

Construction and Real Estate

Infrastructure Concessions

Energy

Logistics and Airport Services

Urban and Environmental Services



acciona

DEVELOPMENT AND
MANAGEMENT OF
INFRASTRUCTURE
AND SERVICES



RESULT 1Q-2004 (January - March)

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1Q04 RESULTS (January-March)

1. Key points:

- EBITDA increased by 63% due mainly to:
 1. A year-on-year improvement of 155 basis points in Construction and Real Estate margins, from 4.68% in 1Q03 to 6.23%.
 2. An increase in the weighting of sales in businesses with wider margins, especially Energy. Unlike 1Q03, EHN was proportionally consolidated and Trasmediterránea was fully consolidated in 1Q04.
- Construction and Real Estate contributed 42.4% of Acciona's EBITDA in 1Q04, compared with 49.7% in 2003 and 57.8% in 1Q03.
- Ordinary profit increased by 45.5% and the change in net attributable profit is distorted due to extraordinary items in 2003. Net attributable profit amounted to 39.7 million euros, compared with 1,398.8 million euros in 1Q03, when there were capital gains on the sale of the stake in Vodafone España.

<i>(Million euros)</i>	<i>Key figures</i>		
	<i>Jan-Mar 03</i>	<i>Jan-Mar 04</i>	<i>Chg. (%)</i>
<i>Turnover</i>	853.3	915.2	7.3
<i>EBITDA</i>	57.8	94.2	63.0
<i>EBIT</i>	39.6	56.6	43.0
<i>Ordinary profit</i>	41.8	60.9	45.5
<i>EBT</i>	1,400.8	40.1	-97.1
<i>Net profit</i>	1,398.8	39.7	-97.2

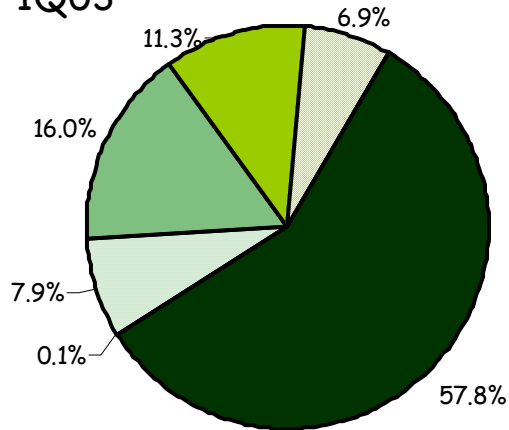
- Net debt stood at 146 million euros, compared with net cash of 155 million euros at 31 December 2003, reflecting ongoing strong investments by the company.

<i>(Million euros)</i>	<i>Key figures</i>		
	<i>31 Dec. 03</i>	<i>31 Mar. 04</i>	<i>Chg. (%)</i>
<i>Shareholders' equity</i>	2,639.8	2,644.5	0.2
<i>Net cash</i>	155.5	-146.1	n.m.
<i>Construction backlog</i>	4,140	4,104	-0.9
<i>Average number of employees</i>	21,131	21,246	0.5

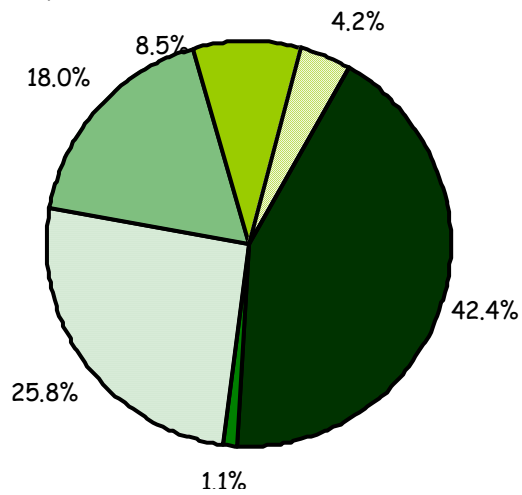
1Q04 RESULTS (January-March)

BREAKDOWN OF EBITDA BY BUSINESS AREA

1Q03



1Q04



1Q04 RESULTS (January-March)

