



acciona

**Development and Management of
Infrastructures and Services**

Results for the first quarter of 2003 (January-March 2003)

12 May 2003

1. Summary and key points

- Sharp rise in sales (+15.16%), across nearly the whole of the group, to €53.3mn.
- Attributable net profit came in at just under €1.40bn, compared with €30.3mn in the first quarter of last year.
- As regards comparisons with the first quarter in the previous year, we should mention the following important changes:

Figures for the first quarter of 2003 do not include the results of Airtel Móvil, which was deconsolidated as of 1 January 2003 as a result of the sale of the interest in January 2003.

As a result of this, the first quarter of 2003 included a pre-tax capital gain of just over €1.62bn.

- Pre-tax ordinary profit excluding Airtel's 2002 results and financial revenue generated on the cash from the sale (ie like-for-like) showed an increase of 27.8%.
- Acciona's equity as of 31 March 2003 stood at €2.14bn, which is 2.76 times that of 31 December 2002.
- Acciona enjoys a robust cash position, with cash (net of debt) of €1.21bn as of 31 March 2003.
- The construction order book backlog as of 31 March 2003 stood at €4.14bn, ensuring a high level of business for the next few quarters.
- In early April 2003 a consortium in which Acciona Logística, S.A. (100%-owned by Acciona) has a 55% interest completed the takeover of Trasmediterránea. The takeover gave the consortium 99.06% ownership of the company. Trasmediterránea will start to be consolidated on Acciona's accounts from the second quarter of 2003 as part of the Logistics and Airport Services division. Trasmediterránea will be consolidated by the global method.

2. Consolidated profit and loss account

€Thousand

	31 March 2003	
		%
<i>Net Turnover</i>	853,274	100.00%
<i>Other Income</i>	37,735	4.42%
<i>Change in stocks of finished goods and work in progress</i>	4,273	5.07%
<i>Total Production Value</i>	934,282	109.49%
<i>Net purchases</i>	-183,643	-21.52%
<i>Change in stocks of goods, raw materials and other consumables</i>	-29,112	-3.41%
<i>External and operating expenses</i>	-531,945	-62.34%
<i>Adjusted Added Value</i>	189,582	22.22%
<i>Other expenses and income</i>		0.00%
<i>Personnel expenses</i>	-131,810	-15.45%
<i>Gross Operating Profit</i>	57,772	6.77%
<i>Amortization and depreciation</i>	-18,481	-2.17%
<i>Provisions to reversion fund</i>	-58	-0.01%
<i>Change in working capital provisions</i>	340	0.04%
<i>Net Operating Profit</i>	39,573	4.64%
<i>Financial income</i>	16,136	1.89%
<i>Financial expenses</i>	-14,545	-1.70%
<i>Capitalised interests and exchange-rate differences</i>		
<i>Financial provisions and write-downs</i>	-1,235	-0.14%
<i>Translation gains/losses</i>		
<i>Share in results of equity-accounted companies</i>	2,595	0.30%
<i>Amortisation of goodwill on consolidation</i>	-1,024	-0.12%
<i>Reversal of negative goodwill on consolidation</i>	320	0.04%
<i>Profit on Ordinary Activities</i>	41,820	4.90%
<i>Extraordinary results</i>	1,625,246	190.47%
<i>Pre-tax profit</i>	1,667,066	195.37%
<i>Tax</i>	-266,297	-31.21%
<i>Consolidated Results</i>	1,400,769	164.16%
<i>Minority interests</i>	-2,015	-0.24%
<i>Result attributable to the parent company</i>	1,398,754	163.93%

Comments to the profit and loss account

- Consolidated sales were 15.6% higher than the same period in 2002. Growth was strong in all businesses apart from Corporate, which was flat on the first quarter of the previous year.
- Construction and Real Estate remains the largest business, accounting for 83.7% of total sales.
- Acciona's EBITDA totalled €7.8mn, a margin of 6.77% over sales.
- EBIT stands at €9.6mn, a margin of 4.64% of sales.
- Pre-tax ordinary profit, excluding Airtel's equity-carried results for Q1 2002 and financial revenue on the cash from the sale of Airtel, showed an increase of 27.8%.
- Extraordinaries totalled €1.63bn and pre-tax profits €1.67bn. Lastly, attributable net profits were €1.40bn compared with €0.3mn in the first quarter of 2002.

