

The image features a low-angle, upward-looking view of a modern glass skyscraper. The building's facade is composed of a grid of dark window frames. The left side of the image is dominated by a large, semi-transparent orange overlay that tapers towards the top. The text 'abertis' is positioned in the upper left corner, with the 'a' in a dark blue color and the 'ertis' in a lighter blue. A small orange graphic element, resembling a stylized '2' or a bracket, is located below the 's'.

abertis

Annual Report 2004

Key data

(million euros)

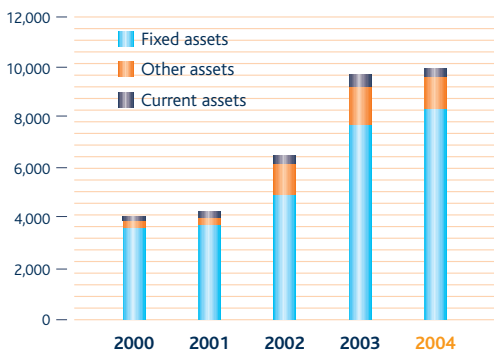
Consolidated	2000	2001	2002	2003	2004
Total assets	4,091	4,267	6,459	9,685	9,940
Equity	1,721	1,765	2,033	3,107	3,318
Provisions	816	897	1,402	2,320	2,493
Debt	1,154	1,227	2,521	3,611	3,516
Operating income	550	710	794	1,283	1,534
EBITDA - Gross operating margin ⁽¹⁾	385	476	534	915	1,043
Operating profit	296	359	402	695	743
Net profit attributed to parent	163	172	195	355	467
Average number of employees	2,897	3,209	3,990	4,617	5,504
Parent company					
Net profit	156	165	183	329	361
Total dividends	125	132	156	237	264

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

What resources are used?

Resources

abertis Group - Distribution of assets

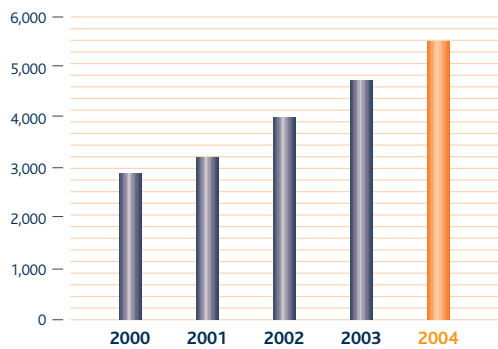


The group's assets exceed 9,900 million euros

Increase due to inclusion of **retevisión**. Fixed assets, basically in highways and other assets under concessions, represented 84.1% of total assets.

Human resources

Average workforce

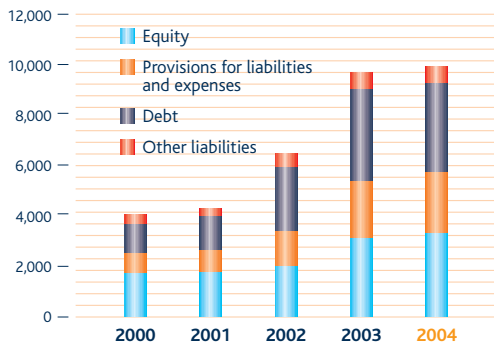


An workforce team of more than 5,500

The growth of the group has seen the average workforce grow from 2,897 in 2000 to 5,504 in 2004.

What are the financial resources?

abertis Group - Breakdown of liabilities

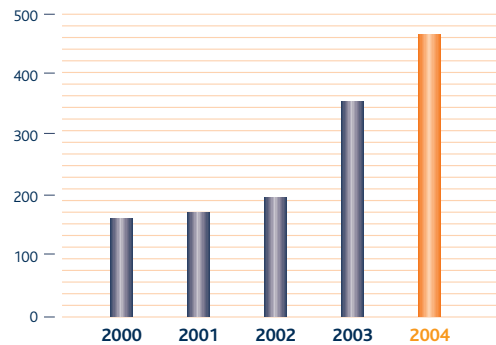


Balanced financial structure

Equity, which exceeds 3,300 million euros, represents 33% of total liabilities and debt is 35%. The provisions for liabilities and expenses, which basically correspond to the reversion fund, exceed 2,400 million euros.

