A. (99.9%), API Conservación, S.A. (0.10%)
C.A. Weinfer de Suministro de Personal <i>Venezuela</i>	Industrial cleaning		100.00	100.00	0	Venezolana de Limpiezas Industriales, C.A. (Venelin)

#### URBAN SERVICES

ACS Servicios y Concesiones, S.L. <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>	Holding of shares	100.00		100.00	344,731	Villanova, S.A.
Aguas del Huesna, S.L. <i>Avda. de la Innovación, s/n - Seville</i>	A Water management	33.33	66.67	100.00	6,585	Urbaser, S.A.
Alfa Servicios Medioambientales, S.L. <i>Albasanz, 16 - Madrid</i>	Environment		51.00	51.00	2	Urbaser, S.A.
Alsina Express, S.A. <i>Av. de América, 9 a. Madrid</i>	Parcel deliveries		100.00	100.00	63	Transportes Alsina Graells Sur, S.A. (99.99%), Jiménez Lopera, S.A. (0.01%)
Anónima Alsina Graells de A.T., S.A. <i>Av. Empresari Josep Segura I Farre-Lerida</i>	A Regular transport of passengers		100.00	100.00	6,104	Continental Auto, S.L. y Transportes Alsina Graells Sur, S.A.
Autedia, S.A. <i>Avda. Ingeniero Gutiérrez Segura, 2 - Baza - Granada</i>	Regular transport of passengers		99.14	99.14	648	Hijos de Simón Maestra García, S.A.
Autobuses Consol, S.A. <i>Puerta del Vado, 1 Alcalá de Henares - Madrid</i>	Regular transport of passengers		51.00	51.00	33	Continental Auto, S.L.
Autobuses García, S.L. <i>Hermilio Alcalde del Río, 2 - Torrelavega - Cantabria</i>	Regular transport of passengers		100.00	100.00	2,201	Continental Auto, S.L.
Autocares Discrecionales del Norte, S.L. <i>Alameda de Urquijo, 85 - Bilbao</i>	Private passenger transport service		100.00	100.00	131	Continental Auto, S.L.
Autocares Maestra, S.L. <i>Avda. Ingeniero Gutiérrez Segura, 2 - Baza - Granada</i>	Inactive		100.00	100.00	0	Hijos de Simón Maestra García, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Blas Moreno, S.L. <i>Avda. Mistral.44 Barcelona</i>	Environment		60.00	60.00	0	Urbaser, S.A.
Caepark Tenerife 1, S.A. <i>Pol. Ind. Zona Franca C/B - 08040 Barcelona</i>	Parking lots		100.00	100.00	35	Urbaser, S.A. (99.99%) and Villanova, S.A. (0.01%)
Canal Metro Madrid, S.A. <i>C/ Fernando Rey nº 3. Pozuelo de Alarcón</i>	D Advertising services		81.96	81.96	(3,913)	TV Transit, S.A.
Centro de Transferencias.S.A. <i>Polígono Los Barriales, s/n Valladolid</i>	A Environment		70.00	70.00	1,210	Urbaser, S.A.
Claerh, S.A. <i>Avda. del Descubrimiento - Alcantarilla, (Murcia)</i>	Environment		51.00	51.00	230	Consenuar, S.A.
Clece, S.A. <i>C/ Orense, 6. Madrid</i>	A Interior cleaning		100.00	100.00	9,075	ACS Servicios y Concesiones S.L. (99.99%) and Villanova, S.A. (0.01%)
Consenuar S.A. <i>Polígono Industrial Finanzauto, C/ Ebro, Arganda del Rey - Madrid</i>	A Environment		100.00	100.00	1,863	Urbaser, S.A. (99.99%) and Socamex, S.A. (0.01%)
Construrail, S.A. <i>Orense, 11. Madrid</i>	Rail transport of goods		60.00	60.00	144	Continental Rail, S.A.
Container Train, S.A. <i>Lg. Muelle Dársena Sur. Edificio Autoterminal. 08039 Barcelona</i>	P Transport		57.14	57.14	628	Dragados Servicios Portuarios y Logísticos, S.L.
Continental Auto, S.L. <i>Av. de América, 9 a. Madrid</i>	A Regular transport of passengers	100.00		100.00	191,017	A.C.S. Servicios y Concesiones, S.L.
Continental Rail, S.A. <i>Avda. de América, 2 - 17 b - Madrid</i>	A Rail transport of goods		100.00	100.00	62	Vías y Construcciones, S.A. (50%) and Continental Auto, S.L.(50%)
Control de Estacionamientos Urbanos, S.A. <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>	Parking lots		100.00	100.00	1,722	Urbaser, S.A. (99.99%) and Villanova, S.A. (0.01%)
Cytrar, S.A. de C.V. <i>México</i>	C Environment		100.00	100.00	3	Tecmed Técnicas Medioambientales de México, S.A. de C.V.
Dragados Servicios Portuarios y Logísticos, S.L. (Dragados SPL) <i>C/ Julián Camarillo 6º A, Planta 2ª. 28037 Madrid</i>	A Port and logistics services		100.00	100.00	119,781	ACS Servicios y Concesiones, S.L.. (99.99%) and Villanova, S.A. (0.01%)
Dragados SPL del Caribe, S.A. C.V. <i>C/ Juan Racine, 112 4º piso-Col. Los Morales Polanco Mexico City</i>	D Holding of shares		100.00	100.00	13,941	Dragados Servicios Portuarios y Logísticos, S.L.
Empordanesa de Neteja, S.A. <i>Avda. Mistral, 44 Barcelona</i>	Environment		60.00	60.00	0	Urbaser, S.A.
Enviromental Services Enser, S.A.E. <i>Garb Gprage Cornish el Nil Boulac - Cairo (Egypt)</i>	Road cleaning		95.00	95.00	0	Urbaser, S.A.
Estación de Autobuses de Andorra, S.A. <i>Avda. Josep Tarradellas, 42 - Andorra La Vella</i>	Station operation		76.99	76.99	24	Anónima Alsina Graells de A.T.S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Estación de Servicio Alavesa, S.A. <i>Gerezpea, 17 - Vitoria</i>	Real estate rental		100.00	100.00	3,246	Continental Auto, S.L.
Explotación Comercial de Intercambiadores, S.A. <i>Av. de América, 9 a. Madrid</i>	A Station operation		100.00	100.00	240	Continental Auto, S.L. and Jiménez Lopera, S.A.
Galvagestió, S.A. <i>C/ Industria s/n Nave 4 Pol. Ind. " El Sur" El Papiol - Barcelona</i>	Environment		51.00	51.00	0	Urbaser, S.A.
Gestión Medioambiental de Torrelavega, S.A. (Gesmator) <i>Boulevard Demetrio Herrero, 6 39300 Torrelavega - Santander</i>	Waste		60.00	60.00	60	Urbaser, S.A.
Gestión y Protección Ambiental, S.L. <i>Condado de Treviño, 19 - Burgos</i>	Environment		53.00	53.00	101	Cetransa (Centro de Transferencias, S.A.)
Hijos de Simón Maestra Garosa, S.L. <i>Avda. Ingeniero Gutiérrez Segura, 2 - Baza - Granada</i>	Regular transport of passengers		100.00	100.00	7,942	Transportes Alsina Graells Sur, S.A.
Integra MGSI, S.A. <i>C/ Orense, 6. Madrid</i>	A Integral maintenance		100.00	100.00	8,568	Clece (99.99%) and Villanova (0.01%)
Intercambiador de Tptes. de Avenida de América, S.A. <i>Av. de América, 9 a. Madrid</i>	A Station operation		100.00	100.00	4,546	Continental Auto, S.L. and Jiménez Lopera, S.A.
Investambiente, S.A. <i>Portugal</i>	Environment		52.00	52.00	175	Novaflex, Técnicas de Medio Ambiente, S.A.
Jiménez Lopera, S.A. <i>Av. de América, 9 a. Madrid</i>	A Transport of hazardous goods		100.00	100.00	1,568	Continental Auto, S.L.
Jintang International Container Terminal Co. Ltd. <i>Seaport Developing District, Tangshan City, Hebei, China</i>	Port services		52.00	52.00	4,418	Dragados Servicios Portuarios y Logísticos, S.L.
Lafuente Alicante, S.L. <i>C/ Guillen Jefer, s/nº. Valencia</i>	A Interior cleaning		70.00	70.00	715	Clece, S.A.
Limpiezas La Guía, S.L. <i>C/ Uruguay, 8 5ª Planta. Vigo</i>	Interior cleaning		100.00	100.00	1,653	Clece, S.A.
Limpiezas Lafuente, S.L. <i>C/ Ingeniero Joaquín Benllof, 65. Valencia</i>	T Interior cleaning		70.00	70.00	3,074	Clece, S.A.
Limpiezas y Reformas Baleares, S.L. <i>C/ Pescadors, 1. Palma de Mallorca</i>	A Interior cleaning		51.00	51.00	1,753	Clece, S.A.
Marítima del Mediterráneo, S.A. <i>Clif Atlantic, 112-120 Edif. Norai. 08040 Barcelona</i>	A Shipping agency		95.00	95.00	41,785	Dragados Servicios Portuarios y Logísticos, S.L.
Marítima Valenciana, S.A. <i>Muelle Príncipe Felipe, s/n. 46024 Valencia</i>	A Port services		100.00	100.00	138,907	Dragados Servicios Portuarios y Logísticos, S.L.
New ad Publicity, S.A. <i>C/ Via Augusta, 13-15. Barcelona</i>	D Advertising services		87.58	87.58	4,691	TV Transit, S.A.
Novabeira, S.A. <i>Portugal</i>	Environment		50.16	50.16	33	Investambiente, S.A. y Novaflex, Técnicas de Medio Ambiente, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Novaflex, Técnicas de Medio Ambiente, S.A. <i>Portugal</i>	Environment		100.00	100.00	3,068	Urbaser, S.A.
Orto, Parques y Jardines, S.L. <i>Luçar Dòcean s/n. Parroquia de Orto - La Coruña</i>	Environment		100.00	100.00	3,566	Urbaser, S.A. (99.99%) and Socamex, S.A. (0.01%)
