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**Development & management
of Infrastructure,
Energy and Services**

1H 2005 earnings (January-June)



acciona

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In accordance with Regulation 1606/2002 of the European Parliament and of the Council of 19 July 2002, for each financial year starting on or after 1 January 2005, companies governed by the law of a Member State must prepare their consolidated accounts in conformity with the International Financial Reporting Standards (IFRS) adopted by the European Union if their securities are admitted to trading on a regulated market. Accordingly, the ACCIONA Group is obliged to present its consolidated financial statements for the year ending 31 December 2005 in accordance with the IFRS adopted by the European Union at that date.

IFRS 1 on First Time Adoption establishes that entities must present the consolidated balance sheet and income statement for the year ending 31 December 2004 for comparison purposes.

The ACCIONA Group's consolidated half-yearly financial statements are presented in accordance with the International Financial Reporting Standards (IFRS) approved by the European Parliament to date. The quarterly financial statements were prepared based on the individual accounts of Acciona, S.A. and its Group companies and they include the necessary adjustments and reclassifications to adapt them to IFRS.

This information was prepared internally by the Acciona Group and has not been audited. Therefore, it is subject to changes, in terms of both the balance sheet and the income statement, as a result of changes in the applicable standards, estimates or any other similar circumstances.

1H 2005 RESULTS (January - June)

1. Key points:

- EBITDA increased by 38% year-on-year
- Net profit increased by 37% and EBIT by 51%
- Capital expenditure in the period amounted to 489 million euro

Income statement data (Million euro)	Jan.-Jun. 2004	Jan.-Jun. 2005	Chg. (%)
Revenues	1,876.7	2,092.5	11.5
EBITDA	217.7	301.2	38.3
EBIT	130.3	197.2	51.4
EBT	141.4	193.4	36.8
Net profit	99.7	136.6	37.0

Balance sheet data (Million euro)	31 Dec. 04	1 Jan. 05 (*)	30 Jun. 05
Net equity	3,012.1	3,093.2	3,215.1
Net debt	594.6	615.5	1,005.5
Financial gearing	19.7%	19.9%	31.3%
Capital expenditure	n/a	n/a	488.8

(*) Entry into force of IAS 32 and 39

Operating data (Million euro)	Jan.-Jun. 2004	Jan.-Jun. 2005	Chg. (%)
Infrastructure backlog	4,106	4,913	19.7
Residential property pre-sales	150	177	17.8
Installed capacity (MW)	1,342	1,710	27.4
Passengers served	1,396,887	1,177,049	-15.7
Cargo handled (linear metres)	1,818,147	2,283,870	25.6
Flights handled	70,915	78,585	10.8
Average workforce	22,105	21,776	-1.5

- These half-year results are presented in accordance with International Financial Reporting Standards (IFRS). Pro forma 2004 accounts based on IFRS are presented for comparison purposes.
- EBIT increased by 51% as a result of growth in high-margin businesses, such as energy, and an improvement in margins in the core construction business due to a strategy of selecting projects for profitability rather than size.
- Acciona Energy continues to increase in size within the Group: its contribution to EBITDA rose from 22% in 1H04 to 38% in 1H05 due to the increased stake in EHN and the addition of new wind farms. Acciona Infrastructure now represents 38% of group EBITDA (formerly 44%) and Acciona Services 20% (formerly 30%).
- Capital expenditure totalled 489 million euro, including most notably the acquisition of 10.42% of EHN to attain a 100% stake, and the ongoing development of new wind farms by Acciona Energy. Investments in Acciona Infrastructure were to acquire real estate and construction machinery (basically tunnel boring machines). Acciona Services acquired 25% of funeral services company Intur and invested in the Americo Vesputio toll road in Chile and the Viñedos road in Spain. As a result of this investment, net debt totalled 1.005 billion euro at the end of June 2005 (69% more than at 2004 year-end). Leverage (net debt/equity) of 31% at 30 June 2005 reveals that the group has further borrowing capacity with which to continue pursuing its policy of growth in the various business areas identified as strategic.