What is obtained?

Profit attributed to parent company

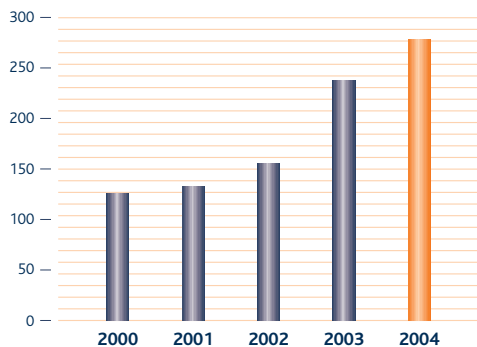


Profit has increased from 163 million euros in 2000

The Group's growth has been compatible with increasing profits. The profit of 467 million euros represents a rise of 31.6% compared to 2003.

How are profits distributed?

Total dividends

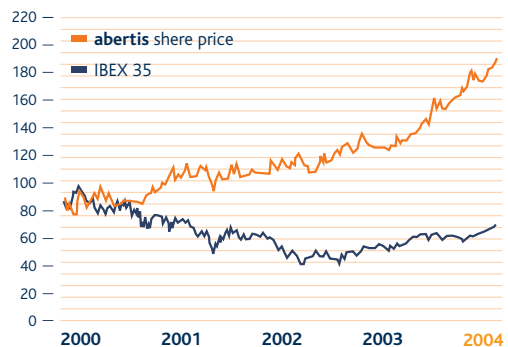


One of the highest dividend yields

With a final dividend of € 0.25 per share, total dividends in 2004 exceed 264 million euros (11.3% more than 2003), with the policy of a steady and sustainable dividend payout being maintained.

How is it valued?

Evolution abertis vs Ibex 35 (Base 31/12/99 = 100)



abertis: excellent performance

The shares of **abertis** rose 42% in 2004. This increase is in addition to the rises recorded in the four previous years, with an accumulated increase of 114% in this five year period. Only three of the 35 companies in the Ibex Index have recorded annual increases in these five years, with **abertis** being one of them.

The Ibex 35 rose 17.4%, but continues to remain below its closing level of 1999 (change over last five years: -22%).

Significant events of the year

1st quarter 2004

- Approval from the boards of directors of **abertis** and **iberpistas** for the merger of the two companies (effective for accounting purposes from 1 January 2004).
- Award of the Alicante Ring Road concession for a period of 36 years to a consortium in which **abertis** holds a 25% share.
- Inauguration of the R-3 and R-5 radials of Madrid in which **abertis** holds 23.3% under concession until 2049.
- Bond issue of €450 million to institutional investors with a 10 year maturity and coupon of 4.75%.

2nd quarter 2004

- The Ordinary Shareholders' Meeting of **abertis** approves the 2003 financial statements for 2003 a final dividend of € 0.223 per share, the bonus share issue against profits of one new share for changed every 20 shares held and the merger by absorption with **iberpistas**.
- Barcelona City Council and **saba** agree on a new rate structure charging by 5 minute intervals, the introduction of automatic tellers and a rate increase. In addition, **saba** agree to make investments in the areas of safety and environmental control and obtained an extension on the concession for 4 car parks until 2016.
- Acquisition by **saba** of a concession of 4 car parks in Santiago de Chile until 2035 with a possible 6 year extension.
- On 5 May payment of the final dividend for 2003 was made, for a total sum of 117 million euros.
- **abertis** and **iberpistas** conclude their merger with the share exchange fixed as one Class A **abertis** share for each **iberpistas** share. Due to the small number of shares to be exchanged, no specific capital increase was made. Instead treasury stock was exchanged (prior authorisation being given for the acquisition by the Shareholders' Meeting).

