

abertis

Annual report

2003

Key data

(million euros)

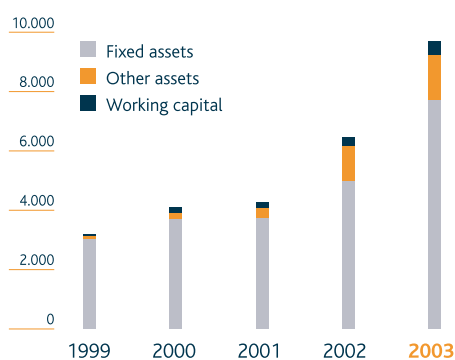
CONSOLIDATED	1999	2000	2001	2002	2003
Total assets	3.192	4.091	4.267	6.459	9.685
Equity	1.681	1.721	1.765	2.033	3.107
Provisions	761	816	897	1.402	2.320
Debt	473	1.154	1.227	2.521	3.611
Operating income	471	550	710	794	1.283
EBITDA—Gross operating margin (1)	340	385	476	534	915
Operating profit	266	296	359	402	695
Net profit attributed to parent	149	163	172	195	355
Average number of employees	1.971	2.897	3.209	3.990	4.741
PARENT COMPANY					
Net profit	144	156	165	183	329
Total dividends	119	125	132	156	237

(1) Operating income (excluding activation) less operating expenses (excluding depreciation and provisions).

What resources are used?

Resources

Abertis Group - Distribution of assets

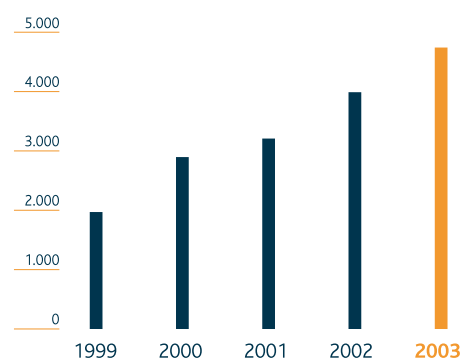


The group's assets exceed 9,650 million euros

Large increase due to the merger with Aurea and the incorporation of Retevisión. Fixed assets, basically in highways and other assets under concession, represent 79% of total assets.

Human resources

Average workforce

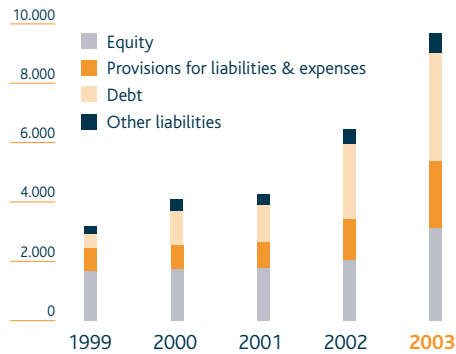


A workforce of more than 4,500 people

The group's expansion has seen the average workforce grow from 1,971 employees in 1999 to 4,741 in 2003. Including Retevisión, the workforce rises to almost 5,800 employees.

What are the financial resources?

Abertis Group - Breakdown of liabilities

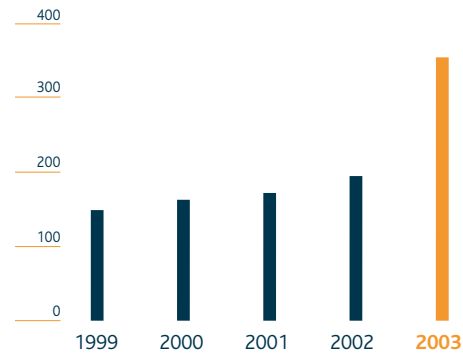


Balanced financial structure

Equity, which exceeds 3,000 million euros, represents 32% of total liabilities, and Debt, 37%. The provisions for liabilities and expenses, which basically correspond to the reversion fund, exceed 2,280 million euros.

What is obtained?

Profit attributed to parent company

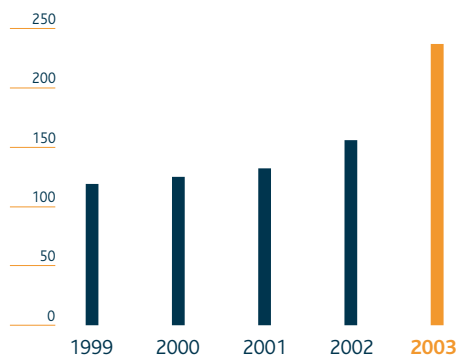


Profit has increased from 149 million euros in 1999 to 355 million in 2003

The expansion of the Group is carried out in a way that is compatible with increasing profits. The merger with Aurea results in a profit of 355 million euros for 2003, which represents an 81.9% increase over 2002 (up 11.2% compared to the aggregate profit of Acesa and Aurea for 2002).

How is it distributed?

Total dividends

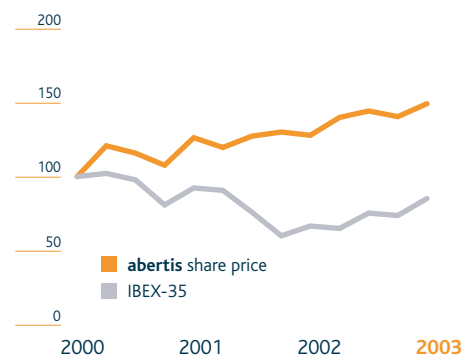


One of the highest dividend yields

Total dividends for 2003 exceed 237 million Euros. The steady accumulative growth of 5% per share per annum is maintained.

How is it valued?

Evolution abertis vs Ibex-35 (Base 31/12/00 = 100)



Outperforming the IBEX-35

The Ibox 35 rose 28% in 2003, but remains below its closing level at the end of 2000. In contrast, **abertis** is one of the 4 shares in the index that closed up in each of the last three years.

Highlights of the year

1st quarter 2003

- Incorporation of the company Araba Logística (in which **abertis logística** has a 39.5% holding) in Vitoria, which will develop Arasur, the Multimodal Platform at Alava.
- **abertis** strengthens its presence in Autostrade (increasing holding to 7.98%) following the completion of the Public Takeover Offer for Autostrade made by the core shareholders, structured through the company Schemaventotto.
- Incorporation of the company Sevisur Logística (in which **abertis logística** has a 60% holding), which will develop the logistic platform for the port of Seville under the name of Zal Sevilla.

2nd quarter 2003

- Inauguration of A-6 Connection with Segovia by Castellana de Autopistas.
- **abertis'** shareholding in Saba reaches 99.23% after acquiring 39.91% of the shares for € 134 million.
- General shareholders' meeting approves the financial statements for 2002 and agrees to pay a final dividend of € 0.223 per share. At the same time, it approves the merger of Acesa Infraestructuras and Aurea Concesiones de Infraestructuras, leading to the creation of **abertis**.
- Saba reaches 100% control of its Portuguese subsidiary Spel, with the acquisition of 50% of the company, involving an investment of € 17.4 million.
- On 30 May the merger of Acesa and Aurea is effective as of 1 January 2003. **abertis** is listed for trading on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges on 2 June.
- **abertis telecom** increases its shareholding in Xfera from 5.69% to 8.36%. The guarantees presented as shareholder of Xfera are reduced from € 153.2 million to € 39.2 million.

3rd quarter 2003

- The merger of Aucat and Holdaucat is completed (both companies 100% owned by **abertis**) effective for accounting purposes as of 1 January 2003.
- **abertis** increases its presence in international stock exchange indexes and is included in the Dow Jones Stoxx Sustainability Index.
- The extraordinary general meeting approves the bonus issue of 1 share for every 20 shares held (for an amount of € 75 million) and the payment of an interim dividend of € 0.229 per share.
- **abertis telecom** increases its shareholding in Tradia to 100% on acquiring the outstanding 5% for the sum of € 6.6 million.
- Inauguration of the Radial-2 Madrid-Guadalajara of the Henares Highway, in which **abertis** holds 22.49%.

4th quarter 2003

- In 2004 **abertis** is awarded the Alicante Ring Road highway concession, after submitting a tender as part of a consortium.
- ASF and **abertis** sign an agreement to collaborate on technical matters related to highway management and share future projects for the management of car parks and logistic platforms.
- **abertis** completes, after gaining clearance from the Competition Authorities, its acquisition of Retevisión Audiovisual, the leading company in Spain in the transportation and broadcast of audiovisual signals.
- The Silleda-Lalín stretch of the Santiago-Alto de Santo Domingo highway is inaugurated, operated by Autopista Central Gallega, in which **abertis** holds 18%.

abertis

Annual report
2003

A woman with dark curly hair, wearing a white lab coat over a black top, is looking down at a tablet computer she is holding. The tablet screen shows a video of a man and a woman loading items into the back of a white van. The background is a blurred highway interchange with a large concrete overpass. There are three semi-transparent orange circles overlaid on the image: one in the upper left, one in the middle left, and one in the lower left. A semi-transparent white circle in the upper right contains the word "summary".

summary

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(1) The criteria of the Global Reporting Initiative (GRI) have been used to prepare the *Sustainability Report*.

(2) The *Corporate Governance Report* is included as an annex.



Chairman's letter

Dear shareholders,

It is with great satisfaction that I present you with the 2003 results, which represent an exceptional year worthy of your confidence in the project that we have begun as the new **abertis**. Creating value for shareholders with an adequate combination of low risk, growth, return and service, under management focused on maintaining a steady and sustainable dividend policy, is the fundamental strategic objective for activity in all the business sectors in transport and communication infrastructures where we are present.

This has been an excellent year in which two fundamental operations were successfully completed: firstly, the merger of Acesa and Aurea in May, giving rise to **abertis**; and secondly, the acquisition of Retevisión Audiovisual in December to be incorporated into our telecommunications infrastructure sector of activity, in an operation that gives **abertis telecom** a position of leadership in the market.

Together with the priority of creating shareholder value, we promote excellence in the quality of service to our clients and the development of a business organisation committed to the country and the different regions in which we have a very direct local presence, where we continue investing, generating employment and facilitating commercial and industrial activity, as well as the mobility of citizens.

An essential characteristic of our organisation is to ensure on-going dialogue with the public administration as our activity includes operating infrastructures under administrative concessions and operating in heavily regulated sectors.

The Spanish economy has performed strongly during the year with continued strength in consumption and construction, key elements in the 2.4 % growth in Gross Domestic Product, in contrast to the scant 0.4 % increase across the Euro zone.

Optimism regarding a gradual recovery in the international economy is supported by an extraordinary improvement in productivity levels in the United States, with a complete lack of inflationary pressure, at a rate of 2.3 %, although the labour market has not improved and has yet to create employment.

This is the first annual report presented for Abertis Infraestructuras, recording a profit due to the parent company of 355 million euros, an increase of 11.2 % over the aggregate results of Acesa and Aurea in 2002. **abertis** proposes to pay total dividends of 237.4 million euros, 52 % more than the previous year after the inclusion of new shares issued in the merger share exchange and the 5 % increase in issued shares following the bonus share issue.

The gross dividend per share of 0.452 euros equates to a dividend yield of 3.8 % based on the year end closing price, a level which continues to give the company one of the highest dividend yields amongst the main listed companies in Spain.

In 2003 the ordinary shares of **abertis** revalued by 17 %, taking into account the adjustment for the bonus issue. The merger gave the company a new dimension, with greater visibility in the investment community, greater weighting in the stock exchange indexes and an improved position with respect to opportunities for development. This outlook saw the share price mark annual and historical highs.

Leadership in distinct sectors

Our business model focuses the organisation on being one of the leading infrastructure operators in Europe in four key sectors: highways, telecommunication infrastructures, car parks and the promotion of logistic service areas.

The strategy of diversification initiated five years ago does not prevent our group from being highly specialised in the sectors where we enjoy a position of leadership in Spain.

In the highway sector **abertis** has not just consolidated a position of leadership, as indicated by the total length of the highway networks managed by the country's three leading operators - Acesa, Aumar and Iberpistas – but during the year new highways, in which **abertis** has shareholdings, have also opened to traffic and they will undoubtedly become key highway axes in their areas. These are the AP-51 highway connection with Segovia, the Silleda-Lalín Centre stretch of the Santiago-Alto de Santo Domingo highway, and the opening of the R-2, R-3 and R-5 radial highways giving access to the city of Madrid.

The portfolio of highway concessions under direct management represents 84% of total group operating income and therefore contributes to the economic strength that provides support to the combination of growth projects, both highways that are beginning to operate and investments in other sectors that have yet to reach maturity.

Internationally, **abertis** continues to maintain an excellent capacity to work with the leading European operators in the highway sector such as the Italian company Autostrade and the Portuguese company Brisa, with cross shareholdings and joint research projects. In a similar manner, **abertis** signed an agreement with the French company Autoroutes du Sud de la France (ASF) in 2003 to collaborate on technical questions related to highway management and to working together on future projects in France. This situation allows **abertis** to occupy a privileged place in the business environment of the new Europe, with the expansion to new member states and the prospect of new opportunities in the area of infrastructures that, without doubt, will arise and will require the involvement of private investment.

As a final note on this fundamental sector for our group, special attention should be given to the development and implementation of the new tele-toll, which now allows one system to be used on different highways in Spain, with the clear advantages of convenience, safety, environmental protection and improved traffic flow. In the area of technology, managed through the shared services centre **serviabertis**, the company is leading knowledge on tele-toll system in Spain and, at the same time, is playing an authoritative role in Europe.

We are now leaders in the sector of telecommunication infrastructures following the acquisition of Retevisión Audiovisual, the leading company in Spain in transporting radio and television signals, which was authorised by the Competition Authorities and the Council of Ministers. With Tradia, a company in which **abertis** gained 100% control in 2003, leadership in Catalonia is assured. It also brings innovation and possibilities for new services through a great capacity for client service.

In the car park sector, Saba also holds its position and, more importantly, has the best profile in terms of location, quality and services for its clients. During 2003, **abertis** acquired a further 40% of Saba to raise its shareholding to almost 100%. Its international expansion has continued through new projects and the extension of concessions in Italy, as well as increasing its shareholding in the Portuguese company Spel by 50% to gain 100% control.

In reference to the area of logistics, work got underway in 2003 on two important projects in Álava and Seville, which sees this activity expanding beyond Catalonia. We continue to be interested in investing in new logistic platforms when the opportunities that the market offers meet the criteria of **abertis logística** for this sector, characterised by a lack of private operators like us that are not property development companies. Our objective, as always, is to make long-term investments and be involved in management together with the local partners whose knowledge of this field is much greater. A commitment of these characteristics requires projections of long-term profitability and solvent quality ratios in all the logistic projects that carry the seal of **abertis**.

Corporate Governance and Social Responsibility

During 2003, **abertis** has worked hard to adopt regulatory instruments that provide the best Corporate Governance, integral management under guidelines of Social Responsibility and, in general, best practices of transparency with financial markets required by companies in the 21st Century.

In the *Annual Report on Corporate Governance*, which is included as an annex, **abertis** provides extensive information on the shareholding structure of the company, the Board of Directors, the board committees, and the regulations of the Annual General Meeting, amongst other matters.

The Strategic Plan for Social Responsibility is also included. Its objective is to establish the lines of action for the corporation to make available a management system for Social Responsibility to ensure continuous improvement in all companies of the group.

In any event, beyond the regulation on good governance and strict compliance with it, it is fundamental for all of us that form part of **abertis** that, more than ever, we are able to build an organisation day by day in which the ethical behaviour of people goes beyond the technical and bureaucratic aspects.

This is our commitment to shareholders, to our employees and to our clients. We thank them all for their confidence. I would also like to thank the members of the Board of Directors, the management team and all the employees and collaborators for their commitment and dedication.

Isidre Fainé, Chairman of **abertis**







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1

Governing bodies

- ①.1 Board of Directors
- ①.2 Delegated board committees
- ①.3 Management team
- ①.4 Business units

1 Board of Directors

The members of the Board of Directors of **abertis** at the time of preparing the annual accounts for 2003 are:

Isidro Fainé Casas (*Chairman*)

Pablo Vallbona Vadell (*1st Deputy Chairman*)

Carmen Godia Bull (*2nd Deputy Chairman*)

Ángel García Altozano (*3rd Deputy Chairman*)

Salvador Alemany Mas (*Chief Executive Officer*)

Jordi Aristot Mora

Gilberto Benetton

Caixa d'Estalvis de Catalunya, represented by Josep María Loza Xuriach

Enrique Corominas Vila

Dragados Obras y Proyectos, S.A., represented by Demetrio Ullastres Llorente

Maria Isabel Gabarró Miquel

Carlos Godó Valls

Comunidades Gestionadas, S.A., represented by Antonio García Ferrer

Ernesto Mata López

Enric Mata Tarragó

Vasco de Mello

Jordi Mercader Miró

José Luis Olivas Martínez

Ramón Pascual Fontana

Unicaja, represented by Braulio Medel Cámara

Miquel Roca Junyent (*Secretary, non-board member*)

Juan Arturo Margenat Padrós (*Deputy Secretary, non-board member*)

In 2004 the following have ceased to act as board members: Dragados Concesiones de Infraestructuras, S.A., Julio de Miguel Aynat and Grupo Dragados, S.A.

In 2003 Braulio Medel Cámara ceased to act board member, and became the representative of Unicaja.

In 2003, as a result of the merger between Acesa Infraestructuras, S.A. and Áurea Concesiones de Infraestructuras, S.A., which led to **abertis**, the following people ceased to act as board members: Enrique Alcántara-García Irazoqui, Antoni Brufau i Niubó, Jean-Louis Chaussade, Pere Antoni de Dòria i Lagunas, Ricard Pagès i Font and Antoni Vila i Bertrán.

1² Delegated board committees

Executive Committee

Isidro Fainé Casas (*Chairman*)

Pablo Vallbona Vadell

Carmen Godia Bull

Ángel García Altozano

Salvador Alemany Mas

Caixa d'Estalvis de Catalunya, represented by Josep María Loza Xuriach

José Luis Olivas Martínez

Miquel Roca Junyent (*Secretary*)

Juan Arturo Margenat Padrós (*Deputy Secretary*)

In 2004 the following have ceased to act as committee members:
Dragados Concesiones de Infraestructuras, S.A. and Julio de Miguel Aynat.

During 2003 the following ceased to act as committee members:
Enrique Alcántara-García Irazoqui, Antoni Brufau i Niubó and Enric Mata Tarragó.

Audit and Control Committee

Ernesto Mata López (*Chairman*)

Caixa d'Estalvis de Catalunya, represented by Josep María Loza Xuriach

Enrique Corominas Vila

Juan Arturo Margenat Padrós (*Secretary*)

During 2003 Enrique Alcántara-García Irazoqui ceased to act as committee member.

Nomination and Remuneration Committee

Jorge Mercader Miró (*Chairman*)

Maria Isabel Gabarró Miquel

Ángel García Altozano

Juan Arturo Margenat Padrós (*Secretary*)

1³ Management team

Chief Executive Officer: Salvador Alemany Mas

Company Secretary: Juan Arturo Margenat Padrós

Director of Legal Services: Marta Casas Caba

Director of Legal Services Madrid: Jesús Pozo Soler

Managing Director of Corporate Management Officer: Josep Martínez Vila

Director of Investment Analysis: David Díaz Almazán

Director of Tax Planning: José María García Martín

Director of Operational Development: Jordi Graells Ferrández

Director of Corporate Security: Lluís Jiménez Arrebola

Director of Management Planning and Control: Jordi Lagares Puig

Director of Organisational Development: Joan Rafel Herrero

Director of Construction: Rodolfo Vicente Bach

Managing Director of International Highways Officer: Rafael Mourelle Morales

Director of Financial Coordination: Carlos Alberola Fioravanti

Chief Financial Officer: Miguel Abeniacar Trólez

Director of Finance: Lluís Subirà Laborda

Director of Institutional Relations and Quality: Ricard Maxenchs Roca

Director of Studies and Corporate Communication: Enric Venancio Fillat

Shared services centre

*Managing Director of **serviabortis**:* Josep Padrós Busquets

Deputy Managing Director. Director of Infrastructures and Technical Services:
Juan Rodríguez de la Rubia

*Deputy Managing Director. Director of **serviabortis** Madrid:* Antonio Rodríguez López

Director of Administration and Purchasing: Manuel Cruces Socasau

Director of Corporate Organisation and Systems: Jordi Pujol-Xicoy Gimferrer

1⁴ Business units

Highways

Managing Director for Catalonia and Aragon (Acesa and Aucat): Lluís Serra Serra

Managing Director for East-South: Rafael Mourelle Morales

Managing Director for Centre-North (Iberpistas): José María Morera Bosch

Managing Director of Aumar: Américo Jiménez Rodríguez

Managing Director of A6: Rubén Fernández Fuentes

Managing Director of Castellana: Jose Antonio López Casas

Managing Director of Aulesa: Manuel Benito Izquierdo

Managing Director of Gco: José Luis Giménez Sevilla

Managing Director of APR: Rafael Acosta Rosario

Managing Director of Iberpistas Chile and Gesa: Enrique Balaguer Ferrer

Car parks

Managing Director of Saba: Joan Font Alegret

Chief Executive Officer of Saba Italia: Máximo Pastorelli

Chief Executive Officer of Spel: António Henrique de Oliveira Mendes

Chief Executive Officer of Rabat: Vicente Benetito Gimeno

Logistic services

*Managing Director of **abertis logística**:* Joaquim Gay de Montellà Ferrer-Vidal

Managing Director of Sevisur: Francisco Rodríguez Piñero

Telecommunication infrastructures

Managing Director of Tradia: Tobías Martínez Gimeno

Managing Director of Retevisión: Josep Canós Ciurana

1⁴ Business units

Airports

Managing Director of Codad: Gonzalo Iglesias Valdés

Companies under joint control

Chief Executive Officer of Avasa: Santiago Corral y López-Dóriga

Managing Director of Trados 45: Jesús Martínez Pérez

Managing Director of Parc Logistic: Joaquín Zueras Abizanda



2

Strategy



2 Strategy

abertis is firmly committed to being one of the leading groups in Europe in the management of infrastructures serving mobility and communications with the objective of continuing to provide its shareholders a balanced combination of investments that assure:

- An appropriate combination of low risk, growth and return
- The maintenance of a solid and sustainable dividend policy
- Excellence in the quality of service to our clients
- The development of an organisation that brings wealth and well-being to the surrounding area

To achieve this its investments are selected on the basis of the following key lines:

- Management of infrastructures
- Commitment to long-term investments gaining a significant presence in the decision making bodies and providing the management expertise that **abertis** has accumulated over time
- Involvement in projects where the overall risks and expected cash flow can be clearly estimated at the outset

At the same time, in the subsequent management and co-ordination of the projects, special attention is given to the projection within the organisation and the interaction and awareness of the environment and the territory, as well as the requirements of transparency in corporate governance. These issues are covered in the *Sustainability Report* and the *Corporate Governance Report* respectively, as part of this annual report.

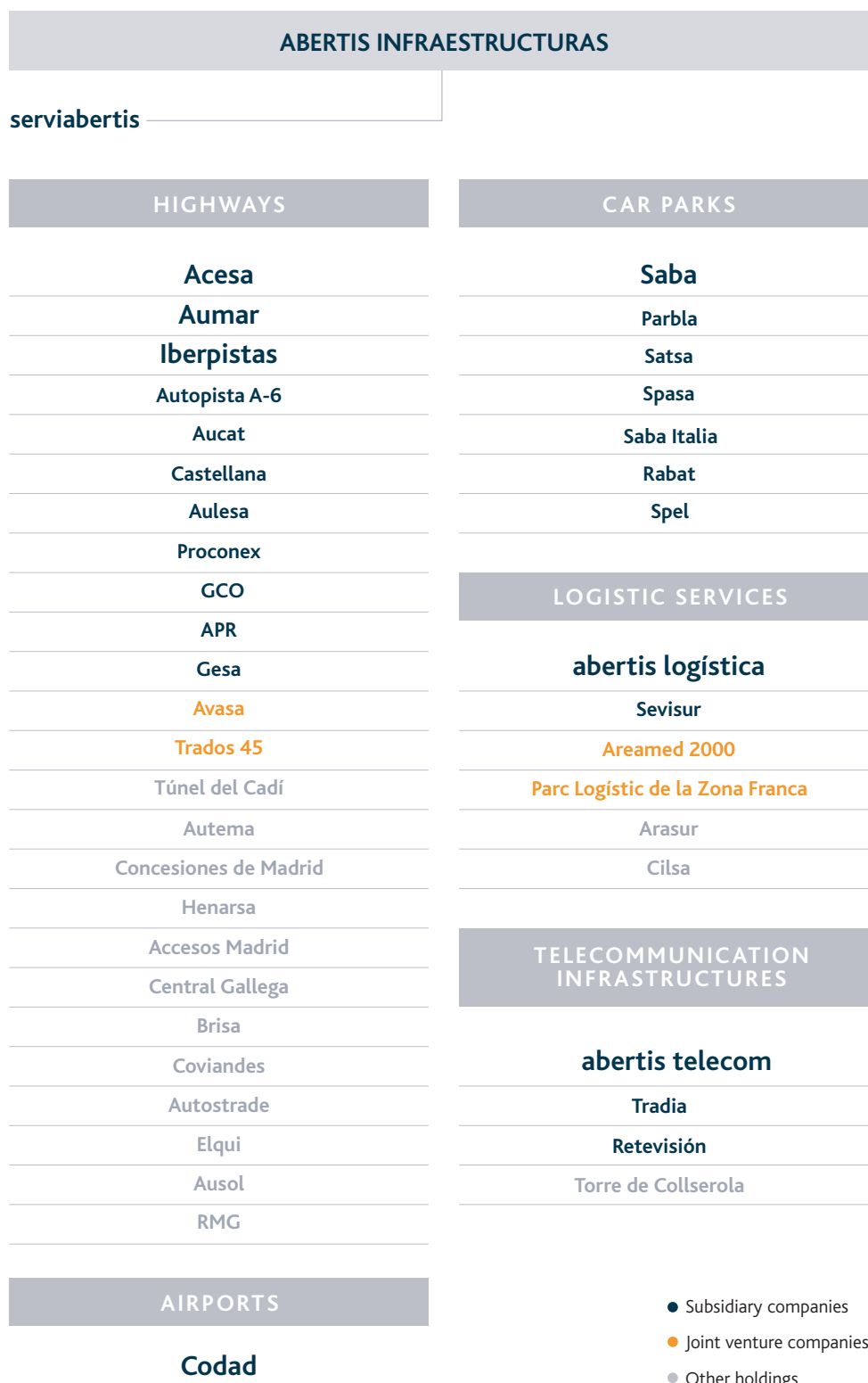


3

Structure and activity

- 3.1 Structure
- 3.2 Human resources
- 3.3 Activity for the year
 - Highways
 - Car Parks
 - Logistic Services
 - Telecommunications
 - Airports
- 3.4 Performance for the year
 - Consolidated figures
 - Parent company figures

3¹ Structure



- Subsidiary companies
- Joint venture companies
- Other holdings

This year has seen a consolidation in the process of developing the new organisational reality. The support structures and business units have achieved greater levels of coordination and, consequently, new possibilities are opening for synergies in both knowledge and operations. The experience of integrating businesses and, at the same time, dealing with change are aspects that have become part of the employees' skills base, which are useful in facing situations now and in the future that require flexibility, agility and the capacity to respond in ambiguous environments.

Development of individuals

Training has continued to be one of the fundamental lines of personnel management policy across the group's different businesses. Of special note is the effort made by the different companies in the area of training in Workplace Health and Safety, an effort rewarded by a decline in workplace accidents. Work has continued on influencing client culture through the development of different training initiatives aimed at strengthening this vision.

Evidence of the commitment given to the development of employees is seen in the thousands of hours of training given and the hundreds of courses organised across the different business units of the **abertis** group. The dividends from this commitment can be seen in the fact that a large number of vacant positions are covered by internal promotions. Notwithstanding this, looking outwards to maintain the flow of new ideas and renewal has been encouraged through collaboration programs with universities, leading to the incorporation of young people under scholarships, amongst other benefits.

Internal communication

In addition to the existing publications *Acesa Informa* and *Flaix Laboral*, of *Acesa*; *Lasetze* of *Aucat*; *Hora SABA*, and *Cuadernos de Autopista*, of *Iberpistas*, a new publication was added in September 2003, the **abertis** magazine, which is published quarterly and distributed to all employees in the group with the aim of uniting them and informing them of the different realities with the new dimension of the business.

Work has been done during this year on improving and promoting the corporate Intranet, a project that concluded at the beginning of 2004. Aside from the functional improvements, it provides a space to share information and knowledge.

Social interaction amongst employees continues to be encouraged with the organisation of different sporting and cultural activities in which employees from different business areas of **abertis** have participated. An event of note at the end of the year was the public presentation of the **abertis** Choir, which gave a small concert during the Christmas period.

Health and safety

In general, the levels of workplace accidents have declined in the different companies, with reductions of over 30% in some cases. The effort made in the area of training (first aid, emergency plans, fire fighting, accident assistance, risks of moving loads, electrical and mechanical risks and the risks of height, along with many others) together with the support given to the Health and Safety Committees, the awareness building campaigns and the

technical work are bearing fruits. However, rather than aiming for the lowest workplace accident rates in the sector, the objective of our companies should be to achieve an environment free of accidents.

Labour relations

This year has been especially active with respect to labour relations. Companies such as Acesa, Aucat and Saba have signed new agreements; until 2005, in the case of Acesa, and until 2006, for Aucat and Saba. In those companies where no new agreement has been negotiated, the committee has been renewed, and in the case of Iberpistas, the negotiation of a new agreement has commenced.

Beyond the difficulties involved in these processes, signing these agreements is a source of satisfaction, as it is a good indicator of the willingness of the parties to reach an understanding in the common objective of seeking a balance between improving labour conditions for employees and the business development.