1H 2005 RESULTS (January - June)

2. Consolidated income statement

<i>(Million euro)</i>	<i>Jan.-Jun. 2004</i>		<i>Jan.-Jun. 2005</i>		<i>Chg. (%)</i>
	<i>Amount</i>	<i>% Revenue</i>	<i>Amount</i>	<i>% Revenue</i>	
Sales	1,876.7	100.0	2,092.5	100.0	11.5
<i>Other revenues</i>	152.4	8.1	224.3	10.7	47.2
<i>Changes in inventories</i>	150.0	8.0	114.8	5.5	-23.5
Total production value	2,179.1	116.1	2,431.6	116.2	11.6
<i>Cost of goods sold</i>	-642.0	-34.2	-683.1	-32.6	6.4
<i>Personnel expenses</i>	-331.5	-17.7	-357.6	-17.1	7.9
<i>Other expenses</i>	-987.9	-52.6	-1,089.7	-52.1	10.3
EBITDA	217.7	11.6	301.2	14.4	38.3
<i>Depreciation</i>	-87.4	-4.7	-104.0	-5.0	18.9
EBIT	130.3	6.9	197.2	9.4	51.4
<i>Financial revenues</i>	40.9	2.2	55.5	2.7	35.7
<i>Financial expenses</i>	-41.3	-2.2	-57.5	-2.7	39.1
<i>Exchange differences (net)</i>	2.5	0.1	-0.4	0.0	-114.5
<i>Impairment/release of assets</i>	-0.7	0.0	0.2	0.0	-125.1
<i>Income from associated companies</i>	7.2	0.4	6.8	0.3	-6.7
<i>Income on sale of non-current assets</i>	1.1	0.1	3.6	0.2	237.9
<i>Other gains or losses</i>	1.3	0.1	-12.0	-0.6	-1006.5
EBT	141.4	7.5	193.4	9.2	36.8
<i>Income tax</i>	-36.8	-2.0	-55.2	-2.6	50.2
Earnings after taxes	104.6	5.6	138.2	6.6	32.1
<i>Minority interest</i>	-4.9	-0.3	-1.5	-0.1	-68.3
Attributable net profit	99.7	5.3	136.6	6.5	37.0

Sales

Consolidated sales increased by 11.5%, driven primarily by Acciona Energy, whose revenues increased by 50.3%. Revenues rose by 3.2% at Acciona Infrastructure and 12.2% at Acciona Services.

EBITDA

EBITDA amounted to 301.2 million euro, a 38.3% increase on 1H04. The EBITDA margin was 14.4%, compared with 11.6% in 1H04. This improvement is due to positive performance in the Infrastructure and Energy businesses:

1. Acciona Infrastructure: the EBITDA margin improved by 116 basis points due to the policy of seeking profitability, which led to lower international activity and greater exposure to real estate.
2. Acciona Energy: this area significantly increased its contribution to group sales due to the full consolidation of 100% of EHN in 1H05 (vs. 50% in 1H04), boosting sales by 50.3% year-on-year. Additionally, the EBITDA margin increased significantly, to 50%, due to organic growth, the division's operating leverage, and the election to apply the pool price in the wind power business, enabling it to benefit from the high prices per kWh.

Acciona Services: this area saw the EBITDA margin fall 231 basis points, basically due to higher fuel costs at Trasmediterránea.

EBIT

EBIT amounted to 197.2 million euro in 1H05, i.e. 51.4% more than in 1H04. The EBITDA margin improved from 6.94% to 9.42% despite the increase in depreciation as a result of the larger weighting of capital-intensive businesses, such as energy.

EBT from Continuing Activities

EBT from continuing activities totalled 193.4 million euro, a 36.8% increase on 1H04.

Attributable net profit

Attributable net profit grew 37% to 136.6 million euro.

1H 2005 RESULTS (January - June)

3. Earnings by business:

<i>(Million euro)</i>	<i>Jan.-Jun. 2004</i>		<i>Jan.-Jun. 2005</i>		<i>Chg. (%)</i>
	<i>Amount</i>	<i>% Revenue</i>	<i>Amount</i>	<i>% Revenue</i>	
Sales	1,876.7	100.0	2,092.5	100.0	11.5
<i>Infrastructure</i>	1,315.2	70.1	1,357.6	64.9	3.2
<i>Energy</i>	151.3	8.1	227.4	10.9	50.3
<i>Services</i>	475.7	25.3	533.8	25.5	12.2
<i>Other businesses</i>	43.0	2.3	37.8	1.8	-12.2
<i>Consolidation adjustments</i>	-108.5	-5.8	-64.0	-3.1	n.s.