Parques y Jardines Conservación, S.A. <i>c/Albericia - nave C5 - Santander</i>	Environment		60.00	60.00	36	Urbaser, S.A.
Procesadora de Residuos Urbanos de Valencia, S.A. (PRUVALSA) <i>Venezuela</i>	Environment		82.00	82.00	76	Técnicas Medioambientales Venezuela, S.A.
Publimedia Sistemas Publicitarios.S.L. <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>	A Advertising services		100.00	100.00	6,947	ACS Servicios y Concesiones, S.L. (99.99%) y Villanova (0.01%)
Puerto Seco Santander-Ebro, S.A. <i>C/Ramón y Cajal, 17.CP. 50640 Luceni (Zaragoza)</i>	Logistics center		50.00	50.00	738	Dragados Servicios Portuarios y Logísticos, S.L.
Real Verde, Lda. <i>Portugal</i>	Environment		95.00	95.00	104	Novaflex, Técnicas de Medio Ambiente, S.A.
Recuperación Integral de Residuos de Castilla y León, S.A. <i>Polígono Industrial Ntra. Sra. de Los Ángeles. Parcela 10, nave 8 y 9 - Palencia</i>	Environment		100.00	100.00	60	Urbaser, S.A. y Consenur, S.A.
Residuos de la Janda.S.A. <i>C/ La Barca de Véjer s/n, Véjer de La Frontera, (Cádiz)</i>	Environment		60.00	60.00	0	Urbaser, S.A.
Residuos Sólidos Urbanos de Jaén, S.A. <i>Palacio de la Excm. Diputación de Jaén - Jaén</i>	B Environment		60.00	60.00	216	Urbaser, S.A.
S.A.T. La Castellana, S.A. <i>Av. de América, 9 a. Madrid</i>	Inactive		99.47	99.47	61	Continental Auto, S.L.
Sanypick Plastic , S.A. <i>C/ Albasanz, 16 - Madrid</i>	A Environment		51.00	51.00	30	Urbaser, S.A.
Sermed, S.A. <i>C/ Albasanz, 16 - Madrid</i>	Medical services		100.00	100.00	1,202	Urbaser, S.A. (99.99%) and Socamex, S.A.(0.01%)
Servicios de Aguas de Misiones, S.A. <i>Avda. López y Planes, 2577 - Misiones (Argentina)</i>	L Water management		45.00	45.00	(107)	Urbaser, S.A.
Servicios Corporativos TWC, S.A. de C.V. <i>Mexico</i>	C Environment		100.00	100.00	129	Tecmed Técnicas Medioambientales de México, S.A. de C.V.
Servicios Generales de Automoción, S.A. <i>Alameda de Urquijo, 85 - Bilbao</i>	Supplies and spare parts		100.00	100.00	(99)	Continental Auto, S.L.
Setra Ventas y Servicios, S.A. <i>C/ Limite S/N Torrejón de Ardoz, Madrid</i>	A Spare-part sales		100.00	100.00	643	Continental Auto, S.L..
Sicsa Rail Transport, S.A. <i>Avda. Del Puerto, 189-5. 46022 Valencia</i>	A Transport		50.50	50.50	214	Dragados Servicios Portuarios y Logísticos, S.L.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Sintax Logística, S.A. <i>C/ l'Atlàntic, 112-120 Edif Norai. 08040 Barcelona</i>	A Transport		100.00	83.07	22,254	Dragados Servicios Portuarios y Logísticos, S.L.
Sistemas de Incineración y Depuración, S.L. (SINDE) <i>Ctra. San Vicente-Agost Km. 10.2 - Alicante</i>	N/A		100.00	100.00	250	Valenciana de Protección Ambiental.S.A.
Socamex, S.A. <i>C/ Cabalito s/n Par. 213. Pol. San Cristóbal - Valladolid</i>	A Environment		100.00	100.00	986	Urbaser, S.A. (99.99%) and Consenur, S.A. (0.01%)
Sociedad de Reciclaje Asturiana, Sorea, S.A. <i>Polígono Industrial Granda II, Nave 1, Granda, Siero, Asturias</i>	Environment		51.00	51.00	23	Urbaser, S.A.
Somasur, S.A. <i>20, Rue Meliana Hai Ennahada - Rabat (Morocco)</i>	Water management		100.00	100.00	10	Urbaser, S.A.
Steam, S.A. <i>France</i>	Environment		39.52	39.52	19	Tecmed Enviroment, S.A.
Talher, S.A. <i>C/ Orense, 6. Madrid</i>	A Landscaping - reforestation		100.00	100.00	7,813	Clece, S.A. (99.99%) and Urbaser, S.A. (0.01%)
Tecmed Environment, S.A. <i>France</i>	Environment		77.50	77.50	0	Urbaser, S.A.
Tecmed Técnicas Medioambientales de México, S.A. de C.V. <i>Mexico</i>	C Environment		100.00	100.00	2,509	Urbaser, S.A.
TECMED, Técnicas Medioambientales de Marruecos, S.R.L. <i>Morocco</i>	Environment		100.00	100.00	96	Urbaser, S.A.
Técnicas de Recuperación e Inertización, S.A. <i>C/ Albasanz, 16 - Madrid</i>	Environment		100.00	100.00	60	Urbaser, S.A. and Consenur, S.A.
Técnicas Medioambientales Venezuela, S.A. <i>Venezuela</i>	Environment		100.00	100.00	120	Urbaser, S.A.
Terminales del Sudeste, S.A. <i>Avda. Pablo Ruiz Picasso, 1. 29001 Málaga</i>	A Port services		83.07	83.07	8,152	Dragados Servicios Portuarios y Logísticos, S.L.
Terminales Rías Altas, S.A. <i>Muelle Centenario, s/n. 15.006 La Coruña</i>	Port services		60.00	60.00	481	Dragados Servicios Portuarios y Logísticos, S.L.
Tirmadrid, S.A. <i>Cañada Real de las Merinas. Madrid</i>	A Waste treatment plant		66.36	66.36	9,711	Urbaenergía, Tratamiento y Generación, S.L.
Tptes. Alsina Graells Sur, S.A. <i>Av. de América, 9 a. Madrid</i>	A Regular transport of passengers		100.00	100.00	21,493	Continental Auto, S.L. and Jiménez Lopera, S.A.
Tracemar Inversiones, S.L. <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>	Holding of shares		100.00	100.00	4,258	Urbaenergía, Tratamiento y Generación, S.L.
Transportes Ortega Ramirez, S.L. <i>Avda. Ingeniero Gutiérrez Segura, 2 - Baza - Granada</i>	Inactive		100.00	100.00	0	Hijos de Simón Maestra García, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Transportes Sanitarios La Rioja, S.L. <i>C/ Orense, 6. Madrid</i>	Healthcare transport		100.00	100.00	140	Clece, S.A. (99.99%) and Talher, S.A. (0.01%)
Tratamiento de Aceites y Marpoles, S.L. <i>C/ Guzmán el Bueno 133. Madrid</i>	A Collection and treatment of oils		100.00	100.00	20,528	Tracemar Inversiones, S.L.
Tratamiento de Residuos Sólidos Urbanos, S.A. <i>Mexico</i>	Environment		100.00	100.00	3	Tecmed Técnicas Medioambientales de México, S.A. de C.V.
Trenmedia S.A. <i>C/ Fernando Rey, nº 3. 28223 Pozuelo de Alarcón (Madrid)</i>	Advertising services		51.00	51.00	522	Publimedia Sistemas Publicitarios, S.L.
TV Transit, S.A. <i>C/ Fernando Rey nº 3. Pozuelo de Alarcón (Madrid)</i>	D Advertising services		100.00	100.00	1,275	Clece, S.A.
Urbaenergía Tratamiento y Generación S.L. <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>			100.00	100.00	12,840	Urbaser, S.A. (99.99%) and Villanova, S.A. (0.01%)
Urbana de Servicios Ambientales, S.A. <i>Avda. Ortega y Gasset, 194 - 29006 Málaga</i>	Road cleaning		75.00	75.00	1,365	Urbaser, S.A.
Urbaser, S.A. <i>C/ Albasanz, 16 - Madrid</i>	A Environment	100.00		100.00	211,188	ACS Servicios y Concesiones, S.L. (99.99%) and Dragados, S.A. (0.01%)
Urbaser Argentina, S.A. <i>L.N. Alem 986, Piso 3 -Capital Federal Buenos Aires (Argentina)</i>	Ñ Road cleaning		100.00	100.00	4,419	Urbaser, S.A.
Urbaser Barquisimeto, C.A. <i>Carrera, 4 Zona Ind Barquisimeto - Lara (Venezuela)</i>	O Waste		100.00	100.00	170	Urbaser, S.A. (99.99%) and Villanova, S.A. (0.01%)
Urbaser Bolívar, C.A. <i>Vía Puente Angostura - Ciudad Bolívar (Venezuela)</i>	Waste		100.00	100.00	67	Urbaser, S.A.
Urbaser de Méjico, S.A. <i>Juan Racine.112 - 11510 Mexico City</i>	D Road cleaning		100.00	100.00	88	Urbaser, S.A.
Urbaser Libertador, C.A. <i>Urb. Las Mercedes, Av. Veracruz, Edif Torreón Caracas (Venezuela)</i>	Road cleaning		100.00	100.00	4	Urbaser, S.A. (90%), Urbaser Valencia C.A.(10%)
Urbaser Mérida, C.A. <i>Avda. Los Próceres c/c Viaducto Miranda, C.C. Alto Prado local 99 - Mérida (Venezuela)</i>	Road cleaning		100.00	100.00	38	Urbaser, S.A. (90%), Urbaser Valencia C.A.(10%)
Urbaser Santo Domingo, S.A. <i>C/ 6, Residencial Lidia Fernández III, Apto 301 Ensanche Paraíso, Santo Domingo, (Dominican Republic)</i>	Waste		100.00	100.00	2,738	Urbaser, S.A.
Urbaser Transportes, S.L. <i>Avda. Diagonal -611-2-2-08028-Barcelona</i>	Mixed transport		100.00	100.00	17	Urbaser, S.A. (99.99%) and Villanova, S.A. (0.01%)
Urbaser United Kingdom, Ltd <i>103, High St. Evesham. Worcestershire. WR11 4EL</i>	Q Waste treatment plant		100.00	100.00	371	Urbaenergía, Tratamiento y Generación, S.L.



Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Urbaser Valencia, C.A. <i>Torre Movilnet, Piso 6, Oficina 6-4, Paseo Cabriales Sector Kerdel, Valencia. Estado Carabobo-Venezuela</i>	Road cleaning		100.00	100.00	315	Urbaser, S.A. (99.99%) and Villanova, S.A. (0.01%)
Urbasistem Publicity, S.A. <i>Aragoneses, 15 - Alcobendas. Madrid</i>	Advertising		100.00	100.00	32	Urbaser, S.A.
Urbasistem, Asistencia Sanitaria, S.A. <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>	Ambulances		100.00	100.00	204	Urbaser, S.A. (99.99%) and Villanova, S.A. (0.01%)
Valenciana de Eliminación de Residuos, S.L. <i>Real de Montroi - Paraje Cabrera de Pino s/n - Valencia</i>	Environment		85.00	85.00	233	Urbaser, S.A.
Valenciana de Protección Ambiental, S.A. <i>L' Alcudia de Crepins - Polig. El Caneri Parcela 6 - Valencia</i>	A Environment		99.55	99.55	1,593	Urbaser, S.A.
Vertederos de Residuos, S.A. (VERTRESA) <i>C/ Albasanz, 16 - Madrid</i>	A Environment		83.96	83.96	11,533	Urbaser, S.A.
Vicens Orts, S.L. <i>Berenguer de Palou, 1 - Salou - Tarragona</i>	A Environment		100.00	100.00	0	Urbaser, S.A. (99.99%) and Socamex, S.A. (0.01%)
Zenit Servicios Integrales, S.A. <i>C/ Cardenal Marcelo Spínola, 42. Madrid</i>	A Airport services		51.00	51.00	1,627	Clece, S.A.
<b>CONCESSIONS</b>						
Dragados Concesiones de Infraestructuras, S.A. <i>C/ Julián Camarillo, 6a - 2ª planta 28037 Madrid</i>	A Concessions		100.00	100.00	271,490	ACS Servicios y Concesiones, S.L. (99.99%) and Novovilla, S.A. (0.01%)
ACS Chile, S.A. <i>Avenida Isidora Goyenechea N° 3365 Piso 9 Oficina 902, Comuna de las Condes, Santiago de Chile</i>	C Construction	98.48	1.52	100.00	46,889	Inversora de Infraestructuras, S.A. and Dragados, S.A.
Desarrollo de Concesiones Aeroportuarias, S.L. <i>C/ Julián Camarillo, 6a - 2ª planta 28037 Madrid</i>	Concessions		100.00	100.00	2,499	Dragados Concesiones de Infraestructuras, S.A. (99.99%) and Villanova, S.A. (0.01%)
Desarrollo de Concesiones Ferroviarias, S.L. <i>C/ Julián Camarillo, 6a - 2ª planta 28037 Madrid</i>	Concessions		100.00	100.00	19,352	Dragados Concesiones de Infraestructuras, S.A. (99.99%) and Villanova, S.A. (0.01%)
Dragados A-1, Ltd. <i>180 Strand London WC2R 1PZ</i>	A Concessions		100.00	100.00	0	Dragados Concesiones de Infraestructuras, S.A.
Dragados Concessions, Ltd. <i>180 Strand London WC2R 1PZ</i>	A Concessions		100.00	100.00	8,764	Dragados Concesiones de Infraestructuras, S.A.
Dragados Dundalk Ireland, Ltd. <i>Earlfort Terrace, Dublin 2 Ireland</i>	A Concessions		100.00	100.00	5,504	Dragados Concesiones de Infraestructuras, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Fenoco, S.A. <i>C/ 94 A No 11 A 27, piso 3. Bogotá D. C. Colombia</i>	D Concessions		71.32	71.32	19,470	Dragados Concesiones de Infraestructuras (66.00%) and Tecsa, S.A. (5.32%)
Inversiones Nocedal, S.A. <i>C/ Miraflores, 222 piso 24 Santiago de Chile</i>	J Concessions		100.00	100.00	62,678	Inversora de Infraestructuras, S.A. (99.99%) and Villanova, S.A. (0.01%)
Inversora de Infraestructuras, S.A. <i>C/ Julián Camarillo, 6a - 2ª planta 28037 Madrid</i>	Concessions		100.00	100.00	286,034	Dragados Concesiones de Infraestructuras (99.99%) and Villanova, S.A. (0.01%)
Taurus Holdings Chile, S.A. <i>C/ Alcántara, 271 piso 2º Las Condes-Santiago de Chile</i>	J Concessions		100.00	100.00	78,049	Inversora de Infraestructuras, S.A.

## AUDITOR

(A) DELOITTE & TOUCHE	(J) QUESADA Y DIAS AUDITORES	(R) CAROLINA PUEYO
(B) PRICE WATERHOUSE COOPERS	(K) SURLATINA & HOWARTH	(S) BAKER TILLY MGRD
(C) ERNST & YOUNG	(L) ESTUDIO TORRENT AUDITORES	(T) ANDREU ROMERO Y ASOCIADOS
(D) KPMG	(M) SECOFA	(U) L. GRAÇA. R. CARVALHO & BORGES, SROC, LDA
(E) OSVALDO JORGE PAULINO	(N) RACC AUDITORES	(V) AUREN
(F) BSK CONSULTING	(Ñ) RAZZETO, LÓPEZ & RODRÍGUEZ CORDOBA	(W) BDO SIMPSON XAVIER
(G) CONSULTORES ASOCIADOS	(O) IRVIN CEDEÑO Y ASOCIADOS	(X) AUDIHISPANIA, S.A.
(H) ROJAS Y NOVOA	(P) VIZOSO, CASTELLA & ASOCIADOS	(Y) AUDIEC-PKF
(I) MADERA SORIANO Y ASOCIADOS	(Q) DAVIES MYERS AND PARTNERS	