2. Consolidated profit and loss account:

<i>(Million euros)</i>	<i>Jan. -Mar. 03</i>		<i>Jan. -Mar. 04</i>		<i>Chg. (%)</i>
	<i>Amount</i>	<i>% of turnover</i>	<i>Amount</i>	<i>% of turnover</i>	
<i>Net turnover</i>	853.3	100.0	915.2	100.0	7.3
<i>Other income</i>	37.7	4.4	56.3	6.1	49.1
<i>Change in stocks</i>	43.3	5.1	51.5	5.6	19.0
<i>Total production value</i>	934.3	109.5	1,022.9	111.8	9.5
<i>Net purchases</i>	-183.6	-21.5	-210.4	-23.0	14.6
<i>Change in stocks</i>	-29.1	-3.4	-47.1	-5.1	61.9
<i>External and operating expenses</i>	-531.9	-62.3	-505.9	-55.3	-4.9
<i>Adjusted added value</i>	189.6	22.2	259.5	28.4	36.9
<i>Personnel expenses</i>	-131.8	-15.4	-165.3	-18.1	25.4
<i>EBITDA</i>	57.8	6.8	94.2	10.3	63.0
<i>Amortization and depreciation</i>	-18.5	-2.2	-42.6	-4.6	130.2
<i>Provisions to reversion fund</i>	-0.1	0.0	-0.1	0.0	131.0
<i>Change in working capital provisions</i>	0.3	0.0	5.1	0.6	1,397.6
<i>EBIT</i>	39.6	4.6	56.6	6.2	43.0
<i>Financial income</i>	16.1	1.9	29.3	3.2	81.8
<i>Financial expenses</i>	-14.5	-1.7	-23.7	-2.6	62.8
<i>Financial provisions and write-downs</i>	-1.2	-0.1	0.2	0.0	-119.0
<i>Share in results of equity-accounted companies</i>	2.6	0.3	1.7	0.2	-33.9
<i>Amortization of goodwill on consolidation</i>	-1.0	-0.1	-3.6	-0.4	254.8
<i>Reversal of negative goodwill on consolidation</i>	0.3	0.0	0.3	0.0	-4.4
<i>Ordinary profit</i>	41.8	4.9	60.9	6.6	45.5
<i>Extraordinary results</i>	1,625.2	190.5	-4.0	-0.4	-100.2
<i>EBT</i>	1,667.1	195.4	56.9	6.2	-96.6
<i>Tax</i>	-266.3	-31.2	-16.8	-1.8	-93.7
<i>Net profit</i>	1,400.8	164.2	40.1	4.4	-97.1
<i>Minority interests</i>	-2.0	-0.2	-0.5	0.0	-77.7
<i>Net attributable profit</i>	1,398.8	163.9	39.7	4.3	-97.2

There were two major changes in group size with respect to 1Q03: the full consolidation of Trasmediterránea and the proportional consolidation of EHN.

Net turnover

Consolidated net turnover increased by 7.3%, boosted by sharp increases in Energy, and Logistics and Airport Services, contrasting with the 10.2% decline in Construction and Real Estate, due mainly to lower international activity and a slower construction pace in Spain. Therefore, Construction and Real Estate reduced its weighting in the group to 67.4% of consolidated turnover, compared with 81.1% in 1Q03 and 76% in 2003.

EBITDA

Acciona obtained 94.2 million euros in earnings before interest, taxes, depreciation and amortization (EBITDA), i.e. 63% more than in 1Q03, and the EBITDA margin reached 10.3%, compared with 6.8% in 1Q03. This improvement is a result of turnover growth in areas which have wider margins, and a wider margin in Construction and Real Estate.

EBIT

Earnings before interest and taxes (EBIT) amounted to 56.6 million euros, a 43% improvement over last year. The EBIT margin widened to 6.18%, from 4.64% in 1Q03. EBIT grew more slowly than EBITDA due mainly to a 130% increase in depreciation and amortization as a result of the inclusion of new businesses with high amortization, such as Trasmediterránea.

Ordinary profit

Ordinary profit before taxes amounted to 60.9 million euros, 45.5% more than in 1Q03.

Net profit attributable to the Parent Company

Net attributable profit amounted to 39.7 million euros, compared with 1,398.8 million euros in 1Q03, when there were extraordinary items before taxes totaling 1,625 million euros as a result of the disposal of the stake in Vodafone España.