<i>(Million euro)</i>	<i>Jan.-Jun. 2004</i>		<i>Jan.-Jun. 2005</i>		<i>Chg. (%)</i>
	<i>Amount</i>	<i>% Revenue</i>	<i>Amount</i>	<i>% Revenue</i>	
EBITDA	217.7	11.6	301.2	14.4	38.3
<i>Infrastructure</i>	96.3	7.3	115.1	8.5	19.6
<i>Energy</i>	48.4	32.0	113.8	50.0	135.0
<i>Services</i>	65.3	13.7	60.9	11.4	-6.7
<i>Other businesses</i>	7.7	17.9	11.3	30.0	47.0

<i>(Million euro)</i>	<i>Jan.-Jun. 2004</i>		<i>Jan.-Jun. 2005</i>		<i>Chg. (%)</i>
	<i>Amount</i>	<i>% Revenue</i>	<i>Amount</i>	<i>% Revenue</i>	
EBT	141.4	7.5	193.4	9.2	36.8
<i>Infrastructure</i>	68.4	5.2	81.2	6.0	18.7
<i>Energy</i>	25.2	16.6	59.2	26.0	135.3
<i>Services</i>	24.1	5.1	27.1	5.1	12.5
<i>Other businesses and financial results</i>	23.8	55.2	25.9	68.6	9.0



3. 1. ACCIONA INFRASTRUCTURE:

3.1.1. Construction:

<i>(Million euro)</i>	<i>January-June</i>		
	2004	2005	Chg. (%)
<i>Sales</i>	1,194.9	1,222.7	2.3
EBITDA	75.1	85.9	14.3
<i>Margin</i>	6.3%	7.0%	
<i>EBT</i>	50.2	60.5	20.5
<i>Margin</i>	4.2%	4.9%	

Construction EBITDA increased by 14.3% and the EBITDA margin improved nearly 74 basis points due to the strategy of pursuing profitability rather than volume.

The construction and engineering backlog at 30 June 2005 was 4.913 billion euro, a 19.7% increase on 30 June 2004, and 8% more than at 31 March 2005, evidencing the large volume of new contracts obtained in the second quarter.

Main contracts obtained in January-June 2005 (*)

CIVIL ENGINEERING

GAS STORAGE CAISSON IN ALGECIRAS PORT
 BURYING OF FEVE RAILWAY INFRASTRUCTURE PHASE 1 IN BASURTO
 BURYING OF THE MADRID M-30 RING ROAD BETWEEN SAN ISIDRO BRIDGE AND PRAGA BRIDGE
 MADRID-BARCELONA HIGH-SPEED RAILWAY LINE BETWEEN SANT JOAN AND SANT BOI
 EMERGENCY IRRIGATION WORK IN LORCA
 LUIS CAMPOMANES MARINA IN ALTEA
 PHASE 1 ALGERRI-BALAGUER IRRIGATION, SECTOR B
 PLAN GALICIA. SARRIA A-6 HIGHWAY. SECTION II. LUGO
 PARLA TRAMLINE 1. MADRID

RESIDENTIAL BUILDING

NEW HOME DEVELOPMENT IN GIBRALTAR
 102 HOMES, CALA GOLF RESORT, MIJAS (M.D.C.I.)

1H 2005 RESULTS (January - June)

NON-RESIDENTIAL BUILDING

CIVIL ENGINEERING/INFRASTRUCTURE/SITE DEVELOPMENT OF NEW FACTORY (INCOSA)
 INFRASTRUCTURE/ARCHITECTURE/EQUIPMENT OF METRO LINE 5. QUART-MANISES
 MUSIC THEATRE, SANTIAGO DE COMPOSTELA
 "GORBEA V" OFFICE BLOCK, SANCHINARRO. MADRID
 SAN SEBASTIAN DE LOS REYES HOSPITAL. MADRID
 NEW TERMINAL BUILDING AT ALICANTE AIRPORT
 FOREDECK BUILDING/PARKING LOT IN VALENCIA PORT

(*) Contracts worth over 20 million euro

3.1.2. Real Estate:

<i>(Million euro)</i>	January-June		
	2004	2005	Chg. (%)
<i>Sales</i>	120.3	134.9	12.1
EBITDA	21.2	29.2	38.2
<i>Margin</i>	17.6%	21.7%	
<i>EBT</i>	18.2	20.7	14.0
<i>Margin</i>	15.1%	15.4%	

The Real Estate division continued to increase its contribution, with EBITDA rising by 38.2%, reflecting Acciona's ongoing investments in this area in recent years. In the first half of 2005, Acciona invested close to 76 million euro in property assets.