## Exhibit II

### Proportionally consolidated companies and companies accounted for by the equity method

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
<b>PARENT COMPANY</b>						
Abertis Infraestructuras, S.A. <i>Avinguda del Parc Logístic, 12-20 - 08040 Barcelona</i>	B Infrastructure concessions	17.58		17.58	869,542	
Inmobiliaria Urbis, S.A. <i>General Pardiñas, 73 - Madrid</i>	A Real estate	20.04	0.33	20.37	131,968	Dragados, S.A.
ACS Telefonía Móvil, S.L. <i>C/ Orense, 34 - Madrid</i>	Telecommunications	99.99	0.01	100.00	2	Comunidades Gestionadas, S.A. (Cogesa)
Xfera Móviles, S.A. <i>Ribera del Sena, s/n - Madrid</i>	A Telecommunications		37.91	37.91	24,549	ACS Telefonía Móvil, S.L.
<b>CONSTRUCTION</b>						
ACS, Sacyr Chile, S.A. <i>Santiago de Chile - (Chile)</i>	C Construction		50.00	50.00	348	Dragados, S.A.
Autopistas del Sol, S.A. <i>Buenos Aires - Argentina</i>	Concessions		5.86	5.86	0	Dragados y Construcciones Argentina S.A.I.C.I. (Dycasa)
Constructora Aeropuerto de Chile, S.A. <i>C/ Alfredo Barros Errazuriz, 1953 - Santiago de Chile</i>	J Construction		50.00	50.00	22	Dragados, S.A.
Constructora Norte Sur, S.A. <i>Panamericana Norte nº 5364 Conchalí, Santiago de Chile</i>	C Construction		48.00	48.00	5	Dragados, S.A.
Concesionaria Vial del Sur, Covisur, S.A. <i>A.M. de Justo 170 - Piso 2º - Ciudad Aut. Buenos Aires - Argentina</i>	Concessions		25.00	25.00	3,220	Dragados y Construcciones Argentina S.A.I.C.I. (Dycasa)
Dragados Fomento Canadá, S.A.L. <i>Queen Street, 570 Fredericton NB (Canada)</i>	Construction		50.00	50.00	0	Dragados, S.A.
Dravo, S.A. <i>Plaza de Castilla, 3 - 5º CII - 28046 Madrid</i>	C Construction		50.00	50.00	541	Construcciones Especiales y Dragados, S.A. (Drace)
Elaboración de Cajones Pretensados, S.L. <i>C/ Marcelo Spínola, 42 - 28016 Madrid</i>	Construction		50.00	50.00	2	Dragados, S.A.
Probiar, S.A. <i>Av. Leandro M. Alem, 986 - Buenos Aires - Argentina</i>	Construction		30.00	30.00	202	Dragados y Construcciones Argentina S.A.I.C.I. (Dycasa)
Aeba, S.A. <i>C/ Tucuman, 131 - Buenos Aires - Argentina</i>	Construction		45.00	45.00	131	Dragados y Construcciones Argentina S.A.I.C.I. (Dycasa)
Sociedad de Gestión, Infraestructura y Transporte SGIT, CA <i>Av. Principal Las Mercedes, 3. Caracas - Venezuela</i>	Construction		50.00	50.00	193	Constructora Dycven, S.A. (Dycvensa)
Grupo Comercializador del Sur, S.A. <i>Mexico</i>	Real estate		50.00	50.00	0	Dragados, S.A.
Superco Orense, S.A. <i>C/ Benito Blanco Rajoy, 9 - 15006 La Coruña</i>	Construction		35.00	35.00	1	Dragados, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
<b>INDUSTRIAL</b>						
Aldebaran S.M.E. S.A. <i>C/ Amistat, 23 - 08005 Barcelona. Spain</i>	Energy production		50.00	50.00	31	Energía y Recursos Ambientales, EYRA, S.A.
BK-DOSSA, S.A. <i>Centro de Neg. Miramar c/3 RA E/78 y 80 Edificio Jerusalem - La Habana (Cuba)</i>	G Industrial engineering and construction		50.00	50.00	0	Dragados Offshore, S.A.
Cachoeira Paulista Transmisora de Energía S.A. <i>Rua Marechal Camera, 160 - Rio de Janeiro - Brazil</i>	Energy transport		25.00	25.00	5,819	Cobra Instalaciones y Servicios, S.A.
Cobra Entel <i>Rue Carthage, 220 Argel (Algeria)</i>	Inactive		20.00	20.00	3	Cobra Internacional
Cobra Magreb <i>Casablanca - Morocco</i>	Inactive		35.00	35.00	28	Cobra Instalaciones y Servicios, S.A.
Cogeneración Alfacel A.I.E. <i>Avda. de Tenerife, 4 - 6. 28700 San Sebastián de los Reyes (Madrid)</i>	Energy		78.75	78.75	4	Urbaser, S.A. (62.5%) and Intecsa-Uhde, S.A. (16.25%)
Constructora Gas del Bio Limitada <i>Puerta del Sol 55 4º Las Condes - Santiago (Chile)</i>	Industrial maintenance and assembly		40.00	40.00	17	Mantenimiento y Montajes Industriales, S.A. (Masa)
Cygnus Air, S.A. <i>Aguehol, 7 - Madrid</i>	A Air transport		40.00	40.00	503	Instalaciones y Montajes Eléctricos, S.A. (IMES)
Dinec 1, S.A. de C.V. <i>Juan Racine nº 112, 6º piso Col. Los Morales Polanco. Mexico City 11510</i>	A Control, installation and industrial assembly		56.56	56.56	3	Dragados Industrial, S.A. (26.56%) and Control y Montajes Industriales, S.A. (30%)
Dinsa Eléctricas y Control y Montajes Industriales, S.A. de C.V. <i>Juan Racine nº 112, 6º piso Col. Los Morales Polanco. Mexico City 11510</i>	A Control, installation and industrial assembly		60.00	60.00	32	Control y Montajes Industriales, S.A.
Dragados Offshore SLP S.A. de C.V. <i>C/ Juan Racine, 112 6º Col. Los Morales Del. Miguel Hidalgo Mexico City 11510</i>	D Industrial engineering and construction		50.00	50.00	0	Dragados Offshore, S.A.
Dyta Eólica de Castilla La Mancha, S.A. <i>Cabañeros (Ciudad Real)</i>	Energy production		40.00	40.00	1,940	Urbaenergía, S.A.
Energías Renovables Ricobayo, S.A. <i>Riofrío de Aliste y Ferreuela (Zamora)</i>	Energy production		50.00	50.00	299	Urbaenergía, S.A.
Elecdey Castilla La Mancha, S.A. <i>Chumillas (Cuenca)</i>	Energy production		42.00	42.00	1,095	Urbaenergía, S.A.
Expansion Transmissao de Energia Eléctrica, S.A. <i>Avda. Marechal Camera, 160 - Rio de Janeiro - Brazil</i>	Energy transmission		25.00	25.00	5,563	Cobra Instalaciones y Servicios, S.A.
Explotaciones Eólicas Sierra de Utrera, S.L. <i>Utrera (Málaga)</i>	Energy production		25.00	25.00	902	Urbaenergía, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Geida Beni Saf <i>Algeria</i>	Desalination		25.00	25.00	75	Cobra Internacional
Geida Skikda <i>Algeria</i>	Desalination		25.00	25.00	75	Cobra Internacional
Hospec, S.A.L. <i>Tamer Bldg., Sin El Beirut, Lebanon</i>	Import and export		50.00	50.00	0	Makiber, S.A.
Incro, S.A. <i>Serrano 27 - Madrid 28001</i>	Engineering		25.00	25.00	7	Intecsa-Uhde Industrial, S.A.
Intecsa Uhde Industrial, S.A. <i>Vía de los Poblados.11 Madrid 28033</i>	A Engineering		50.00	50.00	1,857	Dragados Industrial, S.A.
JC Decaux Cevasa, S.A. <i>Polígono Industrial "Las Mercedes" - Madrid</i>	Advertising operations		50.00	50.00	30	Roura Cevasa, S.A.
Nordeste Transmissora de Energia Ltda <i>Avda. Marechal Camara 160 salas 1833/1834 Rio de Janeiro. Brazil</i>	Control, installation and industrial assembly		49.99	49.99	21,124	Control y Montajes Industriales, S.A.
Operadora del Pacifico, S.A. <i>San Sebastian, 2750 - Oficina 404 - Las Condes - Santiago de Chile. Chile</i>	Highway upkeep and maintenance		50.00	50.00	84	Api Conservación, S.A.
P. E. Loma del Capón <i>Albuñuelas (Granada)</i>	Energy production		50.00	50.00	61	Urbaenergía, S.A.
Parque Eólico Lodoso, S.L. <i>C/ Almirante Bonifaz, 3 09003 Burgos</i>	Energy production		25.00	25.00	45	Energía y Recursos Ambientales, Eyra, S.A.
Parque Eólico Santa Cruz del Tozo <i>Almirante Bonifaz, 3 - 09003 Burgos</i>	Energy production		25.00	0.25	45	Energía y Recursos Ambientales, Eyra, S.A.
Red Eléctrica del Sur, S.A. <i>Avda. San Felipe 758 - Lima. Peru</i>	Energy transmission		20.00	20.00	4,624	Cobra Perú, S.A.
Serra do Moncoso Cambas, S.L. <i>Touriñan (La Coruña)</i>	Energy production		45.00	45.00	2,516	Urbaenergía, S.A.
Sociedad de Energías Renovables y Cogeneración S.A. <i>Sargentos de la Lora y Bastoncillos el Tozo (Burgos)</i>	Energy production		50.00	50.00	160	Urbaenergía, S.A.
Soc. Ctión Rec. Energéticos <i>Valdelacasa (León)</i>	Energy production		25.00	25.00	0	Urbaenergía, S.A.
STE-Sul Transmisora de Energia Ltda. <i>Avda. Marechal Camara 160 salas 1833/1834 Rio de Janeiro. Brazil</i>	Control, installation and industrial assembly		49.90	49.90	9,857	Control y Montajes Industriales, S.A. and Control y Montajes Industriales do Brasil Ltd
Transmissão Itumbiara Marimbondo, S.A. <i>Rua Marechal Camera, 160 - Rio de Janeiro. Brazil</i>	Energy transmission		25.00	25.00	4,038	Cobra Instalaciones y Servicios, S.A.
Visadrag Gas, Ltda. <i>Avda. Gago Coutinho 147 Lisbon 1700</i>	Industrial maintenance and assembly		50.00	50.00	3	DYCTEL Infraestructuras de Telecomunicaciones, S.A. (30%) and Mantenimiento y Montajes Industriales. S.A. (20%)