Evolution of average equivalent workforce

	2003	2002
abertis (1)	101	697
serviabertis (2)	74	-
Acesa Group (3)	1,951	1,283
Iberpistas Group	669	725
Aumar (4)	665	-
Aulesa (4)	49	-
Trados 45 (4)	1	-
Saba Group	920	991
abertis telecom Group	257	294
abertis logística Group	11	5
Codad (4)	43	-
Total (5)	4,741	3,995

(1) In 2002, the first six months corresponded to concession activity and the second six months to corporate services as parent of the Group.

(2) Commenced its activity in November 2002.

(3) For comparative purposes we have included the workforce of the company Gco, as the shareholding was transferred to Acesa in 2003. In addition, the company Acesa began its activity in the second half of 2002.

(4) Incorporated in the Group in 2003.

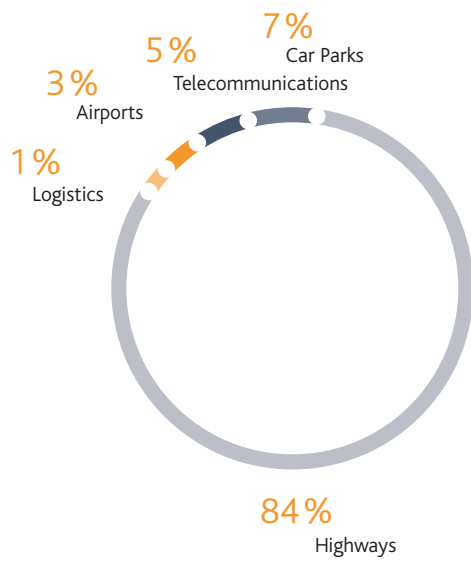
(5) The total of the average equivalent workforce does not coincide with the figures given in the annual report due to the accounting criteria for consolidation (4,617 employees in 2003).

The acquisition of Retevisión Audiovisual was finalised in December 2003, so its employees have not been included in calculating the average equivalent workforce. If Retevisión Audiovisual were taken into account, the average equivalent workforce would rise to almost 5,800 employees.

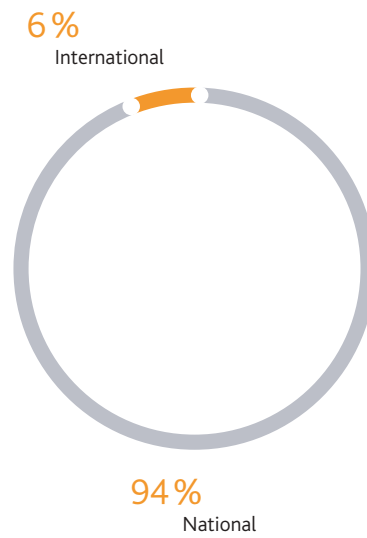
3 Activity for the year

Distribution of operating income:

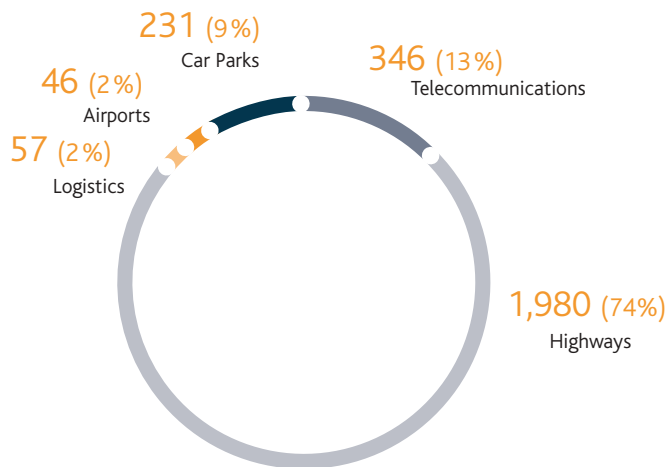
Contribution by sector



National/International



Accumulated investment by shareholdings (*) (million euros)



(*) does not include investment in Acesa, Aumar or Iberpistas.



Highways

The highway concessions business unit continues to be the main activity of **abertis** and represents 84% of total operating income. The merger with Aurea during 2003 has clearly strengthened this activity with the incorporation of Aumar (second national operator), as well as other highway concessionaires both nationally and internationally.

The current portfolio of concessions provides an excellent combination both geographically and in terms of the level of maturity of the projects (from well established concessions to projects under construction or in the initial phase of their activity), which ensures a balanced combination of future flows for shareholders.

Spain:

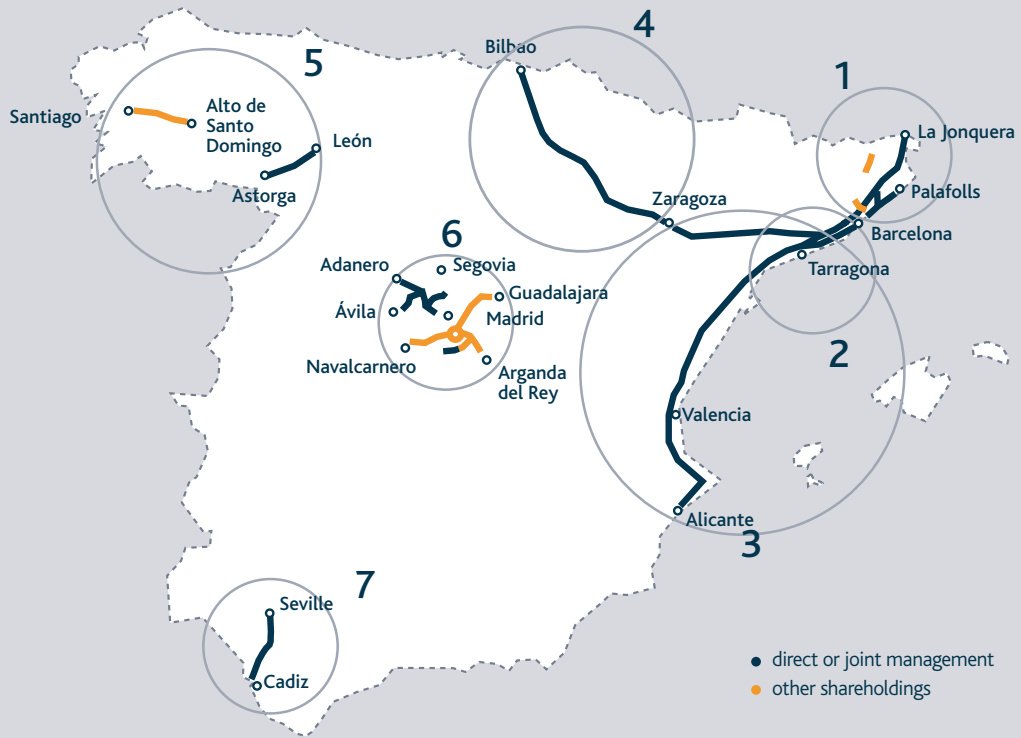
In Spain **abertis** directly manages more than 1,500 km of highways, which represents 63% of the national toll highway network in service.

On a national level, the highways business unit is divided into three geographical zones, whose head companies are the operators that historically have been the leaders in Spain: Catalonia-Aragon zone through Acesa, Centre-North zone through Iberpistas and East-South zone through Aumar.


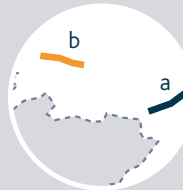
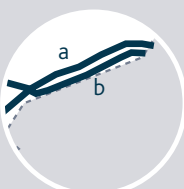

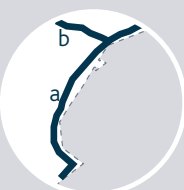

Highways under direct or shared management

Highway	Km	Concessionary	% shares	End concession
Montgat-Palafolls (C-31/C-32)	49	Acesa	100	2021
Barcelona-La Jonquera (C-33/AP-7)	150			
Barcelona-Tarragona (AP-2/AP-7)	100			
Montmeló-El Papiol (AP-7)	27			
Zaragoza-Mediterráneo (AP-2)	216			
Tarragona-Alicante (AP-7)	374	Aumar	100	2019
Sevilla-Cádiz (AP-4)	94			
Villalba-Adanero (AP-6)	70	A-6	100	2031-2036
Villacastín-Ávila (AP-51)	23	Castellana	100	2031-2036
San Rafael-Segovia (AP-61)	28			
Castelldefels-El Vendrell (C-32)	58	Aucat	100	2039
León-Astorga (AP-71)	38	Aulesa	79.2	2055
Bilbao-Zaragoza (AP-68)	294	Avasa	50.0	2026
M-45 Tramo II	15	Trados 45	50.0	2029
Total	1,534			

Highways in Spain



● direct or joint management
● other shareholdings

1	 <p>Acesa a) Montgat-Palafolls (C-31/C-32) 49 km b) La Jonquera-Barcelona (C-33/AP-7) 150 km c) Montmeló-El Papiol (AP-7) 27 km</p> <p>Túnel del Cadí d) Túnel del Cadí (C-16) 30 km</p> <p>Autema e) Sant Cugat-Manresa 48 km</p>	5	 <p>Aulesa a) León-Astorga (AP-71) 38 km</p> <p>Central Gallega b) Santiago-Alto Sto. Domingo (AP-53) 57 km</p>
2	 <p>Acesa a) Barcelona-Tarragona (AP-2/AP-7) 100 km</p> <p>Aucat b) Castelldefels-El Vendrell (C-32) 58 km</p>	6	 <p>A-6 a) Villalba-Adanero (AP-6) 70 km</p> <p>Castellana b) Villacastín-Ávila (AP-51) 23 km c) San Rafael-Segovia (AP-61) 28 km</p> <p>Concema d) M-45 Tramo I 15 km</p> <p>Trados 45 e) M-45 Tramo II 15 km</p> <p>Accesos Madrid f) Madrid-Arganda del Rey (R-3) 33 km g) Madrid-Navacarnero (R-5) 53 km</p> <p>Henarsa h) Madrid-Guadalajara (R-2) 81 km</p>
3	 <p>Aumar a) Tarragona-Alicante (AP-7) 374 km</p> <p>Acesa b) Zaragoza-Mediterráneo (AP-2) 216 km</p>	7	 <p>Avasa a) Bilbao-Zaragoza (AP-68) 294 km</p> <p>Aumar a) Sevilla-Cádiz (AP-4) 94 km</p>

3 Activity for the year

Activity

In general, the evolution of the activity of the group's main concessions has been favourable, with all highways registering traffic growth. The comparable combined average daily traffic (ADT) (Acesa, Aucat, Aumar, A6 and Avasa) rose to 27,354 vehicles, 3.7% more than the previous year.

Key data of the companies that directly manage highways

Concessionary	ADT 2003	Var.	Thousand euros			
			Operating income	Var.	EBITDA	Var.
Acesa	38,543	2.9%	513,095	8.3% (*)	386,219	6.1% (*)
Aumar	23,323	4.6%	304,663	8.2%	257,297	8.6%
A6	28,781	4.2%	93,195	13.0%	76,547	8.9% (*)
Castellana	5,039	(**)	6,279	(**)	2,361	(**)
Aucat	27,492	9.3%	72,693	15.3%	60,831	15.5%
Aulesa	4,271	(**)	4,306	(**)	1,706	(**)
Avasa	12,811	3.7%	118,238	7.2%	95,545	7.5%
Trados 45	73,455	13.4%	19,438	48.7%	17,972	56.8%

(*) Figures for 2002. Includes the concessionary activity of the first six months carried out by their respective parent companies.

(**) Aulesa activities commenced in December 2002, and Castellana in November 2002 and April 2003.

The other concessions under direct management (Castellana, Aulesa and Trados 45) are in the first phase of their activity, so their data does not reflect the real level of future activity and is not comparable with the previous year. Castellana inaugurated the Ávila-Villacastín stretch in November 2002 and the San Rafael-Segovia stretch in April 2003. Likewise, Trados 45 (under shadow toll) and Aulesa opened to traffic in April and December 2002 respectively.

Volume of business

The national highway concessions managed directly represent 81.5% of all Group operating income, totalling 1,046 million euros, 71% more than the previous year. Comparing this figure with the consolidated income of Acesa and Aurea in 2002, the increase was 16.8%.

This increase is due to the positive evolution in the national highway activity already noted and the inclusion of Iberpistas for the entire year (only six months in 2002).

EBITDA for these highways totalled 829 million euros, an increase of 16.2% against the pro forma 2002 figure.

3 Activity for the year

Other shareholdings

abertis also has shareholdings in the following concessionary companies, although it does not have a majority holding.

Highway	Km	Concessionary	% holding	End concession
Túnel del Cadí (C-16)	30	Túnel del Cadí	37.2	2023
Tramo I (M-45)	14	Concema	25.0	2032
Madrid-Arganda del Rey (R-3)	33	Accesos Madrid	23.3	2049
Madrid-Navalcarnero (R-5)	53	Accesos Madrid	23.3	2049
Madrid-Guadalajara (R-2)	81	Henarsa	22.5	2024
Sant Cugat-Manresa (C-16)	48	Autema	22.3	2037
Santiago-Alto Sto. Domingo (AP-53)	57	Central Gallega	18.0	2074

Autema and Túnel del Cadí have continued to show a positive evolution, with increased traffic and income.

The other companies are in an early phase of operation: Concema commenced its activity in April 2002, Henarsa in October 2003, the Central Galician highway, in stages, in December 2002 and December 2003 and Accesos de Madrid in February 2004.

The result for the year in each of these shareholdings is positive, and together they contributed 3 million euros to the consolidated profit of **abertis**.

In 2004, a consortium in which **abertis** participates has been awarded the Alicante Ring road toll highway.



International:

abertis has shareholdings in a series of international projects as shown in the following map:

During the year an agreement was signed with ASF to collaborate on technical questions of highway management and to share future projects in France. Also the existing strategic international alliances have been strengthened with the main European operators, Brisa and Autostrade, with which **abertis** holds crossed shareholdings.

Highways managed directly

Country	Concessionary	% holding	Km	End concession
Argentina	GCO	48.6 (*)	53	2018
Puerto Rico	APR	75.0	2	2027

(*) 57.6% voting rights.



International highways



3 Activity for the year

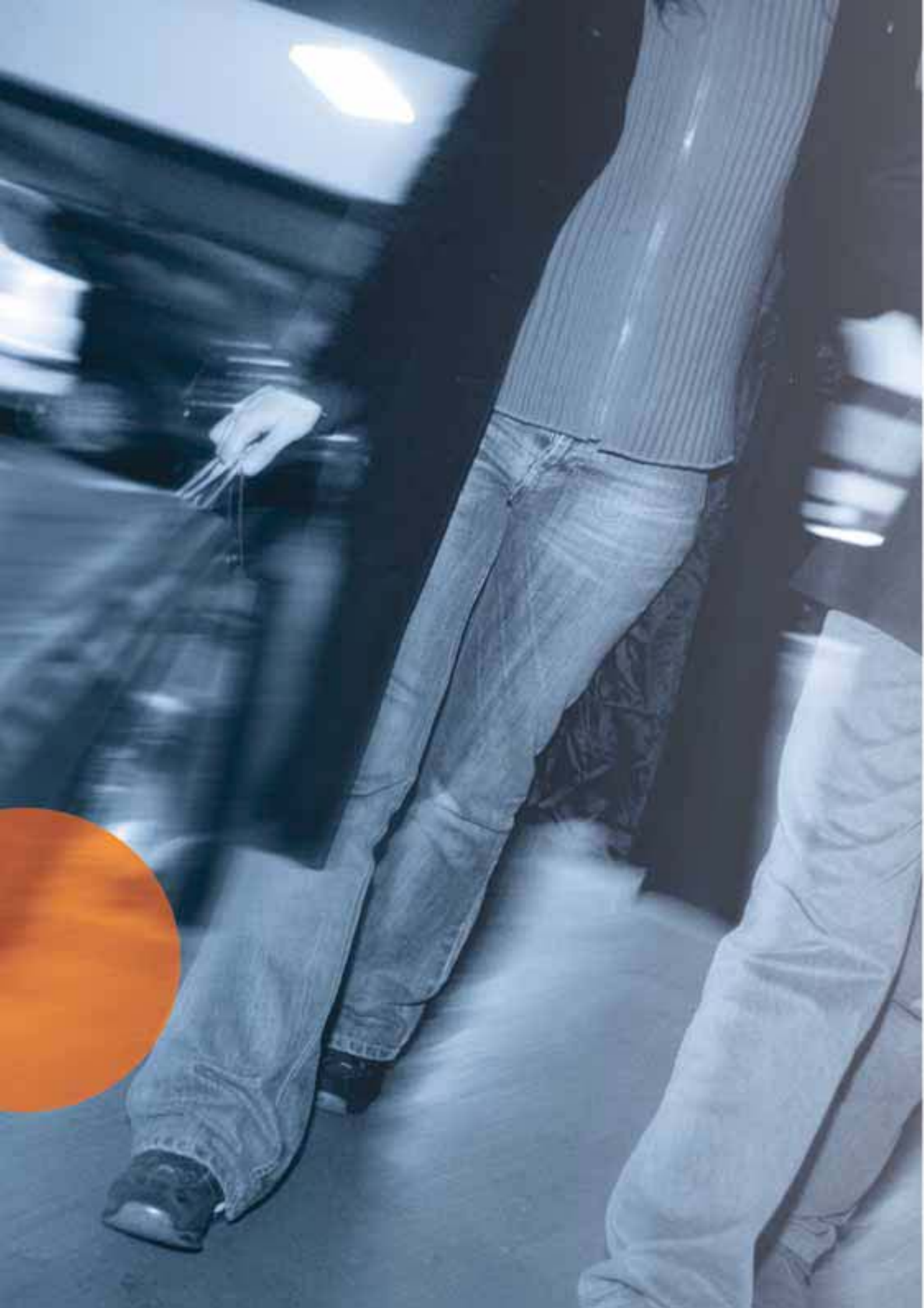
Other shareholdings

Country	Concessionary	% holding	Km	End concession
Argentina	Ausol	45.2	119	2020
Colombia	Coviandes	39.0	86	2013
United Kingdom	RMG	25.0	22	2026
United Kingdom	RMG	25.0	52	2026
Chile	Elqui	25.0	229	2022
Portugal	Brisa	10.0	1,106	2032
Italy	Autostrade	8.0	3,401	2038

In general, the evolution of the activity internationally has been very positive, with significant increases in traffic and income.

The recovery of the economy in Argentina stands out, having commenced in 2002 and strengthened during 2003, resulting in a 13 % increase in transits for Gco, with income up 15 %, recording a profit in 2003. This recovery, and the anticipated renegotiation of the concession contracts with the administrations that awarded the concessions, gives an optimistic outlook for the evolution of the highway concessions that **abertis** has in Argentina.

During 2003, following the Public Takeover Offer made by the core shareholders of Autostrade for the Italian concessionary, **abertis** has increased its indirect shareholding from 3.85 % to 7.98 % without any additional investment.



3 Activity for the year

Car Parks

Saba Aparcamientos, S.A. (Saba), the leading operator in the car park sector in Spain and one of the leaders in Europe, is the head company of the business unit for this activity.

During the year, **abertis** has acquired a further 40% of Saba, to gain control of almost 100% of the company.

Key data of car park companies

Company	Country	% holding	No. spaces	No. cities present
Saba	Spain	99.2	42,763	25
Parbla	Spain	100	4,936	5
Spel	Portugal	100	15,850	7
Spasa	Andorra	90.3	295	1
Satsa	Spain	88.0	947	1
Saba Italia	Italy	60.0	12,525	11
Rabat	Morocco	51.0	3,765	1
			81,081	

Activity

The Group manages more than 81,000 parking spaces distributed in a total of 141 operating units and is present in more than 50 cities.

During the year vehicle rotation in the group's car park network has been affected by the termination of the concessions of the Metered Zone in Rome and Bolzano, registering 44.2 million vehicles, below the 2002 figure. Isolating this effect, there was an increase of 2.3% thanks to the positive evolution of the activity in the other businesses of the Group.

The number of pass holders also increased by 3.4%, to 22,444.

Concerning the activity of Saba, the opening in March 2003 of the PA parking building at Barcelona Airport with 2,470 new spaces was particularly significant, bringing the total number of parking spaces managed by Saba in that car park to 13,140.

Parbla, S.L. was awarded the operation of 320 spaces in Cerdanyola del Vallès (Barcelona).

3₃ Activity for the year

During the year, the process of the group's expansion has developed, particularly through Saba Italia which was awarded new car parks in Genoa (174 spaces), Sassari (1,740 spaces), Milan (340 spaces) and Pisa (392 spaces), and with the extension of the period of some of its concessions. Also of note was the opening of some car parks in Milan. It is anticipated that significant investments will continue to be made in this country, as it is a relatively unexploited market which offers business opportunities.

In May 2003, Saba increased its shareholding in Spel by 50%, taking 100% control of the company, consolidating its position in Portugal. At 31 December 2003, Spel's contribution to the group was management of 19 centres and 15,850 parking spaces. In October this company began to operate the car park of Leiria, with 140 spaces, a project that involves the construction of another 309 parking spaces.

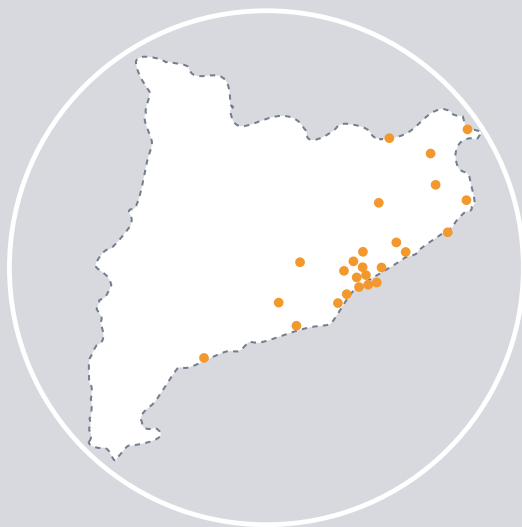
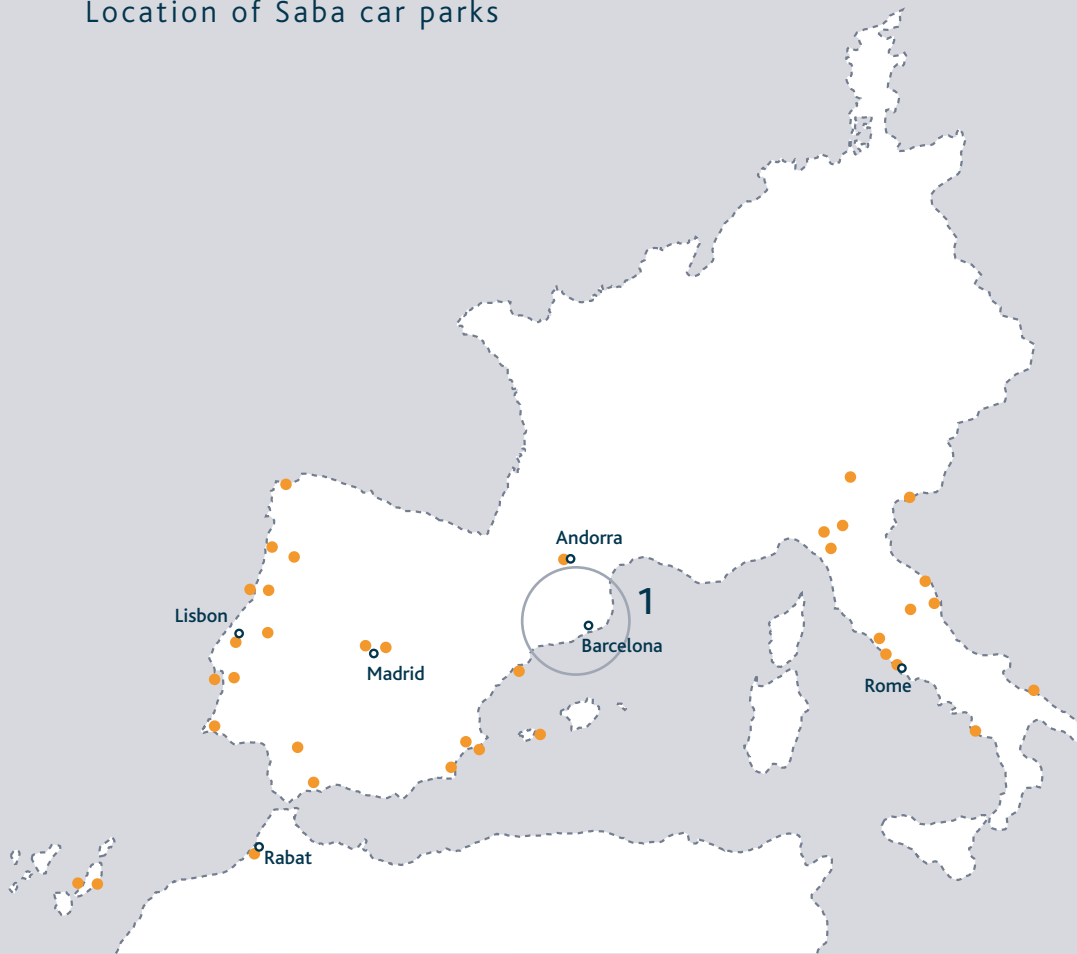
In the international area the activity of Rabat Parking, S.A. also stands out with the opening of a car park with 448 spaces.

Figures

The car park sector represents 7% of the operating income, totalling 91 million euros, an increase of 5.6% on the previous year. The contribution to consolidated EBITDA is 33 million euros, 3.8% more than the previous year. During 2003 the results of Saba were influenced by a combination of three factors: the loss of the blue zone in Rome and Bolzano, for one part; the improvement in activity at a national level; and lastly, the increased contribution from Spel to the Group figures, after gaining 100% control of the Company.



Location of Saba car parks



1 Location of Saba car parks in Catalonia

Barcelona	Puigcerdà
Badalona	Sabadell
Blanes	Salou
Cadaqués	St. Joan Despí
Cerdanyola	Sta. Perpètua de Mogoda
Cornellà	Tarragona
Figueres	Terrassa
Girona	Vic
Igualada	Vilafranca del Penedès
Mataró	Vilanova i la Geltrú
Platja d'Aro	

3 Activity for the year

Logistic Services

The logistic service business unit is channelled through **abertis logística**, holder of the Group's shareholdings in this activity.

This business unit is made up of a combination of projects at different phases of development in Barcelona, Álava and Seville:

Key data of the logistic services companies

Company	City	% holding	Total area (m ²)	Current state
abertis logística / CIM Vallès	Barcelona	100.0	70,000	Operative
Sevisur	Seville	60.0	250,000	Under construction
Parc Logístic Zona Franca	Barcelona	50.0	375,000	Operative
Arasur	Álava	39.5	2,100,000	Under construction
Cilsa	Barcelona	32.0	2,200,000	Operative
Areamed 2000	Barcelona	50.0	-	Operative

Activity

abertis logística continues operating the integrated goods area of the Central Integral de Mercancías (CIM) del Vallès, which increased income by 16% in 2003, thanks to the positive evolution of the activity in the majority of services offered (truck parking, service station, hotel, food services, commercial area and mechanical repairs) and increased occupation in the leased offices building.

The Parc Logístic de la Zona Franca, company held equally by the Consorcio de la Zona Franca de Barcelona (50%) and **abertis logística**, reached 100% occupation during 2003 in more than 100,000 m² of warehouses and 20,000 m² of leased offices. As a result, operating income increased 54% to 11 million euros, and EBITDA increased 95% to 8 million euros.

Given the positive evolution of the activity and the full occupation of the logistics area, the promotion of new office buildings is now underway.

CILSA, Centro Intermodal de Logística, S.A., in which **abertis logística** holds 32% and the Port Authority of Barcelona holds 51%, is developing Zal Barcelona and Zal Prat in two phases, a logistics area of more than 200 hectares in the port zone of Barcelona.

The promotion of Zal Barcelona has been completed during 2003, achieving full occupation, and the works for the development of Zal Prat have continued. Operating income reached 12 million euros, up 9% on 2002 and EBITDA rose 20% to 4 million euros.

Logistic infrastructures



New projects

Highlights during the year were the start of new logistics projects in Álava and Seville, which were awarded at the end of 2002.

Sevisur Logística S.A., owned by **abertis logística** (60%), several Andalusian savings banks and the Seville Port Authority, was awarded the Zal Seville Port concession in December 2002. Sevisur will manage, under a 30 year concession, a 25 hectare site to develop logistics warehouses to be leased and 10 hectares for the provision of services.

In February 2003 Arasur Logística S.A. was incorporated, in which **abertis logística** holds a 39.5% share acting as an industrial, technical and management partner, with the other shares held by the Caja Vital, the Diputación Foral de Álava and the Autonomous Government of the Basque Country. Arasur will construct and operate an inter-modal logistics platform, that it will own, in an area of more than 200 hectares in the south of Álava province.

Figures

The logistic services business unit recorded operating income of 15 million euros and contributed EBITDA of 6 million euros to the consolidated accounts of **abertis**.



Telecommunication infrastructures

abertis telecom is the parent company of the telecommunication infrastructures business. In addition to holding the shareholdings of **abertis** in this sector, it provides technical assistance and operates the fibre optic cabling located along the Acesa highways.

In September **abertis telecom** acquired the outstanding 5% of the shares in Tradia to gain 100% control of the Company.

In December 2003 the acquisition of 100% of Retevisión from the Auna group was finalised. With this operation, **abertis** consolidates its line of activity in the management of telecommunication infrastructures.

Key data of the telecommunication infrastructure companies

Company	%	No. of sites
abertis telecom	100	-
Tradia	100	678
Retevisión	100	2,400
Torre de Collserola	36.0	-

Tradia is one of the main Spanish companies specialised in leasing telecommunication infrastructures for mobile telephone operators, radio broadcasters and closed user groups.