3rd quarter 2004

- The international credit agency Fitch Ratings maintains its "A+" classification for **abertis** and an "F1" rating for short-term debt.
- Approval of Ausol APE. The Acuerdo Preventivo Extrajudicial (out-of-court settlement agreement) (APE) is approved and signed between Ausol and its creditors whereby Ausol reduced its debt from 599 to 382 million dollars, the conditions on the debt were revised and it ceded 30% of its share capital to the former bondholders. As a result of this operation, **abertis** saw its shareholding in Ausol reduced from 45.2% to 31.6%.
- Agreement of Xfera with the Ministry of Industry with respect to the new plan to launch UMTS whereby the guarantees presented by Xfera are reduced from 468 to 176 million euros.

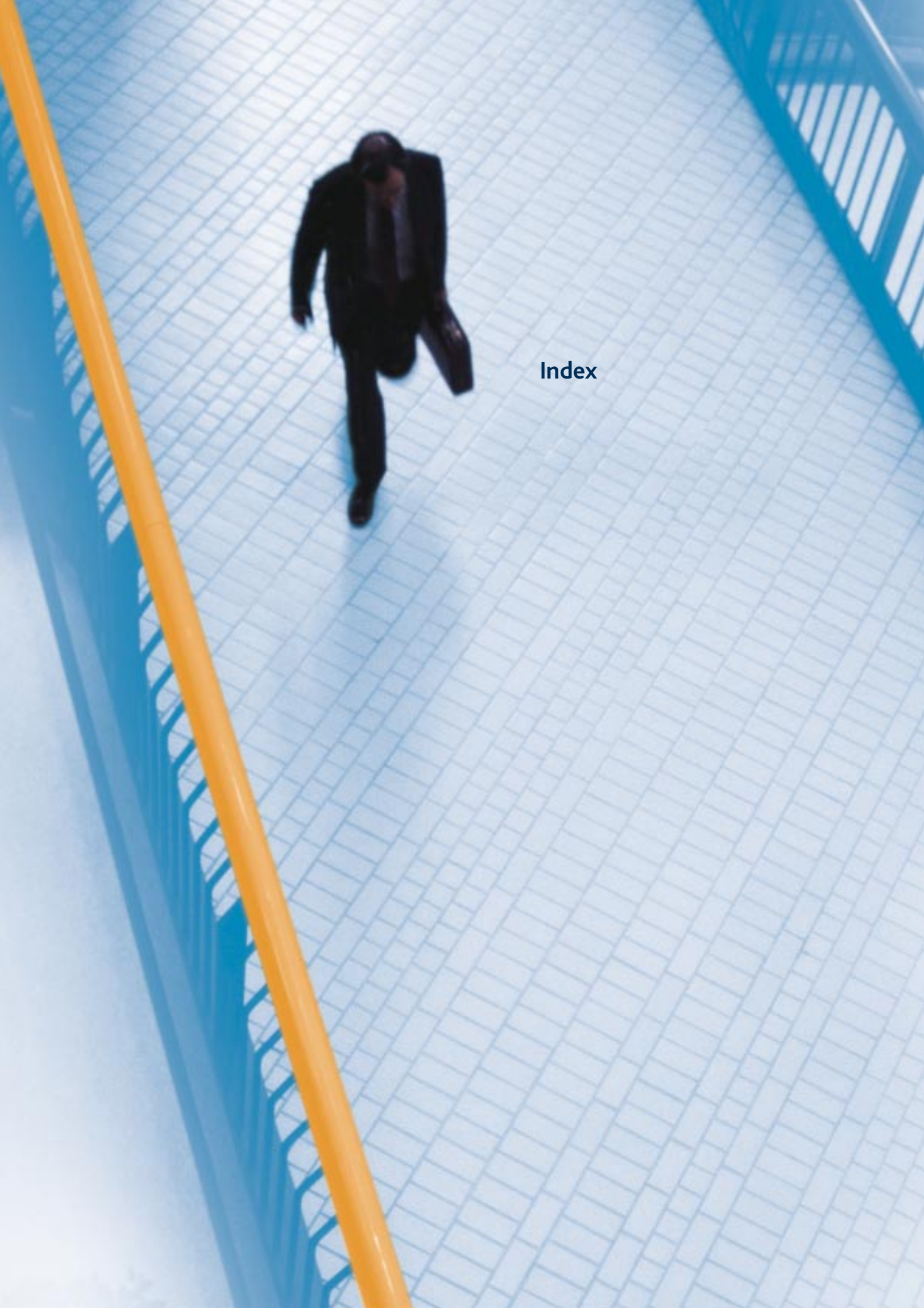
- **abertis** completes through bonus share issue approved in April for 78.8 million euros.
- Sale by Schemaventotto (in which **abertis** holds 12.83%) of 10% in Autostrade to institutional investors, reducing its shareholding from 62.2% to 52.2% and generating a capital gain for **abertis** of 60 million euros. The indirect shareholding of **abertis** in Autostrade fell from 7.98% to 6.69%.
- Autostrade sells 4.98% that it held in **abertis** to "la Caixa" and ACS in equal amounts, generating capital gains for **abertis** (through its shareholding in Autostrade) of 10 million euros.
- **saba** acquires 100% of two car parks in Chile through Saba Chile.
- The international credit agency Standard & Poor's assigns an "AA-" classification to **abertis** with Outlook stable.
- **abertis** increases its international presence in the sustainability indexes on being included in the Dow Jones Sustainability World index and remaining, for its second year, in the Dow Jones Sustainability Index Stoxx.