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
<b>URBAN SERVICES</b>						
A.T.M. Cartera, S.A. <i>C/Muelle 1 de la ampliación, Puerto de Bilbao. 48980 Santurce (Vizcaya)</i>	B Port services		48.74	48.74	2,456	Dragados Servicios Portuarios y Logísticos, S.L.
ABC, Servicios Medioambientales, S.A. <i>Colón de Larrategui, 26 - Bilbao</i>	Environment		20.00	20.00	143	Urbaser, S.A.
Agua del Gran Buenos Aires, S.A. <i>Italia 1184 - San Miguel, Capital Federal - B1663NXX, Buenos Aires</i>	Ñ Water management		26.34	26.34	2,256	Urbaser, S.A.
Alternativas Socio Sanitarias de Espiel, S.L. <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>	Geriatric care		50.00	50.00	120	Urbaser, S.A.
American Forestry Technology, Inc <i>7852 West 200 South West Point in 47992 USA</i>	Wood		41.11	41.11	3,483	Urbaser, S.A.
Citri, S.A. <i>Portugal</i>	Environment		26.00	26.00	936	Urbaser, S.A. and Novaflex, Técnicas de Medio Ambiente, S.A.
Compañía Navarra de Autobuses, S.A. <i>Ciudad del Transporte - Imarcain - Navarra</i>	Regular transport of passengers		31.24	31.24	1,505	Continental Auto, S.L.
Conterail, S.A. <i>Avda. Europa, s/n. 28820 Coslada (Madrid)</i>	V Transport		50.00	50.00	536	Dragados Servicios Portuarios y Logísticos, S.L.
CSXWT Dominicana Ltd. <i>Juan Racine nº 112, 6º piso Col. Los Morales Polanco. Mexico City 11510</i>	C Port services		30.00	30.00	19,895	Dragados SPL del Caribe S.A. de C.V.
Demarco, S.A. <i>Alcalde Guzmán.18 - Quilicura (Chile)</i>	K Waste		50.00	50.00	2,778	Urbaser, S.A.
Desarrollo y Gestión de Residuos, S.A. (Degersa) <i>Avda. Barón de Carcer, 37 - Valencia</i>	Environment		40.00	40.00	24	Urbaser, S.A.
E.M. de Aguas del Ferrol, S.A. <i>C/ María, 38 - 15402 Ferrol</i>	A Water management		49.00	49.00	2,795	Urbaser, S.A.
Ecoparc del Mediterrani, S.A. <i>Avda. Eduard Beristany S/N, San Adrià del Besós</i>	Transferring plant		32.00	32.00	1,533	Urbaser, S.A.
Ecoparc, S.A. <i>C/ A . Políg. Industrial Zona Franca - Barcelona</i>	Industrial treatment of waste		44.00	44.00	3,064	Urbaser, S.A.
Eix Bus, S.A. <i>Sardenya, 16 (Girona)</i>	Regular transport of passengers		33.33	33.33	20	Anónima Alsina Graells de A.T., S.A.
Energías y Tierras Fértiles, S.A. <i>Pascual y Genís, 19 - 46002 Valencia</i>	Waste		33.36	33.36	252	Urbaser, S.A.
Entaban Biocombustibles del Guadalquivir, S.A. <i>Paseo Independencia, 28 - Zaragoza</i>	Environment		25.00	25.00	479	Urbaser, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Entaban Biocombustibles del Pirineo, S.A. <i>Paseo Independencia, 28 - Zaragoza</i>	Environment		30.00	30.00	451	Urbaser, S.A.
Estación de Autobuses Aguilar de Campoo, S.L. <i>Calzada de Toro, 50, Villares de la Eina - Salamanca</i>	Station operation		33.00	33.00	(1)	Continental Auto, S.L.
Estación de Autobuses de Cartagena, S.A. <i>Avda. Tovero Marín, 3 - Cartagena</i>	Station operation		27.50	27.50	8	Transportes Alsina Graells Sur, S.A.
Estación de Autobuses de Vitoria, S.A. <i>Las Herran, 50 - Vitoria</i>	Station operation		25.00	25.00	18	Continental Auto, S.L.
Estacionamientos El Pilar, S.A. <i>Avda. de Tenerife, 4-6. 28700 San Sebastián de los Reyes (Madrid)</i>	A Parking lots		50.00	50.00	4,790	Urbaser, S.A.
Explotaciones Eólicas Vientos del Sur, S.L. <i>C/ Serrano, 17 28001 - Madrid</i>	Wind power		33.00	33.00	0	Urbaser, S.A.
Foresta Capital, S.A. <i>C/ Cardenal Marcelo Spínola, 2, 1º - 28016 - Madrid</i>	Wood		50.00	50.00	1,505	Urbaser, S.A.
Foresta Individual, S.A. <i>C/ Cardenal Marcelo Spínola, 2, 1º - 28016 - Madrid</i>	Wood		17.85	17.85	4,959	Foresta Capital, S.A.
Gestión Medioambiental de L'Anoia, S.L. <i>C/ Viriato - 47 - 08000 - Barcelona</i>	Environmental management		50.00	50.00	238	Urbaser, S.A.
Interenvases, S.A. <i>C/ Boriceta, 8 (Álava)</i>	Environment		50.00	50.00	556	Urbaser, S.A.
International City Cleaning Company, C.A. <i>Egipto</i>	Environment		30.00	30.00	209	Urbaser, S.A.
Iquique Terminal Internacional, S.A. <i>C/San Martín, 255 Oficina 151. Iquique (Chile)</i>	B Port services		40.00	40.00	3,364	Dragados Servicios Portuarios y Logísticos, S.L.
KDM, S.A. <i>Alcalde Guzmán.18 - Quilicura (Chile)</i>	C Waste		50.00	50.00	10,212	Urbaser, S.A.
La Unión Alavesa, S.A. <i>Gerezpea, 17 - Vitoria</i>	Regular transport of passengers		50.00	50.00	229	Estación de Servicio Alavesa, S.A.
Laumar Cargo, S.L. <i>Avda. Hoya del Buñoi, 37. 46.215 Macastre (Valencia)</i>	Transport		50.00	50.00	801	Dragados Servicios Portuarios y Logísticos, S.L.
Mepsa, Servicios y Operaciones, S.A. <i>C/Mallorca, 260 4º 3ª. 08008 Barcelona</i>	Services related to port operations and logistics		35.00	35.00	26	Dragados Servicios Portuarios y Logísticos, S.L.
Movelía Tecnologías, S.L. <i>Avda. de América, 9a - Madrid</i>	Transport		27.61	27.61	414	Continental Auto, S.L. (16.77%) and Transportes Alsina Graells Sur, S.A. (10.84%)
Muelles y Espacios Portuarios, S.A. <i>C/Mallorca, 260 4º 2º. 08008 Barcelona</i>	Y Administrative concession for the development of a parcel in the port of Barcelona		35.00	35.00	1,120	Dragados Servicios Portuarios y Logísticos, S.L.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Operaciones Portuarias Canarias, S.A. <i>Avda. de los Cambulloneros, s/n. 35.008 Las Palmas de Gran Canaria.</i>	C Port services		45.00	45.00	19,039	Dragados Servicios Portuarios y Logísticos, S.L.
Remolcadores de Barcelona, S.A. <i>Muelle Evaristo Fernández, 28. Edificio Remolcadores. 08039 Barcelona</i>	X Tugging		33.67	33.67	9,422	Dragados Servicios Portuarios y Logísticos, S.L. and Marmedsa
Resíges - Gestao de Resíduos Hospitalares Lda. <i>Portugal</i>	Environment		50.00	50.00	12	Novaflex, Técnicas de Medio Ambiente, S.A.
Sala, S.A. ESP <i>C/ 100, 19 - Bogotá (Colombia)</i>	Road cleaning		50.00	50.00	2,848	Urbaser, S.A.
Salmedina Tratamiento de Residuos Inertes, S.L. <i>Génova, 5 - Madrid</i>	Environment		50.00	50.00	2,945	Vertedero de Residuos, S.A.
Servicios Urbanos e Medio Ambiente, S.A. (Suma) <i>Avda. Julio Dinis.2 - Lisbon (Portugal)</i>	A Road cleaning		38.50	38.50	7,599	Urbaser, S.A. (38.49%) and Novovilla, S.A. (0.01%)
Servicios Urbanos, S.L. <i>Lugar de Pingela 4460, Custoias - Matosinhos (Portugal)</i>	Road cleaning		38.50	38.50	3,896	Servicios Urbanos e Medio Ambiente, S.A. (SUMA)
Sistemas de Reducción, S.A. <i>Pasaje Vicent Marri, 13 - Barcelona</i>	Environment		40.00	40.00	238	Urbaser, S.A.
Soluciones Bema, S.L. <i>C/ Somosierra, 24 San Sebastián de los Reyes - Madrid</i>	Environment		20.00	20.00	2	Urbaser, S.A.
Starco, S.A. <i>Alcalde Guzmán.18 - Quilicura (Chile)</i>	K Waste		50.00	50.00	3,382	Urbaser, S.A.
Tecnología Medioambientales del Golfo, S.A. de C.V. <i>Mexico</i>	C Environment		50.00	50.00	682	Tecmed, Técnicas Medioambientales de Mexico
Tirme, S.A. <i>Ctra. de Soller, Km 8.2 07120 - Son Reus (Palma de Mallorca)</i>	A Cogeneration		20.00	20.00	1,515	Urbaenergía, Tratamiento y Generación, S.L.
Transpisa <i>Avda. Josep Tarradellas, 42 - Andorra La Vella</i>	Regular transport of passengers		33.00	33.00	10	Anónima Alsina Graells de A.T., S.A.
Tratamiento Industrial de Residuos Sólidos, S.A. <i>Rambla Cataluña, 91 - 08008 Barcelona</i>	P Waste		33.33	33.33	1,352	Urbaser, S.A.
Valdemingómez 2000, S.A. <i>C/ Albasanz, 16 - Madrid</i>	Environment		33.58	33.58	667	Vertedero de Residuos, S.A.
Valorga International, S.A. <i>France</i>	Environment		40.00	40.00	205	Urbaser, S.A.
Zoreda Internacional, S.A. <i>C/ Rodríguez San Pedro, 5 - Gijón</i>	Environment		40.00	40.00	31	Urbaser, S.A.



Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
<b>CONCESSIONS</b>						
Rutas del Pacífico, S.A. <i>Santiago de Chile - (Chile)</i>	C Concession-holder company		50.00	50.00	39,969	ACS Chile, S.A.
Aerocali, S.A. <i>Aeropuerto Alfonso Bonilla Aragón Piso 3º Palmira - Colombia</i>	A Concessions		33.33	33.33	29	Dragados Concesiones de Infraestructuras, S.A.
Aeropuertos Mejicanos del Pacífico, S.A. de C.V. <i>Av.Mariano Otero.No 1249.ala B, piso 7. Condomino Centro Torre Pacífico Guadalajara - Jalisco - Mexico.</i>	A Concessions		28.16	28.16	49,197	Dragados Concesiones de Infraestructuras, S.A.
Autovía de la Mancha, S.A. Concesionaria Junta <i>Comunidades de Castilla La Mancha Paseo de Bachilleres 1-B 45003 - Toledo</i>	A Concessions		66.67	66.67	17,321	Dragados Concesiones de Infraestructuras, S.A.
Bakwena Platinum Corridor Concessionaire Ltd. <i>24 Sunninghill Office Park, Peltier Road Sunninghill - 2157</i>	A Concessions		25.00	25.00	187	Infraestructure Concessions South Africa, Ltd.
Bidelan Guipuzkoako Autobideak, S.A. <i>Plaza de los Amezqueta, 10 20010 - San Sebastián (Guipúzcoa)</i>	F Concessions		50.00	50.00	2,710	Dragados Concesiones de Infraestructuras, S.A.
Circunvalación Alicante, S.A. <i>Auso y Monzo, 16 - 6ª Planta, Edificio Hispania; 03006 Alicante</i>	D Concessions		50.00	50.00	25,084	Inversora de Infraestructuras, S.A.
Concesionaria Vial del Sur, Covisur, S.A. <i>A.M. de Justro 170 - Piso 2º - Ciudad Aut. Buenos Aires - Argentina</i>	Concessions		25.00	25.00	3,220	Dragados y Construcciones Argentina S.A.I.C.I. (Dycasa)
Celtic Road Group Dundalk, Ltd. <i>Burton Court, Burton Hall Road, Sandyford, Dublin 18, Ireland</i>	W Concessions		33.33	33.33	30	Dragados Dundalk Ireland, Ltd.
Guadalquivir Sociedad Concesionaria de la Junta de Andalucía, Guadalmetro, S.A. <i>Avda. San Francisco, 1 41005 - Seville</i>	D Concessions		27.83	27.83	23,931	Desarrollo de Concesiones Ferroviarias, S.L.
Infraestructuras y Radiales, S.A. <i>C/ Golfo de Salónica, 27 Madrid</i>	D Concessions		35.00	35.00	28,202	Inversora de Infraestructuras, S.A.
Infraestructure Concessions South Africa, Ltd. <i>24 Sunninghill Office Park, Peltier Road Sunninghill - 2157 (South Africa)</i>	A Concessions		50.00	50.00	15,865	Dragados Concesiones de Infraestructuras, S.A.
MBJ Airports Ltd. <i>Island Mailboxes Suit 4000 Montego Bay St. James (Jamaica)</i>	A Concessions		35.00	35.00	654	Dragados Concesiones de Infraestructuras, S.A.
Pt Operational Services (PTY) Ltd. <i>1 Lavender Road Bon Accord 009 - South Africa</i>	B Concessions		33.40	33.40	0	Dragados Concesiones de Infraestructuras, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Road Management (A13) Plc. <i>Sandiway House, Littlelades Lane Hartford, Northwich Cheshire CW8 2YA</i>	D Concessions		25.00	25.00	437	Dragados Concessions Ltd.
Road Management Services (Darrington) Holdings Limited <i>Sandiway House, Littlelades Lane Hartford, Northwich Cheshire CW8 2YA</i>	D Concessions		25.00	25.00	18	Dragados A-1 Ltd.
Roads Users Services Ltd. (Northlink M1 Ltd en 2005) <i>Burton Court, Burton Hall Road, Sandford, Dublin 18, Ireland</i>	W Concessions		27.00	27.00	27	Dragados Dundalk Ireland, Ltd.
Ruta de los Pantanos, S.A. <i>Carretera M-501 Km. 10.200 - 28670 Madrid</i>	A Concessions		25.00	25.00	3,580	Inversora de Infraestructuras, S.A.
SCL Terminal Aéreo Santiago S.A., Sociedad Concesionaria <i>Aeropuerto Arturo Merino Benítez Pudahuel - Santiago de Chile</i>	B Concessions		14.78	14.78	2,366	Desarrollo de Concesiones Aeroportuarias, S.L.
Scutvias Autoestradas da Beira Interior, S.A. <i>Praça de Alvalade, 6 - 7º Lisbon</i>	A Concessions	20.00	13.34	33.34	16,403	Sopol, S.A.
Sociedad Concesionaria Autopista Central, S.A. <i>San José, 1145 Comuna de San Bernardo Santiago de Chile</i>	B Concessions		48.00	48.00	40,687	Dragados Concesiones de Infraestructuras, S.A. (25%) and Inversiones Nocedal, S.A. (23%)
Sociedad Concesionaria Vespucio Norte Express, S.A. <i>C/ Alcántara, 200, Oficina 501 Las Condes-Santiago de Chile</i>	B Concessions		54.00	54.00	32,311	Taurus Holdings Chile, S.A. (25%)
Tag Red, S.A. <i>Avda. Alonso de Córdoba, 5151, Oficina 501 Las Condes - Santiago de Chile</i>	B Concessions		50.00	50.00	8	Taurus Holdings Chile, S.A. (25%) and Inversiones Nocedal, S.A. (25%)
TP Ferro Concesionaria S.A. <i>Plaza de la Palmera, 6, 3º - 17600 Figueres - Girona</i>	D Concessions	24.80	25.20	50.00	17,139	Dragados Concesiones de Infraestructuras, S.A. (24.80%). Dragados, S.A. (0.30%) and Cobra Instalaciones y Servicios, S.A. (0.10%)