Real estate sales in the second quarter were lower than in the first quarter (which included non-recurring land sales). Additionally, the delivery of some real estate developments was delayed in 2Q05; under IFRS, this led to postponement of their recognition to the second half of the year. Pre-sales of real estate totalled 177 million euro in 1H05, a 17.8% increase on 1H04.

Acciona Inmobiliaria continues to invest in land at a growing rate (see table below) so as to ensure future growth in this area.

<i>(Million euro)</i>	January-June		
	2004	2005	Chg. (%)
<i>Land purchases</i>	50.6	79.8	57.7

3. 2. ACCIONA ENERGY:

<i>(Million euro)</i>	January-June		
	2004	2005	Chg. (%)
Sales	151.3	227.4	50.3
EBITDA	48.4	113.8	135.0
Margin	32.0%	50.0%	
EBT	25.2	59.2	135.3
Margin	16.6%	26.0%	

In the first half of 2005, Acciona consolidated 100% of EHN (compared with 50% in 1H04). The 50% increase in revenues is due to the change in consolidation method and to the strong growth in the wind energy business, in terms of both installed capacity and output.

The improvement in margins was favoured by the increase in wind power sale prices as a result of Acciona Energy's election, under the current regulatory framework, to apply a tariff linked to the electricity pool price in the first half of 2005, contrasting with the fixed tariff applied in 1H04.

(MW operational)	30 Jun. 05	
	Total	Attributable
Wind power in Spain	1,117.5	1,031.1
Wind power in other countries	261.7	118.1
Total Wind	1,379.2	1,149.2
Small hydroelectric	58.8	58.8
Biomass	33.0	33.0
Solar	2.8	2.8
Cogeneration	236.1	220.9
Total other technologies	330.7	315.5
Total Energy	1,709.9	1,464.7

The percentage of attributable MW is 86%.

1H 2005 RESULTS (January - June)

Power generation in 1H05:

(GWh)	30 Jun. 05	
	Total	Attributable
Wind power in Spain	1,354.2	1,243.3
Wind power in other countries	277.5	90.7
Total Wind	1,631.7	1,334.0
Small hydroelectric	141.9	141.9
Biomass	96.1	96.1
Solar	1.0	1.0
Cogeneration	812.5	761.0
Total other technologies	1,051.5	1,000.0
Total Energy	2,683.2	2,334.0



3.3. ACCIONA SERVICES:

3.3.1. Logistics and Airport Services:

<i>(Million euro)</i>	<i>January-June</i>		
	2004	2005	Chg. (%)
<i>Sales</i>	376.6	412.7	9.6
EBITDA	44.7	36.0	-19.6
<i>Margin</i>	<i>11.9%</i>	<i>8.7%</i>	
<i>EBT</i>	14.6	12.0	-17.6
<i>Margin</i>	3.9%	2.9%	

Sales increased by 9.6%, reflecting a good half-year in airport services, with 11% growth in flight numbers. EBITDA decreased 19.6% due to higher fuel costs, which affected Trasmediterránea. This division's performance is seasonal, peaking in the third quarter.

Trasmediterránea increased cargo transport in the first half of 2005. The decline in passenger number is due basically to cessation of certain services in the Canary Islands at the end of 2004.

	<i>January-June</i>		
	2004	2005	Chg. (%)
<i>Passengers</i>	1,396,887	1,177,049	-15.7
<i>Cargo (linear metres)</i>	1,818,147	2,283,870	25.6

The airport business performed well in Spain and even better in Germany. In particular, the number of flights handled at the Berlin airports more than doubled. In the first half, the total number of flights increased by 7.4% in Spain and by 16.1% in Germany.