1Q04 RESULTS (January-March)

3. Results by business:

<i>(Million euros)</i>	<i>Jan. -Mar. 03</i>		<i>Jan. -Mar. 04</i>		<i>Chg. (%)</i>
	<i>Amount</i>	<i>% of turnover</i>	<i>Amount</i>	<i>% of turnover</i>	
<i>Net turnover</i>	853.3	100.0	915.2	100.0	7.3
<i>Construction and Real Estate</i>	713.8	83.7	641.0	70.0	-10.2
<i>Infrastructure concessions</i>	5.8	0.7	4.7	0.5	-18.5
<i>Energy</i>	23.5	2.8	75.3	8.2	220.5
<i>Logistics and Airport Services</i>	86.1	10.1	176.5	19.3	105.0
<i>Urban and Environmental Services</i>	29.7	3.5	33.4	3.7	12.5
<i>Other businesses</i>	21.2	2.5	19.9	2.2	-6.2
<i>Consolidation adjustments</i>	-26.8	-3.1	-35.6	-3.9	32.7

<i>(Million euros)</i>	<i>Jan. -Mar. 03</i>		<i>Jan. -Mar. 04</i>		<i>Chg. (%)</i>
	<i>Amount</i>	<i>% of turnover</i>	<i>Amount</i>	<i>% of turnover</i>	
<i>EBITDA</i>	57.8	6.8	94.2	10.3	63.0
<i>Construction and Real Estate</i>	33.4	4.7	39.9	6.2	19.5
<i>Infrastructure concessions</i>	0.1	1.1	1.1	22.7	1,607.9
<i>Energy</i>	4.6	19.4	24.3	32.3	435.2
<i>Logistics and Airport Services</i>	9.2	10.7	16.9	9.6	83.5
<i>Urban and Environmental Services</i>	6.5	22.0	8.0	23.8	21.8
<i>Other businesses</i>	4.0	18.9	4.0	19.9	-0.9

<i>(Million euros)</i>	<i>Jan. -Mar. 03</i>		<i>Jan. -Mar. 04</i>		<i>Chg. (%)</i>
	<i>Amount</i>	<i>% of turnover</i>	<i>Amount</i>	<i>% of turnover</i>	
<i>Ordinary EBT</i>	43.4	5.1	56.9	6.2	31.0
<i>Construction and Real Estate</i>	25.9	3.6	31.5	4.9	22.0
<i>Infrastructure concessions</i>	0.2	3.9	0.3	5.6	17.7
<i>Energy</i>	1.3	5.5	8.6	11.4	566.0
<i>Logistics and Airport Services</i>	4.3	4.9	0.4	0.2	-91.6
<i>Urban and Environmental Services</i>	4.7	16.0	5.4	16.1	13.6
<i>Other businesses</i>	3.9	18.4	3.9	19.5	-0.7
<i>Corporate financial result</i>	3.2	n.a.	6.9	n.a.	117.9

1Q04 RESULTS (January-March)

Construction and Real Estate:

<i>(Million euros)</i>	<i>January-March</i>		
	<i>2003</i>	<i>2004</i>	<i>Chg. (%)</i>
<i>Net turnover</i>	713.8	641.0	-10.2
<i>EBITDA</i>	33.4	39.9	19.5
<i>Margin</i>	4.7%	6.2%	
<i>EBT</i>	25.9	31.5	22.0
<i>Margin</i>	3.6%	4.9%	

Construction and Real Estate turnover decreased by 10.2% in 1Q04 due to a 20% decline in international construction and a slower construction pace in Spain.

The division's EBITDA increased by 19.5% and the EBITDA margin improved from 4.68% in 1Q03 to 6.23%, reflecting a continuation of the improvement in margins that commenced in 2003, due to the Group's selective approach to new contracts in recent years.

The construction backlog at 31 March 2004 was 4,104 million euros, slightly less than at 31 March 2003 and in line with the 4,092 million euros at 31 December 2003.

Infrastructure concessions:

<i>(Million euros)</i>	<i>January-March</i>		
	<i>2003</i>	<i>2004</i>	<i>Chg. (%)</i>
<i>Net turnover</i>	5.8	4.7	-18.5
<i>EBITDA</i>	0.1	1.1	1,607.9
<i>Margin</i>	1.1%	22.7%	
<i>EBT</i>	0.2	0.3	17.7
<i>Margin</i>	3.9%	5.6%	

The decline in the division's turnover is due to lower activity at the infrastructure maintenance subsidiary. Nevertheless, EBITDA increased significantly as a result of good performance by the Envalira tunnel in Andorra and the opening of the Coast-Central road in Chile.