## AUDITOR

(A) DELOITTE & TOUCHE	(J) QUESADA Y DIAS AUDITORES	(R) CAROLINA PUEYO
(B) PRICE WATERHOUSE COOPERS	(K) SURLATINA & HOWARTH	(S) BAKER TILLY MGRD
(C) ERNST & YOUNG	(L) ESTUDIO TORRENT AUDITORES	(T) ANDREU ROMERO Y ASOCIADOS
(D) KPMG	(M) SECOFA	(U) L. GRAÇA. R. CARVALHO & BORGES, SROC, LDA
(E) OSVALDO JORGE PAULINO	(N) RACC AUDITORES	(V) AUREN
(F) BSK CONSULTING	(Ñ) RAZZETO, LÓPEZ & RODRÍGUEZ CORDOBA	(W) BDO SIMPSON XAVIER
(G) CONSULTORES ASOCIADOS	(O) IRVIN CEDEÑO Y ASOCIADOS	(X) AUDIHISPANIA, S.A.
(H) ROJAS Y NOVOA	(P) VIZOSO, CASTELLA & ASOCIADOS	(Y) AUDIEC-PKF
(I) MADERA SORIANO Y ASOCIADOS	(Q) DAVIES MYERS AND PARTNERS	

## Exhibit III

### Companies excluded from the scope of consolidation

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
<b>PARENT COMPANY</b>						
Broadnet Consorcio, S.A. <i>San Rafael, 1 (Alcobendas) - Madrid</i>	Telecommunications	20.67		20.67	0	
Carmelton Group, Ltd <i>57, Yigal Alon - Tel Aviv Israel</i>	Concessions	40.00		40.00	0	
<b>CONSTRUCTION</b>						
Cam Brians 2, S.A. <i>Vía Laietana, 33 - Barcelona</i>	Construction		75.00	75.00	10,355	Dragados, S.A.
Draga, S.A. <i>Carretera de La Comella, 11 - Andorra</i>	Construction		50.00	50.00	15	Dragados, S.A.
ACS, Siglo XXI Promociones <i>Castilla La Mancha, S.A. Avda. Pio XII, 102 - Madrid</i>	Real estate		51.00	51.00	102	Dragados, S.A.
Cleón, S.A. <i>Villanueva, 2 - Madrid</i>	Real estate		25.00	25.00	25,287	Dragados, S.A.
Corfica, S.L. <i>Josep Tarradellas, 14 (Barcelona)</i>	Inactive		50.00	50.00	35	Dragados, S.A.
Grupo Comercializador del Sur, S.A. de C.V. <i>Mexico</i>	Real estate		50.00	50.00	0	Dragados, S.A.
Ingeniería y Construcciones Sala Amat, S.A. <i>c/ Fontanella 12, bis Barcelona</i>	Construction		50.00	50.00	0	Dragados, S.A.
Juluna, S.A. <i>c/ Somi, 3 46004 Valencia</i>	Construction		30.00	30.00	229	Dragados, S.A.
<b>INDUSTRIAL</b>						
AW Augusta Wind, S.L. <i>Nil Fabra, 34-38 entresuelo 2º B Barcelona</i>	Energy production		20.00	20.00	1,900	Energía y Recursos Ambientales, Eyra, S.A.
C.I.E.R., S.L.	Energy production		50.00	50.00	361	Energía y Recursos Ambientales, Eyra, S.A.
Cevasa do Brasil, S.A. <i>Brazil</i>	Inactive		100.00	100.00	0	Roura Cevasa, S.A.
Cevasa & Roura Brasil, Ltda. <i>Brazil</i>	Inactive		100.00	100.00	0	Roura Cevasa, S.A.
Cevasa & Roura Chile, S.A. <i>Chile</i>	Inactive		100.00	100.00	0	Roura Cevasa, S.A.
Cevasa & Roura Venezuela, S.A. <i>Venezuela</i>	Inactive		100.00	100.00	0	Roura Cevasa, S.A.

Company/Registered office	Line of business	Percentage of ownership			Net cost thousands e	Company with indirect ownership
		Direct	Indirect	Total		
Cevasa Internacional S.A. <i>Paris (France)</i>	Inactive		100.00	100.00	174	Roura Cevasa, S.A.
Cevasa Perú, S.A. <i>Peru</i>	Inactive		100.00	100.00	0	Roura Cevasa, S.A.
Chipset Siotemas, S.L. <i>Montezuma, 4 - 1º Of. 8 - Santander</i>	Computer development		33.00	33.00	6	Mantenimientos, ayuda a la explotación y servicios, S.A.(MAESSA)
Disneon, S.A. <i>Barcelona</i>	Inactive		100.00	100.00	0	Roura Cevasa, S.A.
Reclamos Luminosos Neolux Lda. <i>Portugal</i>			30.00	30.00	299	Apadil, S.A.
Saneamiento Norte, S.A. <i>Municipio Escobar (Buenos Aires)</i>	Water management		73.00	73.00	0	Hidrogestión, S.A.
<b>URBAN SERVICES</b>						
Agencia Riomar, S.A. <i>Autonomía, 17 - Bilbao</i>	Inactive		50.00	50.00		Continental Auto, S.L.
Autopulman Soltur, S.A. <i>Alameda Recalde, 72 - Bilbao</i>	Inactive		50.00	50.00	0	Continental Auto, S.L.
Burgos Visión, S.L. <i>Camino Villargamar s/n. Burgos</i>	Transport		25.00	25.00	12	Continental Auto, S.L.
Estacion de Autobuses de Almuñecar, S.A. <i>Avda. Juan Carlos I S/N Almuñecar - Granada</i>	Station operation		100.00	100.00	0	Transportes Alsina Graells Sur, S.A.
Estación de Autobuses de Aranda, S.A. <i>Carretera Vieja de Valladolid s/n. Aranda. Burgos</i>	Bus station		33.00	33.00	0	Continental Auto, S.L.

## Exhibit IV

### List of the most significant joint ventures as of 12/31/04

Thousands of Euros

Joint venture (UTE)	Ownership Interest	Total Net Sales	Backlog
Radiales de Madrid	35.00%	138,063	857,346
UTE Terminal Barajas	22.50%	124,447	696,150
Túnel Guadarrama Sur	26.11%	141,608	515,859
UTE Metro L-9	43.50%	72,862	500,831
UTE Edificio Satélite	60.00%	114,597	416,523
Línea 1 Metro de Sevilla	37.00%	50,840	382,033
UTE M-30 Túnel Sur	50.00%	1,724	353,702
Túneles de Pajares 2 UTE	84.00%	12,527	345,706
UTES Pool Presa Caruachi	100.00%	25,273	334,273
AEIE Túnel del Perthus	59.00%	4,636	292,180
UTE Guadarrama IV	25.33%	82,381	270,994
Santiago-Alto Santo Domingo	29.60%	18,182	253,697
Regasagunto	80.00%	92,903	249,800
UTE Pista 15/33	33.34%	74,645	245,786
UTE Palacio Artes	50.00%	33,253	245,046
UTE Guadarrama III	25.33%	78,882	232,858
UTE DIC SUD TRAM I Y II	27.20%	48,870	195,177
Ciudad de Comunicaciones UTE	50.00%	35,574	190,541
Nuevo Hospital la FE U.T.E.	70.00%	21,746	186,434
Feria Muestras UTE	45.00%	58,636	160,427
Autovía Gijón Villaviciosa	50.00%	31,828	148,504
UTE Metro	90.00%	8,871	132,537
Ciclo Combinado Boroa	75.00%	82,509	131,250
UTE Part Irán	60.00%	84,224	122,263
UTE Transmérica	14.00%	17,836	122,261
Señalización AVE	50.00%	18,296	120,000
Euroasce I	36.68%	14,343	120,000
UTE Túnel Abdalajis Este Malag	60.00%	35,209	110,833
UTE Toledo Consuegra	66.66%	54,276	105,438
UTE Puerto Exterior Ferrol	32.50%	41,479	103,637
Hospital Lugo	50.00%	18,235	93,897
UTE Ruta de los Pantanos	33.33%	17,477	89,904
UTE AUT. Nerja-Almuñecar	75.00%	42,683	88,752
UTE Edificio Forum	33.34%	17,517	88,000