3. Results by business

€ Thousand	31 March 2003		31 March 2002		change
	%		%		03/02
<i>Net Turnover</i>	853,274	100.00%	740,943	100.00%	15.16%
<i>Construction and Real Estate</i>	713,810	83.66%	629,626	84.98%	13.37%
<i>Infrastructure Concessions</i>	5,802	0.68%	3,038	0.41%	90.98%
<i>Urban and Environmental Services</i>	29,710	3.48%	27,568	3.72%	7.77%
<i>Energy</i>	23,480	2.75%	17,830	2.41%	31.69%
<i>Logistics and Airport Services</i>	86,123	10.09%	50,844	6.86%	69.39%
<i>Corporate</i>	21,190	2.48%	21,197	2.86%	-0.03%
<i>Consolidation adjustments</i>	-26,841	-3.15%	-9,160	-1.24%	193.02%
<i>EBITDA</i>	57,772	6.77%			
<i>Construction and Real Estate</i>	33,396	4.68%			
<i>Infrastructure Concessions</i>	63	1.09%			
<i>Urban and Environmental Services</i>	6,539	22.01%			
<i>Energy</i>	4,546	19.36%			
<i>Logistics and Airport Services</i>	9,227	10.71%			
<i>Corporate</i>	4,001	18.88%			
<i>Pre-tax Profit</i>	1,667,066	195.37%	44,485	6.00%	3647.48%
<i>Construction and Real Estate</i>	25,851	3.62%	17,662	2.81%	46.36%
<i>Infrastructure Concessions</i>	226	3.90%	145	4.77%	55.86%
<i>Urban and Environmental Services</i>	4,739	15.95%	2,708	9.82%	75.00%
<i>Energy</i>	1,291	5.50%	1,363	7.64%	-5.28%
<i>Logistics and Airport Services</i>	4,249	4.93%	5,991	11.78%	-29.08%
<i>Corporate</i>	3,909	18.45%	3,633	17.14%	7.60%
<i>Airtel Equity accounted</i>			12,983		-100.00%
<i>Corporate financial results</i>	3,154				
<i>Capital gains</i>	1,624,882				
<i>Financial provisions</i>	-1,235				
<i>Tax</i>	-266,297		-12,455		2038.07%
<i>Consolidated Result</i>	1,400,769	164.16%	32,030	4.32%	4273.30%
<i>Minority interests</i>	-2,015		-1,737		16.00%
<i>Result attributable to the parent</i>	1,398,754	163.93%	30,293	4.09%	4517.42%

Performance breakdown by division:

Construction and Real Estate:

The Construction and Real Estate division continued to grow at a fast rate over the period (+13.37%), in line with the uptrend of the previous quarters.

Pre-tax profit recorded a sharp increase of 46.4% as a result of the rise in sales and an improvement in margins in both businesses over the period.

The order book backlog as of 31 March 2003 stood at €4.14bn, which was 1.2% lower than a year earlier and 4% higher than at 31 December 2002.

Urban services and environmental:

This division includes car parks, funeral services, waste management, urban cleaning, water treatment and supply and urban environmental services.

The 7.8% rise in sales was driven by the good performance of the various businesses. Figures were also affected, albeit to a lesser extent, by the full-year inclusion of the funeral directors Eurostewart, which was only consolidated from March in the previous year.

Pre-tax profit was up 75% thanks to better margins, particularly in funeral services.

Energy:

The sharp 31.7% rise in sales was due mainly to the increase in cogeneration operating capacity from MW145 at the end of the first quarter of 2002 to MW265 as of 31 March 2003. However, pre-tax profit slipped 5.3% due to the narrowing of margins in this business due to the negative impact of natural gas prices and the fall in pool prices due to strong rainfall levels.

Installed wind capacity remains at MW138.

Corporate:

The corporate division includes the traditional corporate division (basically Bestinver, Hijos de Antonio Barceló and Ibergel) plus the other TMT businesses apart from Airtel (basically the equity-carried Correo group and GPD).

This division's sales were flat on the previous year. However, pre-tax profits increased 7.7%.