1Q04 RESULTS (January-March)

Energy:

	<i>(Million euros)</i>	<i>January-March</i>		
		<i>2003</i>	<i>2004</i>	<i>Chg. (%)</i>
<i>Net turnover</i>		23.5	75.3	220.5
<i>EBITDA</i>		4.6	24.3	435.2
<i>Margin</i>		19.4%	32.3%	
<i>EBT</i>		1.3	8.6	566.0
<i>Margin</i>		5.5%	11.4%	

The strong increase in turnover (+220.5%) is due basically to the consolidation of EHN, which was not part of the group in 1Q03.

As a result, the division's EBITDA, EBITDA margin and EBT improved substantially.

Logistics and airport services:

	<i>(Million euros)</i>	<i>January-March</i>		
		<i>2003</i>	<i>2004</i>	<i>Chg. (%)</i>
<i>Net turnover</i>		86.1	176.5	105.0
<i>EBITDA</i>		9.2	16.9	83.5
<i>Margin</i>		10.7%	9.6%	
<i>EBT</i>		4.3	0.4	-91.6
<i>Margin</i>		4.9%	0.2%	

The inclusion of Trasmediterránea in 1Q04 boosted the division's turnover to 176.5 million euros, 105% higher than in 1Q03. The division's EBITDA grew by slightly less (+83.5%) due to a lower margin at Trasmediterránea as a result of the seasonal nature of its business, which also affected the division's EBT.

1Q04 RESULTS (January-March)

Urban and Environmental Services:

<i>(Million euros)</i>	<i>January-March</i>		
	<i>2003</i>	<i>2004</i>	<i>% Chg.</i>
<i>Net turnover</i>	29.7	33.4	12.5
<i>EBITDA</i>	6.5	8.0	21.8
<i>Margin</i>	22.0%	23.8%	
<i>EBT</i>	4.7	5.4	13.6
<i>Margin</i>	16.0%	16.1%	

Turnover increased due to good performance by all the division's business lines, particularly funeral services, where turnover rose by nearly 19% to 17 million euros. As a result, division EBITDA increased by 21.8%, driven by a larger weighting of higher-margin businesses.

Other businesses:

<i>(Million euros)</i>	<i>January-March</i>		
	<i>2003</i>	<i>2004</i>	<i>% Chg.</i>
<i>Net turnover</i>	21.2	19.9	-6.2
<i>EBITDA</i>	4.0	4.0	-0.9
<i>Margin</i>	18.9%	19.9%	
<i>EBT</i>	3.9	3.9	-0.7
<i>Margin</i>	18.4%	19.5%	

Performance by this division's businesses—fund management (Bestinver), wine (Hijos de Antonio Barceló), frozen food (Ibergel) and media (Vocento, which is equity-accounted, and GPD)—was stable. Despite a small decline in turnover, EBITDA and EBT were practically flat on 1Q03.

1Q04 RESULTS (January-March)