4th quarter 2004

- **retelevisión** increases its shareholding in Torre de Collserola to 41.75%, becoming the core shareholder.
- Distribution of interim dividend for 2004 of 0.229 euros per share.
- **abertis** increases its shareholding in Schemaventotto, acquiring the 0.5% shareholding of the Portuguese highway operator Brisa. Following this operation, the indirect shareholding of **abertis** in Autostrade increased to 6.95 %.
- **abertis** concludes a private placement of bonds on the US market of 600 million dollars, with maturities of 7, 10, 12, 15 and 20 years and an equivalent cost of the interbank interest rate plus 35 basis points.
- **abertis** approves a fixed income debt program for 700 million euros, to be issued during 2005.
- Agreement of Working Group on Reordering Tolls of Catalonia with the approval of a new system for rate revisions, a new discount based on peak hour traffic and a new system of discounts based on individual use.
- ACDL (with 90% held by **abertis** and 10% by Aena Internacional) acquired in December 2004 29% of TBI and launched a public takeover offer for 100% of the capital. TBI is a British airport operator that manages, under concession or ownership, 8 international airports (including London Luton, Cardiff and Belfast). In January 2005 the public takeover offer was concluded, with ACDL securing 100% of the capital.
- The Board of Ministers meeting on 30 December agreed to modify the National Technical Plan for Digital Television before summer 2005, to assign as soon as possible the frequencies currently free for new programs, to begin the broadcast of new programs with state coverage in autumn 2005 and brought forward the limit for the transition to Terrestrial Digital Television (from 2012 to 2010).

abertis

Annual Report 2004



Index

	Chairman's Letter	004
1 }	Governing Bodies	
	1.1. Board of Directors	010
	1.2. Delegated Board Committees	011
	1.3. Management Team	012
	1.4. Business Units	013
2 }	Strategy	015
3 }	Structure and Activity	
	3.1. Structure	018
	3.2. Human Resources	019
	3.3. Activity for the year	021
	Highways	023
	Car parks	035
	Logistic services	038
	Telecommunication infrastructures	041
	Airports	045
	3.4. Economic performance for the year	046
	Consolidated figures	046
	Parent company figures	048
4 }	abertis on the Stock Exchange	
	4.1. Stock market conditions	052
	4.2. abertis shares	052
	4.3. Evolution of share capital - Share issues	054
	4.4. Dividend and shareholder yield	054
	4.5. Shareholders	055
	4.6. Significant shareholdings	055
	4.7. Market information	056
5. }	Financial Information	
	5.1. Consolidated Annual Accounts	058
	Consolidated Management Report	108
	Consolidated Auditor's Report	111
	5.2. Parent Company Annual Accounts	114
	Parent Company Management Report	115
	Parent Company Auditor's Report	115