The provision of Services to Public Administrations (SAP) continues to be one of the Company's main activities and, in particular, the roll-out of digital trunking networks and communications consulting. This activity has increased 38%.

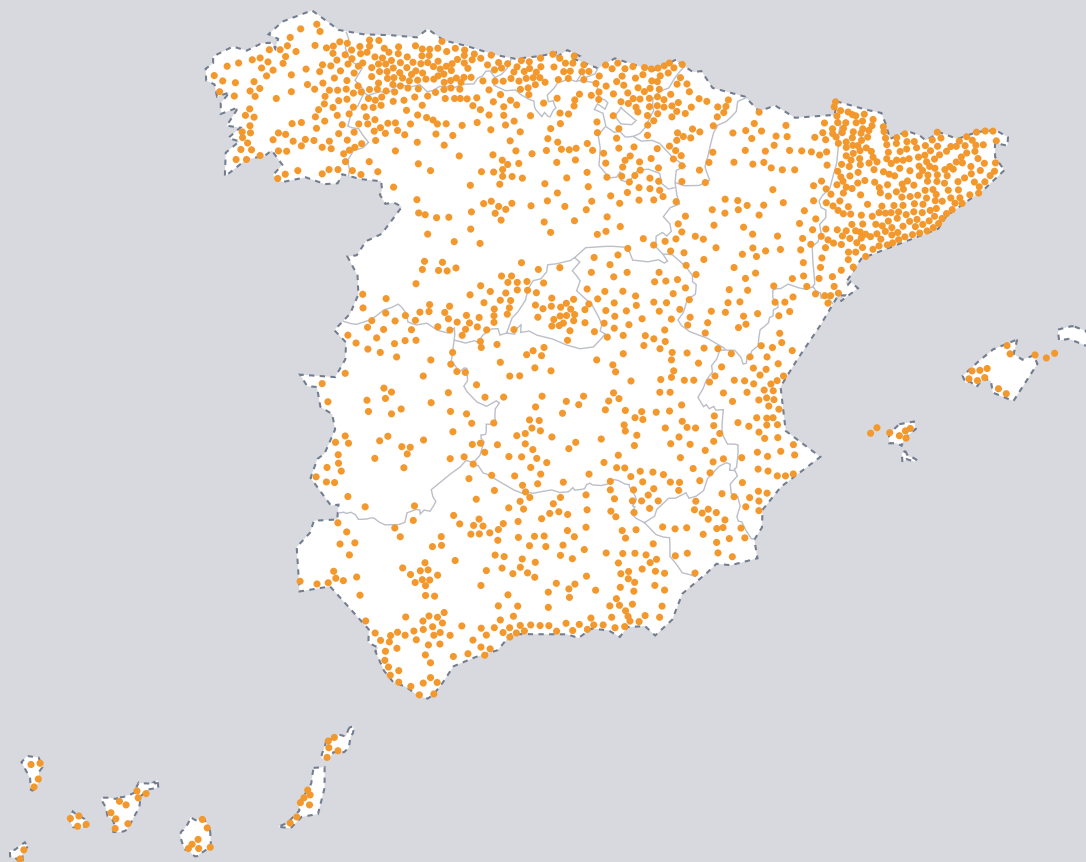
Tradia has improved and expanded services in the audiovisual market and, in the sector of broadcasting radio programs and private television, a 15% increase was recorded.

The services of leasing infrastructure and transporting data for the main mobile telephone operators and LMDS have increased by 7% compared to the previous year.

The results for the year show the impact of the significant investment program that the Company has undertaken and the positive evolution of the main activities. As a result, turnover has increased 25% to 67 million euros, and EBITDA rose to 17 million euros, up 57% on 2002.

Retevisión Audiovisual offers services of transport and broadcasting of television and radio signals at a national level on analogical and digital networks. It has a network with 2,400 sites, including the emblematic Torrespaña in Madrid and Torre de Collserola in Barcelona (in which it has a 36% shareholding).

Tradia and Retevisión sites



In 2002, Retevisión spun off the activity of installing and operating fixed telecommunication networks and services to Auna Telecomunicaciones, S.A., leading to the creation of Retevisión Audiovisual. Consequently, 2003 is the first full year in which the company has only undertaken its audiovisual activity. It is expected that the company will register a positive evolution in both income and EBITDA next year.

The acquisition of Retevisión enables **abertis** to obtain synergies through complementary geography and clients, and in turn, it offers the possibility of expanding the current activities of Tradia at the national level.

During 2003 **abertis telecom** has acquired the proportional share of the Vivendi Group's holding in Xfera without any outlay, increasing its shareholding from 5.69% to 8.36%. **abertis** has provisioned 100% of the investment given that the commercial and technical roll-out is on hold, awaiting the availability of UMTS technology, for which Xfera holds an operating licence.

Airports

abertis has an 85% shareholding in Codad, the company holding the concession for the construction and management of the second runway at Bogotá airport and management of the first runway, which is already built.

Codad operates under a contract with guaranteed minimum income. Consequently, although the number of flights has declined by 4%, operating income in Colombian pesos rose 20% and EBITDA rose 15%, with the contribution to the consolidated accounts of **abertis** being 21 and 18 million euros respectively.



3⁴ Performance for the year

Consolidated figures for abertis

Balance sheet

(million euros)

Assets	Consolidated		Liabilities	Consolidated	
	2003	2002		2003	2002
Net fixed assets	7,684	4,957	Equity	3,107	2,034
Intangible fixed assets	262	87	Share capital	1,576	1,037
Tangible fixed assets	6,622	4,288	Share premium	580	116
Investments	800	582	Reserves	716	765
			Profit	355	195
			Interim dividend	(120)	(79)
Consolidation goodwill fund	909	925			
Deferred expenses	632	274	Minority interests	28	90
Current assets	460	303	Negative consolidation difference	41	22
			Deferred income	96	24
			Provisions for liabilities and expenses	2,285	1,387
			Long-term creditors	2,640	1,607
			Short-term creditors	1,488	1,295
Total assets	9,685	6,459	Total liabilities	9,685	6,459

The 50% increase in the consolidated balance sheet figures is due to the incorporation of the Aurea shareholdings in the consolidation scope, as well as the consolidation of Retevisión at the end of the year.

Consolidated assets total almost 9,700 million. Tangible fixed assets, primarily consisting of investment in highways and other concession assets, represent 68% of the total.

The variation of the consolidation goodwill fund is principally due to an increase of 155 million euros following the merger and the acquisition of shareholdings during the year, and a reduction of 149 million euros due to the transfer of the consolidation goodwill generated in the merger of Aucat and Holdaucat during the year to financial investments.

Almost 75% of the deferred expenses are the result of the deferral of financial charges established in the accounting standard in force for highway concessionary companies.

On the liabilities side, equity now exceeds 3,100 million euros (32% of total liabilities) and debt totals 3,611 million, representing a debt to equity ratio of 116%. Also of note are the provisions for liabilities and expenses, which include the reversion fund and represent 24% of total liabilities. This financial equilibrium allows **abertis** to face both its selective investment policy and the investments in improving the infrastructures managed with guarantees.

Profit and loss account

(million euros)

	Consolidated	
	2002	2003
Operating income	1,282	790
Operating expenses	(367)	(257)
EBITDA	915	533
Depreciation and reversion fund	(220)	(131)
Operating profit	695	402
Financial result	(151)	(94)
Profit from associated companies	30	30
Amortisation goodwill / Negative consolidation differences	(36)	(19)
Profit from ordinary activities	538	319
Extraordinary profit (loss)	4	(29)
Corporation tax	(187)	(99)
Minority interests	0	4
Profit for the year	355	195

The 2003 profit and loss account of the **abertis** group is not comparable to the previous year due to the inclusion of the Aurea group and the incorporation of a full year of the Iberpistas Group (only six months in 2002).

Consolidated operating income and expenses have increased due to the incorporations mentioned and the positive performance of the activity of the companies that the Group is now made up of.

As a result, operating profit rose 73% (up 12% on aggregate figure of Acesa and Aurea for 2002), maintaining, and even improving slightly, the profit margin of the previous year.

The financial result reflects the effects of the incorporation of the Iberpistas Group midway through 2002 as well as the companies involved in the merger with Aurea. Taking away these effects, the result would have remained practically stable with respect to the previous year.

Profit from companies consolidated by equity accounting remained at the same level as the previous year, although this is due to two factors: the incorporation of the companies under the ownership of Aurea on one side, and the lower contribution from Autostrade on the other side, as a result of the Public Takeover Offer made by the core shareholders, which has more than doubled the shareholding in the company (increased to 8%).

3 Performance for the year

The amortisation of the goodwill fund has increased significantly for two main reasons: in the first place, the 2002 accounts only included amortisation of Iberpistas for six months and, secondly, the impact of acquisitions and incorporations during the year (basically the acquisition of 40% of Saba).

The impact of all these changes has seen profit from ordinary activities increase 69%. Extraordinary profits, obtained basically from the sale of the former head office of **abertis**, helped the consolidated profit of the Group reach 355 million euros, a figure that represents an 82% increase over the previous year (up 11.2% over the aggregate total for Acesa and Aurea).

Figures for the parent company abertis infraestructuras

Balance sheet

(million euros)

Assets	Parent Co.		Liabilities	Parent Co.	
	2003	2002		2003	2002
Net fixed assets	4,778	3,233	Equity	3,069	2,010
Intangible fixed assets	6	1	Share capital	1,576	1,037
Tangible fixed assets	15	12	Share premium	580	116
Investments	4,757	3,220	Reserves	704	753
Deferred expenses	9	14	Profit	329	183
Current assets	588	203	Interim dividend	(120)	(79)
			Provisions for liabilities and expenses	41	42
			Long-term creditors	1,369	606
			Short-term creditors	896	792
Total assets	5,375	3,450	Total liabilities	5,375	3,450

The merger with Aurea has led to a significant increase in the balance sheet figures, with year on year growth of 56%.

The position as parent company of the group is reflected in the assets, where investments (portfolio of shareholdings) represents 88% of the total, and the liabilities side reflects the financing of these shareholdings through a combination of equity (57%) and debt (40%).

Of the increase in equity, 928 million corresponds to the increase in capital and the share premium related to the merger.

Profit for the year of 329 million euros, has enabled an interim dividend of 120 million euros to be paid (in accordance with the established dividend policy), with a final dividend to be paid in 2004.

Profit and loss account

(million euros)

	Parent Co.	
	2003	2002
Operating income	18	226
Operating expenses	(29)	(62)
EBITDA	(11)	164
Depreciation and reversion fund	(3)	(33)
Operating profit	(14)	131
Financial result	332	107
Profit from ordinary activities	318	238
Extraordinary profit (loss)	(8)	(20)
Corporation tax	19	(35)
Profit for the year	329	183

The 2002 and 2003 profit and loss account for the parent company are not comparable due to the merger already detailed, and because the 2002 accounts include six months of the concessionary activity before the highway activity was transferred to the current Acesa.

As parent company of the combined shareholdings, the profit and loss account is primarily concentrated in the financial result, which shows the dividends received from subsidiary and associated companies as well as the financial expenses related to the structure of the liabilities. The balance mainly corresponds to structural expenses as parent of the group.

The financial result totalled 332 million euros, enabling net profit to increase by 80% with respect to 2002 to reach 329 million euros. This represents an 8.3% increase compared to the aggregate profit and loss account of Acesa and Aurea for 2002.





4

Shareholders and stock market

- ④.1 Stock market conditions
- ④.2 Evolution of the share
- ④.3 Evolution of share capital - Increases
- ④.4 Dividend and shareholder yield
- ④.5 Shareholders
- ④.6 Significant shareholdings
- ④.7 Market information

4 Shareholders and stock market

1 Stock market conditions

After three consecutive years of heavy losses on stock markets (a period in which our share was one of the few positive exceptions), 2003 was finally a year of recovery.

The early months of the year were marked by the same doubts that had been hanging over stock markets in the previous year: the weakness of the economy, which reduced business profits, and the possibility of imminent war in Iraq at the time, dragging equity indexes down to their lows in February and March.

From April, investors appeared to enter into a climate of less uncertainty, once the initial phase of the Iraq conflict had passed, which led to rises on Wall Street and the main European exchanges.

The good business results, supported by an environment of low interest rates (linked to the improvement in macroeconomic indicators in the United States and to a lesser extent in Europe) fed the recovery in the majority of international stock markets.

Within the euro zone, neither the weakness of the recovery in Germany, France or Italy, nor the drop in the dollar and the resulting historical maximums for the euro, nor the breaching of the Stability Pact, prevented 2003 from becoming the first year of gains since 1999.

The better evolution of the Spanish economy with respect to other European countries, and the resulting increase in investor confidence in the Spanish stock market, saw the Ibex 35 rise 28% in 2003, its best performance in the last five years.

This increase occurred in a climate of lower volatility and greater liquidity, size and presence of the Spanish stock market amongst all the markets.

2 Evolution of the share

The ordinary shares of **abertis** rose 17% in 2003, after adjusting for the bonus issue.

In the early part of the year, the share prices of Acesa and Aurea were in a bullish period that accentuated in the months of April and May, with the prospects of a merger between the companies being finalised.

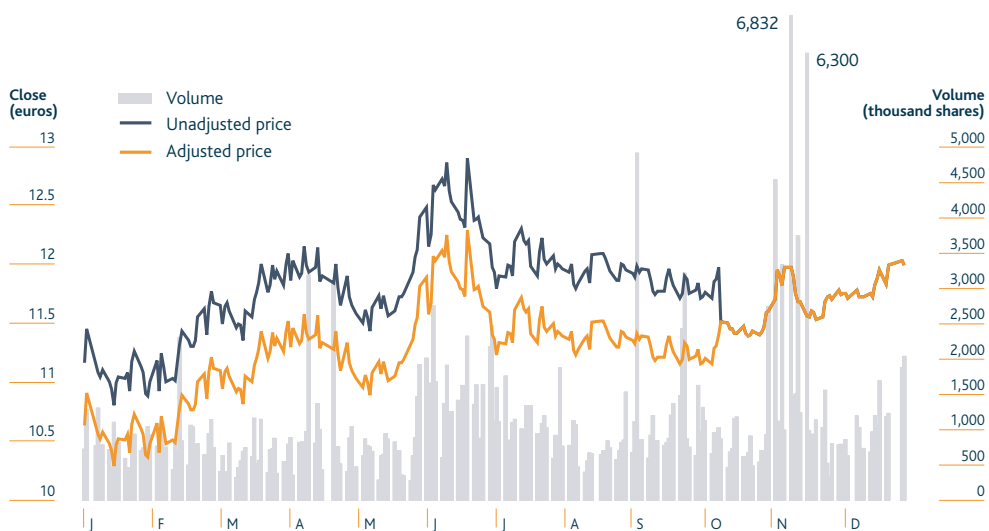
In June the exchange of Acesa shares for Aurea shares was made, with the shares in Aurea becoming **abertis** shares, with trading under the new name commencing on the 2nd of the month.

The merger gave the company a new dimension, with greater visibility amongst the investment community, greater weight in the stock market indexes and a better position for development opportunities. This expectation saw the share price rise to annual and historical highs (adjusting the price for capital increases).

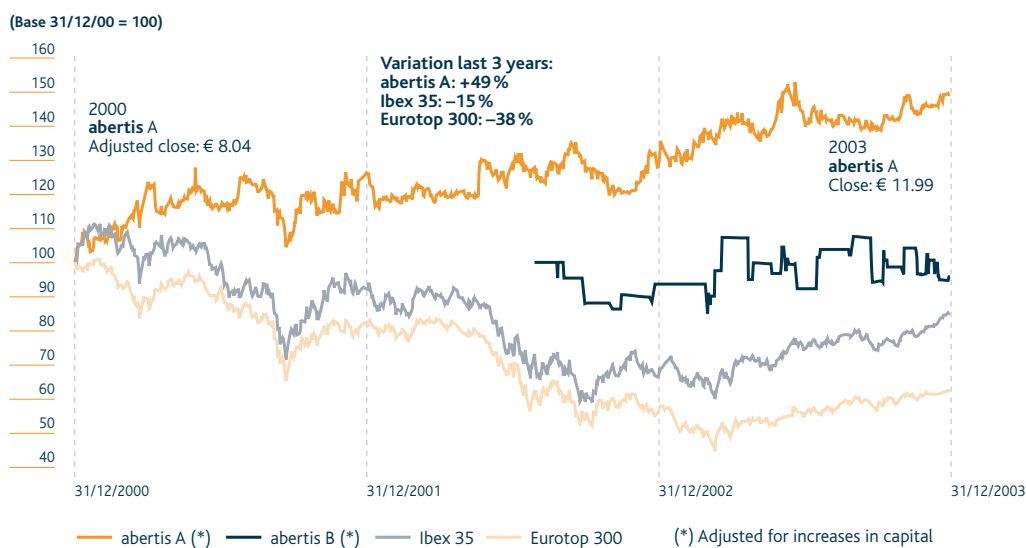
In the second half of the year, the share price began to decline slightly to the last quarter, when it received a new boost to reach 12.00 euros, recovering from the adjustment to the share price related to the bonus share issue in October.

abertis ordinary shares - 2003

The shares of **abertis** are listed on the four Spanish Stock Exchanges and traded on the electronic interconnected market. The ordinary Class A shares are included in the Ibex 35 stock index. They are also included in relevant international indexes, such as Standard & Poor's Europe 350, the Eurotop 300 or the Dow Jones Stoxx Sustainability Index, which includes leading European listed companies that are the most profitable in their sector of activity and have adopted criteria of sustainability in the management of their growth.



Comparison of the evolution of **abertis** and the main indexes Evolution over 3 years (2001-2003)



4 Shareholders and stock market

The 17% rise in the ordinary shares of **abertis** in 2003, together with those recorded in the two previous years, represents an accumulated increase in these three years of 49%. For its part, the Ibex 35 closed the 2003 year with a rise of 28% which, added to the movement recorded in the two previous years, represents a decline over the last three years of 15%, as shown in the graph.

Taking May 2002 as a reference, coinciding with the date when the main shareholders of Acesa and Aurea announced their agreement to seek a merger of the two companies, the increase in the ordinary share price of **abertis** was 25% at the close of 2003.

In the last 3 years, only four companies, including **abertis**, out of the 35 companies that make up the Ibex index, recorded a positive annual change, whereas in 2003 all but one company closed with rises for the year.

On the other hand, the performance of the privileged Class B shares are affected by their characteristics (they have the right to a preference dividend based on the period they are held), which has meant that since the shares were listed for trading on 29 July 2002, they have had low liquidity, low volumes and have traded infrequently.

The market capitalisation of **abertis** at the end of 2003 was 6,296 million euros, of which 5,853 correspond to Class A shares and 443 to Class B shares. The increase in its market capitalisation compared to 2002 is due to an increase in the number of shares, with shares issued in the Aurea share swap, and the good performance of the share price.

3 Evolution of share capital - Increases

At 31 December 2003, the share capital of **abertis** was 1,576 million euros, represented by 525,220,358 bearer shares with a nominal value of 3 euros each, fully subscribed and paid up, of which 488,183,992 are ordinary Class A shares and 37,036,366 are Class B preference shares.

During 2003 there have been two increases in capital:

• May-June

As a result of the merger with Aurea, capital was increased by a nominal sum of 464 million euros by issuing 154,579,950 ordinary Class A shares, with a share premium of 464 million euros, used in the share swap of Aurea shares for Acesa shares at the rate of 93 Acesa shares for every 43 Aurea shares. The new shares had dividend rights from 1 January 2003.

• October

The General Meeting of 16 September approved an increase of capital to be charged against reserves for a total of 75 million euros, by issuing and circulating 25,010,493 ordinary Class A shares, for all shareholders, whether Class A or Class B, with 1 new share for every 20 shares held. Between October 10th and October 24th 61.7 million rights were traded, with a maximum price of 0.58 euros and a minimum price of 0.56 euros. The new shares were admitted for trading on 6 November, with dividend rights from 1 January 2003.

4 Dividend and shareholder yield

During the first six months, dividend payments were made by Acesa and Aurea, in accordance with the terms established in the Merger Operation approved in December 2003.

Thus, Acesa paid a final dividend for 2002 on 16 April of 0.223 euros gross per share and Aurea paid a final dividend of 0.4823 euros gross per share on the same date and an extraordinary dividend of 1 euro per share.

Following the merger, **abertis** paid an interim dividend for 2003 on 12 November of 0.229 euros gross per share. This amount, together with the final dividend to be paid in the first six months of 2004, represents a total dividend of 0.452 euros gross per share, charged against profits for 2003.

The amount set aside by **abertis** for dividends in 2003 totals 237.4 million euros. This amount is 52% more than the previous year, due to new shares issued for the share exchange made in the merger with Aurea, and also include the 5% increase in the number of shares following the increase for the bonus share issue.

The dividend yield is 3.8% with respect to the year end closing price; with this figure the company continues to have one of the highest dividend yields amongst the main listed companies in Spain.

5 Shareholders

During 2003, **abertis** has maintained its commitment to communication and transparency, keeping an open dialogue with shareholders, investors and financial markets.

The company has a website www.abertis.com, to facilitate access to company information with a complete section dedicated to investor relations.

In addition, **abertis** also has a Shareholder Telephone Service (902 30 10 15) to answer queries and provide information to our shareholders.

The company also publishes the **abertis** magazine, which has become a source of information for all those who want to know the latest news at **abertis**.

6 Significant shareholdings

The size of the holdings of the core group of shareholders in the company are provided in the *Corporate Governance Report* which is included with this Annual Report.

7 Market information

Information for 2003:

	Class A shares	Class B shares
Trading frequency	100 %	39 %
Trading days	250	98
Traded volume (No. shares)	257,902,032	144,130
Equivalent percentage of shares	53 %	0.4 %
Cash value of trades (million €)	3,045.48	1.76
Market capitalisation (30/12/03) (million €)	5,853.33	442.58
abertis share options	43,731	0

4 Shareholders and stock market

Evolution of the last three years:

	2003	2002	2001
Ibex 35			
Close	7,737.2	6,036.9	8,397.6
Year change	28.2%	-28.1%	-7.8%
High/Low	7,760.4 / 5,452.4	8,554.7 / 5,364.5	10,132.0 / 6,498.4
Ibex Utilities			
Close	15,073.0	11,429.2	17,033.5
Year change	31.9%	-32.9%	-5.5%
High/Low	15,217.0 / 10,992.8	17,348.0 / 10,311.6	20,880.3 / 13,459.7
Eurotop 300			
Close	957.9	857.0	1,264.9
Year change	11.8%	-32.2%	-17.5%
High/Low	957.9 / 682.7	1,279.7 / 797.2	1,545.5 / 998.9
Class A shares			
Close/Adjusted close (1)	11.99 / 11.99	10.80 / 10.29	11.19 / 10.15
Year change/ Adjusted year change (1)	11.0% / 16.6%	-3.5% / 1.3%	20.2% / 26.2%
High/Low	12.90 / 10.80	11.99 / 10.28	11.89 / 9.26
High/Low (adjusted) (1)	12.29 / 10.29	10.88 / 9.32	10.27 / 8.40
Weight in Ibex 35	2.14 /	1.55	1.12
Class B shares			
Close/Adjusted close (1)	11.95 / 11.95	12.19 / 11.67	
Year change/ Adjusted year change (1)(2)	-2.0% / 2.4%	-10.7% / -0.8%	
High/Low	14.00 / 11.05	13.65 / 11.77	
High/Low (adjusted) (1)	13.41 / 10.58	12.48 / 10.76	

(1) Adjustment for bonus share issues

(2) In 2002, the annual change in B shares is calculated against closing price on first day of issue (29/07/02).

Class A shares

Stock price ratios on consolidated figures

Earnings per share (EPS) (1)	0.68	0.60	0.59
Adjusted profit per share (1) (2)	0.68	0.57	0.53
Dividend per share (DPS)	0.45	0.45	0.45
Adjusted dividend per share (2)	0.45	0.43	0.41
PER (share price/EPS)	17.7	18.1	19.0
Adjusted PER (adjusted price/EPS) (2)	17.7	17.2	17.2
Dividend yield	3.8%	4.1%	4.0%
Pay out (DPS/EPS)	67%	76%	77%

(1) Figure for 2002 only consider shares from the Takeover Offer share exchange for Iberpistas during six months

(2) Adjustment for bonus share issues.

www.abertis.com



5

Financial information

- 5.1 Consolidated annual accounts
 - Consolidated management report
 - Auditor's report on consolidated accounts
- 5.2 Parent company annual accounts
 - Parent company management report
 - Auditor's report on parent company accounts

5¹ Consolidated annual accounts and management report of the **abertis** group for 2003

Consolidated balance sheet at 31 December (thousand euros)

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ASSETS	2003	2002
Fixed assets	7,684,184	4,957,359
<i>Start-up costs</i>	7,654	6,061
<i>Intangible fixed assets</i>	254,193	80,981
Research and development expenses	6,495	5,427
Computer software	34,140	16,472
Administrative concessions	54,960	54,230
Goodwill	209,775	44,000
Studies and projects	1,101	727
Other	18,965	170
Amortisation	(71,243)	(40,045)
<i>Tangible fixed assets</i>	6,622,253	4,287,756
Highway investments	6,085,044	4,008,175
Land and natural resources	13,676	4,154
Buildings and other constructions	385,273	280,789
Machinery and vehicles	212,882	167,980
Installations, tooling and furniture	659,574	68,366
Other fixed assets	39,284	17,654
Other fixed assets under construction	46,907	98,294
Depreciation	(820,387)	(357,656)
<i>Investments</i>	800,084	582,561
Investments in subsidiaries consolidated by equity accounting	593,123	498,237
Loans to subsidiaries consolidated by equity accounting	0	6,000
Long-term securities portfolio	48,642	33,425
Long-term deposits and guarantees	4,497	1,425
Other credits	188,195	58,426
Provisions	(34,373)	(14,952)
Consolidation goodwill	908,943	924,506
Deferred expenses	631,848	274,284
Current assets	459,684	302,532
<i>Inventories</i>	7,096	6,920
<i>Accounts receivable</i>	278,148	223,126
Advance payments to creditors	230	162
Trade debtors	108,976	59,848
Debtors – Public Treasury compensation	95,827	78,014
Sundry debtors	48,013	34,397
Personnel	518	320
Public Treasury	33,499	54,039
Provisions	(8,915)	(3,654)
<i>Short-term investments</i>	141,060	53,363
Short-term share portfolio	14,547	47,843
Interest receivable	177	349
Other credits	126,336	5,171
<i>Treasury</i>	26,293	17,198
Cash	3,029	1,971
Banks and credit institutions	23,264	15,227
<i>Prepayments and accrued income</i>	7,087	1,925
Total assets	9,684,659	6,458,681

LIABILITIES	2003	2002
Equity	3,107,354	2,033,390
<i>Share capital</i>	1,575,661	1,036,890
<i>Share premium</i>	579,690	115,553
<i>Reserves of parent company</i>	896,422	739,403
Revaluation reserves	479,495	554,526
Legal reserve RD 1564/1989	158,668	140,387
Voluntary reserve	258,259	44,490
<i>Reserves in fully consolidated companies</i>	(24,356)	25,152
<i>Reserves in companies consolidated by equity accounting</i>	10,200	5,047
<i>Exchange differences</i>	(165,194)	(4,983)
<i>Profit and loss attributed to parent company</i>	355,206	195,329
Consolidated profits	355,369	191,511
Profits due to minority interests	(163)	3,818
<i>Interim dividend paid during year</i>	(120,275)	(79,001)
Minority interests	27,844	89,576
Negative consolidation differences	40,889	22,487
Deferred income	95,573	23,862
Provisions for liabilities and expenses	2,285,414	1,386,685
Reversion fund	2,213,112	1,318,029
Other provisions	72,302	68,656
Long-term creditors	2,639,501	1,607,351
<i>Bond issues</i>	656,428	60,000
<i>Loans with credit entities</i>	1,846,714	1,443,541
<i>Disbursement pending on shares in group companies</i>	3,353	55,598
<i>Other creditors</i>	133,006	48,212
Short-term creditors	1,488,084	1,295,330
<i>Bond issues</i>	12,568	553
<i>Loans with credit entities</i>	1,118,216	1,037,263
Loans	1,107,459	1,017,437
Interest on loans	10,757	19,826
<i>Loans with companies consolidated by equity accounting</i>	0	22,447
<i>Trade creditors</i>	182,258	160,239
Trade creditors	118,410	140,851
Other creditors	63,848	19,388
<i>Other non-trade credits</i>	172,730	74,180
Public Treasury	95,229	43,777
Accrued payroll expenses	12,206	7,792
Other debts	59,001	16,319
Deposits and guarantees received	6,294	6,292
<i>Accrued expenses</i>	2,312	648
Total liabilities	9,684,659	6,458,681

**Consolidated profit and loss account
at 31 December**
(thousand euros)

Expenses	2003	2002
<i>Personnel expenses</i>	176,174	130,493
Salaries and wages	141,860	102,784
Social security	33,023	27,097
Pension fund and other personnel-related liabilities	1,291	612
<i>Amortisation and depreciation of fixed assets</i>	86,098	60,579
<i>Movement in trading provisions</i>	2,369	2,214
<i>Other operating expenses</i>	323,260	198,405
External services	177,316	115,783
Taxes	13,326	10,174
Charge to reversion fund	132,618	72,448
Total operating expenses	587,901	391,691
Operating profit	695,248	402,354
Financial costs and related expenses	159,137	103,046
Total financial expenses	159,137	103,046
Amortisation of consolidation goodwill	36,795	19,964
Profit on ordinary activities	537,808	318,884
Losses on disposal of fixed assets and extraordinary expenses	20,006	48,007
Extraordinary profits	4,028	-
Consolidated profit before tax	541,836	289,886
Corporation tax	186,467	98,375
Consolidated profit for the year	355,369	191,511
Due to minority interests	163	(3,818)
Profit due to parent company	355,206	195,329

Income	2003	2002
<i>Operating revenue</i>	1,226,299	761,583
Toll income	1,075,176	645,441
Discounts and rebates on toll income	(32,669)	(26,400)
Provision of services	183,792	142,542
<i>Work done by the company on fixed assets</i>	1,346	3,976
<i>Other operating income</i>	55,504	28,486
Sundry income and other management income	55,504	28,486
Total operating income	1,283,149	794,045
Other interests and related income	7,688	9,091
Total financial income	7,688	9,091
Negative financial result	151,449	93,955
Share in profit and loss of companies consolidated by equity accounting	29,904	29,569
Reversion of negative consolidation differences	900	880
Profits from disposal of fixed assets and extraordinary income	24,034	19,009
Extraordinary loss	-	28,998

ABERTIS INFRAESTRUCTURAS, S.A.
NOTES TO THE ANNUAL CONSOLIDATED ACCOUNTS FOR 2003

NOTE 1. ACTIVITY

a) Activity

ABERTIS INFRAESTRUCTURAS, S.A. (hereinafter **abertis** or the Company) was incorporated in Barcelona on 24 February 1967. On 30 May 2003 (date of registering the merger deed indicated in section *b*) of this note) the company changed its name from ACESA INFRAESTRUCTURAS, S.A. to its current name. The registered office of the Company is Avenida del Parc Logístic, nº 12-20, Barcelona.

abertis is the parent company of a group dedicated to the management of infrastructures serving mobility and communications operating in four sectors of activity: highway concessions, car parks, logistic services, and telecommunications.