Weighted no. of flights	<i>January-June</i>		
	2004	2005	Chg. (%)
<i>Spain</i>	43,058	46,244	7.4
<i>Germany</i>	27,857	32,341	16.1
Total	70,915	78,585	10.8

3.3.2. Urban and Environmental Services:

<i>(Million euro)</i>	<i>January-June</i>		
	<i>2004</i>	<i>2005</i>	<i>Chg. (%)</i>
<i>Sales</i>	55.3	75.4	36.3
<i>EBITDA</i>	5.5	9.3	68.9
<i>Margin</i>	9.9%	12.3%	
<i>EBT</i>	3.2	6.3	96.5
<i>Margin</i>	5.8%	8.4%	

In the first half of 2005, Urban and Environmental Services increased EBITDA by 68.9% as a result of the division's operating leverage, driven by strong growth in revenues, primarily in waste collection and sanitation.

3.3.3. Concession Services

<i>(Million euro)</i>	<i>January-June</i>		
	<i>2004</i>	<i>2005</i>	<i>Chg. (%)</i>
<i>Sales</i>	43.8	45.7	4.3
<i>EBITDA</i>	15.1	15.7	4.2
<i>Margin</i>	34.3%	34.3%	
<i>EBT</i>	6.2	8.7	39.5
<i>Margin</i>	14.3%	19.1%	

The Concession Services area increased EBITDA by 4.2% to 15.7 million euro in the first half of 2005. The EBITDA margin was stable despite the entry into service of several toll roads (including the Litoral Central in Chile). The car park division now manages 11,653 parking spaces, 2.7% more than at 31 March 2005.

3.4. OTHER BUSINESSES AND FINANCIAL RESULTS:

<i>(Million euro)</i>	<i>January-June</i>		
	2004	2005	Chg. (%)
<i>Sales</i>	43.0	37.8	-12.2
<i>EBITDA</i>	7.7	11.3	47.0
<i>Margin</i>	17.9%	30.0%	
<i>EBT</i>	23.8	25.9	9.0
<i>Margin</i>	55.2%	68.6%	

The fund management business (conducted through Bestinver) continued to perform very well, attaining 2.393 billion euro under management at 30 June 2005, up from 1.057 billion euro at 30 June 2004. The wine business (Hijos de Antonio Barceló) sold 593,025 cases in the first six months of 2005. The media business includes Vocento (equity method) and GDP (fully consolidated).

The decline in sales is due to the divestment of Ibergel in December 2004. The rapid growth in EBITDA reflects strong operating performance by this division. The division's EBT reflects good performance by revenues from shareholdings in the period, mainly the dividend from FCC in the first quarter.

1H 2005 RESULTS (January - June)

4. Consolidated balance sheet:

<i>(Million euro)</i>	31 Dec. 04		30 Jun. 05	
	Amount	% Total	Amount	% Total
<i>PROPERTY, PLANT & EQUIPMENT, AND INTANGIBLE ASSETS</i>	2,598.2	27.7	2,866.1	27.8
<i>FINANCIAL ASSETS</i>	853.9	9.1	1,285.1	12.5
<i>GOODWILL</i>	407.6	4.3	443.1	4.3
<i>OTHER NON-CURRENT ASSETS</i>	171.4	1.8	180.3	1.8
<i>CURRENT ASSETS</i>	5,361.9	57.1	5,523.4	53.6
<i>Inventories</i>	825.1	8.8	940.6	9.1
<i>Accounts receivable</i>	1,659.3	17.7	1,695.3	16.5
<i>Other current assets</i>	180.7	1.9	182.3	1.8
<i>Current financial assets</i>	2,512.4	26.7	2,408.9	23.4
<i>Cash and cash equivalents</i>	184.6	2.0	296.4	2.9
TOTAL ASSETS	9,393.1	100.0	10,298.0	100.0
<i>ATTRIBUTABLE EQUITY</i>	2,740.9	29.2	3,013.3	29.3
<i>Capital</i>	63.6	0.7	63.6	0.6
<i>Reserves</i>	2,447.1	26.1	2,824.9	27.4
<i>Profit attributable to equity holders of parent</i>	230.2	2.5	136.6	1.3
<i>Own securities</i>			-11.7	-0.1
<i>MINORITY INTERESTS</i>	271.2	2.9	201.8	2.0
<i>NET EQUITY</i>	3,012.1	32.1	3,215.1	31.2
<i>NON-CURRENT LIABILITIES</i>	1,846.5	19.7	2,233.4	21.7
<i>Interest-bearing borrowings</i>	1,189.6	12.7	1,418.3	13.8
<i>Other non-current liabilities</i>	657.0	7.0	815.1	7.9
<i>CURRENT LIABILITIES</i>	4,534.5	48.3	4,849.5	47.1
<i>Interest-bearing borrowings</i>	2,102.0	22.4	2,292.4	22.3
<i>Trade payables</i>	1,938.6	20.6	966.5	19.1
<i>Other current liabilities</i>	493.9	5.3	590.6	5.7
TOTAL LIABILITIES	9,393.1	100.0	10,298.0	100.0

1H 2005 RESULTS (January - June)

Equity amounted to 3,215.1 million euro at 30 June 2005.