4. Consolidated balance sheet:

<i>(Million euros)</i>	<i>31 December 2003</i>		<i>31 March 2004</i>	
	<i>Amount</i>	<i>% of total</i>	<i>Amount</i>	<i>% of total</i>
<i>UNCALLED SHARE CAPITAL</i>	0.2	0.0	0.2	0.0
<i>FIXED ASSETS</i>	2,677.8	32.7	2,819.8	34.1
<i>GOODWILL ON CONSOLIDATION</i>	246.1	3.0	242.3	2.9
<i>DEFERRED EXPENSES</i>	62.5	0.8	60.4	0.7
<i>CURRENT ASSETS</i>	5,214.3	63.6	5,147.5	62.2
<i>Stocks</i>	680.4	8.3	727.6	8.8
<i>Debtors</i>	1,930.5	23.5	1,892.7	22.9
<i>Short-term investment</i>	2,355.4	28.7	2,304.6	27.9
<i>Short-term parent company shares</i>	22.7	0.3	30.2	0.4
<i>Cash</i>	182.4	2.2	152.6	1.8
<i>Prepayments</i>	42.9	0.5	39.8	0.5
<i>TOTAL ASSETS</i>	8,200.9	100.0	8,270.2	100.0
<i>SHAREHOLDERS' EQUITY</i>	2,639.8	32.2	2,644.5	32.0
<i>Share capital</i>	63.55	0.8	63.6	0.8
<i>Reserves</i>	628.5	7.7	2,576.9	31.2
<i>Result attributable to the parent company</i>	1,947.717	23.7	39.7	0.5
<i>Interim dividend</i>			-35.6	
<i>MINORITY INTERESTS</i>	221.5	2.7	221.1	2.7
<i>NEGATIVE GOODWILL ON CONSOLIDATION</i>	45.0	0.5	44.7	0.5
<i>DEFERRED INCOME</i>	48.8	0.6	47.6	0.6
<i>PROVISIONS FOR RISKS AND EXPENSES</i>	189.4	2.3	188.2	2.3
<i>LONG-TERM CREDITORS</i>	1,411.0	17.2	1,405.6	17.0
<i>Payable to banks</i>	1,015.9	12.4	1,021.6	12.4
<i>Other creditors</i>	395.1	4.8	384.1	4.6
<i>SHORT-TERM CREDITORS</i>	3,645.6	44.5	3,718.5	45.0
<i>Payable to banks</i>	1,366.5	16.7	1,581.7	19.1
<i>Trade payables</i>	1,773.0	21.6	1,696.3	20.5
<i>Other short-term payables</i>	466.0	5.7	408.3	4.9
<i>Accruals</i>	40.0	0.5	32.2	0.4
<i>TOTAL LIABILITIES</i>	8,200.9	100.0	8,270.2	100.0

1Q04 RESULTS (January-March)

Shareholders' equity stood at 2,644.5 million euros at 31 March 2004.

At 31 March 2004, Acciona's **net debt** amounted to 146 million euros, contrasting with 155.5 million euros in net cash at 31 December 2003. The principal changes in the cash position in 1Q04 were due to investments in the period (particularly FCC), the payment of an interim dividend out of 2003 income, and investments in working capital (standard in the construction industry in the early part of the year) and property inventories.

<i>(Million euros)</i>	<i>31 December 03</i>		<i>31 March 04</i>		<i>% Chg.</i>
	<i>Amount</i>	<i>% Total</i>	<i>Amount</i>	<i>% Total</i>	
<i>Cash + Short-term investments</i>	2,537.8		2,457.2		-3.2
<i>Payable to banks without recourse</i>	536.5	22.5	539.0	67.1	0.5
<i>Payable to banks with recourse</i>	1,845.8	77.5	2,064.3	32.9	11.8
<i>Total payable to banks</i>	2,382.4	100.0	2,603.2	100.0	9.3
<i>Net cash/(debt)</i>	155.5		-146.1		-194.0

Investments amounted to 209.9 million euros in 1Q04, broken down as follows:

<i>(Million euros)</i>	Investments		
	<i>Jan-Mar 03</i>	<i>Jan-Mar 04</i>	<i>% Chg.</i>
<i>Construction and Real Estate</i>	21.0	12.0	-43.0
<i>Infrastructure concessions</i>	12.2	12.2	-0.3
<i>Energy</i>	8.2	9.7	18.3
<i>Logistics and Airport Services</i>	4.9	3.9	-21.8
<i>Urban and Environmental Services</i>	3.9	14.3	264.5
<i>Corporate</i>	3.1	157.9	5,082.2
<i>Total</i>	<i>53.3</i>	<i>209.9</i>	<i>293.9</i>

5. Annexes:

Annex I: Significant events in the first quarter of 2004:

Interim dividend:

An interim dividend out of 2003 income amounting to €0.56 gross per share was paid on 15 January 2004.