Its business purpose is the construction, maintenance and operation of highways under concession; the management of highway concessions in Spain and internationally; the construction of roads; the complementary activities to construction, maintenance and operation of highways such as service stations, integrated logistics and/or transport centres and/or car parks, as well as any other activity related with transport infrastructures and communication and/or telecommunications serving mobility and the transport of people, goods and information, with the necessary authorisation, should it be required.

The Company can develop its business purpose, especially the concessionary activity, directly or indirectly through its shareholding in other companies, being subject, in this respect, to the legal dispositions in force at the time.

b) Merger

On 8 April 2003, the extraordinary general meetings of shareholders of ACESA Infraestructuras, S.A. and AUREA, Concesiones de Infraestructuras, S.A. (AUREA) approved the merger of both companies by absorption, where the former company was to absorb the latter company, effective for accounting purposes from 1 January 2003, the date from which it is understood that AUREA operations were conducted on account of the Company.

The merger was effected through an exchange of AUREA shares for **abertis** shares (at the rate of 43 shares in the former for 93 shares in the latter). To cover this share exchange the Company increased capital as detailed in note 11.

The merger project approved by the respective general meetings of shareholders established that the difference between the nominal value of the new shares issued by the Company and the adjusted book value of AUREA will be treated as a premium on issue (see note 11).

The audited balance sheet of the AUREA company accounts at 31 December 2002 that was included in the Company is as follows:

	Thousand euros	
Assets		
Net fixed assets		1,424,487
Start-up costs	105	
Intangible fixed assets	5,294	
Tangible fixed assets	11,236	
Investments	1,407,852	
Current assets		43,649
		1,468,136

	Thousand euros	
Liabilities		
Equity	(*)	1,033,820
Provisions for risks and expenses		6,512
Long-term creditors		346,839
Short-term creditors		80,965
		1,468,136

(*) Prior to incorporating the value of this company's patrimony in the accounts of **abertis**, dividends from Aurea totalling 105,943 thousand euros were paid out.

In the tables and movements shown in this annual report, the column "Incorporation due to merger" reflects the consolidated balances included as at 1 January 2003.

NOTE 2. BASIS OF PRESENTATION AND CONSOLIDATION

The consolidated annual accounts represent the consolidation of the parent company, **abertis**, and the subsidiary and associated companies detailed in the Annex.

a) True and fair view

The consolidated annual accounts have been prepared by the administrators of **abertis** with the objective of providing a true and fair view of its equity, the financial situation and the consolidated profit and loss account for the year ended 31 December 2003, based on the accounting records, both of **abertis** and its subsidiary companies, in accordance with the Rules for the Preparation of Consolidated Annual Accounts approved by Royal Decree 1815/91, dated 20 December 1991, and following the General Accounting Plan and the rules for the adaptation of the General Accounting Plan for highways, tunnels and other toll routes applicable to highway concessionary companies.

All the companies in the consolidated group work to a financial year end at 31 December.

The necessary adjustments and reclassifications have been made to standardise accounting policies in those cases where there are significant differences with respect to the parent company to obtain a true and fair representation of the Group; the companies consolidated by equity accounting have been standardised, provided the necessary information was available. All the balances and significant transactions between consolidated companies have been eliminated in the consolidation process.

b) Comparison of information

The annual accounts for 2003 are not comparable with the 2002 accounts for the following reasons:

- The 2003 accounts reflect greater activity arising from the merger noted in *1b*).
- In the 2003 accounts the Iberpistas group is fully consolidated for the full year (in 2002, consolidated from June).

c) Accounting principles of consolidation

The consolidation methods applied to obtain the consolidated annual accounts are as follows:

- Fully consolidated: Used for those companies where **abertis** holds a majority position of more than 50% of the share capital or voting rights, or maintains control over management and administration, and which represent a significant interest with respect to presenting a true and fair view of the consolidated accounts.

The value of the share of minority shareholders in the capital and profit and loss account of fully consolidated subsidiary companies are included under "Minority interests in the liabilities of the consolidated balance sheet", and "Profits attributed to minority interests in the consolidated profit and loss account", respectively.

- Proportional consolidation: Used for those companies where there is joint management (multi-group companies).
- Consolidated by equity accounting: Used for those companies in which the direct or indirect shareholding is greater than 20% (3% if publicly listed) and less than 50% of the share capital; those companies where the holding is less than 20% but there is a significant influence in the management; and those companies where the holding is 50% or more, but the interest is not significant with respect to presenting a true and fair view of the consolidated accounts.

d) Variations in the consolidation perimeter

The most significant variations in the consolidation perimeter and the companies that make it up during 2003 were as follows:

- As consequence of the merger with Aurea the following companies were incorporated:

Fully consolidated:

Autopistas Aumar, S.A.U.C.E. (Aumar) (100%)
Compañía de Desarrollo Aeropuerto El Dorado, S.A. (Codad) (85%)

Equity accounting:

Aurea Limited (Aurea Ltd) (100%)
Gestión Integral de Concesiones, S.A. (Gicsa) (100%)
Autopistas de León, S.A.C.E. (Aulesa) (79.2%) (*)
Autopistas de Puerto Rico, S.A. (APR) (75%) (*)
Autopista Trados-45, S.A. (Trados 45) (50%)
Autopistas del Sol, S.A. (Ausol) (45.16%)
Concesionaria Vial de los Andes, S.A. (Coviandes) (39.04%)
Pt Operational Services Limited (PTY) (33.3%)
Road Management Group Limited (RMG) (25%)
Concesiones de Madrid, S.A. (Concema) (25%)
Infraestructuras y Radiales, S.A. (Irasa) (increase of 15%)
Erredosa Infraestructuras, S.A. (Erredosa) (increase of 15%)
Autopista del Henares, S.A.C.E. (Henarsa) (increase of 15%)

(*) fully consolidated during the first nine months of the financial year

- The following companies cease to be fully consolidated and are now consolidated by equity accounting given that they have little relevance to the consolidated figures of **abertis**: **serviabertis**, Proconex and Iberpistas Chile.
- In March 2003, the shareholding that **abertis** had in Grupo Concesionario del Oeste –Gco– (48.6%) was transferred to Autopistas Concesionaria Española, S.A (Acesa).
- Merger of Aucat with Holdaucat with effect from 1 January 2003 for accounting purposes.
- During the year **abertis** increased its indirect shareholding in the Italian concessionaire Autostrade, S.p.A. from 3.85% to 7.98%, without any additional direct funding, as a result of the Public Takeover Offer presented by the company NewCo28 (100% owned by Schemaventotto, S.p.A.) for Autostrade, S.p.A. and the subsequent merger of these two companies.
- Following the amortisation of the portfolio of shares proceeding from the compulsory Public Takeover Offer of Iberpistas in June 2003, **abertis** owned 99.8% of the shares.
- Increase of the shareholding in Saba after buying an additional 39.91% in April 2003. With this purchase **abertis** owned 99.24% of the shares, taking into account the effect of the amortisation of the portfolio of shares proceeding from the compulsory Public Takeover Offer.
- Saba acquired 50% of Spel to gain 100% control of the company. As a result of this acquisition, Spel is fully consolidated from 1 January 2003, having previously being consolidated by equity accounting.

5 Consolidated annual accounts and management report of the **abertis** group for 2003

- In 2003 it was agreed to dissolve Iniciativa de Serveis de Salou, S.A. with complete cession of universal title of its assets and liabilities in favour of Parbla, 100% owned by Saba.
- Given the relative importance of the logistic activity in the group, **abertis logística** is now fully consolidated and its subsidiary companies Areamed and Parc Logístic de la Zona Franca, by proportional integration. These companies were previously consolidated by equity accounting.
- Incorporation of Sevisur Logística, S.A (fully consolidated) and Araba Logística, S.A. (equity accounting) in which **abertis logística** holds 60.03% and 39.5% respectively.
- **abertis telecom** has increased its shareholding in Tradia to 100% after buying the 5% outstanding in September 2003.
- Acquisition at the end of 2003, by **abertis telecom**, of 100% of the company Retevisión I, S.A.U. (fully consolidated) and inclusion of the associated company Torre de Collserola (36% under equity accounting). The accounting consolidation is effective from 31 December 2003, being included in the balance sheet on that date, without any impact on the profit and loss account for the year.

NOTE 3. ACCOUNTING POLICIES

The most significant accounting policies applied in the preparation of these consolidated annual accounts are as follows:

a) Consolidation goodwill

Corresponds to the difference between cost and book value of parent company share holdings in subsidiary companies on the date of first consolidation, or the amount of latent capital gains on acquisition, when applicable.

Goodwill is amortised systematically over a period of twenty years, or, in the case of toll highways and other concessions, over the maximum remaining period of the life of the concession, given that this period is a better match for generating the required resources for recovery.

b) Negative differences on first consolidation

In the case of shares whose purchase price at the time of acquisition was below the book value of the investment, this difference is treated as a negative difference on first consolidation, being applied over the useful life of the assets of the company where the difference arises.

c) Conversion of financial statements in foreign currencies for foreign companies

The financial statements prepared in foreign currencies corresponding to subsidiary companies in countries outside of the euro zone are converted to euros using the exchange rate at close:

- Capital and reserves are converted at the historical exchange rates.
- Entries in the profit and loss account are converted applying the average exchange rate for the period.
- The other entries in the balance sheet have been converted at the exchange rate at close. The differences arising from this conversion are shown separately in the movements of the distinct balance sheet items detailed in the notes to these annual accounts.

After applying this procedure, exchange differences are shown in the accounts as "Exchange differences" under equity in the consolidated balance sheet, except in the case of Gco, due to the existing exchange rate hedge. The exchange rate differences resulting on conversion with respect to this company (having deducted the part corresponding to minority interests) is shown directly as an amount to be recovered under "Financial investments - Other credits" (46,347 thousand euros) as there is an exchange rate hedge (see note 21 d).

d) Start-up costs

Corresponds to expenses incurred on incorporation, establishment and share capital increases, which are amortised using the straight line method over a maximum period of five years.

e) Intangible fixed assets

The items included in intangible fixed assets are valued at acquisition price or their cost of production and amortised as follows:

- Goodwill. Amortised on a straight line basis over a period of 20 years, given that this is the period over which the investment is expected to be recovered.
- Administrative concessions. Correspond to the amounts paid to obtain the right to operate some car parks and they are amortised over the concession period.
- Other amounts are amortised on a straight line basis over a maximum period of five years.

Nevertheless, the balance pending amortisation will be carried to profit and loss account in the event that the asset is found to be obsolete.

f) Tangible fixed assets

Tangible fixed assets are valued at acquisition cost, revalued in accordance with various legal measures.

Personnel costs and other expenses, as well as financing costs directly imputable to highway investments, are capitalised as part of the investment until entry into operation.

Costs of refurbishment, enlargement or improving tangible fixed assets are capitalised only when they increase capacity, productivity or extend the useful life of the asset, provided that it is possible to know or estimate the net book value of the assets which are removed from the list, having been replaced.

The costs of repair and maintenance are charged to the profit and loss account in the year in which they are incurred.

The amortisation of tangible fixed assets is calculated systematically using the straight line method, based on the estimated useful life of the assets, taking into consideration wear and tear derived from normal use.

Of the combined investments represented by highway investments, the major part is amortised through allocation to the reversion fund, where technically only the installations and other works of replacement are amortised according to their estimated useful life.

The depreciation rates used to calculate the decline in value of the fixed assets are as follows:

	Rate
Buildings and other constructions	2 - 16%
Machinery	6 - 30%
Tooling	7 - 37.5%
Other installations	7 - 20%
Furniture	10 - 25%
Computer equipment	20 - 37.5%
Other fixed assets	3 - 30%
Tollgate machinery	5.6 - 12%
Highway investments	2 - 20%

g) Financial assets and investments

Investments in companies consolidated by equity accounting are stated at book value as shown in their annual accounts at 31 December.

Other financial investments are valued at acquisition price, or market price if the value has declined.

h) Deferred expenses

This entry includes:

- Financial expenses incurred in financing the investment in highways which, in accordance with the rules applicable to the sector, are recorded against profit and loss account based on the proportion of total toll income projected in the companies financial plans.
- Leases paid in advance that are charged to the profit and loss account over the life of the respective contracts.
- Expenses derived from hedging operations that are recorded monthly over the period that the operation is in place (see note 21. d).
- Expenses incurred in raising loans which are amortised on a straight line basis over the loan period.

i) Inventories

Inventories consist primarily of spare parts for fixed assets and are valued at cost, calculated using the average weighted price method, making the necessary valuation adjustments and raising the corresponding provisions.

j) Minority interests

This account reflects the interest of minority shareholders in the net book value of fully consolidated companies at 31 December. The interests of the minority shareholders in results of the year from fully consolidated companies is shown as "Results attributed to Minority interests".

k) Reversion fund

The reversion fund of the Group companies is generated annually throughout the concession period for assets subject to reversion, by means of regular charges to the profit and loss account until the fund totals the net book value of the assets to be reverted plus the estimated costs to be incurred in order to hand these over in suitable condition for use, as provided for under the terms of the concession agreement.

In the case of the Spanish concessionary companies, the allocation to the reversion fund is calculated on the basis of real toll income each year compared with the projected total in the respective Financial Plan until the end of the concession, in accordance with the terms of adaptation of the General Accounting Plan.

l) Other provisions

Pursuant to the prudence principle, the Group companies register the provisions which they consider necessary in relation to the inherent risks in the business which could affect them.

m) Deferred income

This entry includes:

- Capital grants that are recorded when the requirements for their payment are met, which are recognised in the profit and loss account from when they are paid and allocated over the estimated useful life of the assets financed.
- Compensation from the Administration for works done by Aumar that are recognised in the profit and loss account in proportion to projected toll income until the end of the concession.
- Income for the cession of the use of assets under concession (parking spaces, fibre optic cabling) that are recognised in the profit and loss account on a straight line basis over the life of the concession.

n) Commitments for pensions and other personnel related liabilities

abertis, Acesa, Aumar and Retevisión externalise through an insurance policy the current value of its future payment obligations to employees in respect of certain retirement payments and other obligations.

o) Trade and non-trade debtors and creditors

The debits and credits incurred in operations, whether or not produced in the ordinary course of business, are recorded at nominal value, making the necessary valuation adjustments to cover bad debt provisions. Amounts due within one year of balance date are classified as short-term and amounts due after this date are considered long-term.

p) Corporation tax

The consolidated profit and loss account for the year reflects the corporation tax expense on fully consolidated companies. Its calculation includes tax accrued during the year, the effect of timing differences between the tax assessment base and book profit, as well as tax credits and deductions due to Group companies.

abertis pays tax on a consolidated basis, together with those subsidiaries that meet the requirements established in current legislation (see note 17).

q) Foreign exchange differences

Transactions in currencies other than the euro are recorded at the exchange rate on the transaction date. Exchange rate differences generated at the close of the financial year on current transactions are recorded as a loss in the profit and loss account, if negative, or deferred till maturity in the case of profits.

r) Accounting for income and expenses

Income and expenses are recorded on the accruals basis, that is, when the real transfer of goods and services takes place, irrespective of when the corresponding financial transaction occurs.

s) Actions affecting the environment

Annually amounts destined to meeting legal requirements related to the environment are recorded either as an expense or an investment, depending on their nature. The amounts recorded as investments are amortised over their useful life.

No allocation has been made for liabilities or expenses of an environmental nature, given that there are no contingencies related with the protection of the environment.

NOTE 4. INTANGIBLE FIXED ASSETS

The amounts and changes in 2003 in the intangible fixed asset accounts are as follows:

	Balance 31.12.02	Incorporation due to merger	Change in perimeter	Increase	Decrease	Transfer	Exchange difference	Balance 31.12.03
R+D expenses	5,427	-	-	1,673	(605)	-	-	6,495
Computer applications	16,472	800	14,067	2,860	(56)	-	(3)	34,140
Administrative concessions	54,230	-	323	426	(19)	-	-	54,960
Goodwill fund	44,000	7,823	-	2	(1,501)	159,451	-	209,775
Studies and projects	727	-	306	231	(163)	-	-	1,101
Other	170	3	18,461	331	-	-	-	18,965
Total	121,026	8,626	33,157	5,523	(2,344)	159,451	(3)	325,436

The initial goodwill fund of 44,000 thousand euros comes from the company Tradia.

As a consequence of the take-over merger in 2003 of the companies Aucat and Holdaucat, the goodwill carried under Consolidation goodwill (see note 7) has been transferred to Intangible fixed assets.

The changes in accumulated amortisation during the year were:

	Balance 31.12.02	Incorporation due to merger	Change in perimeter	Increase	Decrease	Transfer	Exchange difference	Balance 31.12.03
R+D expenses	2,004	-	-	970	99	-	-	3,073
Computer applications	8,098	217	5,432	5,189	(108)	-	(2)	18,826
Administrative concessions	23,889	-	16	2,793	(4,190)	-	-	22,508
Goodwill fund	6,053	2,537	-	10,524	-	-	-	19,114
Studies and projects	-	-	165	106	(55)	-	-	216
Others	1	1	5,907	1,647	(50)	-	-	7,506
Total	40,045	2,755	11,520	21,229	(4,304)	-	(2)	71,243

NOTE 5. TANGIBLE FIXED ASSETS

The amounts and changes during 2003 in the tangible fixed assets were as follows:

	Balance 31.12.02	Incorporation due to merger	Change in perimeter	Increase	Decrease	Transfer	Exchange difference	Balance 31.12.03
Highway investment	3,947,557	1,884,450	3,464	74,993	(1,654)	121,834	(13,858)	6,016,786
Tollgate machinery	60,618	-	-	7,557	-	83	-	68,258
Land and natural resources	4,154	2,355	7,130	55	(18)	-	-	13,676
Buildings and other constructions	280,789	5,052	135,068	4,653	(6,959)	(33,330)	-	385,273
Other fixed assets	254,000	11,826	630,218	23,366	(16,364)	8,802	(108)	911,740
Other fixed assets under construction	98,294	15,821	26,972	42,516	(27)	(136,522)	(147)	46,907
Total	4,645,412	1,919,504	802,852	153,140	(25,022)	(39,133)	(14,113)	7,442,640

The changes in accumulated depreciation for the year were:

	Balance 31.12.02	Incorporation due to merger	Change in perimeter	Increase	Decrease	Transfer	Exchange difference	Balance 31.12.03
Highway investment	136,244	18,026	358	18,476	-	(49)	36	173,091
Tollgate machinery	38,343	-	-	9,647	-	-	-	47,990
Buildings and other constructions	62,301	754	39,926	9,217	(1,783)	(14,838)	(1)	95,576
Other fixed assets	120,722	5,800	363,562	22,056	(8,327)	(37)	(46)	503,730
Provision fixed assets	46	-	-	-	(132)	86	-	-
Total	357,656	24,580	403,846	59,396	(10,242)	(14,838)	(11)	820,387

The most significant reductions recorded in "Buildings and other constructions" and "Other fixed assets" correspond to the sale of the former head office of **abertis**.

Amongst the transfers in "Buildings and other constructions" the tacit capital gains made in the purchase of Saba are eliminated, having been recorded in this account at a gross amount of 39,133 thousand euros with an accumulated depreciation of 14,838 thousand (see note 7) and they have been transferred at the higher value to the consolidation goodwill fund.

Investments in fixed assets outside of Spain rose to 222,837 thousand euros (254,111 thousand euros gross less 31,274 thousand euros recorded as depreciation).

Included under fixed assets are revertible assets of 6,623 million euros under the terms of the concession agreement in each case, principally highway investments, including revaluations and adjustments of 3,212 million euros.

The majority of the buildings and other constructions are linked to the administrative concessions conceded by distinct public corporations, which must revert to them at the end of the concession period.

The following assets are fully depreciated:

	Amount
Highway investment	14,038
Tollgate machinery	24,374
Buildings and other constructions	2,615
Machinery and vehicles	50,714
Tooling	2,196
Other installations	228,382
Furniture	3,079
Computer equipment	8,987
Other fixed assets	2,759
Total gross book value	337,144

It is the policy of Group companies to contract all the insurance policies considered necessary to cover any possible risks that could affect tangible fixed assets, with the exception of the buildings and installations of the service stations, where the concessionary is responsible for insurance. The Group companies have also taken out the necessary civil liability insurance policies covering their activities in general.

NOTE 6. INVESTMENTS

The amount and changes in investments were:

	Balance 31.12.02	Incorporation due to merger	Change in perimeter	Increase	Decrease	Transfer	Exchange difference	Balance 31.12.03
Holdings consolidated by equity accounting	498,237	84,459	883	33,799	(18,201)	(6,054)	593,123	
Loans to companies consolidated by equity accounting	6,000	-	-	-	(6,000)	-	-	
Long-term share portfolio	33,425	7,632	6,816	957	(171)	(17)	48,642	
Long-term deposits and guarantees	1,425	209	1,224	2,175	(536)	-	4,497	
Other credits	58,426	7,571	122,480	1,018	(1,300)	-	188,195	
Provisions	(14,952)	(3,576)	-	(15,978)	133	-	(34,373)	
Total	582,561	96,295	131,403	21,971	(26,075)	(6,071)	800,084	

The changes and breakdown of the companies consolidated by equity accounting were:

	Balance 31.12.02	Incorporation due to merger	Change in perimeter	Increases	Result for year	Dividend/ Decrease	Exchange difference	Balance 31.12.03
Acesa Italia	182,511	-	-	-	-	(1,188)	-	181,323
Brisa	129,286	-	-	-	15,000	(13,206)	-	131,080
Túnel del Cadí	41,587	-	-	-	810	-	-	42,397
Iberacesa	39,696	-	-	5	(151)	-	-	39,550
Aulesa	-	-	36,554	-	(208)	-	-	36,346
Aurea Limited	-	31,487	-	-	3,388	-	(2,481)	32,394
Elqui	20,572	-	-	-	1,594	(85)	200	22,281
Coviandes	-	20,414	-	-	3,070	-	(2,449)	21,035
Trados 45	-	16,835	-	-	3,210	-	-	20,045
Autema	19,721	-	-	-	1,529	(2,350)	-	18,900
Cílsa	-	-	13,074	-	314	-	-	13,388
Irasa	-	10,188	-	656	103	-	-	10,947
Concema	-	5,240	-	2,625	801	-	-	8,666
Henarsa	4,628	-	-	609	-	-	-	5,237
Torre de Collserola	-	-	4,426	-	-	-	-	4,426
P. Autop. Chile Ltda.	-	-	3,498	-	177	-	(1,337)	2,338
Arasur	-	-	1,185	-	(21)	-	-	1,164
PTY	-	102	-	-	385	-	13	500
Gicsa	-	193	-	-	270	-	-	463
Ibermadrid	347	-	-	-	6	-	-	353
Proconex	-	-	398	-	1,204	(1,372)	-	230
SGPS	50	-	-	-	-	-	-	50
serviabertis	-	-	226	-	(219)	-	-	7
Adesal	3	-	-	-	-	-	-	3
abertis logística	56,816	-	(56,816)	-	-	-	-	-
Spel	3,020	-	(3,020)	-	-	-	-	-
APR	-	-	1,358	-	(1,358)	-	-	-
Total	498,237	84,459	883	3,895	29,904	(18,201)	(6,054)	593,123

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The consolidated subgroup of **abertis logística** has changed from being consolidated by equity accounting to be fully consolidated, separating in this way the shareholding consolidated under equity accounting in Cilsa. During 2003, Abertis Logística, S.A. incorporated the company Arasur (39.5%) which is consolidated by equity accounting.

During 2003 Saba acquired the 50% outstanding of Spel, so the company has changed from being consolidated by equity accounting to being fully consolidated.

The long-term share portfolio is basically comprised of the shareholding in Xfera Móviles, S.A. of 28,727 thousand euros which is 100% provisioned and the shareholdings in Terra Mítica and Port Aventura.

Under "Other credits", in addition to the balance of 46,347 thousand euros to recover from the hedge mentioned in note 3. c), the sum of 122 million euros from Retevisión is included, which corresponds to the tax credit arising from losses and timing differences (see note 17).

NOTE 7. CONSOLIDATION GOODWILL

The movement during the year in consolidation goodwill was as follows:

	Balance 31.12.02	Incorporation due to merger	Increase	Amortisation	Transfer	Balance 31.12.03
Iberpistas Group	444,785	-		(16,657)	-	428,128
Brisa	182,766	-		(6,092)	-	176,674
Saba Group	3,295	-	82,438	(4,697)	24,295	105,331
Gco	72,948	-		(653)	-	72,295
Trados 45	-	31,036		(1,164)	-	29,872
Aucat	188,656	-		(811)	(159,451)	28,394
Autema	26,970	-		(817)	-	26,153
Concema	-	14,110		(473)	-	13,637
Cilsa	-	-	12,554	(438)	-	12,116
Tradia	5,086	-	1,485	(306)	-	6,265
Aulesa	-	6,277		(118)	-	6,159
Codad	-	4,099		(321)	-	3,778
Coviandes	-	157		(16)	-	141
APR	-	4,232		(4,232)	-	-
Total	924,506	59,911	96,477	(36,795)	(135,156)	908,943

The additions to the consolidation goodwill are due to acquisitions or changes in the consolidation method detailed in note 2*d*).

The goodwill fund of Aucat has been transferred to intangible fixed assets following the merger with Holdaucat (see note 4). Similarly, the tacit capital gains of Saba recorded under "Buildings and other constructions" have been transferred to the consolidation goodwill, for a net amount of 24,295 thousand euros (see note 5).

The possible effect of the exchange rate risk on the goodwill of Gco is covered by the exchange rate hedges detailed in note 21 *d*).

NOTE 8. DEFERRED EXPENSES

The movement in deferred expenses during the year was as follows:

	Balance 31.12.02	Incorporation due to merger	Change in perimeter	Increase	Decrease	Exchange difference	Balance 31.12.03
Expenses in raising finance	7,208	4,263	104	-	(1,398)	-	10,177
Deferred expenses of financing highways	215,535	321,069	-	28,533	(15,496)	(7,073)	542,568
Other deferred expenses	51,541	1,555	36,153	730	(10,649)	(227)	79,103
Total	274,284	326,887	36,257	29,263	(27,543)	(7,300)	631,848

The deferred financial expenses correspond to the companies Aumar, Avasa, Aucat and Codad.

"Other deferred expenses" include expenses incurred for the construction of new buildings and for carrying out works to adapt the land and buildings owned by the Consorci de la Zona Franca de Barcelona which are to be operated by Parc Logístic de la Zona Franca (34,215 thousand euros), the anticipated lease of part of the infrastructures of Tradia (19,069 thousand euros), the counterpart of the Acesa debt pending to the Ministry of Works which is being offset by discounts payable by the Ministry (14,589 thousand euros) and the expenses derived from the hedging operations in the acquisition of 48.6% of Gco (see note 21 *d*) for an amount of 9,173 thousand euros.

NOTE 9. ACCOUNTS RECEIVABLE

The breakdown of this account by types of activity is as follows:

	Amount
Highways	163,241
Car Parks	21,164
Telecommunications	88,546
Logistics	1,059
Airports	4,138
Total	278,148

NOTE 10. SHORT-TERM INVESTMENTS

The average yield from deposits held by group companies during 2003 was 2.3% per annum.

"Other credits" include 123 million euros from Retevisión that corresponds to deposits in two financial entities with the sole and irrevocable purpose of paying back the anticipated amortisation of certain loans.