Net debt at Acciona totalled 1,005.5 million euro at 30 June 2005, compared with 594.6 million euro at 31 December 2004. The pace of investment, mainly in the Energy and Services divisions, was the primary reason for the increase in debt.

Leverage (net debt over shareholders' equity) was 31%, evidencing Acciona's sound financial structure, with scope to continue expanding.

<i>(Million euro)</i>	31 Dec. 04		30 Jun. 05		Chg. (%)
	Amount	% Total	Amount	% Total	
Cash + current financial assets	2,696.9		2,705.3		0.3
<i>Interest-bearing borrowings without recourse</i>	681.3	20.7	896.9	24.2	31.6
<i>Interest-bearing borrowings with recourse</i>	2,610.2	79.3	2,813.9	75.8	7.8
Total interest-bearing debt	3,291.6	100.0	3,710.7	100.0	12.7
Net debt	-594.6		-1,005.5		69.1

Investments in 1H05 amounted to 489 million euro, of which nearly 40% was concentrated at Acciona Energy.

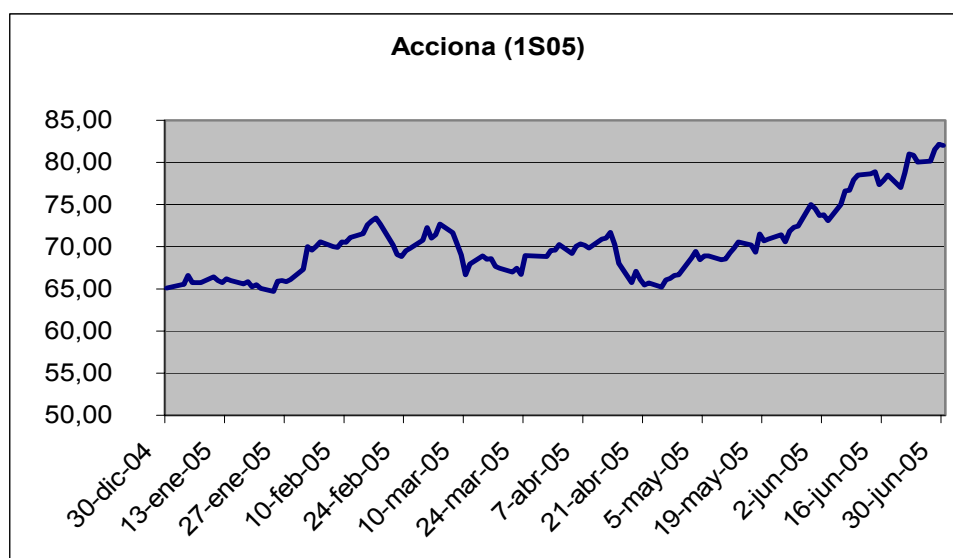
<i>(Million euro)</i>	Capital expenditure
	Jan.- Jun. 2005
<i>Acciona Infrastructure</i>	106.4
<i>Acciona Energy</i>	203.0
<i>Acciona Services</i>	176.6
<i>Other businesses</i>	2.8
Total	488.8

5. Annex:

5.1. Share data:

	Share data Jan.-Jun. 2005
Starting price in 2005	65.1
Closing price on 30 June 2005	82
Appreciation in 1H05	25.96%
Low in 1H05 (24 January)	64.7
High in 1H05 (29 June)	82.15
Average daily trading (shares)	304,372
Average daily trading (million euro)	21.5
Number of shares	63,550,000
Market capitalisation on 30 June 2005 (million euro)	5,211.10

5.2. Acciona Share performance in 1H05



6. Contact:

ACCIONA

Investor Relations Department

**Avda, de Europa, 18
Parque Empresarial
La Moraleja
28108 Alcobendas (Madrid)**

inversores@acciona.es

**Tel.:91 623 11 44
Fax:91 663 28 84**