4. Balance sheet:

<i>€ Thousand</i>	<i>31 March 2003</i>		<i>31 December 2002</i>	
		<i>%</i>		<i>%</i>
<i>UNCALLED SHARE CAPITAL</i>	29	0.00%	35	0.00%
<i>FIXED ASSETS</i>	1,198,041	19.41%	1,519,794	24.62%
<i>GOODWILL ON CONSOLIDATION</i>	75,041	1.22%	73,325	1.19%
<i>DEFERRED EXPENSES</i>	23,214	0.38%	23,440	0.38%
<i>CURRENT ASSETS</i>	4,876,951	79.00%	4,222,449	68.40%
<i>Stocks</i>	599,795	9.72%	597,285	9.68%
<i>Debtors</i>	1,667,644	27.01%	1,720,976	27.88%
<i>Short term investments</i>	2,368,218	38.36%	1,635,263	26.49%
<i>Short term parent company shares</i>	22,714	0.37%	22,714	0.37%
<i>Cash</i>	158,432	2.57%	177,602	2.88%
<i>Prepayments</i>	60,148	0.97%	68,609	1.11%
<i>TOTAL ASSETS</i>	6,173,276	100.00%	5,839,043	100.00%
<i>SHAREHOLDERS' EQUITY</i>	2,139,691	34.66%	776,573	12.58%
<i>Share Capital</i>	63,550	1.03%	63,550	1.03%
<i>Reserves</i>	709,162	11.49%	553,398	8.96%
<i>Result attributable to the parent</i>	1,398,754	22.66%	159,625	2.59%
<i>Interim dividend</i>	-31,775	-0.51%		0.00%
<i>MINORITY INTERESTS</i>	103,236	1.67%	100,357	1.63%
<i>NEGATIVE GOODWILL ON CONSOLID.</i>	22,074	0.36%	22,369	0.36%
<i>DEFERRED INCOME</i>	25,470	0.41%	25,656	0.42%
<i>PROVISIONS FOR RISKS AND EXPENSES</i>	33,643	0.54%	29,609	0.48%
<i>LONG TERM CREDITORS</i>	1,138,459	18.44%	1,070,191	17.34%
<i>Payable to banks</i>	1,004,506	16.27%	950,997	15.41%
<i>Other creditors</i>	133,953	2.17%	119,194	1.93%
<i>SHORT TERM CREDITORS</i>	2,710,703	43.91%	3,814,288	61.79%
<i>Payable to banks</i>	316,012	5.12%	1,587,442	25.71%
<i>Trade payables</i>	1,677,048	27.17%	1,765,902	28.61%
<i>Other short term payables</i>	679,059	11.00%	426,972	6.92%
<i>Accruals</i>	38,584	0.63%	33,972	0.55%
<i>TOTAL LIABILITIES</i>	6,173,276	100.00%	5,839,043	94.59%

Comments to the balance sheet:

Equity:

Equity reached €2.14bn at 31 March 2002, nearly 3 times the level of 31 December 2002.

Financial position:

€mn	31 March 2002		31 December 2002	
		%		%
Cash+Short term investments	2.526.650		1.812.865	
Non-recourse debt with banks	468.805	35,50%	1.703.258	67,10%
Other bank debt	851.713	64,50%	835.181	32,90%
Total bank debt	1.320.518	100,00%	2.538.439	100,00%
Net cash (debt)	1.206.132		-725.574	

Net cash as of 31 March 2003 stood at €1.21bn, compared with a negative position of €725mn as of 31 December 2002. Net cash, excluding debt without resource, was €1.67bn.

Included under debt without recourse as of 31 December 2002 is €1.21bn drawn down on a €1.67bn syndicated loan backed by the company's put option on its Airtel stake.

After the sale of the Airtel stake last 27 January, Acciona cancelled this credit facility.

Investments in the period:

Investments totalling €53.3mn were made in the first quarter, breaking down as follows (€thousand):

Construction+Real Estate	20,981
Concessions	12,217
Urban Services	3,930
Energy	8,197
Logistics and Airport Services	4,922
Corporate	3,047
Total	53,294

5. Other information:

Trasmediterránea takeover:

In early April 2003 a consortium in which Acciona Logística, S.A. (100%-owned by Acciona) has a 55% interest completed the takeover of Trasmediterránea. The takeover gave the consortium 99.06% ownership of the company.

Dividends:

On 9 January 2003 the Board of Directors approved the payment of an interim gross dividend of €0.5 per share against 2002 earnings.

The Board of Directors also proposed to the Shareholders' AGM the payment of €0.35 per share as a complementary dividend against 2002 earnings and another €0.35 charged to reserves. If these proposals are approved, the total dividend would be €1.20, an increase of 71.4% on the previous year and a payout of 47.8%.

Shareholders AGM

On 26 March 2003 the Board of Directors agreed to call the Shareholders AGM to be held in the Edificio Torona, Avda de Europa, 24, Alcobendas (Madrid), on 23 May 2003 at 12:00 at the first convocation and 24 May 2003 at the second convocation.