NOTE 11. EQUITY

The breakdown and movement in equity in the year ended 31 December 2003 was as follows:

	Balance 31.12.02	Distribution of results	Incorporations due to merger	Increase in capital	Profit for the year	Other movements	Balance 31.12.03
Share capital	1,036,890	-	463,740	75,031	-	-	1,575,661
Share premium	115,553	-	464,137	-	-	-	579,690
Parent company reserves							
Revaluation reserve							
RDL 7/1996	554,526	-		(75,031)	-	-	479,495
Legal reserve	140,387	18,281	-	-	-	-	158,668
Distributable reserves	44,490	54,136	153,864	-	-	5,769	258,259
Reserves in fully consolidated companies	25,152	(40,438)	9,994	-	-	(19,064)	(24,356)
Reserves in companies consolidated by equity accounting	5,047	7,274	(3,130)	-	-	1,009	10,200
Conversion differences	(4,983)	-	(149,645)	-	-	(10,566)	(165,194)
Profit for year	195,329	(195,329)	-	-	355,206	-	355,206
Interim dividend	(79,001)	79,001	-	-	-	(120,275)	(120,275)
Total	2,033,390	(77,075)	938,960	-	355,206	(143,127)	3,107,354

The amount "Other movements" under "Reserves in fully consolidated companies" corresponds, in part, to the amortisation of own shares of Iberpistas acquired through the compulsory Public Takeover Offer carried out in 2003 (approximately 10 million euros).

a) Share capital

The share capital of **abertis** is made up of 525,220,358 shares with a nominal value of 3 euros each, being those entered in the share register. The shares are fully subscribed and paid-up, of which 488,183,992 are class A shares and acciones 37,036,366 are class B preference shares that, in addition to having the same rights as the ordinary shares, have the right to a preferential dividend that will be paid once to holders of said shares in 2007. The maximum amount of the preferential dividend on each preference share will be the

difference at the time between the reference price of 14.87 euros per share and the weighted average price of the ordinary **abertis** shares in the quarter prior to the due date, with a maximum payment of 4.25 euros per share.

At 31 December 2003 the most significant shareholdings were as follows:

Caixa d'Estalvis i Pensions de Barcelona ("la Caixa") (1)	21.05 %
ACS, Actividades de Construcción y Servicios, S.A. (2)	11.82 %
Caixa d'Estalvis de Catalunya	5.69 %
Sitreba, S.L. (3)	5.50 %
	44.06 %

(1) Shareholding through the companies Caixa Barcelona Vida, S.A., Seguros y Reaseguros (11.84%), VidaCaixa, S.A. de Seguros y Reaseguros (0.50%), Inversiones Autopistas, S.L. (7.75%) and CaixaHolding, S.A. (0.95%).

(2) Shareholding through Dragados Concesiones Infraestructuras (4.33%) and the rest by Inversora de Infraestructuras, S.A.

(3) Sitreba, S.L. is a company owned by Unicaja (34.38%), Cartera Participaciones Empresariales, S.L. (33.71%), Banco de Valencia, S.A. (27.27%) and Caja de Ahorros del Mediterráneo (4.64%).

All the shares of the Company are listed on the stock exchanges of Barcelona, Bilbao, Madrid and Valencia, being traded on the SIBE (electronic trading system) and form part of its Ibex 35 and Ibex Utilities indexes. At the same time, options on the shares of the company are traded on the options market of MEFF Renta Variable (Spanish Equities Futures Exchange).

The Company's Annual General Meeting on 8 April 2003 agreed to pay a final dividend for 2002 of 0.223 euros gross per share, representing the sum of 77,075 thousand euros. The general meeting also approved an increase in capital of a nominal amount of 463,740 thousand euros, by issuing 154,579,950 shares to cover the share exchange agreed in the merger with AUREA (see note 1 b). The share premium totalled 464,137 thousand euros.

By agreement of the Extraordinary General Meeting held on 16 September 2003, the Company increased capital through a bonus share issue, charged against the Revaluation Reserve Account of Royal Decree law 7/1996, of 7 June, with one new share for every 20 existing shares, for an amount of 75,031 thousand euros.

The Board of Directors was authorised by the Annual General Meeting of 8 April 2003 to increase share capital, through one or more capital issues, up to a maximum amount of 518,445 thousand euros, during the period up to 8 April 2008. This power remains fully operative.

b) Revaluation Reserve of Royal Decree law 7/1996, of 7 June

This reserve originates from the revaluation of the tangible fixed assets in the balance sheet of the Company, by virtue of Article 5 in the above legislation.

With three years having passed since the balance date when the revaluation was made without an examination by the Tax Administration, the revaluation operations are deemed to be correct and the balance of the account accepted by the Tax Inspection, and accordingly the balance is available for distribution to:

- Off-set book losses.
- Increase share capital.
- Create reserves freely available for distribution, ten years from the date of the balance sheet containing the revaluation operations.

The balance of this account cannot be distributed, directly or indirectly, unless the capital gain has been realised, with the understanding that this is the case when the revalued assets have been fully amortised, transferred or written off in the books. Given the Activity Transferred of the subsidiary company ACESA in 2002, the requirement that the capital gain has been realised can only be understood as such when the company acquiring the revalued assets as part of the new activity has amortised those assets, transferred or written them off in the books.

c) Legal reserve

In accordance with the Revised Text of the Companies Law, 10% of the annual profits should go to the legal reserve so that this reserve reaches at least 20% of the capital. The legal reserve cannot be distributed to shareholders unless the Company is wound up.

The legal reserve can be used for increases in capital, provided the funds used come from the balance exceeding 10% of the capital at the increased amount.

Apart from the purpose mentioned above, whilst this reserve does not exceed 20% of the share capital, it can only be used to compensate losses when there are no other reserves available for this purpose.

d) Reserves in fully consolidated companies and companies consolidated under equity accounting

The breakdown of these amounts by company is as follows:

	Amount
Iberpistas Group	(15,616)
Saba Group	14,088
Acesa Group	(513)
abertis logística Group	2,233
abertis telecom Group	(35,556)
Codad	10,970
Aumar	38
Total reserves in fully consolidated companies	(24,356)

	Amount
abertis logística Group	772
Acesa Group	7,419
Iberpistas Group	4,349
Coviandes	14,162
Ausol	(25,333)
Aurea Ltd	8,234
GICSA	133
IRASA Group	371
PTY	93
Total reserves in companies under equity accounting	10,200

The negative reserves of the Iberpistas Group are due partly to the impact of the amortisation of own shares for 10 million euros in the year following the compulsory Public Takeover Offer (see beginning of this note) and partly because the amounts distributed as dividends by Group companies are adjusted in the consolidation process, increasing the reserves of the parent company and not those of the companies that have paid out.

e) Exchange differences

The breakdown by companies of this entry is as follows:

	Amount
Saba Group	(80)
Iberpistas Group	(4,728)
Codad	(20,509)
Coviandes	(12,625)
Aurea Ltd	(5,058)
Ausol	(122,215)
PTY	21
Total exchange differences	(165,194)

The exchange difference in Ausol reflects the effect of the devaluation of the Argentine peso.

NOTE 12. MINORITY INTERESTS

The balance of this entry at 31 December corresponds to the shareholding held by minority shareholders in the book value on that date of the fully consolidated companies, with the movement during the year as follows:

	Balance 31.12.02	Incorporation due to merger	Increase holding	Results	Dividend	Exchange difference	Other	Balance 31.12.03
Saba	54,486	-	(54,556)	1,162	(81)	-	-	1,011
Satsa	1,089	-	-	88	(71)	-	(50)	1,056
Rabat	859	-	-	(81)	-	(29)	-	749
Spasa	31	-	-	13	-	-	-	44
Saba Italia	14,383	-	-	(1,458)	-	-	-	12,925
Iberpistas	4,228	-	-	92	(63)	-	(3,727)	530
Gesa	1,921	-	-	-	-	-	(1,921)	-
Gco	7,271	-	-	1,746	-	(2,951)	-	6,066
Tradia	5,308	-	(5,090)	(218)	-	-	-	-
APR	-	(466)	-	317	-	-	149	-
Codad	-	6,800	-	(1,385)	(416)	(712)	-	4,287
Aulesa	-	8,108	-	(89)	-	-	(8,019)	-
Sevisur	-	-	-	(24)	-	-	1,200	1,176
Total	89,576	14,442	(59,646)	163	(631)	(3,692)	(12,368)	27,844

The amount "Other" mainly corresponds to changes in the consolidation perimeter or method of consolidation indicated in note 2.d).

NOTE 13. NEGATIVE CONSOLIDATION DIFFERENCES

The movement in this entry during 2003 was as follows:

	Balance 31.12.02	Incorporation due to merger	Increase	Imputation in results	Balance 31.12.03
Saba Italia	8,507	-	-	(201)	8,306
Túnel del Cadí	13,980	-	-	(699)	13,281
Aurea Ltd	-	2,467	-	-	2,467
Retevisión	-	-	16,835	-	16,835
Total	22,487	2,467	16,835	(900)	40,889

NOTE 14. DEFERRED INCOME

The movement during the year was as follows:

	Balance 31.12.02	Incorporation due to merger	Change in perimeter	Increase	Decrease	Balance 31.12.03
Subsidies	2,704	-	36,382	-	(118)	38,968
Other deferred income	21,158	23,455	55	15,750	(3,813)	56,605
Total	23,862	23,455	36,437	15,750	(3,931)	95,573

The cash subsidies basically correspond to subsidies from the European Regional Development Fund (FEDER) received by Retevisión.

“Other deferred income” at 31 December 2003 mainly includes:

- Compensation to Aumar from the Public Administration for works carried out in Sagunto, for 23,139 thousand euros.
- Income from the sale of car parks under Saba concession. The Balance at 31 December 2003 totals 14,114 thousand euros.
- Income received by Acesa for the cession of the use of fibre optic cables, of 8,616 thousand euros.

NOTE 15. PROVISIONS FOR LIABILITIES AND EXPENSES

The movements in this entry for the year ended 31 December 2003 were as follows:

	Balance 31.12.02	Incorporation due to merger	Change in perimeter	Charges for the year	Application	Other	Exchange difference	Balance 31.12.03
Reversion fund (see note 3 k)	1,318,029	765,005	-	132,618	-	(1,436)	(1,104)	2,213,112
Other provisions (see note 3 l)	68,656	6,512	10,252	2,977	(16,102)	-	7	72,302
Total	1,386,685	771,517	10,252	135,595	(16,102)	(1,436)	(1,097)	2,285,414

NOTE 16. BOND ISSUES AND LOANS WITH CREDIT INSTITUTIONS

The table below shows the balance of outstanding credits at the end of 2003.

	2004	2005	2006	2007	2008	Other maturities	TOTAL
Bonds issued	-	178,529	10,143	11,065	11,065	445,626	656,428
Syndicated loans	401,766	132,019	127,100	65,335	157,312	97,707	981,239
Loans	192,364	85,460	123,041	166,198	152,688	685,606	1,405,357
Credit policies	374,527	24,687	-	-	-	-	399,214
Others	138,802	4,654	2,736	2,690	2,690	16,791	168,363
Total	1,107,459	425,349	263,020	245,288	323,755	1,245,730	3,610,601

At 31 December, companies of the Group held debts in foreign currencies, principally held by Codad (US dollars) and Gco (Argentine pesos), for a sum of 73,604 and 46,758 thousand euros respectively. In the case of the Gco debt, toll income is pledged as guarantee against this debt.

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At 31 December companies of the Group have various financial transactions (*swaps and collars*) to hedge the financing costs of loans with a nominal value of 1,401,835 thousand euros. Of these operations, 540,506 thousand euros were arranged with related financial institutions (shareholders of the Company that hold 5% or more of the share capital).

Part of the loan and credit operations included as debts with credit institutions at 31 December 2003 (225,524 thousand euros long-term and 143,533 thousand euros short-term) were arranged with credit institutions related to **abertis**, at market interest rates.

The weighted average annual interest rate for bonds and long-term loans with credit institutions is approximately 4.05%.

Short-term loans are expected to be refinanced in 2004.

NOTE 17. TAX SITUATION

abertis calculates tax in 2003 on a consolidated fiscal basis, as parent company of the fiscal group with the following subsidiary companies: **abertis logística**, **abertis telecom**, Acesa, **serviabertis**, Aucat, Tradia, Adesal, Iberacesa, Isgasa Iberpistas, Autopista A-6, Castellana, Iberavasa, Proconex, Ibermadrid, Aumar, Aulesa and Gicsa.

The reconciliation of the difference between the reported profit before tax in the accounts and the profit subject to tax is detailed in the annual report of each company. The reconciliation of the consolidated results and the aggregate tax assessment base for all the consolidated companies, including consolidation adjustments, is as follows:

	Amount
Consolidated profit before tax	541,836
Permanent differences (including consolidation adjustments)	3,633
Timing differences	
- arising during the year	10,284
- from previous periods	(1,629)
Tax losses carried forward	(35,674)
Tax assessment base	518,450

The tax effect of accrued Corporation tax expense during the year off-set against tax losses carried forward is 344 thousand euros.

In calculating the tax payable, the companies of the consolidated Group have applied deductions to avoid the double imposition internally on dividends received, as well as deductions on investments associated with the realisation of various activities, for a total amount of 4,103 thousand euros.

The balance at 31 December 2003 of prepaid tax totalled 31,123 thousand euros, largely made up of valuation differences and timing differences between fiscal and accounting criteria for the recording income and expenses.

The balance at 31 December 2003 of deferred tax totals 120,641 thousand euros, which largely corresponds to the following items :

- Application of cash criteria for tax purposes with respect to income from operations with forward price, and similarly profit reinvestment for Spanish companies that set up internationally; both relate to previous years.
- Deferred taxes recorded in Aumar and Avasa as the result of applying the sole transitory disposition of the Order of 10 December 1998 approving the Standards for the adaptation of the General Accounting Plan for concessionaire companies of highways, tunnels, bridges and other toll routes and in application of the fiscal legislation.

The negative taxable amounts pending to be off-set for the companies of the consolidated Group at 31 December 2003 totalled 176,182 thousand euros, with due dates from 2004 to 2018. These negative taxable amounts include an amount of 4,029 thousand euros recorded as a tax credit under "Debtors-Public Treasury" and 110,111 thousand euros in "Other credits under investments" (see note 6).

During 2003, companies in the **abertis** Group have been involved in various company operations in which they have opted for the application of the special fiscal regime of Chapter VIII and Title VIII of the Company Tax Law. These operations were as follows:

- On 28 May 2003 the merger agreement of the **abertis** company through the absorption of Aurea and the consequent dissolution of the latter company without liquidation was made public (see note 1.b).
- On 31 July 2003 the merger agreement of the Holdaucat company, through the absorption of Aucat, and the consequent dissolution of the latter company without liquidation, was made public. Subsequently, the absorbing Company changed its company name to Aucat.

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- On 3 June 2003 the agreement to dissolve the company Iniciativa de Serveis Salou, S.L, without liquidation, by the complete cession of assets and liabilities of the company to the sole shareholder Parbla, S.L., was made public.

As a consequence of these operations, the entire patrimony of the absorbed company was attributed to the absorbing company through universal title, assuming all tributary rights and obligations conveyed in the goods and rights transferred.

In general, the companies that form the **abertis** Group have tax declarations of the last four years open to inspection, for all the taxes that they are subject to. **abertis** has been issued the corresponding assessments from the inspection based on examinations made between 1989 and 1993 and for 2000, of a partial nature and in a consolidated fiscal regime, which the company has signed in disagreement. These assessments have been appealed and are pending the decision of the authorities.

The eventual impact on the Company's capital that could result, once the outcome of the appeal is known, is adequately provisioned. Furthermore, due to different possible interpretations of tax legislation applicable to certain operations, there are specific fiscal liabilities of a contentious nature that are difficult to quantify. Nevertheless, the amount of tax that might be payable would not have a material impact on the Consolidated Annual Accounts.

NOTE 18. INCOME AND EXPENSES

a) Distribution of income

The distribution of net business income by activities and markets for the ordinary activities of the Group was as follows:

	Amount
Highway operations	1,043,925
National	1,019,192
International	24,733
Car park operations	81,357
National	62,942
International	18,415
Telecommunication infrastructures	
National	67,043
Logistic infrastructures – National	12,861
Airport operations – International	21,113
Total	1,226,299

b) Toll income

The highway concessionaire companies of the **abertis** group have not recorded income related to the review of toll rates on highways administered by the State for the year 2000 not authorised by the Minister of Works, corresponding to 2000, 2001, 2002, and 2003 for a sum of 80 million euros. In October 2003 the Supreme Court handed down a sentence making the decree denying the rate revision for 2000 null and void. The sentence did not establish a formula for compensation to concessionaires. The effect of freezing toll rates in 2000 on the rate revision in 2001, 2002 and 2003 is under appeal before the courts on behalf of the highway concessionaire companies.

c) Personnel

The average workforce of the Parent company and group companies is as follows:

<hr/>	
Permanent employees	4,037
Temporary employees	580
Total	4,617
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d) Extraordinary items

Extraordinary profits include the capital gain obtained by **abertis** in the sale of the former head office (15 million euros).

e) Contribution of each company to the consolidated result

The contribution by companies of the results attributed to the Parent company is as follows:

	Consolidated result	Minority interests	Results attributed to parent
Acesa	181,360	-	181,360
Aumar	129,092	-	129,092
Iberpistas Group	45,766	(92)	45,674
Aucat	18,489	-	18,489
Brisa	15,000	-	15,000
Saba Group	10,780	276	11,056
Aurea Ltd	3,388	-	3,388
Trados 45	3,210	-	3,210
Coviandes	3,069	-	3,069
abertis logística Group	1,059	24	1,083
Gco	3,397	(1,746)	1,651
Autema	1,529	-	1,529
Túnel del Cadí	810	-	810
Concema	801	-	801
PTY	386	-	386
Irasa	103	-	103
Gicsa	270	-	270
serviabertis	7	-	7
APR	(93)	(316)	(409)
Aulesa	(635)	89	(546)
abertis telecom	(6,894)	-	(6,894)
Tradia	(7,747)	218	(7,529)
Codad	(9,228)	1,384	(7,844)
abertis	(38,550)	-	(38,550)
Total	355,369	(163)	355,206

f) Foreign exchange transactions

Foreign exchange transactions are primarily related to Gco (Argentine pesos) and Codad (US dollars and Colombian pesos), with the breakdown in thousands of euros as follows:

	Amount
Toll income	24,733
Services provided	21,938
Services received	9,294

NOTE 19. ENVIRONMENTAL INFORMATION

The criteria of the Group is to give maximum importance to the activity of protecting and conserving the environment, with each subsidiary company adopting the necessary measures to minimise the environmental impact of the infrastructures managed, to achieve the maximum possible integration with their surroundings.

The **abertis** group has invested the sum of 4,955 thousand euros on improving the environment in 2003, carrying out the following activities:

- Cutting, fertilising, watering and phytosanitary treatment of green highway verges, on ramps and off-ramps.
- Control dumping from contaminated waste pools and monitor re-vegetation.
- Clearing, gardens and plantations along the highway.
- Cleaning up and clearing of slopes with thick forestry vegetation and/or in semi-urban or urban zones to avoid the risk of fires on the one hand, and improve the visual appearance on the other.
- Restoration and improvement of marginal areas destroyed by fires through replanting native trees. This will lead to an improved landscape, whilst also helping the forestry value of the highway to increase.
- Installation of screens to reduce the visual impact and noise levels at certain points of the highway.
- Studies and projects to evaluate the impact that the evolution of traffic has on areas surrounding the highway.

NOTE 20. OTHER INFORMATION ON BOARD MEMBERS

In accordance with the provisions of article 127 ter. 4 of the Companies Law, included by Law 26/2003, of 17 July, which amended Law 24/1988, of 28 July, of the Securities Market, and the Revised Text of the Companies Law, aimed at increasing the transparency of listed companies, the companies with the same, similar or of a complementary nature to the defined business activity of the Company in which members of its Board of Directors have shareholdings, as well as the functions that they carry out, if applicable:

Holder	Company held	Activity	Shareholding	Functions
Caixa Catalunya	Túnel del Cadí, S.A.C.	Highway Concession	3.55 %	Board member
	Retevisión Móvil, S.A.	Telecommunications	2.10 %	-
Dragados Concesiones de Infraestructuras, S.A.	Autovía de la Mancha, S.A.	Infrastructure Concession	66.67 %	-
	Bidelan Guipuzkoako Autobideak, S.A.	Infrastructure Concession	50.00 %	-
	Guadalquivir Sociedad Concesionaria de la Junta de Andalucía Guadalmetro, S.A.	Infrastructure Concession	27.83 %	-
	SCL Terminal Aeropuerto Santiago, S.A.	Infrastructure Concession	14.78 %	-
	Sociedad Concesionaria Autopista Central, S.A.	Infrastructure Concession	48.00 %	-
	Sociedad Concesionaria Vespucio Norte Express, S.A.	Infrastructure Concession	54.00 %	-
	Aerocali, S.A.	Infrastructure Concession	33.33 %	-
	Ferrocarriles del Norte de Colombia, S.A.	Infrastructure Concession	66.00 %	-
	Aeropuertos Mexicanos del Pacífico, S.A. de C.V.	Infrastructure Concession	28.16 %	-
	MBJ Airports LTD	Infrastructure Concession	35.00 %	-
	Road Management A13 PLC	Infrastructure Concession	25.00 %	-
	Road Management Services (Darrington) Holding Ltd.	Infrastructure Concession	25.00 %	-
Batwena Platinum Corridor Concessionaire Ltd.	Infrastructure Concession	25.00 %	-	

Holder	Company held	Activity	Shareholding	Functions
Dragados Obras y Proyectos, S.A.	Autopista del Henares, C.E.S.A.	Infrastructure Concession	2.00%	-
	Ferrocarriles del Norte de Colombia, S.A.	Infrastructure Concession	5.32%	-
	Scutvias-Autoestradas da Beira Interior, S.A.	Infrastructure Concession	6.65%	-
	Aufe, S.A.	Infrastructure Concession	78.00%	-
	Aunor, S.A.	Infrastructure Concession	85.00%	-
	Concesionaria Vial del Sur, S.A.	Infrastructure Concession	25.00%	-
	Semacar, S.A.	Infrastructure Concession	55.00%	-
	Autopistas del Sol, S.A.	Infrastructure Concession	8.33%	-
Ángel García Altozano	ACS, Actividades de Construcción y Servicios, S.A.	Construction and services	0.0113%	Executive Managing Director
	Saba Aparcamientos, S.A.	Car Parks	0.0000055%	Board member
Grupo Dragados, S.A. / ACS	Accesos a Madrid C.E.S.A.	Infrastructure Concession	15.75%	-
	Autopista Central Gallega C.E.S.A.	Infrastructure Concession	13.32%	-
	Autopista del Henares, C.E.S.A.	Infrastructure Concession	35.00%	-
	Ruta de los Pantanos, S.A.	Infrastructure Concession	25.00%	-
	Autopistas del Sol, S.A.	Infrastructure Concession	8.18%	-
	Carmelton Group Ltd.	Infrastructure Concession	40.00%	-
	Concesionaria Vial de los Andes, S.A.	Infrastructure Concession	0.96%	-
	Ferrocarriles del Norte de Colombia, S.A.	Infrastructure Concession	5.32%	-
	Rutas del Pacífico, S.A.	Infrastructure Concession	50.00%	-
	Scutvias-Autoestradas de Beira Interior, S.A.	Infrastructure Concession	26.65%	-
Unicaja	Ausur Servicios de la Autopista, S.A.	Logistics	5.00%	Board member
	Autopista del Sol Concesionaria Española, S.A.	Infrastructure Concession	15.00%	Board member

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Holder	Company held	Activity	Shareholding	Functions
Unicaja	Autopista del Sureste, Concesionaria Española de Autopistas, S.A.	Infrastructure Concession	5.00 %	Board member
	Inversora de Autopistas del Sur, S.L.	Infrastructure Concession	10.00 %	Board member
	Autopista Madrid Sur Concesionaria Española, S.A. Sociedad Unipersonal	Infrastructure Concession	10.00 % (Indirect, Inversora de Autopistas del Sur, S.L.)	Board member
	Sociedad Municipal de Aparcamientos y Servicios, S.A.	Car Parks	24.50 %	Board member
	Sevisur Logística, S.A.	Logistics	10.00 %	Board member
	Red de Banda Ancha de Andalucía, S.A.	Telecommunications	10.00 %	Board member
	Auna Operadores de Telecomunicaciones, S.A.	Telecommunications	1.99 %	Board member
	Islalink, S.A.	Telecommunications	13.70 %	Board member
	Val Telecomunicaciones, S.L.	Telecommunications	4.46 %	Board member

With respect to positions or functions, excluding those held in companies in which **abertis**, has a direct or indirect investment, the Members of the Board of Directors are also board members or members of the management team of the following companies with activities that are the same, similar or of a complementary nature to the Company's business:

Board Member	Company	Position or function
Isidro Fainé Casas	Telefónica, S.A.	Deputy Chairman
Ángel García Altozano	Broadnet Consorcio, S.A.	Chairman
	Sonae Indústria SGPS	Board member
Pablo Vallbona Vadell	ACS, Actividades de Construcción y Servicios, S.A.	Deputy Chairman

In addition, one of the principal activities of Grupo Dragados, S.A./ACS, Dragados Concesiones de Infraestructuras, S.A. and Dragados Obras y Proyectos, S.A. is the promotion, management and operation of transport infrastructures.

NOTE 21. OTHER INFORMATION

- a) Annual remuneration of the directors for their service as members of the Board of Directors of the Company is fixed as a share in the liquid profits. It can only be paid out once the payment of dividends and transfers to reserves that the Law establishes are covered, and it should not exceed, under any circumstances, two percent of the profits. The Board of Directors may distribute this sum amongst its members in the form and amount it decides. Overall remuneration paid to directors of **abertis** (formerly Acesa Infraestructuras, S.A.), as members of the Board of Directors, totalled 1,503 thousand euros in 2003, which is less than the statutory limit.

As indicated in notes 1 b) and 13 of this annual report, the merger between Acesa Infraestructuras, S.A. and AUREA was made public on 28 May 2003, but was effective for accounting purposes from 1 January 2003. Consequently, during the year two Boards of Directors co-existed, the board of **abertis** (formerly Acesa Infraestructuras, S.A.) and the board of AUREA.

Overall remuneration received by board members of **abertis** (formerly Acesa Infraestructuras, S.A.) totalled 2,950 thousand euros, which is broken down into board fees (475 thousand euros), expenses (1,503 thousand euros), contributions to cover pension plans (965 thousand euros) and life insurance (7 thousand euros).

Overall remuneration received by board members of AUREA totalled 2,152 thousand euros, which is broken down into board fees (511 thousand euros), expenses (126 thousand euros), statutory obligations (430 thousand euros), life insurance (3 thousand euros) and other remuneration (1,082 thousand euros).

The overall remuneration of board members of **abertis** and AUREA in the other subsidiary and associated companies of the Group totalled 866 thousand euros, which is broken down into board fees (76 thousand euros), expenses (471 thousand euros) and statutory obligations (319 thousand euros).

abertis does not use any remuneration system linked to the evolution of the Company's share price for any of its employees or any of the members of the Board of Directors.

- b) As at 31 December the group had guarantees to third parties given by financial entities, which are detailed below by company:

	Amount
Iberpistas	118,920
abertis	129,690
Saba	36,180
Aucat	15,371
Acesa	19,994
Aumar	18,624
Castellana	17,157
Avasa	7,865
Autopista A-6	5,831
Tradia	2,385
PLZF	5
Total	372,022

Of this total, 203,133 thousand euros correspond to guarantees contracted for operation agreements of the different companies. The remaining balance corresponds to certain commitments contracted by investee companies (investments, financing, etc.) and it is not considered that these guarantees will lead to unexpected material losses.

- c) Fees received during the year by PricewaterhouseCoopers Auditores, S.L. for auditing services and other services provided to the companies of the group totalled 378 thousand euros. The fees received during the year for other services provided to the Company for other companies trading under the name PricewaterhouseCoopers totalled 387 thousand euros.
- d) Gco. hedge. In the year 2000, **abertis** contracted exchange rate hedges on the investment made in the Argentine company Gco.

The following financial instruments were contracted:

- Transactions without the exchange of principal on expiry (Non Delivery Forward). The nominal value of all these transactions is USD 120.6 million. Acesa Infraestructuras sold 120.6 million Argentine pesos in exchange for USD 120.6 million, with expiry in October 2005, having fixed the exchange rate to buy Argentine pesos on expiry in 2002.
- Cross-currency interest rate swap (Cross-Currency IRS) between USD and euros. The nominal value of these transactions is USD 100 million, with expiry in October 2005.

The premiums paid up front for the hedging transactions are accounted for on a linear basis over the period of the transaction (see note 3 h). The interest payments of the cross currency interest rate swap are recorded as financial income or expense over the period of the operation.

The exchange rate differences arising from the exchange of euros in these transactions will be recorded on the cancellation or settlement of the hedging transaction.

NOTE 22. FINANCIAL PLAN

In accordance with the provisions laid down in current legislation, the concessionary companies of Spanish highways have their respective financial plans approved by the corresponding Administration.

NOTE 23. SUBSEQUENT EVENTS

The Board of Directors of **abertis** approved, on 27 January 2004, the proposed merger through the absorption of Iberpistas, S.A. by the Company which will be submitted to the respective annual general meetings for shareholder approval in the first four months of 2004, effective from 1 January 2004 for accounting purposes. **abertis** holds 99.8% of the share capital of Iberpistas S.A..

In February 2004 the consortium made up of Aumar (25%), ACS/Dragados (50%) and Cajamadrid (25%) won the tender for the construction and operation of the toll highway of the second Alicante ring-road.