Thousands of Euros

Joint venture (UTE)	Ownership Interest	Total Net Sales	Backlog
UTE Muelle Exterior	35.00%	22,539	86,102
UTE Túnel Atocha-N. Ministerio	75.00%	24,103	77,115
UTE 3ª Pista	75.00%	30,302	75,070
UTE IUI Dinsa Ecolaire	80.00%	1,610	72,926
UTE PROL Dique Reina Sofia	30.00%	29,526	72,149
UTE Depurbesos	33.75%	20,229	71,211
Ciclo Combinado ACECA	75.00%	22,021	70,300
Ampliación Reina Sofía	50.00%	35,202	69,148
UTE Dacars	50.00%	35,202	69,148
UTE L-3 Canyelles Trinitat	80.00%	16,584	65,100
Acceso Puerto Castellón	50.00%	33,139	64,247
Circunvalación Vigo	50.00%	34,574	62,785
UTE Parla-Este	50.00%	21,859	61,646
Autovía Navalmoral UTE	50.00%	21,351	60,448
Ibercat	59.50%	26,550	60,300
Ciclo Combinado Santurce	55.00%	22,924	59,300
Balizamiento 18L	50.00%	36,249	56,500
Conserv. Mantenimiento A-8	50.00%	22,712	55,335
UTE Base Aérea	100.00%	44,693	51,558
UTE Pampilla España	25.00%	43,103	51,061
UTE IMC Clorososa Argelia	99.00%	32,396	47,091
Torre Agbar	53.67%	19,114	46,977
Parque Biomédica	50.00%	17,064	43,251
Euroasce II	36.68%	11,405	40,000
UTE Ave Castellbisbal	70.00%	16,366	39,912
Parque Comercial Megapark	80.00%	23,379	39,361
404 VPO. en Salburua	50.00%	17,004	35,146
Climatización Terminal Barajas	42.50%	12,585	35,000
Erakustazoka	53.33%	13,705	33,600
UTE Ave Olerdola	70.00%	18,549	32,293
Erabil	40.00%	19,236	32,000
Autovía Betxi-Borriol	70.00%	22,427	31,485
UTE Metro Mislata-Quart	40.00%	21,071	30,378
UTE Honduras	100.00%	9,941	30,054

# 3.3

## Auditor's Report on Consolidated Financial Statements

ACS, Actividades de  
Construcción y Servicios, S.A.  
and Subsidiaries

Consolidated Financial Statements for the year ended December 31, 2004,  
and Consolidated Management Report for 2004, together with Independent Auditors' Report

# Deloitte.

Plaza Pablo Ruiz Picasso, 1  
Torre Picasso  
28020 Madrid  
España

Tel.: +34 915 14 50 00  
Fax: +34 915 14 51 80  
+34 915 56 74 30  
www.deloitte.es

*Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain. In the event of a discrepancy, the Spanish-language version prevails.*

## AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of  
ACS Actividades de Construcción y Servicios, S.A. and Subsidiaries:

1. We have audited the consolidated financial statements of the ACS GROUP (consisting of ACS Actividades de Construcción y Servicios, S.A. and Subsidiaries) comprising the consolidated balance sheet as of December 31, 2004, and the related consolidated statement of income and notes to consolidated financial statements for the year then ended. The preparation of these consolidated financial statements is the responsibility of the Parent Company's directors. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with generally accepted auditing standards, which require examination, by means of selective tests, of the documentation supporting the consolidated financial statements and evaluation of their presentation, of the accounting principles applied and of the estimates made. Our work did not include an examination of the financial statements of certain subsidiaries and associated companies whose assets and results represent 11% and 10%, respectively, of the related consolidated totals. The financial statements of these companies were audited by other auditors and our opinion as expressed in this report on the consolidated financial statements of the ACS GROUP is based, with respect to the ownership interests in these companies, solely on the reports of the other auditors. These companies and their respective auditors are listed in Exhibits I and II to the notes to consolidated financial statements referred to above.
2. As required by Spanish corporate law, for comparison purposes the directors present, in addition to the 2004 figures for each item in the consolidated balance sheet and consolidated statement of income, the figures for 2003. Our opinion refers only to the 2004 consolidated financial statements. Our auditors' report dated April 2, 2004, on the 2003 consolidated financial statements contained an unqualified opinion.
3. In our opinion, based on our audit and on the reports of the other auditors mentioned in paragraph 1 above, the consolidated financial statements for 2004 referred to above present, in all material respects, a true and fair view of the net worth and financial position of the ACS GROUP as of December 31, 2004, and of the results of its operations in the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with generally accepted accounting principles and standards applied on a basis consistent with that of the preceding year.
4. The accompanying consolidated management report for 2004 contains the explanations which the directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated management report is consistent with that contained in the consolidated financial statements for 2004. Our work as auditors was confined to checking the consolidated management report with the aforementioned scope, and did not include a review of any information other than that drawn from the Group companies' accounting records.

DELOITTE  
Registered in ROAC under no. S0692

  
José A. Rodríguez Gil  
April 1, 2005

Deloitte & Touche, S.A. inscrita en el Registro Mercantil de Madrid, tomo 4619, libro 0, folio 46, sección 8, hoja, M-75974, inscripción 41, C.I.F.-A-78478492. Domicilio Social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso - 28020 Madrid.

Member of  
Deloitte Touche Tohmatsu



# 3.4

## Historical Evolution

### Consolidated Income Statement

Millions of Euros	2000	2001	2002	2003	2004	CAGR 04/00*
<b>Net Sales</b>	<b>3,410.4</b>	<b>3,921.4</b>	<b>4,420.2</b>	<b>8,825.1</b>	<b>10,960.7</b>	<b>33.9%</b>
Operating expenses	(3,130.3)	(3,568.5)	(4,009.2)	(8,030.3)	(9,983.3)	
<b>Gross operating income</b>	<b>280.1</b>	<b>352.9</b>	<b>410.9</b>	<b>794.8</b>	<b>977.3</b>	<b>36.7%</b>
Depreciations and provisions	(65.8)	(85.1)	(105.6)	(221.2)	(266.3)	
<b>Net operating income</b>	<b>214.3</b>	<b>267.8</b>	<b>305.3</b>	<b>573.5</b>	<b>711.0</b>	<b>35.0%</b>
Financial expenses	(58.4)	(70.4)	(95.4)	(154.7)	(198.4)	
Financial income	19.1	29.0	31.3	48.4	101.9	
Goodwill amortization	(4.3)	(6.2)	(29.2)	(54.7)	(80.7)	
Companies accounted for by the equity method	2.1	0.5	47.0	60.8	111.5	
<b>Income from ordinary activities</b>	<b>172.8</b>	<b>220.7</b>	<b>259.0</b>	<b>473.4</b>	<b>645.4</b>	<b>39.0%</b>
Extraordinary income	3.8	1.6	(8.6)	(190.0)	(21.9)	
<b>Income before taxes</b>	<b>176.6</b>	<b>222.3</b>	<b>250.4</b>	<b>283.4</b>	<b>623.5</b>	<b>37.1%</b>
Corporate income tax	(53.3)	(71.0)	(68.3)	(48.3)	(146.0)	
<b>Consolidated income</b>	<b>123.3</b>	<b>151.3</b>	<b>182.1</b>	<b>235.1</b>	<b>477.5</b>	<b>40.3%</b>
Minority interests	(2.5)	(2.1)	(0.7)	(5.6)	(17.1)	
<b>Net income attributable to the Parent Company</b>	<b>120.8</b>	<b>149.2</b>	<b>181.4</b>	<b>229.5</b>	<b>460.4</b>	<b>39.7%</b>

