

## **The ACS Group enters the port management business in Brazil**

**Dragados SPL acquires a container and general cargo terminal in Santa Catarina State, in the south of the country**

**Sao Francisco do Sul is the fifth largest port in Brazil and is situated in one of the country's richest states**

**It now operates 16 port concessions, five of which are outside Spain (Brazil, Portugal, China, Dominican Republic and Chile)**

**Madrid, 17<sup>th</sup> July 2006.** Dragados Servicios Portuarios y Logísticos (SPL), a services area company of the ACS Group specialising in port logistics, has acquired 50% of the capital stock of Terminal de Santa Catarina, S.A., a company that operates a mixed terminal of containers and general cargo in the port of San Francisco do Sul, in the southeast of the country, in Santa Catarina State, one of the wealthiest in Brazil.

This purchase represents the arrival of the leader in port operations in Spain, Dragados SPL, in Brazil, a country with great potential in terms of maritime traffic and whose ports currently move around 4.5 million TEUs (standard 20-foot container that serves to measure traffic volume in ports) per year with a high growth rate that has exceeded 11% on average over the last seven years. The port of Sao Francisco do Sul is the fifth largest in Brazil and the best natural port in the south of the country.

The agreement between the company and the various Brazilian companies that until now had control of 100% of the capital of the terminal concessionaire until 2047, contemplates the making of new investments in the port worth 25 million euros, aimed at increasing container movement capacity in the port from the current 300,000 TEUs to 600,000 TEUs. In addition to this, the Terminal already moves 1,100,000 tons per year of general cargo.

The doubling of port activity in the terminal will be possible thanks to the extension of the wharf and the acquisition of new equipment, as well as due to using Dragados SPL's know-how in the management of container terminals. Both the port of Sao Francisco do Sul and its nearest competitor, Itajaí Port, are saturated.

The acquisition of 50% of this company by Dragados SPL, which includes the right to operate the terminal, amounts to 25.5 million euros. The other two partners, the Porto Novo Participações and Four Winds Participações companies, control 25% each.

With this acquisition, Dragados SPL continues its growth and expansion strategy abroad. It currently operates 16 port infrastructure concessions, both in Spain and abroad. In addition to the one recently acquired in Brazil, the service company of the ACS Group also operates terminals in the ports of Iquique (Chile), Caucedo (Dominican Republic), Setúbal (Portugal) and JingTang (China).

Overall, Dragados SPL last year processed in its terminals 4 million TEUs, 1.5 million vehicles and 11 million tons of bulk materials and cargo in general, which apart from making it the leader in the Spanish logistics and port operations market, places it amongst the top 20 port operators in the world. The company provides port handling services, as well as shipping agency, combined transport and specialised logistics services.

The ACS Group is already present in Brazil through the Industrial Services area, in particular in the construction and operation of high voltage lines and substations in several Brazilian states, through a concession agreement with the country's electrical authority, as well as in other industrial maintenance services.