ANNEX

Subsidiary and associated companies

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(thousand euros) (*)

Company	Registered Office	Activity	Auditors	Share capital	% Shareholding direct	% Shareholding indirect	Company owning indirect shareholding
FULLY CONSOLIDATED COMPANIES							
Highways							
Autopistas, C.E.S.A. (Acesa)	Av. Parc Logístic, 12-20. Barcelona	Toll highway concessionaire	PwC	876,465	100.00	-	-
Autopistes de Catalunya, S.A. (Aucat)	Av. Parc Logístic, 12-20. Barcelona	Toll highway concessionaire	PwC	96,160		100.00	Acesa
Grupo Concesionario del Oeste, S.A. (Gco) (1)	Ruta Nacional nº 7, km 25.92. Ituzzaingó Argentina	Toll highway concessionaire	PwC	22,070		48.60	Acesa
Autopistas Aumar S.A.C.E. (Aumar)	Paseo de la Alameda, 36. Valencia	Toll highway concessionaire	PwC	419,643	100.00		
Iberpistas	Pío Baroja, 6. Madrid	Toll highway concessionaire	Other auditors	173,547	99.80		
Autopista A-6, S.A.	Pío Baroja, 6. Madrid	Toll highway concessionaire	Other auditors	50,000		99.80	Iberpistas
Iberavasa de inversiones, S.L.	Pío Baroja, 6. Madrid	Holding company	Other auditors	24,207	-	99.80	Iberpistas
Castellana de Autopistas, S.A. Concesionaria del Estado (Castellana)	Pío Baroja, 6. Madrid	Toll highway concessionaire	Other auditors	46,800	-	99.80	Iberpistas
Car Parks							
Saba Aparcamientos, S.A. (Saba)	Av. Parc Logístic, 12-20. Barcelona	Car Parks	PwC	18,243	99.24		
Parbla, S.A.	Sabino Arana, 38. Barcelona	Car Parks	-	3	-	99.24	Saba
Spel-Sociedade de Parques de Estacionamento, S.A. (Spel)	Lugar do Espino Via Norte. Porto (Portugal)	Car Parks	PwC	6,000		99.24	Saba
Societat Pirenaica d'Aparcaments, S.A. (Spasa)	Pau Casals, 7 Andorra la Vella Principat d'Andorra	Car Parks	-	301	-	89.64	Saba
Societat d'Aparcaments de Terrassa, S.A. (Satsa)	Pl. Vella, subsuelo. Terrassa	Car Parks	PwC	7,746	-	87.37	Saba
Saba Italia, S.p.A.	Via delle Quattro Fontane, 15. Rome (Italy)	Car Parks	PwC	28,600	-	59.54	Saba

This annex forms an integral part of note 2 to the 2003 consolidated annual accounts and it should be read in conjunction with the latter.

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Subsidiary and associated companies

(thousand euros) (*)

Company	Registered Office	Activity	Auditors	Share capital	% Shareholding direct	% Shareholding indirect	Company owning indirect shareholding
FULLY CONSOLIDATED COMPANIES							
Rabat Parking, S.A.	Rue de Larache, 8. Rabat (Morocco)	Car Parks	-	1,879	-	50.61	Saba
Logistic services							
Abertis Logística, S.A.	Av. Parc Logístic, 12-20. Barcelona	Development, logistics and technical support	-	47,500	100.00		
Sevisur Logística, S.A.	Moratin, 1. Seville	Construction and operation of logistic parks	-	3,000		60.03	Abertis Logística
Telecommunications							
Abertis Telecom, S.A.	Av. Parc Logístic, 12-20. Barcelona	Telecommunication services	-	300,000	100.00	-	-
Difusió Digital Societat de Telecomunicacions, S.A. (TRADIA)	Motors, 392. L'Hospitalet de Llobregat. Barcelona	Operator of telecommunication infrastructure	PwC	131,488		100.00	Abertis Telecom
Revisión I, S.A.	Gran Via de les Corts Catalanes, 130-136. Barcelona	Operator of telecommunication infrastructure	Other auditors	81,270 (**)		100.00	Abertis Telecom
Airports							
Compañía de Desarrollo Aeropuerto Eldorado, S.A. (CODAD)	Carrera, 13 n° 93-40. Santafé de Bogotá (Colombia)	Construction and maintenance of airports	Other auditors	15,635	85.00		
CONSOLIDATED ON PROPORTIONAL BASIS							
Highways							
Autopistas Iberavasa, S.L.	Barrio de Anuntzibai		Toll highway	Other	234,000		49.90
Vasco-Aragonesa, C.E.S.A. (AVASA)	s/n. 48410 Orozco. Vizcaya	concessionaire	auditors				
Logistic services							
Parc Logístic de la Zona Franca, S.A. (PLZF)	Av. Parc Logístic, 2-10. Barcelona	Development and operation of logistic parks	Other auditors	23,742		50.00	Abertis Logística
Areamed 2000, S.A.	Via Augusta, 21-23. Barcelona	Operation of service areas	Other auditors	70		50.00	Abertis Logística

This annex forms an integral part of note 2 to the 2003 consolidated annual accounts and it should be read in conjunction with the latter.

Subsidiary and associated companies

(thousand euros) (*)

Company	Registered Office	Activity	Auditors	Share capital	% Shareholding direct	% Shareholding indirect	Company owning indirect shareholding
CONSOLIDATED BY EQUITY ACCOUNTING							
Serviabertis, S.L.	Av. Parc Logístic, 12-20. Barcelona	Administrative services	-	3	100.00		
Highways							
Aurea Limited	180 Strand, London (United Kingdom)	Holding company	Other auditors	14,188	100.00		
Gestión Integral de Concesiones, S.A. (GICSA)	Montalbán, 5. Madrid	Administration and management of infrastructures	-	60	99.98		
Autopistas de León, S.A.C.E. (AULESA)	Villadangos del Páramo. Ctra. Santa María del Páramo. León	Toll highway concessionaire	Other auditors	34,642	79.20		
Autopistas de Puerto Rico y Compañía, S.E. (APR)	Montellano Sector embalse. San Juan (Puerto Rico)	Infrastructures concessionaire	Other auditors	1,179	75.00		
Autopista Trados-45, S.A. (TRADOS-45)	Ctra. M-203 PK 0,280 Madrid	Infrastructures concessionaire	PwC	29,900	50.00		
Autopistas del Sol, S.A. (AUSOL)	Leandro N. Alem 986, piso 4. Buenos Aires (Argentina)	Toll highway concessionaire	PwC	33,925	45.16		
Concesionaria Vial de los Andes, S.A. (COVIANDES)	Carrera Novena, 126-91. Santafé (Colombia)	Infrastructures concessionaire de Bogotá	Other auditors	7,872	39.04		
Pt Operational Services Limited (PTY)	1 Lavender Road. Bon Accord 009 Pretoria (South Africa)	Operation and maintenance	Other auditors	0	33.30		
Concesiones de Madrid, S.A. (CONCEMA)	Av. Europa, 18. Alcobendas, Madrid	Infrastructures concessionaire	Other auditors	28,798	25.00		
Infraestructuras y Radiales, S.A. (IRASA)	Golfo de Salónica, 27. Madrid	Administration and management of infrastructures	Other auditors	7,092	22.49 (***)		
Autopistas-Conces. Espanhola, SGPS, S.A.	Rua General Norton de Matos 21-A. Arquiparque Algés Oeiras (Portugal)	Holding company	-	50 (2)		100.00	Acesa
Acesa Italia, S.R.L.	Via delle Quattro Fontane, 15. Rome (Italy)	Holding company	PwC	166,341 (2)		100.00	Acesa
Schemaventotto, S.p.A.	Calmaggiore, 23. Treviso (Italy)	Holding company	Other auditors	445,536 (2)		12.83	Acesa Italia, S.R.L.

This annex forms an integral part of note 2 to the 2003 consolidated annual accounts and it should be read in conjunction with the latter.

5 Consolidated annual accounts and management report of the **abertis** group for 2003

Subsidiary and associated companies

(thousand euros) (*)

Company	Registered Office	Activity	Auditors	Share capital	% Shareholding direct	% Shareholding indirect	Company owning indirect shareholding
CONSOLIDATED BY EQUITY ACCOUNTING							
Autostrade, S.p.A. Schemaventotto, (3)	Via A. Bergamini, 50. Rome (Italy)	concessionaire	Toll highway auditors	Other	621,289 (4)		7.98 (5) S.p.A.
Iberacesa, S.L.	Pº Castellana, 51. Madrid	Holding company	-	32,229		99.90	Acesa/Iberpistas
Isgasa, S.A.	Av. Parc Logístic, 12-20. Barcelona	Engineering services	-	61	-	99.90	Iberacesa, S.L.
Alazor Inversiones, S.A.	Rozabella, 6. Las Rozas. Madrid	Holding company	Other auditors	190,500		23.32	Iberacesa, S.L.
Accesos de Madrid, C.E.S.A.	Rozabella, 6. Las Rozas. Madrid	Toll highway concessionaire	Other auditors	190,500	-	23.32	Alazor inversiones
Tacel Inversiones, S.A.	Hórreo, 11. Santiago de Compostela	Holding company	Other auditors	30,250	-	17.98	Iberacesa, S.L.
Autopista Central Gallega, C.E.S.A. (ACEGA)	Hórreo, 11. Santiago de Compostela	Toll highway concessionaire	Other auditors	30,250	-	17.98	Tacel Inversiones
Túnel del Cadi, S.A.C.	Carretera de Vallvidrera a St. Cugat, km 5.3. Barcelona	Toll highway concessionaire	Other auditors	105,504		37.19	Acesa
Autopista Terrassa-Manresa, Autema, Concessionària de la Generalitat de Catalunya, S.A. (AUTEMA)	Gran Via de les Corts Catalanes, 680. Barcelona	Toll highway concessionaire	PwC	81,894		22.33	Acesa
Brisa, Auto-estradas do Portugal, S.A. (6)	Quinta da Torre da Aguilha Edificio Brisa 2785-589. Sao Domingos de Rana (Portugal)	Toll highway concessionaire	Other auditors	600,000 (4)		10.00	Acesa
Ibermadrid de Infraestructuras, S.A.	Pío Baroja, 6. Madrid	Study, development and construction of civil works infrastructures	-	500		99.80	Iberpistas
Proconex, S.A.	Pío Baroja, 6. Madrid	Operation of sub-leased service areas	-	100		99.80	Iberpistas
Promoción de Autopistas Chile Limitada	Santiago de Chile	Toll highway concessionaire	Other auditors	1,434		99.80	Iberpistas/Proconex
Gestora de Autopistas, S.A.	Santiago de Chile	Toll highway concessionaire	Other auditors	1,041		50.90	Promoción de Autopistas

This annex forms an integral part of note 2 to the 2003 consolidated annual accounts and it should be read in conjunction with the latter.

Subsidiary and associated companies

(thousand euros) (*)

Company	Registered Office	Activity	Auditors	Share capital	% Shareholding direct	% Shareholding indirect	Company owning indirect shareholding
(GESA)							Chile Limitada
Sociedad Concesionaria del Elqui, S.A. (ELQUI)	Santiago de Chile	Toll highway concessionaire	PwC	71,186		24.95	Iberpistas
Road Management Group (RMG)	130 High Street Old Woking, Surrey (United Kingdom)	Toll highway concessionaire	Other auditors	35,946		25.00	Aurea Limited
Autopista del Henares, S.A.C.E. (HENARSA)	Golfo de Salónica, 27. Madrid	Toll highway concessionaire	Other auditors	96,700		22.49	Infraestructuras y radiales
Erredosa Infraestructuras, S.A. (ERREDOSA)	Golfo de Salónica, 27. Madrid	Administration and management of infrastructures	Other auditors	61		22.49	Infraestructuras y radiales
Logistic services							
Araba Logística, S.A. (ARASUR)	Olaguibel, 2. Vitoria	Construction and operation of logistic parks	-	3,000		39.50	Abertis Logística
Centro Intermodal de Logística, S.A. (CILSA)	Portal de la Pau, 6. Barcelona	Development and operation of logistic parks	Other auditors	15,467		32.00	Abertis Logística
Telecommunications							
Adquisición de emplazamientos, S.L. (ADESAL)	Motors, 392. L'Hospitalet de Llobregat. Barcelona	Operator of telecommunication infrastructure	-	3		100.00	Tradia
Torre de Collserola, S.A.	Ctra. de Vallvidrera al Tibidabo, s/n. Barcelona	Construction and operation of telecommunication infrastructures	PwC	12,020		36.00	Retevisión

(*) Foreign currency amounts converted at official euro exchange rate at close.

(**) Includes the increase in capital made pending registration in the Mercantile Register.

(***) Direct shareholding of **abertis**: 15%. Indirect holding through Iberpistas subsidiary Avasa: 7.4%.

(1) The shares of Gco are listed on the Argentina stock exchange. The weighted average trading price for the last quarter of 2003 was 1.26 euros. At the year end share price was 1.6 euros. The company holds 57.6% of the voting rights.

(2) Information at 31 December 2002.

(3) The shares of Autostrade, S.p.A. are listed on the Milan stock exchange. The weighted average trading price for the last quarter of 2003 was 12.91 euros. The year end share price was 13.93 euros.

(4) Information at 30 June 2003.

(5) Shares pledged as guarantee for a loan granted to Schemaventotto, S.p.A. to buy the shareholding in this company.

(6) The shares of Brisa, Auto-estradas do Portugal, S.A. are listed on the Lisbon stock exchange. The weighted average trading price for the last quarter of 2003 was 5.22 euros. The year end share price was 5.30 euros.

ABERTIS INFRAESTRUCTURAS, S.A. 2003 CONSOLIDATED MANAGEMENT REPORT

In 2003 the Group has seen its size increase notably due to the merger of Acesa Infraestructuras and Aurea Concesiones de Infraestructuras, which gave rise to **abertis**, one of the leading European operators in the management of infrastructures serving mobility and communications.

This year has been the first full year of activity for the new group that was formed after the merger (effective from 1 January 2003), which operates basically in the sectors of highways, car parks, logistic infrastructures and telecommunication infrastructures.

The objective of **abertis** is to continue providing shareholders with a balanced portfolio of investments in the areas noted that ensure an adequate combination of low risk, growth and return. In this respect, the following events in 2003 can be highlighted:

- In the highways sector, the incorporation in **abertis** of all the Aurea concessions, which included Aumar (one of the main national concessions), as well as a series of shareholdings in other important national and international projects. During 2003 new toll highways have been opened in which **abertis** has participated: A-6 connection with Segovia (Castellana de Autopistas), Radial 2 Madrid-Guadalajara (Henarsa) and Silleda-Lalín stretch (Autopista Central Gallega). Also of note in the highway sector was the increase of the indirect shareholding in the Italian concessionaire Autostrade from 3.8% to 8.0%, and the merger of Holdaucat and Aucat (100% owned by Holdaucat) in the interests of optimising the Group structure.
- In the car park sector, **abertis** acquired 40% of Saba to gain control of 99.2% of the capital. Similarly, Saba acquired 50% of the Portuguese company Spel to gain 100% control of the company, and has continued its international expansion with new projects in Italy and Portugal.
- In the logistic infrastructures sector, highlights include two new logistic projects that began to be developed in Álava and Seville in which **abertis** is a shareholder, the full occupation and consolidation of the Parc Logistic de la Zona Franca, and the positive evolution of the associated company Cilsa which, having developed and occupied all of ZAL Barcelona, has started the development of ZAL Prat.
- Finally, in the telecommunications infrastructure sector the acquisition of Retevisión Audiovisual stands out, concluded at the end of the year, and the acquisition of 5% of Tradia to gain 100% control.

All these transactions, linked to the good performance of the rest of the business and activities, have been reflected positively in the figures and results for the year, and in turn they establish the bases for growth in the years ahead.

The 2003 consolidated profit and loss account for **abertis** is not comparable with the previous year due to the merger as noted and because the Iberpistas group has been fully consolidated for the entire year in 2003 (only from June in 2002). The profit for the year totalled 355 million euros, representing an increase of 82% on the previous year (or 11.2% if compared to the aggregate figures for Acesa and Aurea in 2002).

Operating income rose to 1,283 million euros (62% more compared to Acesa in 2002 and 13% more compared to the aggregate of Acesa and Aurea). The highway sector represented 85% of total income; car parks contributed 7%; telecommunication infrastructures, 5%, and infrastructures for logistics and other activities the remaining 3%.

The evolution of the activity has been positive in the Group's main concessions, as indicated by the evolution of the Average Daily Traffic (ADT) which rose 3.7% to 27,354 vehicles across the combined highway network of **abertis** in Spain.

The balance sheet also clearly reflects the impact of the merger between Acesa and Aurea, as well as the effect of the new investments and the growth recorded by the companies that make up **abertis**. Total assets rose from 6,459 million euros at 31 December 2002 to 9,685 million euros at the end of 2003, whilst consolidated equity has increased by 1,074 million euros to 3,107 million euros at the end of 2003.

Debt at 31 December 2003 (3,634 million euros) represents 117% of equity and 37% of liabilities, with these percentages below those of other large European communication infrastructure operators. The financial equilibrium of **abertis** should enable it to face new investments to improve the infrastructures that it currently manages with guarantees, and continue with its selective policy of investments carried out in recent years without the need to seek additional capital.

In the interests of optimising the corporate structure of the Group, the Board of Directors of **abertis** approved, on 27 January 2004, the merger by absorption of Iberpistas, S.A. (99.8% shareholding), which will be submitted for the approval of the respective annual general meetings in the first four months of 2004, and if approved, will be effective for accounting purposes from 1 January 2004.

All business units are expected to continue to make a positive contribution in 2004, accentuated by the progressive contribution of all the new projects and the latest incorporations in the Group. The dividend policy is also expected to be maintained.

As a listed group, **abertis** will have to apply the international accounting standards from 2005. During 2003 the Company has already carried out an analysis of the implementation of these standards, both quantitatively as well as over the current systems and operational procedures, and during the course of 2004 it will continue the tasks prior to implementation. The Company will also continue to pay special attention to the study being done of the eventual interpretation of the application of these standards to concession businesses by the international regulatory authorities.

The Company has not traded, directly or indirectly, its own shares.

A FREE TRANSLATION FROM THE ORIGINAL IN SPANISH
IN THE EVENT OF A DISCREPANCY, THE SPANISH
LANGUAGE VERSION PREVAILS

AUDIT REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

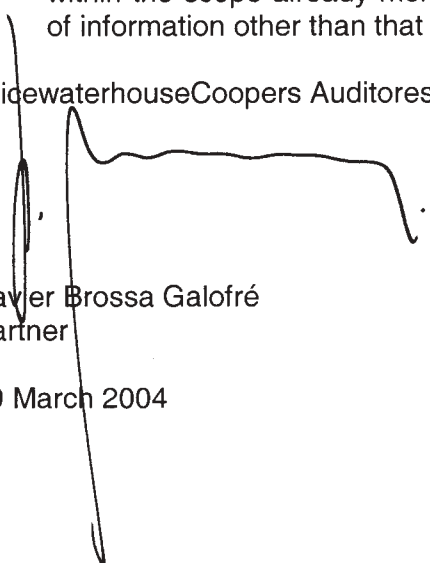
To the Shareholders of Abertis Infraestructuras, S.A.

1. We have audited the consolidated annual accounts of Abertis Infraestructuras, S.A. and its Group companies, set out on pages 54 to 97, consisting of the consolidated balance sheet at 31 December 2003, the consolidated profit and loss account and the notes to the consolidated accounts for the year then ended, whose preparation is the responsibility of the Directors of Abertis Infraestructuras, S.A. Our responsibility is to express an opinion on the aforementioned consolidated annual accounts taken as a whole, based on our audit work carried out in accordance with generally accepted auditing standards, which require examining, on a test basis, evidence supporting the annual accounts, as well as evaluating the overall presentation and assessing the accounting principles applied and estimates made. Our work did not include the audit of the individual, or, as the case may be, consolidated annual accounts for 2003 of certain direct or indirect investee companies indicated in Note 2 to the accompanying consolidated accounts, and which assets and net results represent, respectively, 31% and 15% of the corresponding consolidated accounts. The aforementioned annual accounts of the investee companies are audited by other auditors and the opinion we express in this report on the consolidated annual accounts of Abertis Infraestructuras, S.A. and Group companies is based, in relation to the shareholding in these companies, solely on the reports of the other auditors.
2. In accordance with Spanish Corporate Law, the Company's Directors have presented, for comparative purposes only, for each of the items of the consolidated balance sheet and the consolidated profit and loss account, the corresponding amounts for the previous year as well as the amounts for 2003. Our opinion refers solely to the consolidated annual accounts for 2003. On 3 March 2003, we issued our audit report on the consolidated annual accounts for 2002, in which we expressed an unqualified opinion.

According to Note 2. b) to the accompanying consolidated accounts, the consolidated annual accounts for 2003 are not directly comparable with those for 2002 due to the fact that, on the one hand, 2003 carries the impact, effective in accounting terms as from 1 January 2003, of the merger with Aurea, Concesiones de Infraestructuras, S.A., as mentioned in Note 1.b) to the accompanying accounts, while, on the other hand, the Iberpistas Group has also been fully consolidated in 2003 for the entire year (while in 2002 it was consolidated only as from 1 July 2002).

3. In our opinion, based on our audit and the reports of other auditors, the accompanying consolidated annual accounts for 2003 present fairly, in all material respects, the consolidated shareholders' equity and consolidated financial position of Abertis Infraestructuras, S.A. and its Group companies at 31 December 2003 and the consolidated results of its operations for the year then ended, and they contain the necessary and relevant information in order to adequately interpret and understand them, in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.
4. The accompanying consolidated Directors' Report for 2003, set out on pages 98 and 99, contains the information that the Directors consider relevant to the situation of Abertis Infraestructuras, S.A. and Group companies, the evolution of their business and of other matters and does not form an integral part of the consolidated annual accounts. We have verified that the accounting information contained in the aforementioned Directors' Report coincides with that of the consolidated annual accounts for 2003. Our work as auditors is limited to verifying the Directors' Report within the scope already mentioned in this paragraph and does not include the review of information other than that obtained from the Companies' accounting records.

PricewaterhouseCoopers Auditores, S.L.



Xavier Brossa Galofré
Partner

19 March 2004

www.abertis.com



Balance sheet at 31 December
(thousand euros)

ASSETS	2003	2002
Fixed assets	4,777,874	3,232,768
<i>Start-up costs</i>	26	-
<i>Intangible fixed assets</i>	5,828	703
Computer software	218	36
Goodwill	7,823	-
Studies and projects	770	668
Other intangible fixed assets	3	-
Amortisation	(2,986)	(1)
<i>Tangible fixed assets</i>	15,299	11,744
Land and natural resources	3,038	699
Buildings and other constructions	8,311	8,021
Machinery and vehicles	492	242
Installations, tooling and furniture	4,167	10,736
Other fixed assets	3,197	-
Depreciation	(3,906)	(7,954)
<i>Investments</i>	4,756,721	3,220,321
Holdings in subsidiary and associated companies	4,264,271	2,732,060
Long-term loans to group companies	700,802	530,354
Long-term share portfolio	7,513	-
Long-term deposits and guarantees	65	2
Other credits	6,616	-
Provisions	(222,546)	(42,095)
Deferred expenses	9,173	14,414
Current assets	587,854	203,057
<i>Debtors</i>	9,219	10,570
Advance payments to creditors	12	12
Group company debtors	4,703	7,568
Sundry debtors	5,528	3,761
Personnel	4	16
Public Treasury	1,662	940
Provisions	(2,690)	(1,727)
<i>Short-term investments</i>	575,346	191,529
Short-term loans to group companies	575,346	163,815
Interest receivable	-	3
Other credits	-	27,711
<i>Treasury</i>	3,289	956
Cash	41	18
Banks and credit institutions	3,248	938
<i>Prepayments and accrued income</i>	-	2
Total assets	5,374,901	3,450,239

LIABILITIES	2003	2002
Equity	3,068,960	2,009,416
<i>Share capital</i>	1,575,661	1,036,890
<i>Share premium</i>	579,690	115,553
<i>Reserves</i>	704,867	753,157
Revaluation reserve RDL 7/1996	479,495	554,526
Legal reserve RD 1564/1989	158,668	140,387
Voluntary reserve	66,704	58,244
<i>Profit and loss account</i>	329,017	182,817
<i>Interim dividend</i>	(120,275)	(79,001)
Provisions for liabilities and expenses	40,529	42,419
Other provisions	40,529	42,419
Long-term creditors	1,369,159	606,354
<i>Bond issues</i>	590,000	60,000
<i>Loans with credit institutions</i>	763,765	546,354
<i>Payment pending on shares of group companies</i>	3,353	-
<i>Loans with subsidiary and associated companies</i>	9,530	-
<i>Other creditors</i>	2,511	-
Short-term creditors	896,253	792,050
<i>Bond issues (interest)</i>	4,768	553
<i>Due to credit institutions</i>	818,117	749,979
Loans	812,340	737,632
Interest on loans	5,777	12,347
<i>Loans with group companies</i>	17,242	16,452
<i>Trade creditors</i>	3,065	9,442
Trade creditors for traffic operations	3,065	7,306
Other creditors	-	2,136
<i>Other non-trade creditors</i>	53,061	15,624
Public Treasury	51,409	14,226
Accrued payroll expenses	800	1,088
Other debts	847	279
Deposits and guarantees received	5	31
Total liabilities	5,374,901	3,450,239

Profit and loss account at 31 December
(thousand euros)

Expenses	2003	2002
<i>Personnel expenses</i>	13,638	34,559
Salaries and wages	12,414	28,227
Social security	929	6,181
Pension fund and other personnel-related expenses	295	151
<i>Amortisation and depreciation of fixed assets</i>	2,826	5,924
<i>Movement in trading provisions</i>	454	1,699
<i>Other operating expenses</i>	15,634	53,107
External services	14,997	25,189
Taxes	637	413
Allocation to reversion fund	-	27,505
Total operating expenses	32,552	95,289
Operating profit	-	130,736
<i>Financial costs, related expenses and variation in investment provision</i>	71,781	51,110
Total financial expenses	71,781	51,110
Positive financial results	332,128	106,815
Profit on ordinary activities	317,965	237,551
<i>Losses on disposal of fixed assets and extraordinary expenses</i>	5	-
<i>Movement in fixed asset provisions</i>	26,989	33,555
Profit before tax	309,715	217,565
<i>Corporation tax</i>	(19,302)	34,748
Profit for the year	329,017	182,817

Income	2003	2002
<i>Operating revenue</i>	15,748	211,640
Toll income	-	217,284
Discounts and rebates on tolls	-	(5,644)
Provision of services	15,748	-
 <i>Other operating income</i>	 2,641	 14,385
Sundry income and other management income	-	14,385
Other operating income	2,641	-
 Total operating income	 18,389	 226,025
 Operating loss	 14,163	 -
<i>Income from investment in group companies</i>	368,837	142,243
 <i>Other interests and related income</i>	 35,072	 15,682
 Total financial income	 403,909	 157,925
 <i>Profit from the disposal of fixed assets and extraordinary income</i>	 18,744	 13,569
 Extraordinary loss	 8,250	 19,986

ABERTIS INFRAESTRUCTURAS, S.A.
NOTES TO THE ANNUAL ACCOUNTS FOR 2003

NOTE 1. ACTIVITY

a) Activity

ABERTIS INFRAESTRUCTURAS, S.A. (hereinafter **abertis** or the Company) was incorporated in Barcelona on 24 February 1967. On 30 May 2003 (registration of date of merger document indicated in note 1. b) it changed its name from ACESA INFRAESTRUCTURAS, S.A. to its current name. Its registered office is Avenida del Parc Logístic, nº 12-20, Barcelona.

On 29 June 2002, the general meeting of the Company agreed to make a non-monetary transfer of the concessionary activity, as well as various shareholdings in other highway concessionary companies, to Autopistas II (now Autopistas Concesionaria Española, S.A.).

In accordance with the corresponding deed, 1 July 2002 was established as the date from which it would be understood that all operations of the transferred activity were made on account of Acesa.

abertis is currently the parent of a group dedicated to the management of infrastructures serving mobility and communications that operates in four sectors of activity: highway concessions, car parks, logistics and services, and telecommunications.

Its statutory purpose is defined as the construction, maintenance and operation of highways under concession; management of highway concessions in Spain and internationally; construction of road infrastructures; complementary activities to the construction, maintenance and operation of highways, such as service stations, integrated centres for logistics and/or transport and/or parking, as well as any other activity related with infrastructures for transport and communication and/or telecommunication serving the mobility and transportation of people, goods and information, with the necessary authorisation, when applicable.

The Company can develop its statutory purpose, especially the concessionary activity, directly or indirectly through shareholdings in other companies, being subject at all times, in this respect, to the provisions of the law in force.

b) Merger

On 8 April 2003, the extraordinary general meetings of shareholders of ACESA Infraestructuras, S.A. and AUREA, Concesiones de Infraestructuras, S.A. (AUREA) approved the merger of both companies by absorption, where the former company was to absorb the latter company, effective for accounting purposes from 1 January 2003, the date from which it is understood that AUREA operations were conducted on account of the Company.

The merger was effected through an exchange of AUREA shares for **abertis** shares (in the proportion of 43 shares of the former for 93 shares in the latter). To cover this share exchange the Company increased capital as detailed in note 9.

The merger project approved by the respective general meetings of shareholders established that the difference between the nominal value of the new shares issued by the Company and the adjusted book value of AUREA will have the consideration of an issue premium (see note 9).

The audited balance sheet of the Aurea company accounts at 31 December 2002 that was included in the Company is the following:

	Thousand euros	
Assets		
Net fixed assets		1,424,487
Start-up costs	105	
Intangible fixed assets	5,294	
Tangible fixed assets	11,236	
Investments	1,407,852	
Current assets		43,649
		1,468,136

	Thousand euros	
Liabilities		
Equity	(*)	1,033,820
Provisions for liabilities and expenses		6,512
Long-term creditors		346,839
Short-term creditors		80,965
		1,468,136

(*) Prior to incorporating the value of this company's patrimony in the accounts of **abertis**, dividends from Aurea totalling 105,943 thousand euros were paid out.

In the tables and movements shown in this annual report, the column "Incorporation due to merger" reflects the consolidated balances included as at 1 January 2003.