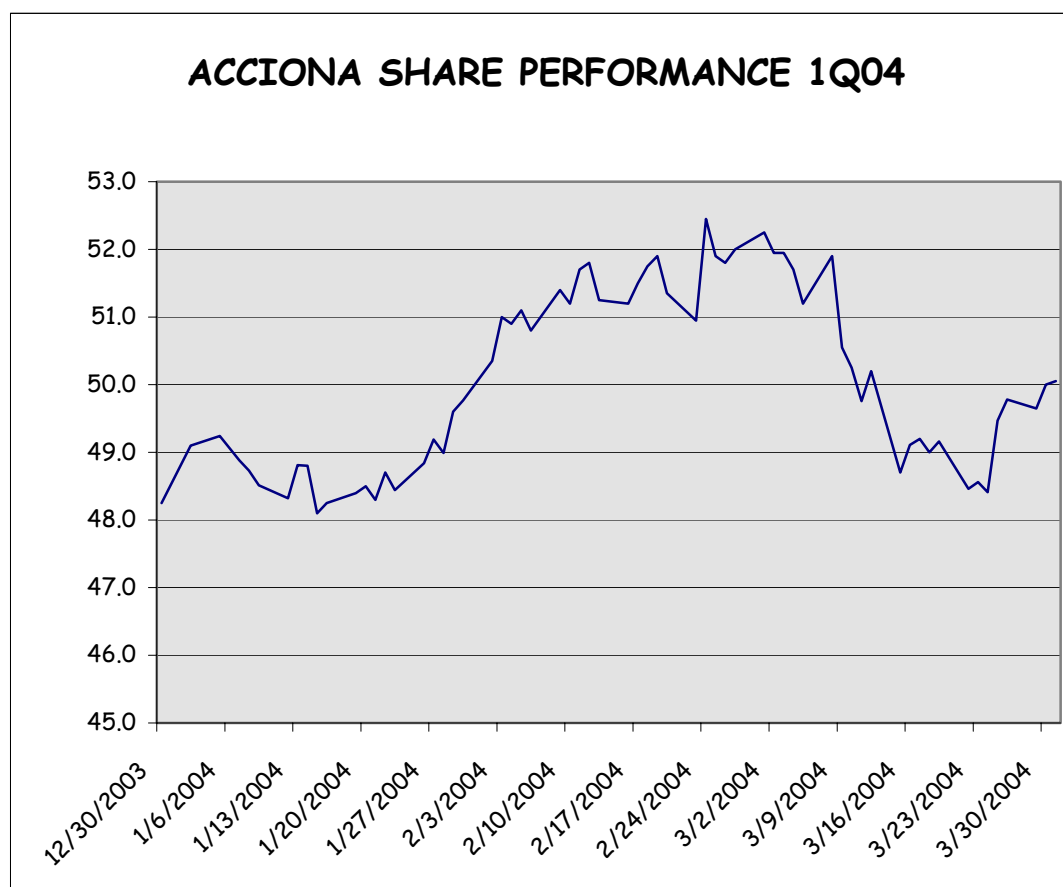
Changes in the Board of Directors and other governing bodies:

On 29 January 2004, the Board of Directors of ACCIONA resolved to appoint José Manuel Entrecanales Domecq as Executive President and Juan Ignacio Entrecanales Franco as Executive Vice-President of ACCIONA. S.A., and to propose the appointment of the latter as Chairman of the Board of Directors of construction subsidiary NECSO ENTRECANALES CUBIERTAS. S.A.

1Q04 RESULTS (January-March)

Annex II: Share performance:

	Share performance 1Q04
Starting price in 1Q04	48.25
Closing price in 1Q04	50.05
Appreciation in 1Q04	+3.70%
Low in 1Q04 (15 Jan. 2004)	48.10
High in 1Q04 (24 Feb. 2004)	52.45
Average daily trading (shares)	237,075
Average daily trading (million euros)	11.8
Number of shares	63,550,000
Market capitalization at end of 1Q04 (million euros)	3,180.70



Annex III: Main contracts obtained in 1Q04:

Civil engineering:

Shelter pier in Barcelona southern port. Section III
Júcar-Vinalopó water pipe Section III. Los Machos. Valencia
Section 2 of Tenerife light rail
Storm pond, "La China" sewage treatment plant. Madrid
A-7 Mediterranean highway. Cambrils-Vilaseca. Tarragona
Station infrastructure for Barcelona Metro line 9
Adaptation to regulations /accesses to stations on FMB line 4. Barcelona

Non-residential building:

City of Culture library. Santiago
Finishing work on Valencia Palace of Arts and Sciences
Central building. Innovation City. Sarriguren-Egües. Navarra

Residential building:

199 homes in Torre Lúgano-Benidorm. Alicante
130 homes in "Puerto Blanco". Estepona. Málaga

International construction:

National Road no. 7. Section Kiermarh-Zazova. Poland

6. Contact:

DEPARTMENT OF RELATIONS WITH INVESTORS
AND SHAREHOLDERS

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