



Dragados acquires the North American construction firm Schiavone to increase its foothold in the United States

The US company specializes in major civil work projects

At the end of 2007, close to 25% of the sales of ACS will be international

Madrid, 28 December 2007. Dragados, the company heading the Construction area of the ACS Group, has acquired 100% of the North American Schiavone Construction Co., which specializes in major civil work projects, for US \$50 million, in a push to increase its presence in the US public works market it entered in July 2006.

Schiavone is a construction company based in New Jersey with a strong presence throughout Northeastern U.S. Founded in 1956, the company is considered to be one of the best bridge builders in the country, although it generally works in the field of major civil work projects ranging from bridges, tunnels, underground works and highways to maritime and environmental works.

Schiavone currently has a backlog amounting to US \$800 million, which includes the contract valued at 1.144 billion euros jointly awarded to the company together with Skanska and Shea for the construction of line 7 of the New York Subway euros this month.

Dragados has been present in the United States through its subsidiary Dragados USA since the summer of 2006 when it was awarded the first contract of the New York subway extension plan for the construction of the East Side Access Manhattan Tunnels project, which is valued at \$U.S. 428 million.

The Metropolitan Transportation Authority (MTA) of New York awarded the joint venture formed by Dragados USA Inc. and its local partner Judlau Contracting Inc., in which the Spanish company has a 70% ownership interest, the contract for the construction of a new direct subway connection between the Long Island network in Queens and the Grand Central Terminal in Manhattan.

In order to carry out this project, Dragados is using two hard-rock tunnel boring machines that will construct four tunnels with a total length of 7,500 metres. No tunnels had been constructed in the New York Subway transportation network for more than 25 years and tunnel boring machines had never been used for this purpose before.

Dragados USA is also currently undertaking the modernization of the I-287, an interstate highway in the north of New York State, for the New York State Department of Transportation (NYSDOT), as well as the refurbishment of three dams for the New York State Department of Environmental Protection. Dragados was awarded the latter contract in November of last year, at the same time as its entrance into Poland after

being awarded its first civil work contract in this Eastern European country for the construction of the ring road around the city of Skoczow priced at 21.5 million euros.

Besides its activity of a purely construction-related type, the group's subsidiary responsible for the undertaking of infrastructure concessions, Iridium, is currently competing in different regions of the United States for projects valued at \$US 15 billion.

The Infrastructure Market in North America

The United States is the largest infrastructure market in the World with a total volume of approximately 900 billion euros in 2006. It accounts for around 9% of the country's GDP and its growth was similar to that of the American economy in the period 1994-2006.

Projections for upcoming years, mainly in the civil work and non-residential construction sector, indicate that there will be an increase higher than that of the economy due mainly to factors such as the rise in environmental demands and the need to adapt transportation infrastructures, the problems of mobility and congestion in cities and preferential transport routes, and the deterioration and lack of infrastructures.

Most infrastructure construction projects are carried out under design and construction contracts, and to date only a small percentage use some contractual type of public-private partnership in their development. However, a growing number of calls for infrastructure concession tenders are foreseen. Only 17% of the contracts of the highest amounts entered into in recent years used PPP public-private partnership formulas.

In view of its heavy activity in recent years and the size acquired, the ACS Group has the technical and financial capacity, international experience and broad knowledge in the development of infrastructure projects required to enable it to support Schiavone's progression in the markets in which it operates as well as its expansion into other business areas such as the area of concessions.

International Presence and Diversification

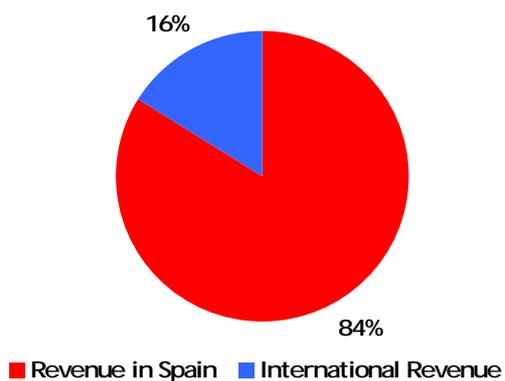
The acquisition of Schiavone Construction Co. is part of the ACS Group's strategy to increase its international presence profitably and in markets providing it with sufficient legal security. ACS group companies are directly present in 45 countries.

The ACS Group will close 2007 with turnover amounting to approximately 21 billion euros, of which close to 25% will be international sales. However, of the estimated EBITDA for this year amounting to 3.4 billion euros, approximately 33% will stem from international activity. Ten years ago in 1997, 16% of group sales and 18% of EBITDA were international.

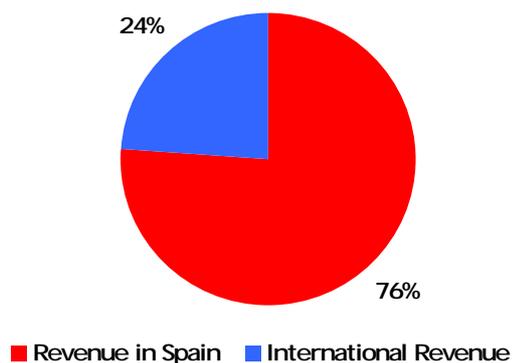
Likewise, in 1997, the Construction area activity accounted for 68% of ACS Group sales whereas at year-end it will account for 34%. The remainder of sales will be divided between Industrial Services (26%), Energy (27%) and Environment and Logistics (13%).

Breakdown of ACS Group Sales and EBITDA in 1997/2007

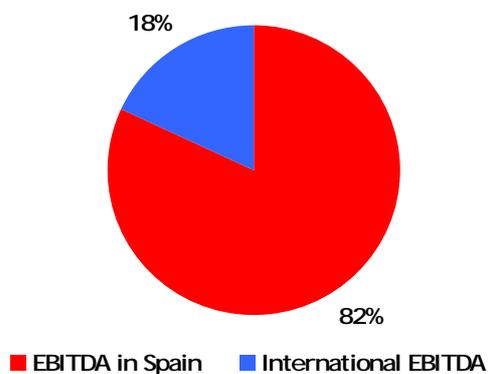
Sales. Internationalization 1997



Sales. Internationalization 2007e



EBITDA. Internationalization 1997



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