NOTE 2. BASIS OF PRESENTATION**a) Accounting principles**

The annual accounts are obtained from the accounting records of the Company and have been prepared according to the generally accepted accounting principles in Spain and established in the current legislation.

The figures contained in the balance sheet, profit and loss account, source of financing statement and the notes to these accounts are expressed in thousand euros.

The consolidated annual accounts for the **abertis** group for 2003 are presented separately from the parent company accounts. The main figures taken from the audited consolidated accounts are as follows:

Total assets	9,684,659
Equity	3,107,354
Consolidated operating income	1,283,149
Result for the year due to the Parent company - Profit	355,206

b) Comparison of the information

The annual accounts for 2003 are not comparable with the 2002 accounts for the following reasons:

- The 2002 accounts reflect six-months of concessionary activity until the transfer of that branch of activity to Autopistas II, Concesionaria Española, S.A. (see note 1 a).
- The 2003 accounts reflect greater activity due to the merger indicated in note 1 b).

NOTE 3. PROPOSED DISTRIBUTION OF RESULTS

The following distribution of results will be submitted to the annual general meeting for approval:

Basis of distribution	Amount
Profit for the year	329,017
Distribution	
Dividends	237,399
Legal reserve	32,902
Voluntary reserve	58,716
	329,017

During 2003 an interim dividend of 120,275 thousand euros was paid. This interim dividend represents a payment of 0.229 euros gross per share on all issued shares.

The table below shows that there was sufficient profit in the period to cover the interim dividend (which was made on 12 November 2003), with the accounting statement verifying sufficient liquidity to make the payment of this interim dividend.

	Amount
Net profit from 1 January to 31 July 2003	137,390
Less:	
Legal reserve	(13,739)
Maximum amount available for distribution	123,651
Amount proposed and distributed	120,275

	Amount
Cash funds available prior to payment	827,470
Gross amount of interim dividend	(120,275)
Cash funds available after payment	707,195

NOTE 4. ACCOUNTING POLICIES

The most significant accounting policies used in the preparation of the annual accounts are described below:

a) Start-up costs

The expenses incurred on incorporation and in share capital increases are recorded at cost, shown net of accumulated amortisation, which is calculated using the straight line method over a period of five years.

b) Intangible fixed assets

The items included in this chapter are valued at acquisition price or the cost of production and amortised as follows:

- Computer applications are amortised at 33 % per year.
- The goodwill fund is amortised on a straight line basis over the estimated period in which said funds will contribute to profit generation, with a maximum period of 20 years.
- Studies and projects are amortised on a straight line basis over a maximum period of ten years from the date on which the project is considered to be viable.

c) Tangible fixed assets

Tangible fixed assets are valued at acquisition cost, revalued in accordance with various legal measures.

Costs of refurbishment, enlargement or improving tangible fixed assets are capitalised only when they increase capacity, productivity or extend the useful life of the asset, provided that it is possible to know or estimate the net book value of the assets which are removed from the list, having been replaced.

The costs of repair and maintenance are charged to the profit and loss account in the year in which they are incurred.

The amortisation of tangible fixed assets is calculated systematically using the straight line method, based on the estimated useful life of the assets, taking into consideration wear and tear derived from normal use.

The depreciation rates used to calculate the decline in the value of the fixed assets are as follows:

	Rate
Buildings and other constructions	2 - 8 %
Machinery and vehicles	6 - 30 %
Tooling	7 - 37.5 %
Other installations	7 - 20 %
Furniture	10 - 20 %
Computer equipment	20 - 37.5 %
Other fixed assets	3 - 30 %

d) Financial assets and investments

Investments in group and associated companies and long-term securities are shown in the balance sheet at the lower of acquisition cost or market value.

The market price for investments in group or associated companies, or other traded securities that are not publicly listed is calculated as the theoretical book value, plus the acquisition goodwill remaining at balance date.

The difference between the acquisition cost and the net book value of the subsidiary and associated companies at the time of acquisition is recorded as goodwill, which is amortised over a maximum period of twenty years, or in the case of highways or other types of concessions, over the remaining life of the concession, given that this is the most appropriate period for generating the resources required to recover the goodwill, to the extent that the recovery is not realised through increases in the theoretical book value of the subsidiary and associated companies.

The allocation of provisions is made considering the evolution of the shareholders' funds of the associated company and in accordance with the General Accounting Plan and the rules for the adaptation of the General Accounting Plan for highways, tunnels and other toll routes for those highway concessionaire companies.

The Company undertakes currency hedges against exchange rate risks on investments to significantly reduce or eliminate these risks, using the necessary financial instruments (see note 4 e).

e) Deferred expenses

The amount shown in this entry corresponds to expenses arising from the operations contracted in 2000 related to the acquisition of 48.6% of Grupo Concesionario del Oeste, S.A. for a hedged amount of 120.6 million dollars (exchange rate hedge contracts on the Argentine peso/US dollar and US dollar/Euro). These expenses are recorded monthly over the 60 month period of the hedge.

The exchange rate differences that arise in the conversion of said operations to euros will be recorded on the cancellation or final settlement of the hedge contracts.

With the decision to transfer the investment in Grupo Concesionario del Oeste, S.A. to the subsidiary company ACESA, **abertis** has agreed to transfer the hedges detailed.

f) Other provisions

Pursuant to the prudence principle, the Company makes the provisions which it considers necessary in relation to the inherent risks in the business (see note 10) which could affect the company.

g) Provision for retirement and other personnel related liabilities

The Company has externalised, through an insurance policy, the fund which represents the current value of its future payment obligations to employees, in respect of retirement payments.

h) Trade and non-trade debtors and creditors

The debits and credits incurred in operations, whether or not produced in the ordinary course of business, are recorded at nominal value, making the necessary valuation adjustments to cover bad debt provisions. Amounts due within one year of balance date are classified as short-term and amounts due after this date are considered long-term.

i) Corporation tax

The profit and loss account includes the charge for corporation tax, the calculation of which incorporates the full amount of tax accrued for the year, the effect of timing differences between the corporation tax assessment basis and book profit, and all credits or allowances

to which the Company is entitled. The corporation tax charge is calculated in accordance with Note 13.

The Company pays tax on a consolidated basis together with other companies of the group, in accordance with the legislation in force.

j) Foreign exchange differences

Transactions in currencies other than the euro are recorded at the exchange rate on the transaction date. At the close of the financial year the company restates all foreign exchange credits and debits using the official exchange rate at that date. Exchange rate differences generated at close on transactions are recorded as a loss in the profit and loss account if negative, or deferred till maturity in the case of profits. See the exchange rate hedging transactions in note 4 e).

k) Accounting for income and expenses

Income and expenses are recorded on the accruals basis. That is, at the time the activity occurs, irrespective of when the financial effect is realised.

l) Actions affecting the environment

Annually amounts outlaid in meeting legal requirements related to the environment are recorded either as an expense or investment, depending on their nature. Amounts recorded as an investment are amortised over their useful life.

No provision has been made for liabilities and expenses related to the environment, given that no contingencies exist with respect to environmental protection.

m) Joint ventures

To account for operations undertaken as Joint Ventures, both in the balance sheet and the profit and loss account, the method of proportional integration has been used, in accordance with the General Accounting Plan.

NOTE 5. INTANGIBLE FIXED ASSETS

The movement and balances of the accounts that make up intangible fixed assets during 2003 was as follows:

	Balance 31.12.02	Incorporation due to merger	Increase	Decrease	Balance 31.12.03
Computer software	36	8	229	(55)	218
Goodwill	-	7,823	-	-	7,823
Studies and projects	668	-	157	(55)	770
Other intangible assets	-	3	-	-	3
Total cost	704	7,834	386	(110)	8,814

The changes in accumulated depreciation during the year were:

	Balance 31.12.02	Incorporation due to merger	Increase	Decrease	Balance 31.12.03
Computer software	1	2	18	-	21
Goodwill	-	2,537	426	-	2,963
Studies and projects	-	-	55	(55)	-
Other intangible assets	-	1	1	-	2
Total amortisation	1	2,540	500	(55)	2,986

NOTE 6. TANGIBLE FIXED ASSETS

The movement in the balances that make up tangible fixed assets during 2003 were as follows:

	Balance 31.12.02	Incorporation due to merger	Increase	Decrease	Balance 31.12.03
Land and natural resources	699	2,355	-	(16)	3,038
Buildings and other constructions	8,021	4,988	182	(4,880)	8,311
Machinery and vehicles	242	175	75	-	492
Tooling	32	-	-	(21)	11
Other installations	7,687	2,355	258	(7,005)	3,295
Furniture	3,017	316	93	(2,565)	861
Computer equipment	-	273	11	(37)	247
Other fixed assets	-	2,950	-	-	2,950
Total	19,698	13,412	619	(14,524)	19,205

The changes in accumulated depreciation during the year are:

	Balance 31.12.02	Incorporation due to merger	Increase	Decrease	Balance 31.12.03
Buildings and other constructions	1,848	754	169	(1,715)	1,056
Machinery and vehicles	89	121	64	-	274
Tooling	25	-	3	(18)	10
Other installations	4,910	1,042	607	(4,645)	1,914
Furniture	1,082	132	250	(956)	508
Computer equipment	-	127	50	(33)	144
Total	7,954	2,176	1,143	(7,367)	3,906

The most important reductions during the year correspond to the sale of the former head office of **abertis** (see note 14 c).

The following assets are fully depreciated:

	Amount
Machinery and vehicles	34
Other installations	6
Furniture	532
Computer equipment	311
Other fixed assets	2
Total gross book value	885

It is company policy to contract all the insurance policies considered necessary to cover all possible risks that could affect tangible fixed assets.

NOTE 7. INVESTMENTS

The movements registered in the different entries under investments were:

	Balance 31.12.02	Incorporation due to merger	Increase	Decrease	Balance 31.12.03
Shareholdings in subsidiary and associated companies	2,732,060	1,369,506	326,274	(163,569)	4,264,271
Long-term loans to group companies	530,354	180,000	11,483	(21,035)	700,802
Long-term share portfolio	-	7,513	-	-	7,513
Long-term deposits and guarantees	2	58	5	-	65
Other credits	-	6,252	378	(14)	6,616
Less: Provisions	(42,095)	(155,477)	(28,475)	3,501	(222,546)
Total	3,220,321	1,407,852	309,665	(181,117)	4,756,721

a) Shareholdings in subsidiary and associated companies

The detail of direct and indirect shareholdings in subsidiary and associated companies of the group, together with the breakdown of their equity at 31 December 2003 or the latest public information available, is provided in the Annex.

The main movements recorded are the following:

- Incorporation, due to the merger with AUREA, of the companies Aumar, S.A.U.C.E. (Aumar), Autopistas de Puerto Rico, S.A. (APR), Compañía de Desarrollo Aeropuerto El Dorado, S.A. (Codad), Gestión Integral de Concesiones, S.A. (Gicsa), Aurea Limited, Autopistas del Sol, S.A.

(Ausol), Concesionaria Vial de los Andes, S.A. (Coviandes), Infraestructuras y Radiales, S.A. (Irasa), Concesiones de Madrid, S.A. (Concema), Autopista Trados-45, S.A., Autopistas de León, S.A.C.E (Aulesa) and Pt Operational Services Limited (PTY), for a total amount of 1,369,506 thousand euros.

- Increase of the shareholding in Saba Aparcamientos, S.A. (hereinafter Saba) by 39.91% for the amount of 134,377 thousand euros. With this acquisition **abertis** gained control of 99.24% of the share capital, taking into account the effect of the amortisation of the portfolio of own shares generated by the compulsory Public Takeover Offer made in 2003.
- Increase of capital of Abertis Telecom, S.A. for an amount of 180,917 thousand euros for the acquisition of Retevisión I, S.A.U. and the subsequent capital increase.
- Three increases of capital for Abertis Logística, S.A. of 1,200 thousand, 660 thousand and 1,329 thousand euros, respectively. These increases were basically destined to the incorporation and subsequent increases of capital of 60.03% in Sevisur Logística, S.A. and 39.5% in Araba Logística, S.A.
- Increases of capital in Aulesa, Irasa and Concema for an amount of 6,019 thousand, 1,200 thousand and 483 thousand euros, respectively.
- Transfer to Acesa of the shareholding in Grupo Concesionario del Oeste, S.A. (Gco) in the context of the transfer of this activity made in 2002 (140,589 thousand euros).
- Decrease in the value of the shareholding in Aumar as a consequence of refunding the share premium for an amount of 22,980 thousand euros.

The provisions basically correspond to Autopistas del Sol, S.A. (147,549 thousand euros, which represents 100% of the investment in the company), incorporated due to the merger with Abertis Telecom, S.A. (50,594 thousand euros) and Codad (10,349 thousand euros).

b) Long-term loans to group companies

The long-term loans to group companies correspond to Acesa, Aumar and Iberacesa, with all interest accrued at market rates (see note 12). These loans expire in 2015, 2009 and 2005, respectively.

NOTE 8. SHORT-TERM INVESTMENTS

The Company has credit lines with group companies for an amount of 1,044,100 thousand euros with interest at market rates. The outstanding balance at 31 December 2003 was 575,346 thousand euros (see details in note 12).

NOTE 9. EQUITY

The amount and movements in equity during 2003 were as follows:

	Balance 31.12.02	Distribution of result for year	Increase in capital	Other movements	Balance 31.12.03
Share capital	1,036,890	-	538,771	-	1,575,661
Share premium	115,553	-	464,137	-	579,690
Revaluation reserve RDL 7/1996, of 7 June	554,526	-	(75,031)	-	479,495
Legal reserve RD 1564/1989	140,387	18,281	-	-	158,668
Voluntary reserve	58,244	8,460	-	-	66,704
Profit for the year	182,817	(182,817)	-	329,017	329,017
Interim dividend	(79,001)	79,001	-	(120,275)	(120,275)
Total	2,009,416	(77,075)	927,877	208,742	3,068,960

a) Share capital

The share capital of **abertis** is made up of 525,220,358 shares that are entered in the share register, each with a nominal value of 3 euros, being fully subscribed and paid up. Of these, 488,183,992 are class A shares and 37,036,366 are class B preference shares that have the same rights as ordinary shares and the right to a preference dividend to be paid once to holders of those shares in 2007. The maximum amount of the preference dividend corresponding to each preference share will be determined by the difference between the reference price of 14.87 euros per share and the weighted average price of the ordinary **abertis** shares in the quarter prior to the due date, with a maximum payment of 4.25 euros per share.

At 31 December 2003 the most important shareholdings were the following:

Caixa d'Estalvis i Pensions de Barcelona ("la Caixa") (1)	21.05 %
ACS, Actividades de Construcción y Servicios, S.A. (2)	11.82 %
Caixa d'Estalvis de Catalunya	5.69 %
Sitreba, S.L. (3)	5.50 %
	44.06 %

(1) Shareholding through the companies Caixa Barcelona Vida, S.A., Seguros y Reaseguros (11.84%), VidaCaixa, S.A. de Seguros y Reaseguros (0.50%), Inversiones Autopistas, S.L. (7.75%) and CaixaHolding, S.A. (0.95%).

(2) Shareholding through Dragados Concesiones Infraestructuras (4.33%) and the rest by Inversora de Infraestructuras, S.A.

(3) Sitreba, S.L. is a company owned by Unicaja (34.38%), Cartera Participaciones Empresariales, S.L. (33.71%), Banco de Valencia, S.A. (27.27%) and Caja de Ahorros del Mediterráneo (4.64%).

All the shares of the Company are listed on the stock exchanges of Barcelona, Bilbao, Madrid and Valencia, being traded on the Spanish electronic share trading platform (SIBE) and form part of its Ibex 35 and Ibex Utilities indexes. At the same time, options on the shares of the Company are traded on the options market of MEFF Renta Variable (Spanish Equities Futures Exchange).

The Annual General Meeting on 8 April 2003 agreed to pay a final dividend for 2002 of 0.223 euros gross per share, representing a sum of 77,075 thousand euros. The general meeting also approved an increase in capital of a nominal amount of 463,740 thousand euros, by issuing 154,579,950 shares to cover the share exchange agreed in the merger with AUREA (see note 1 b). The share premium totalled 464,137 thousand euros.

By agreement of the Extraordinary General Meeting held on 16 September 2003, the Company increased capital through a bonus share issue, charged against the Revaluation Reserve Account of Royal Decree law 7/1996, of 7 June, with one new share for every 20 existing shares, for an amount of 75,031 thousand euros.

The Board of Directors was authorised by the Annual General Meeting of 8 April 2003 to increase share capital, through one or more capital issues, up to a maximum amount of 518,445 thousand euros, during the period up to 8 April 2008. This power remains fully operative.

b) Revaluation Reserve of Royal Decree law 7/1996, of 7 June

This reserve originates from the revaluation of the tangible fixed assets in the balance sheet of the Company, by virtue of Article 5 in the above legislation.

With three years having passed since the balance date when the revaluation was made without an examination by the Tax Administration, the revaluation operations are deemed to be correct and the balance of the account accepted by the Tax Inspection, and accordingly the balance is available for distribution to:

- Off-set book losses.
- Increase share capital.
- Create reserves freely available for distribution, ten years from the date of the balance sheet containing the revaluation operations.

The balance of this account cannot be distributed, directly or indirectly, unless the capital gain has been realised, with the understanding that this is the case when the revalued assets have been fully amortised, transferred or written off the books. Given the Activity Transferred from the subsidiary company ACESA in 2002, the requirement that the capital gain has been realised can only be understood as such when the company acquiring the revalued assets as part of the new activity has amortised those assets, transferred or written them off the books.

c) Legal reserve

In accordance with the Revised Text of the Companies Law, 10% of the annual profits should go to the legal reserve so that this reserve reaches at least 20% of the capital. The legal reserve cannot be distributed to shareholders unless the Company is wound up.

The legal reserve can be used for increases in capital, provided the funds used come from the balance exceeding 10% of the capital at the increased amount.

Apart from the purpose mentioned above, if this reserve does not exceed 20% of the share capital, it can only be used to compensate losses when there are no other reserves available for this purpose.

NOTE 10. PROVISIONS FOR LIABILITIES AND EXPENSES

The movements of this balance during the year ended 31 December 2003 are as follows:

	Balance 31.12.02	Incorporated due to merger	Allocations	Balance 31.12.03
Other provisions (see notes 4 f and 13)	42,419	6,512	(8,402)	40,529

NOTE 11. ISSUE OF BONDS AND LOANS WITH CREDIT INSTITUTIONS

The table below provides details of the position at the end of 2003.

	2004	2005	2006	2007	2008	Other expiries	TOTAL
Bonds issued	-	170,000	-	-	-	420,000	590,000
Syndicated loans	394,554	94,658	63,107	-	-	-	552,319
Loans	55,076	45,000	110,000	151,000	150,000	150,000	661,076
Credit policies	362,710	-	-	-	-	-	362,710
Total	812,340	309,658	173,107	151,000	150,000	570,000	2,166,105

Part of the loan and credit operations included as debts with credit institutions at 31 December 2003 (187,212 thousand euros long-term and 77,267 thousand euros short-term) were arranged with associated credit institutions (shareholders of the Company that hold 5% or more of the capital). Financial charges accrued on these operations with associated financial entities during the year totalled 7,391 thousand euros.

The bond issues consist of 60 million euros at EURIBOR plus a margin of between 0.40 and 0.50, 180,000 thousand euros at 3.53%, 200,000 at 4.95% and 150,000 at EURIBOR plus 0.22.

The Company has contracted interest rate hedges for a total amount of 615,000 thousand euros, of which 375,000 thousand euros are held with credit institutions associated to the Company.

In 2004 the Company plans to refinance short-term loans.

NOTE 12. TRANSACTIONS AND BALANCES HELD WITH SUBSIDIARY AND ASSOCIATED COMPANIES

The credit and debit balances that **abertis** had with subsidiary and associated companies at 31 December 2003 are the following:

	Thousand euros				
	Debtors			Creditors	
	Investments Long-term	Short-term	Other debts	Long-term	Short-term
Acesa	509,319	193,796	355	-	119
Aumar	180,000	24,352	45	-	-
Aucat	-	123,068	-	-	-
abertis logística	-	702	-	-	333
abertis telecom	-	32,261	-	-	1,107
serviabertis	-	2,787	3,201	-	116
Holdaucat	-	-	-	-	-
Gco	-	-	988	-	-
Tradia	-	-	33	-	2,822
Iberacesa	11,483	41	-	-	132
Iberpistas	-	13,466	2	-	12,242
Retevisión	-	184,614	-	-	-
Saba	-	13	71	-	-
APR	-	-	-	9,530	-
Others	-	246	8	-	371
Total	700,802	575,346	4,703	9,530	17,242

As indicated in note 7 b), the Company has conceded a long-term loan to Acesa for an amount of 509,319 thousand euros. At the same time, as indicated in note 8, the Company has credit lines arranged with group companies with a limit of 1,044,100 thousand euros, at market interest rates. At 31 December 2003 an amount of 575,346 thousand euros had been drawn down.

The provision of services by **abertis** to group companies basically corresponds to corporate and management services, for the following amounts:

	Thousand euros			
	Services provided	Income Interest received	Share capital	Expenses Services contracted
Acesa	6,994	22,553	212,964	89
Tradia	343	-	-	-
Aumar	3,492	6,354	112,383	-
abertis telecom	-	1,148	-	-
Aucat	458	3,448	-	-
Parc Logístic de la Zona Franca	30	-	-	-
abertis logística	260	7	-	-
serviabertis	80	32	-	1,139
Saba	321	67	9,960	-
Iberacesa	-	102	-	-
Iberpistas	767	-	31,176	-
APR	160	-	-	-
Codad	726	-	2,354	-
Retevisión	-	501	-	-
Aurea Ltd	16	-	-	-
Others	149	-	-	-
Total	13,796	34,212	368,837	1,228

NOTE 13. TAX POSITION

The Company calculates Corporation Tax on a consolidated basis, under Group No. 142/99, as parent company, together with those subsidiary companies that meet the requirements established in the tax regulations in force.

The reconciliation of the difference between the reported pre-tax profit in the accounts and the profit subject to corporation tax for 2003 is the following:

	Amount
Profit before tax	309,715
Permanent differences	(355,878)
Timing differences	
Arising during the year	1,358
From previous years	(599)
Tax assessment base	(45,404)

The accrued corporation tax expense that appears in the profit and loss account of the Company is calculated taking into account the following factors, in addition to the parameters to be considered in the case of calculating tax for an individual company:

- Dividends from subsidiary companies that are consolidated, the adjustment in values and the elimination of results for transactions between group companies that have been eliminated to determine the consolidated tax assessment base are considered as permanent differences.
- The consolidated tax group has assumed the right to compensation for the negative tax base generated by the Company in 2003, as well as the application of the deductions generated, with the corresponding inter-group compensation having been recorded in the balance sheet.

The balance at 31 December 2003 of prepaid tax was 1,600 thousand euros, which corresponds to the valuation differences between the tax criteria and accounting criteria for social security contributions.

The deferred tax balance at 31 December 2003 was 5,789 thousand euros, which arises from applying the cash criteria for tax purposes on income from operations with a forward price, and the reinvestment of profit for Spanish companies that set up internationally, both arising in previous years.

The amount of the deductions applied in 2003 is 3,357 thousand euros, for deductions associated to dividends of subsidiaries, deductions for the reinvestment of extraordinary profits obtained in the transfer of patrimony and deductions for donations made to approved entities under Law 49/2002.

The amount of income covered by the deduction for reinvestment was 13,805 thousand euros, with the entire amount having been reinvested in different patrimony during 2003.

On 28 May 2003, the merger agreement was made public with the company **abertis** absorbing Aurea, with the company consequently being dissolved without liquidation (see note 1 b). This operation was made under the special tax regime of Chapter VIII of Title VIII of the Corporation Tax Law.

Due to the merger by absorption, the absorbing company is attributed the entire patrimony of the absorbed company under sole title, in line with the information and details provided in note 1 b) to this annual report, incorporating the assets and liabilities for the same book values as listed in the absorbed company and subrogating all tax rights and obligations related to the goods and rights transferred.

During 2002, the Company was involved in various company transactions where it opted for the application of the special tax regime of Chapter VIII of Title VIII of the Law of Corporation Tax. The information on these transactions is provided in the annual report for 2002. These operations were as follows:

- The non-monetary transfer of the branch of activity to Acesa (see note 1 a).
- The increase of the Company share capital, to cover the share exchange established in the Public Takeover Offer made by the Company for the shares in the company Ibérica de Autopistas, S.A.

- The increase in share capital of the subsidiary company Abertis Logística, S.A. (previously called Acesa Promotora Logística, S.A.), subscribed by the Company through the non-monetary transfer of shares in distinct subsidiary and associated companies.

The Company has tax inspections open for the last four years for each of the taxes that it is subject to. The Company has been issued the corresponding assessments from the inspection based on examinations made between 1989 and 1993 and for 2000, of a partial nature and in a consolidated fiscal regime, which the Company has signed in disagreement. These assessments have been appealed and are pending the decision of the authorities. The eventual impact on the Company's capital that could result, once the outcome of the appeal is known, is adequately provisioned.

Furthermore, due to possible differences of interpretation of the tax rules applicable in some operations, there could be tax liabilities of a contingent nature that are difficult to quantify. Nevertheless, the amount of tax that might be payable would not have a material impact on the Company's Annual Accounts.

NOTE 14. INCOME AND EXPENSES

a) Net income

abertis operates in four sectors of activity: highway concessions, car parks, logistics and services, and telecommunications, indirectly through its shareholdings in other companies, whereby its income corresponds basically to dividends and the provision of services to group companies.

b) Personnel

The size of the average workforce during 2003 was as follows:

Permanent staff	100
Temporary positions	1
Total	101

c) Extraordinary results

The extraordinary income basically corresponds to capital gains on the sale of the former head office (15 million euros). The extraordinary expenses basically correspond to portfolio allocations (see note 7).

NOTE 15. ENVIRONMENTAL INFORMATION

At 31 December 2003, **abertis**, as the parent company of the Group, did not have significant assets dedicated to the protection and improvement of the environment, nor had it incurred expenses of this nature during the year. At the same time, it has not received any subsidies of an environmental nature during the year to 31 December 2003.

NOTE 16. OTHER INFORMATION ON BOARD MEMBERS

In accordance with the provisions of article 127 ter. 4 of the Companies Law, included by Law 26/2003, of 17 July, which amended Law 24/1988, of 28 July, of the Securities Market, and the Revised Text of the Companies Law, aimed at increasing the transparency of listed companies, the companies with the same, similar or of a complementary nature to the defined business activity of the Company in which members of its Board of Directors have shareholdings, as well as the functions that they carry out, if applicable:

Holder	Company held	Activity	Shareholding	Functions
Caixa Catalunya	Túnel del Cadí, S.A.C.	Highway concession	3.55 %	Board member
	Retevisión Móvil, S.A.	Telecommunications	2.10 %	-
Dragados Concesiones de Infraestructuras, S.A.	Autovía de la Mancha, S.A.	Infrastructure Concession	66.67 %	-
	Bidelan Guipuzkoako Autobideak, S.A.	Infrastructure Concession	50.00 %	-
	Guadalquivir Sociedad Concesionaria de la Junta de Andalucía Guadalmetro, S.A.	Infrastructure Concession	27.83 %	-
	SCL Terminal Aeropuerto Santiago, S.A.	Infrastructure Concession	14.78 %	-
	Sociedad Concesionaria Autopista Central, S.A.	Infrastructure Concession	48.00 %	-
	Sociedad Concesionaria Vespucio Norte Express, S.A.	Infrastructure Concession	54.00 %	-
	Aerocali, S.A.	Infrastructure Concession	33.33 %	-
	Ferrocarriles del Norte de Colombia, S.A.	Infrastructure Concession	66.00 %	-
	Aeropuertos Mexicanos del Pacífico, S.A. de C.V.	Infrastructure Concession	28.16 %	-
	MBJ Airports LTD	Infrastructure Concession	35.00 %	-
	Road Management A13 PLC	Infrastructure Concession	25.00 %	-
	Road Management Services (Darrington) Holding Ltd.	Infrastructure Concession	25.00 %	-
	Batwena Platinum Corridor Concesionaire Ltd.	Infrastructure Concession	25.00 %	-

Holder	Company held	Activity	Shareholding	Functions
Dragados Obras y Proyectos, S.A.	Autopista del Henares, C.E.S.A.	Infrastructure Concession	2.00 %	-
	Ferrocarriles del Norte de Colombia, S.A.	Infrastructure Concession	5.32 %	-
	Scutvias-Autoestradas da Beira Interior, S.A.	Infrastructure Concession	6.65 %	-
	Aufe, S.A.	Infrastructure Concession	78.00 %	-
	Aunor, S.A.	Infrastructure Concession	85.00 %	-
	Concesionaria Vial del Sur, S.A.	Infrastructure Concession	25.00 %	-
	Semacar, S.A.	Infrastructure Concession	55.00 %	-
	Autopistas del Sol, S.A.	Infrastructure Concession	8.33 %	-
Ángel García Altozano	ACS, Actividades de Construcción y Servicios, S.A.	Construction and services	0.0113 %	Executive Managing Director
	Saba Aparcamientos. S.A.	Car Parks	0.0000055 %	Board member
Grupo Dragados, S.A. / ACS	Accesos a Madrid C.E.S.A.	Infrastructure Concession	15.75 %	-
	Autopista Central Gallega C.E.S.A.	Infrastructure Concession	13.32 %	-
	Autopista del Henares, C.E.S.A.	Infrastructure Concession	35.00 %	-
	Ruta de los Pantanos, S.A.	Infrastructure Concession	25.00 %	-
	Autopistas del Sol, S.A.	Infrastructure concession	8.18 %	-
	Carmelton Group Ltd.	Infrastructure Concession	40.00 %	-
	Concesionaria Vial de los Andes, S.A.	Infrastructure Concession	0.96 %	-
	Ferrocarriles del Norte de Colombia, S.A.	Infrastructure Concession	5.32 %	-
	Rutas del Pacífico, S.A.	Infrastructure Concession	50.00 %	-
Scutvias-Autoestradas de Beira Interior, S.A.	Infrastructure Concession	26.65 %	-	
Unicaja	Ausur Servicios de la Autopista, S.A.	Logistics	5.00 %	Board member
	Autopista del Sol Concesionaria Española, S.A.	Infrastructure Concession	15.00 %	Board member

Holder	Company held	Activity	Shareholding	Functions
Unicaja	Autopista del Sureste, Concesionaria Española de Autopistas, S.A.	Infrastructure Concession	5.00%	Board member
	Inversora de Autopistas del Sur, S.L.	Infrastructure Concession	10.00%	Board member
	Autopista Madrid Sur Concesionaria Española, S.A. Sociedad Unipersonal	Infrastructure Concession	10.00% (Indirecta, Inversora de Autopistas del Sur, S.L.)	Board member
	Sociedad Municipal de Aparcamientos y Servicios, S.A.	Car Parks	24.50%	Board member
	Sevisur Logística, S.A.	Logistics	10.00%	Board member
	Red de Banda Ancha de Andalucía, S.A.	Telecommunications	10.00%	Board member
	Auna Operadores de Telecomunicaciones, S.A.	Telecommunications	1.99%	Board member
	Islalink, S.A.	Telecommunications	13.70%	Board member
	Val Telecomunicaciones, S.L.	Telecommunications	4.46%	Board member

With respect to positions or functions, excluding those held in companies in which **abertis**, has a direct or indirect investment, the Members of the Board of Directors are also Board Members or members of the management team of the following companies with activities that are the same, similar or of a complementary nature to the Company's business:

Board Member	Company	Position or function
Isidro Fainé Casas	Telefónica, S.A.	Deputy Chairman
Ángel García Altozano	Broadnet Consorcio, S.A.	Chairman
	Sonae Indústria SGPS	Board member
Pablo Vallbona Vadell	ACS, Actividades de Construcción y Servicios, S.A.	Deputy Chairman

In addition, one of the principal activities of Grupo Dragados, S.A./ACS, Dragados Concesiones de Infraestructuras, S.A. and Dragados Obras y Proyectos, S.A. is the promotion, management and operation of transport infrastructures.