\* CAGR: Compound Annual Growth Rate

## Consolidated Balance Sheet as of December, 31

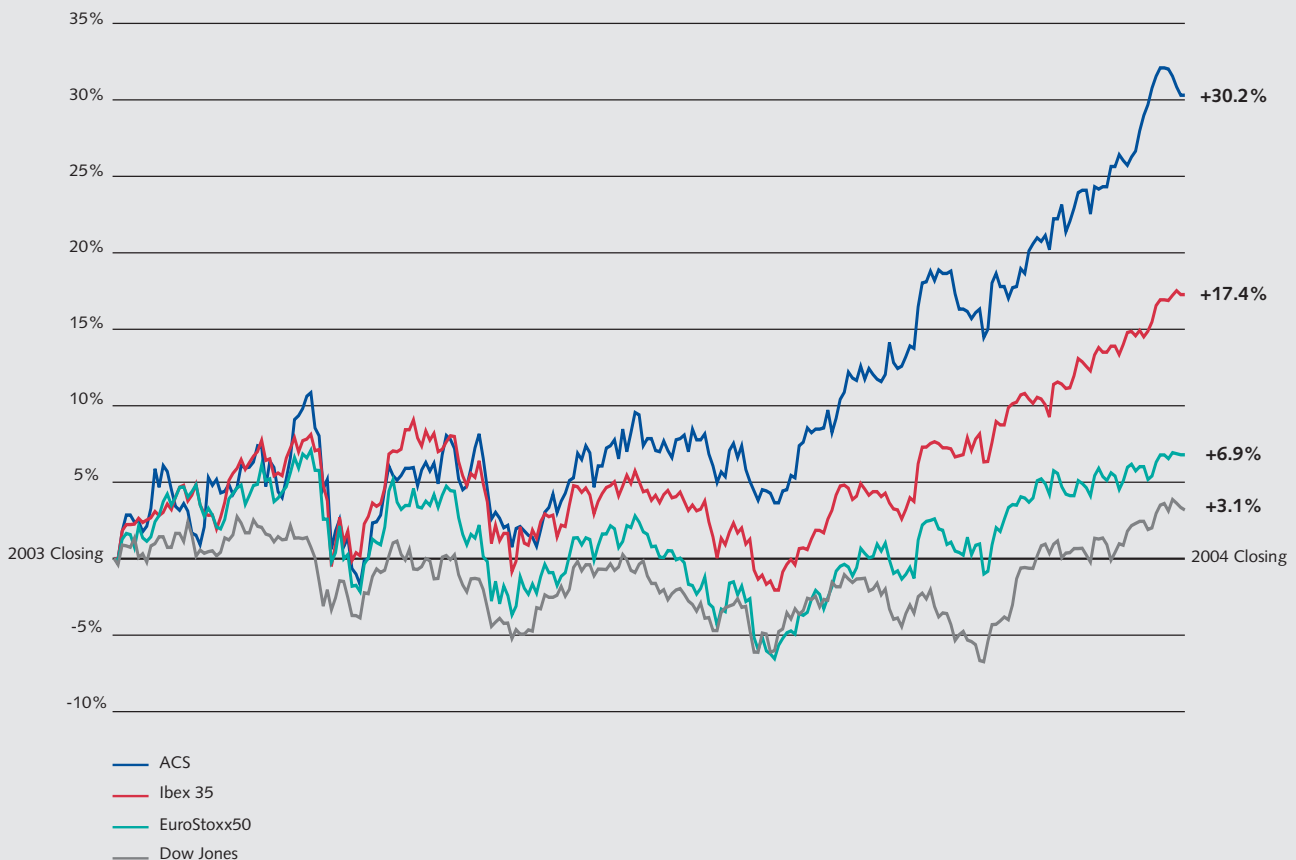
Millions of Euros	2000	2001	2002	2003	2004
<b>Due from shareholders for uncalled capital</b>	-	-	-	8.9	4.5
Start-up expenses	9.6	6.6	3.6	15.9	10.6
Intangible assets	51.2	59.6	67.6	421.3	485.7
Tangible fixed assets	481.4	579.6	602.1	1,533.8	1,847.1
Long-term financial investments	264.6	274.6	586.1	1,383.6	1,723.5
<b>Total Fixed and other noncurrent assets</b>	<b>806.9</b>	<b>920.4</b>	<b>1,259.4</b>	<b>3,354.6</b>	<b>4,066.9</b>
<b>Goodwill in consolidation</b>	<b>77.6</b>	<b>93.5</b>	<b>666.8</b>	<b>1,039.9</b>	<b>1,257.4</b>
<b>Deferred charges</b>	<b>18.7</b>	<b>13.3</b>	<b>13.7</b>	<b>43.4</b>	<b>56.0</b>
Inventories	199.4	184.2	181.4	424.9	403.6
Accounts receivables	1,899.9	2,176.9	2,239.4	5,159.2	5,176.5
Short-term investments	230.0	352.1	375.9	744.4	1,139.1
Treasury stock	-	-	-	26.9	29.1
Cash	95.6	124.3	164.9	383.1	451.0
Accrual accounts	10.7	15.9	13.0	40.9	25.4
<b>Current assets</b>	<b>2,435.6</b>	<b>2,853.4</b>	<b>2,974.6</b>	<b>6,779.4</b>	<b>7,224.7</b>
<b>TOTAL ASSETS</b>	<b>3,338.7</b>	<b>3,880.6</b>	<b>4,914.5</b>	<b>11,226.3</b>	<b>12,609.4</b>
Capital stock	96.3	96.1	96.1	177.8	176.4
Reserves	597.8	665.5	702.9	1,389.1	1,467.1
Income attributable to the Parent Company	120.8	149.2	181.4	229.5	460.4
<b>Shareholders' Equity</b>	<b>814.9</b>	<b>910.8</b>	<b>980.4</b>	<b>1,796.4</b>	<b>2,103.9</b>
<b>Minority interests</b>	<b>22.0</b>	<b>26.0</b>	<b>23.4</b>	<b>99.3</b>	<b>119.1</b>
<b>Negative consolidation differences</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>3.6</b>	<b>4.4</b>
<b>Deferred revenues</b>	<b>17.0</b>	<b>18.7</b>	<b>29.0</b>	<b>135.6</b>	<b>161.4</b>
<b>Project financing</b>	<b>129.0</b>	<b>179.9</b>	<b>211.0</b>	<b>316.2</b>	<b>465.9</b>
<b>Provisions for contingencies and expenses</b>	<b>27.5</b>	<b>27.3</b>	<b>54.0</b>	<b>405.7</b>	<b>258.1</b>
Payable to credit institutions	188.8	227.5	212.1	611.8	1,499.8
Other payable	17.5	14.7	13.7	116.9	183.2
<b>Total long-term debt</b>	<b>206.3</b>	<b>242.2</b>	<b>225.8</b>	<b>728.7</b>	<b>1,683.0</b>
Payable to credit entities	220.4	193.7	712.2	1,456.9	1,077.5
Trade accounts payables	1,587.6	1,881.9	2,208.4	5,059.2	5,514.6
Other non-trade payables	280.9	363.8	421.3	1,032.4	1,017.2
Operating allowances	33.1	36.3	49.0	192.3	204.3
<b>Total short-term debt</b>	<b>2,122.0</b>	<b>2,475.7</b>	<b>3,390.9</b>	<b>7,740.8</b>	<b>7,813.6</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,338.7</b>	<b>3,880.6</b>	<b>4,914.5</b>	<b>11,226.3</b>	<b>12,609.4</b>

# 3.5

## Stock Market Information

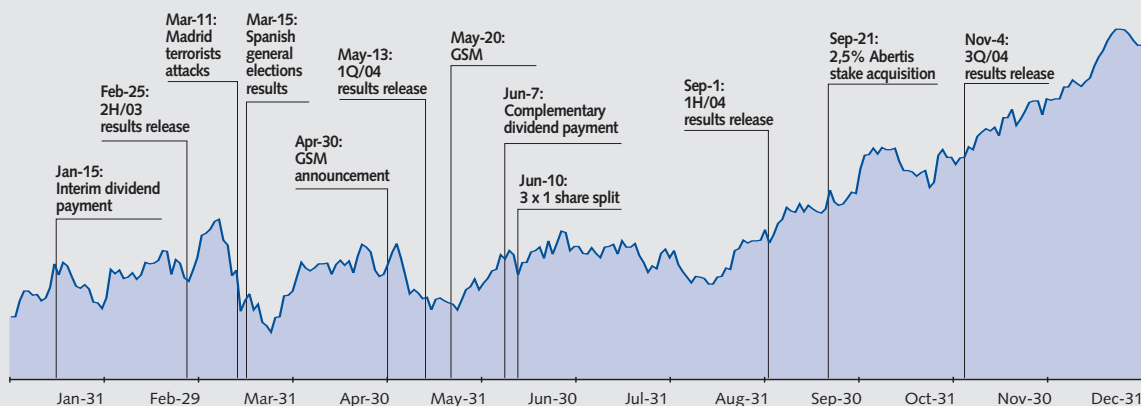
2004 has been the second consecutive year of recovery on the leading stock markets worldwide, being remarkable the performance of the Spanish market. Specifically, the Ibex 35 grew by 17.37% vs. the 6.90% rise of the EuroStoxx 50 and the moderate 3.15% gain of the Dow Jones. The greater part of this positive performance of the market took place in the second half of the year, as a result of the confirmation of international economic recovery, the absence of intense inflationary pressure and the positive results of listed companies, which firmly backed market performance.

### Stock markets performance in 2004



In this favorable context of the Spanish equity market, the ACS share gained 30.23%. This sound performance was marked by the solid quarterly results of the Group and by the positive performance of the construction sector in Spain vs. other sectors.

### 2004 ACS listed share price performance

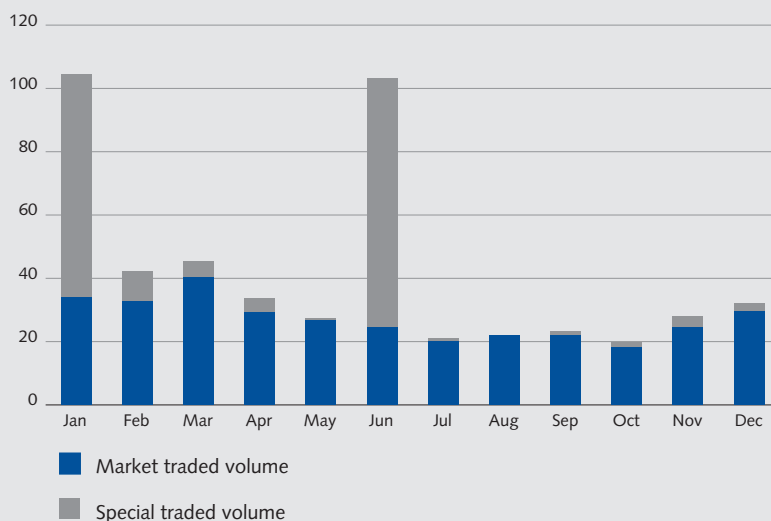


### ACS main stock market data in 2004

	Jan-Mar	Jan-June	Jan-Sept	Jan-Dec
<b>Closing price end of period</b>	<b>13.26E</b>	<b>13.85E</b>	<b>14.67E</b>	<b>16.80E</b>
ACS revaluation	2.79%	7.36%	13.72%	30.23%
Ibex 35 revaluation	3.63%	4.41%	3.77%	17.37%
<b>Maximum price of the period</b>	<b>14.36E</b>	<b>14.36E</b>	<b>14.83E</b>	<b>17.13E</b>
Maximum date	Mar-5	Mar-5	Sep-22	Dec-23
<b>Minimum price of the period</b>	<b>12.54E</b>	<b>12.54E</b>	<b>12.54E</b>	<b>12.54E</b>
Minimum date	Mar-24	Mar-24	Mar-24	Mar-24
<b>Average price of the period</b>	<b>13.40E</b>	<b>13.47E</b>	<b>13.55E</b>	<b>13.92E</b>
<b>Total shares traded (thousands)</b>	<b>192,231</b>	<b>356,675</b>	<b>423,179</b>	<b>503,261</b>
<b>Daily average shares traded (thousands)</b>	<b>3,051</b>	<b>2,831</b>	<b>2,216</b>	<b>2,005</b>
<b>Total effective volume traded (€ mn)</b>	<b>2,576</b>	<b>4,794</b>	<b>5,724</b>	<b>6,996</b>
<b>Daily average effective volume (€ mn)</b>	<b>40.88</b>	<b>38.05</b>	<b>29.97</b>	<b>27.87</b>
<b>Market capitalization end of period (€ mn)</b>	<b>4,679</b>	<b>4,887</b>	<b>5,177</b>	<b>5,928</b>

The trading volume grew significantly from year 2003. The average monthly trading volume amounted to 41,938,391 shares, constituting an 87.5% increase from the previous year.

### Performance of trading volume in 2004



Note: The increase in special traded volume coincides with the months of dividend payment

If the proposal to be made at the Ordinary General Shareholders' Meeting is approved, the direct shareholder return in the form of 2004 dividends will amount to €0.39 per share, divided in two payments: an initial interim dividend of €0.14 per share, paid on January 24, 2005, and a complementary dividend of €0.25 per share.

The dividend yield for shareholders at the 2004 year-end closing price stood at 2.32%.