NOTE 17. OTHER INFORMATION

a) Annual remuneration of the directors for their service as members of the Board of Directors of the Company is fixed as a share in the liquid profits. It can only be paid out once the payment of dividends and transfers to reserves that the Law establishes are covered, and it should not exceed, under any circumstances, two percent of the profits. The Board of Directors may distribute this sum amongst its members in the form and amount it decides. Overall remuneration paid to directors of **abertis** (formerly Acesa Infraestructuras, S.A.), as members of the Board of Directors, totalled 1,503 thousand euros in 2003, which is less than the statutory limit.

As indicated in notes 1 b) and 13 of this annual report, the merger between Acesa Infraestructuras, S.A. and AUREA was made public on 28 May 2003, but was effective for accounting purposes from 1 January 2003. Consequently, during the year two Boards of Directors co-existed, the board of **abertis** (formerly Acesa Infraestructuras, S.A.) and the board of AUREA.

Overall remuneration received by board members of **abertis** (formerly Acesa Infraestructuras, S.A.) totalled 2,950 thousand euros, which is broken down into board fees (475 thousand euros), expenses (1,503 thousand euros), contributions to cover pension plans (965 thousand euros) and life insurance (7 thousand euros).

Overall remuneration received by board members of AUREA totalled 2,152 thousand euros, which is broken down into board fees (511 thousand euros), expenses (126 thousand euros), statutory obligations (430 thousand euros), life insurance (3 thousand euros) and other remuneration (1,082 thousand euros).

b) At 31 December the Company has guarantees with third parties for a total amount of 129,690 thousand euros, which principally correspond to guarantees given by financial institutions to Public Administrations for certain commitments (investments, operation of services, etc.) contracted by subsidiary and associated companies. It is not considered that these guarantees can lead to unexpected material liabilities.

c) Fees received during the year by PricewaterhouseCoopers Auditores, S.L. for auditing services and other services provided to the companies of the group totalled 167 thousand euros. The fees received during the year for other services provided to the company for other companies trading under the name PricewaterhouseCoopers totalled 170 thousand euros.

NOTE 18. SUBSEQUENT EVENTS

The Board of Directors of **abertis** approved, on 27 January 2004, the proposed merger through the absorption of Iberpistas, S.A. by the Company which will be submitted to the respective annual general meetings for shareholder approval in the first four months of 2004, effective from 1 January 2004 for accounting purposes. **abertis** holds 99.8% of the share capital of Iberpistas S.A.

NOTE 19. SOURCE AND APPLICATION OF FUNDS

(thousand euros)

Source	2003	2002
<i>Resources from operations</i>		
Net profit for the year	329,017	182,817
Charge for depreciation of fixed assets	2,826	5,134
Charge to investment provision	28,475	34,222
Charge for amortisation of deferred expenses	5,241	6,032
Charge to reversion fund	0	27,505
Losses on intangible assets	0	0
Losses on fixed assets	5	0
Pension fund and other personnel liabilities	0	0
Charge to provision for expenses and liabilities	0	151
Deferred income	0	334
Profit from investments	(3,501)	(13,041)
Profit from fixed assets	(15,243)	(80)
	346,820	243,074
<i>Capital increase for merger</i>	927,877	226,662
<i>Provision for liabilities and expenses due to merger</i>	6,512	0
<i>Increase in long-term creditors due to merger</i>	346,839	0
<i>Long-term debt</i>		
Bonds	350,000	0
Loans	60,102	696,354
<i>Transfer of assets</i>		
Intangible fixed assets	50	0
Fixed assets	22,400	117
Investments	184,618	37,253
<i>Other creditors</i>	2,511	0
<i>Net reduction of long-term assets due to transfer of activity</i>	0	3,047,185
Total sources	2,247,729	4,250,645

Application	2003	2002
<i>Acquisition of fixed assets</i>		
Start-up costs	1,104	170
Intangible fixed assets	386	1,261
Tangible fixed assets	619	18,230
Investments		
Group companies	322,921	968,886
Other financial investments	383	285
Long-term loans to group companies	11,483	530,354
<i>Increase in assets due to merger</i>	<i>1,424,487</i>	<i>0</i>
<i>Increase in investments due to transfer of activity</i>	<i>0</i>	<i>1,647,127</i>
<i>Dividends</i>	<i>197,350</i>	<i>144,147</i>
<i>Provision for liabilities and expenses</i>	<i>8,402</i>	<i>2,519</i>
<i>Net reduction of long-term assets due to transfer of activity</i>	<i>0</i>	<i>1,375,868</i>
Total applications	1,967,135	4,688,847
<i>Excess sources over applications / (Applications over sources)</i>		
Increase/(Decrease) of working capital	280,594	(438,202)
Change in working capital		
<i>Increase/(Decrease) current assets</i>		
Inventories	0	(2,372)
Receivables	(1,351)	(74,743)
Short-term investments	383,817	109,706
Treasury	2,333	(1,514)
Payments and accruals	(2)	(47)
	384,797	31,030
<i>(Increase)/Decrease current liabilities</i>		
Short-term creditors	(104,203)	(469,232)
Change in working capital	280,594	(438,202)

ANNEX

Direct shareholdings

(thousand euros)

Company	Registered Office	Activity	Auditors	% holding	Share capital	Reserves (less interim dividend)	Result for year	Value of shareholding	Dividends received
Serviabertis, S.L.	Av. Parc Logístic, 12-20. Barcelona	Management services	-	100.00	3	-	7	3	-

Highway operations

Autopistas, C.E.S.A. (ACESA)	Av. Parc Logístic, 12-20. Barcelona	Toll highway concessionaire	PwC	100.00	876,465	578,572	215,381	1,647,187	212,963
Autopistas Aumar S.A.U.C.E. (AUMAR)	Paseo de la Alameda, 36. Valencia	Toll highway concessionaire	PwC	100.00	419,643	460,410	129,092	991,587	112,383
Aurea Limited	180 Strand, London (United Kingdom)	Holding company in concessionaire	Other auditors	100.00	14,188	173	1,842	23,363	-
Iberpistas, S.A.	Pío Baroja, 6. Madrid	Toll highway concessionaire	Other auditors	99.80	173,547	37,311	38,112	648,227	31,176
Gestión Integral de Concesiones, S.A. (GICSA)	Montalbán, 5. Madrid	Infrastructures admin. and management	-	99.98	60	133	271	60	-
Autopistas de León, S.A.C.E. (AULESA)	Villadangos del Páramo. Ctra. Santa María del Páramo. León	Toll highway concessionaire	Other auditors	79.20	34,642	11,940	(690)	43,168	-
Autopistas de Puerto Rico y Compañía, S.E. (APR)	Montellano Sector embalse. San Juan (Puerto Rico)	Infrastructures concessionaire	Other auditors	75.00	1,179	(570)	642	4,640	-
Autopista Trados-45, S.A. (TRADOS-45)	Ctra. M-203, PK 0,280. Madrid	Infrastructures concessionaire	PwC	50.00	29,900	3,770	6,419	47,872	-
Autopista del Sol, S.A. (AUSOL)	Leonardo N Alem. 986, piso 4. Buenos Aires (Argentina)	Toll highway concessionaire	PwC	45.16	33,925	(51,265)	(14,696)	147,548 (**)	-
Concesionaria Vial de los Andes, S.A. (COVIANDES)	Carrera Novena, 126-91. Santafé de Bogotá (Colombia)	Infrastructures concessionaire	Other auditors	39.04	7,872	38,631	7,373	17,789	-
Pt Operational Services Limited (PTY)	1 Lavender Road. Bon Accord 009. Pretoria (South Africa)	Operation and maintenance	Other auditors	33.30	0	332	1,170	-	-
Concesiones de Madrid, S.A. (CONCEMA)	Av. Europa, 18. Alcobendas. Madrid	Infrastructures concessionaire	Other auditors	25.00	28,798	2,663	3,203	21,977	-
Infraestructuras y Radiales, S.A. (IRASA)	Golfo de Salónica, 27. Madrid	Infrastructures admin. and management	Other auditors	22.49 (*)	7,092	58,468	(11,432)	10,473	-

This Annex forms an integral part of note 7 to the 2003 annual accounts, and it should be read in conjunction with the latter.

Direct shareholdings

(thousand euros)

Company	Registered Office	Activity	Auditors	% holding	Share capital	Reserves (less interim dividend)	Result for year	Value of shareholding	Dividends received
Car Parks									
Saba Aparcamientos, S.A. (SABA)	Av. Parc Logístic, 12-20. Barcelona	Car parks	PwC	99.24	18,243	98,474	13,065	231,199	9,960
Logistic Services									
Abertis Logística, S.A.	Av. Parc Logístic, 12-20. Barcelona	Development, logistics and technical support	-	100.00	47,500	10,117	(554)	56,995	-
Telecommunications									
Abertis Telecom, S.A.	Av. Parc Logístic, 12-20. Barcelona	Telecommunication - services	-	100.00	300,000	23,798	(14,638)	326,432	-
Airports									
Compañía de Desarrollo Aeropuerto Eldorado, S.A. (CODAD)	Carrera, 13 n° 93-40. Santafé de Bogotá (Colombia)	Construction and maintenance of airports	Other auditors	85.00	15,635	21,578	(8,655)	45,751	2,355
								4,264,271	368,837

Foreign currency amounts converted at official euro exchange rate at close.

(*) **abertis** direct shareholding: 15%. Indirect through Iberpistas and Avasa: 7.4%.

(**) **abertis** does not have additional commitments with respect to Ausol apart from the investment.

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Indirect shareholdings

(thousand euros)

Company	Registered Office	Activity	Auditors	% indirect holding	Company that owns indirect holding	Share capital	Reserves (less interim dividend)	Result for year
Through AUTOPISTAS, C.E.S.A.								
Acesa Italia, S.R.L.	Via delle Quattro Fontane, 15. Rome (Italy)	Holding company in concessionaire	PwC	100.00	Acesa	166,341(3)	4,080 (3)	1,190 (3)
Schemaventotto, S.p.A.	Calmaggiore, 23. Treviso (Italy)	Holding company in concessionaire	Other auditors	12.83	Acesa Italia, S.R.L.	445,536 (3)	902,730 (3)	45,209 (3)
Autostrade, S.p.A. (1)	Via A. Bergamini, 50. Rome (Italy)	Toll highway concessionaire	Other auditors	(6) 7.98	Schemaventotto, S.p.A.	621,289 (4)	1,502,947 (4)	345,482 (4)
Autopistes de Catalunya, S.A. (AUCAT)	Av. Parc Logístic, 12-20. Barcelona	Toll highway concessionaire	PwC	100.00	Acesa	96,160	19,925	18,490
Autopistas-Conces. Espanhola, SGPS, S.A.	Rua General Norton de Matos 21-A. Arquiparque Algés Oeiras (Portugal)	Holding company in concessionaire	-	100.00	Acesa	50 (3)	-	(37) (3)
Iberacesa, S.L.	Pº Castellana, 51. Madrid	Holding company in concessionaire	-	99.90	Acesa / Iberpistas	32,229	6,898	313
Alazor Inversiones, S.A.	Rozabella, 6. Las Rozas. Madrid	Holding company in concessionaire	Other auditors	23.32	Iberacesa, S.L.	190,500	-	-
Accesos de Madrid, C.E.S.A.	Rozabella, 6. Las Rozas. Madrid	Toll highway concessionaire	Other auditors	23.32	Alazor Inversiones	190,500	-	-
Isgasa, S.A.	Av. Parc Logístic, 12-20. Barcelona	Technical engineering services	-	99.90	Iberacesa, S.L.	61	853	229
Tacel Inversiones, S.A.	Hórreo, 11. Santiago de Compostela	Holding company in concessionaire	Other auditors	17.98	Iberacesa, S.L.	30,250	-	(552)
Autopista Central Gallega, C.E.S.A.	Hórreo, 11. Santiago de Compostela	Toll highway concessionaire	Other auditors	17.98	Tacel Inversiones	30,250	-	(557)
Grupo Concesionario del Oeste, S.A. (GCO) (5)	Ruta Nacional, nº7, km 25.92. Ituzaingó (Argentina)	Toll highway concessionaire	PwC	48.60	Acesa	22,070	(13,347)	3,080
Túnel del Cádiz, S.A.C.	Carretera de Vallvidrera a St. Cugat, km 5.3. Barcelona	Toll highway concessionaire	Other auditors	37.19	Acesa	105,504	6,320	2,086

This Annex forms an integral part of note 7 to the 2003 annual accounts, and it should be read in conjunction with the latter.

Indirect shareholdings

(thousand euros)

Company	Registered Office	Activity	Auditors	% indirect holding	Company that owns indirect holding	Share capital	Reserves (less interim dividend)	Result for year
Autopista Terrassa-Manresa, Autema, Concessionària de la Generalitat de Catalunya, S.A. (AUTEMA)	Gran Via de les Corts Catalanes, 680. Barcelona	Toll highway concessionaire	PwC	22.33	Acesa	81,894	(3,170)	6,848
Brisa, Auto-estradas do Portugal, S.A. (2)	Quinta da Torre da Águila, Edifício Brisa, 2785-589. Sao Domingos de Rana (Portugal)	Toll highway concessionaire	Other auditors	10.00	Acesa	600,000 (4)	588,754 (4)	62,827 (4)

Through IBERPISTAS, S.A.

Autopista A-6, S.A.	Pío Baroja, 6. Madrid	Toll highway concessionaire	Other auditors	99.80	Iberpistas	50,000	108,000	42,705
Ibermadrid de Infraestructuras, S.A.	Pío Baroja, 6. Madrid	Study, promotion and construction of civil work infrastructures	-	99.80	Iberpistas	500	(154)	6
Iberavasa de inversiones, S.L.	Pío Baroja, 6. Madrid	Holding company	Other auditors	99.80	Iberpistas	24,207	12,342	10,226
Castellana de Autopistas, S.A. Concesionaria del Estado	Pío Baroja, 6. Madrid	Toll highway concessionaire	Other auditors	99.80	Iberpistas	46,800	187,248	343
Proconex, S.A.	Pío Baroja, 6. Madrid	Operation of subleased service areas	-	99.80	Iberpistas	100	(1,074)	1,204
Promoción de Autopistas Chile Limitada	Santiago de Chile	Toll highway concessionaire	Other auditors	99.80	Iberpistas/ Proconex	1,434	1,172	186
Gestora de Autopistas, S.A. (GESA)	Santiago de Chile	Toll highway concessionaire	Other auditors	50.90	Promoción de Autopistas Chile Limitada	1,041	646	354
Autopistas Vasco-Aragonesa, C.E.S.A. (AVASA)	Barrio de Anuntzibai, s/n 48410. Orozco. Vizcaya	Toll highway concessionaire	Other auditors	49.90	Iberavasa, S.L.	234,000	10,361	40,088
Áreas de servicio y mantenimiento, S.A.	Autopista A 68, km 6. Vizcaya	Management and operation of infrastructure concessions	-	49.90	Avasa	600	643	(3)

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Indirect shareholdings

(thousand euros)

Company	Registered Office	Activity	Auditors	% indirect holding	Company that owns indirect holding	Share capital	Reserves (less interim dividend)	Result for year
Vasco-Aragonesa de Servicios y Concesiones, S.A.	Barrio de Anuntzibai, s/n. Vizcaya	Inactive	-	49.90	Avasa	110	4	1
Sociedad Concesionaria del Elqui, S.A. (ELQUI)	Santiago de Chile	Toll highway concessionaire	PwC	24.95	Iberpistas	71,186	11,270	6,674
Through AUREA LIMITED								
Road Management Group (RMG)	130 High Street Old Woking, Surrey (United Kingdom)	Toll highway concessionaire	Other auditors	25.00	Aurea Limited	35,946	53,910	10,797
Through INFRAESTRUCTURAS Y RADIALES, S.A.								
Autopista del Henares, S.A.C.E. (HENARSA)	Golfo de Salónica, 27. Madrid	Toll highway concessionaire	Other auditors	22.49	Infraestructuras y Radiales	96,700	329,850	(961)
Erredosa Infraestructuras, S.A. (ERREDOSA)	Golfo de Salónica, 27. Madrid	Administration and management of infrastructures	Other auditors	22.49	Infraestructuras y Radiales	61	(2)	(1)
Through SABA								
Parbla, S.A.	Sabino Arana, 38. Barcelona	Car parks	-	99.24	Saba	3	1,225	(53)
Spel-Sociedade de Parques de Estacionamento, S.A. (SPEL)	Lugar do Espino Via Estacionamento, Norte. Porto (Portugal)	Car parks	PwC	99.24	Saba	6,000	102	(479)
Societat Pirenaica d'Aparcaments, S.A. (SPASA)	Pau Casals, 7. Andorra la Vella. Principat d'Andorra	Car parks	-	89.64	Saba	301	-	127
Societat d'Aparcaments de Terrassa, S.A. (SATSA)	Plaça Vella, subsuelo. Terrassa	Car parks	PwC	87.37	Saba	7,746	353	739
Saba Italia, S.p.A.	Via delle Quattro Fontane, 15. Rome (Italy)	Car parks	PwC	59.54	Saba	28,600	7,358	(3,645)
Rabat Parking, S.A.	Rue de Larache, 8 Rabat (Morocco)	Car parks	-	50.61	Saba	1,879	(162)	(166)

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Indirect shareholdings

(thousand euros)

Company	Registered Office	Activity	Auditors	% indirect holding	Company that owns indirect holding	Share capital	Reserves (less interim dividend)	Result for year
Through ABERTIS LOGÍSTICA								
Sevisur Logística, S.A.	Moratin, 1. Sevilla	Construction and operation of logistics parks	-	60.03	Abertis Logística	3,000	-	(59)
Parc Logístic de la Zona Franca, S.A. (PLZF)	Av. Parc Logístic, 2-10. Barcelona	Promotion and operation of logistics parks	Other auditors	50.00	Abertis Logística	23,742	(732)	1,151
Areamed 2000, S.A.	Via Augusta, 21-23. Barcelona	Operation of service areas	Other auditors	50.00	Abertis Logística	70	5,122	2,486
Araba Logística, S.A. (ARASUR)	Olaguibel, 2. Vitoria	Construction and operation of logistics parks	-	39.50	Abertis Logística	3,000	-	(52)
Centro Intermodal de Logística, S.A. (CILSA)	Portal de la Pau, 6. Barcelona	Promotion and operation of logistics parks	Other auditors	32.00	Abertis Logística	15,467	24,366	981
Through ABERTIS TELECOM								
Difusió Digital Societat de Telecomunicacions, S.A. (TRADIA)	Motors, 392. L'Hospitalet de Llobregat. Barcelona	Operator of telecommunications infrastructures	PwC	100.00	Abertis Telecom	131,488	(25,283)	(7,746)
Retevisió I, S.A.U.	Gran Via de les Corts Catalanes, 130-136. Barcelona	Operator of telecommunications infrastructures	Other auditors	100.00	Abertis Telecom	81,270 (*)	123,003	(4,810)
Adquisición de emplazamientos, S.L. (ADESAL)	Motors, 392. L'Hospitalet de Llobregat. Barcelona	Operator of telecommunications infrastructures	-	100.00	Tradia	3	-	-
Torre de Collserola, S.A.	Ctra. de Vallvidrera al Tibidabo, s/n. Barcelona	Construction and operation of telecommunications infrastructures	PwC	36.00	Retevisió I	12,020	563	-

Foreign currency amounts converted at official euro exchange rate at close.

- (1) The shares of Autostrade, S.p.A. are listed on the Milan stock exchange. The weighted average price for the last quarter of 2003 was 12.91 euros. At the end of the year the price was 13.93 euros.
- (2) The shares of Brisa, Auto-estradas do Portugal, S.A. are listed on the Lisbon stock exchange. The weighted average price for the last quarter of 2003 was 5.22 euros. At the end of the year the price was 5.30 euros.
- (3) Information at 31 December 2002.
- (4) Information at 30 June 2003.
- (5) The shares of Gco are listed on the Argentina stock exchange. The weighted average price for the last quarter of 2003 was 1.26 euros. At the end of the year the price was 1.6 euros. The company holds 57.6% of the voting rights.
- (6) Shares pledged as guarantee for a loan granted to Schemaventotto, S.p.A. to buy the shareholding in this company.
- (*) Includes the increase in capital made pending inscription in the Mercantile Register.

This Annex forms an integral part of note 7 to the 2003 annual accounts, and it should be read in conjunction with the latter.

ABERTIS INFRAESTRUCTURAS, S.A. MANAGEMENT REPORT FOR 2003

2003 has been especially marked by the merger of Acesa Infraestructuras and Aurea Concesiones de Infraestructuras, which gave rise to **abertis**, one of the leading European operators in the management of infrastructures serving mobility and communications.

This year has been the Company's first full year of activity as parent of an important group of business investments created by the merger, which basically operate in the sectors of highway concession, car parks, infrastructure for logistics and telecommunication infrastructures.

The objective of the Group is to continue to provide shareholders a balanced portfolio of investments in the stated sectors, that ensures an adequate combination of low risk, growth and return. In this sense, the following events in 2003 can be highlighted:

- In the highways sector, the incorporation of all the concessions from Aurea in **abertis**, which include Aumar (one of the main national concessions), as well as a series of shareholdings in other important projects nationally and internationally. During 2003 the following toll highways in which **abertis** participates were opened: A-6 connection with Segovia (Castellana de Autopistas), Radial 2 Madrid-Guadalajara (Henarsa) and Silleda-Lalín stretch (Autopista Central Gallega). Also of note in the highway sector was the increase of the indirect holding in the Italian concessionaire Autostrade from 3.8% to 8.0%. In the interests of optimising the Group structure, the shareholding in Grupo Concesionario del Oeste was transferred to Acesa and Holdaucat was merged with Aucat (100% owned by Holdaucat).
- In the car park sector, **abertis** has acquired 40% of Saba, raising its shareholding to 99.2% of the capital. Saba has acquired 50% of the Portuguese company Spel to gain 100% control of the company, and has continued its international expansion with new projects in Italy and Portugal.
- In the infrastructure for logistics sector, highlights include the development of two new logistics projects in which **abertis** participates in Álava and Seville, the full occupation and consolidation of the Parc Logístic de la Zona Franca and the positive evolution of the associated company Cilsa which, having developed and achieved full occupation in ZAL Barcelona, has begun to develop ZAL Prat.
- Lastly, of note in the sector of telecommunication infrastructures was the acquisition of Retevisión Audiovisual concluded at the end of the year and the acquisition of 5% of Tradia to gain 100% control.

All these transactions, linked to the good performance of the rest of the business and activities, have been reflected positively in the figures and results for the year, and in turn they establish the bases for growth in the years ahead.

The balance sheet of **abertis** clearly reflects its position as parent of the Group, largely consisting of the portfolio of shareholdings on the assets side and financing of these investments through equity and debt on the liabilities side.

The profit and loss account of the parent company **abertis** in 2003 is not comparable with 2002, given that the 2002 figures include six months concessionary activity until this branch of activity was transferred to Acesa in June 2002 and the 2003 figures include greater activity due to the merger.

In 2003 the profit and loss account basically shows the transfer of the results generated in the different companies of the Group, through the dividends' policy, as well as the costs derived from the corporate structure and financing the investments in subsidiary and associated companies. The profit for the year rose to 329 million euros, representing an 80% increase on the previous year (up 8.3% compared to the aggregate figures of Acesa and Aurea in that year) and in turn, ensures the dividend yield policy of **abertis**.

As in recent years, **abertis** has maintained its dividend policy, that combines the distribution of dividends with an annual increase of capital through a bonus share issue of one share for every 20 held, allowing it to offer one of the highest dividend yields in the market. The proposed distribution of the profit for 2003 to be put to the annual general meeting proposes a total dividend of 237,399 thousand euros, represented by the interim dividend already paid and the final dividend.

In the interests of optimising the corporate structure of the Group, the Board of Directors of **abertis** approved, on 27 January 2004, the merger by absorption of Iberpistas, S.A. (99.8% shareholding), which will be submitted for the approval of the respective annual general meetings in the first four months of 2004, and if approved, will be effective for accounting purposes from 1 January 2004.

The Company expects all business units to continue to make a positive contribution in 2004, accentuated by the progressive contribution of all the new projects and the latest incorporations in the Group. The dividend policy is also expected to be maintained.

The Company has not traded, directly or indirectly, in its own shares.

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AUDIT REPORT ON THE ANNUAL ACCOUNTS

To the Shareholders of Abertis Infraestructuras, S.A.

1. We have audited the annual accounts of Abertis Infraestructuras, S.A., set out on pages 102 to 135, consisting of the balance sheet at 31 December 2003, the profit and loss account and the notes to the annual accounts for the year then ended, whose preparation is the responsibility of the Directors of the Company. Our responsibility is to express an opinion on the aforementioned annual accounts taken as a whole, based on our audit work carried out in accordance with generally accepted auditing standards, which require examining, on a test basis, evidence supporting the annual accounts, as well as evaluating their overall presentation and assessing the accounting principles applied and estimates made. Our work did not include the audit of the individual, or, as the case may be, the consolidated annual accounts for 2003 of certain direct or indirect investee companies indicated in Note 7 to the accompanying accounts, and whose net book value stated in the accompanying balance sheet totals Euros 722,444 thousand, in direct shareholding, and Euros 713,937 thousand on the balance sheets of the subsidiaries which directly hold the indirect shareholdings. The aforementioned annual accounts of the investee companies are audited by other auditors and the opinion we express in this report on the annual accounts of Abertis Infraestructuras, S.A. is based, in relation to the shareholding in these companies, solely on the reports of the other auditors.
2. In accordance with Spanish Corporate Law, the Company's Directors have presented, for comparative purposes only, for each of the items of the balance sheet, the profit and loss account and the statement of source and application of funds the corresponding amounts for the previous year as well as the amounts for 2003. Our opinion refers solely to the annual accounts for 2003. On 3 March 2003, we issued our audit report on the annual accounts for 2002, in which we expressed an unqualified opinion.

According to Note 2. b) to the accompanying accounts, the annual accounts for 2003 are not directly comparable with those for 2002 due to the fact that, on the one hand, 2002 only carried a half year of administrative concession activity, until this branch of activity was contributed to Autopistas II, Concesionaria Española, S.A., while, on the other hand, 2003 carries the impact, effective in accounting terms as from 1 January 2003, of the merger with Aurea, Concesiones de Infraestructuras, S.A., as mentioned in Note 1.b) to the accompanying accounts.

3. In our opinion, based on our audit and the reports of other auditors, the accompanying annual accounts for 2003 present fairly, in all material respects, the shareholders' equity and financial position of Abertis Infraestructuras, S.A. at 31 December 2003 and the results of its operations and the resources obtained and applied for the year then ended, and they contain the necessary and relevant information in order to adequately interpret and understand them, in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.
4. The accompanying Directors' Report for 2003, set out on pages 136 and 137, contains the information that Directors consider relevant to the Company's situation, the evolution of its business and of other matters and does not form an integral part of the annual accounts. We have verified that the accounting information contained in the aforementioned Directors' Report coincides with that of the annual accounts for 2003. Our work as auditors is limited to verifying the Directors' Report within the scope already mentioned in this paragraph and does not include the review of information other than that obtained from the Company's accounting records.

PricewaterhouseCoopers Auditores, S.L.



Xavier Brossa Galofré
Audit Partner

19 March 2004

www.abertis.com