Dear Shareholders,

Once again I have the opportunity to address you in the Annual Report of **abertis** on the performance for 2004. This year has been characterised fundamentally by a positive evolution of activity across the different business sectors and also by the firmness with which we have progressed towards the consolidation of two areas in our Group –telecommunications infrastructures and airports– through the completion and initiation of corporate operations that consolidated our strategy of growth in new activities.

Throughout the year the financial markets and the indices that **abertis** forms part of have evaluated our performance very favourably and at year end our share price had increased by 42%. The Board of Directors has raised the normal dividend and recommended a final dividend of €0.25 gross per share to the Shareholders' General Meeting, making a total dividend of €0.479 per share for 2004, charged against profits for the year. The dividend amount exceeds 264 million euros, which represents an increase of 11%, due to the higher final dividend and the larger number of shares following the bonus share issue of 1 new share for every 20 shares held, in line with the established policy of **abertis** on shareholder return.

The Spanish macroeconomic setting where our activity is carried out has been characterised by dynamic internal demand, which was up 4.2% on the previous year, and stable growth in construction activity, at a level of 4.4%, which has played an important role in the growth of the Spanish economy. The Gross Domestic Product (GDP) in Spain grew by 2.7% in 2004.

The world economy in 2004 recorded its highest growth rate in the last thirty years, at 5%, according to the IMF. The two world economic motors, the United States and China, have shown an enviable rhythm of growth, acting in a near perfect tandem: the United States has been consuming and investing at a stable rhythm and high level for more than one year and China acts as the second world supplier for the North American giant, after Canada. The negative surprise comes from Japan, which has experienced a slowdown in its growth. The European Union continues to have low growth rates and only the United Kingdom and France stand out, amongst the large European economies, with growth rates of 3.1% and 2.3% in 2004.

In this macroeconomic situation, **abertis** has made a net profit of 467 million euros in 2004, which represents an increase of 31.6% over the previous year. Excluding the impact of the one-off capital gains of 70 million euros, derived from the shareholdings in Italy, the net profit would have been 397 million euros, up 11.8% on 2003.

The acquisition of the British airport operator TBI is not included in the profit and loss account of **abertis** for 2004, as the public takeover offer made to acquire this company was completed in 2005 and at the close of the financial year the investment in TBI by the consortium ACDL –90% **abertis** and 10% Aena– represented 29.2% of the airport operator, so it was included in the 2004 consolidated accounts by equity accounting.

Operating income rose 20% to 1,543 million euros. This growth reflects the positive performance of the combined activities and in particular the highway sector, where the Average Daily Traffic indicator (ADT) showed a 3.4% increase, rising to 28,283 vehicles for the combined highway network of **abertis** in Spain. Internationally, the performance of the Argentinean concessionaire of **abertis**, GCO, is notable with a 12.5% increase in traffic. The highway activity represents 74% of total income for the business group. The increase in income also reflects the inclusion of **retevisión** in the consolidation scope since December 2003.

In the other business sectors, activity has also evolved favourably, as you will see outlined in this Annual Report. This performance, together with the policies of efficiency employed throughout the year and the notable increase in one-off capital gains previously mentioned in Italy, resulted in gross operating earnings before interest, tax, depreciation and amortisation (EBITDA) in 2004 of 1,043 million euros, an increase of 14% on the figure for 2003. Net cash flow was 706 million euros, an increase of 19%.

Strategy and growth

Our business model is based on the main objective of continuing to provide our shareholders with a balanced combination of investments that simultaneously provide low risk, growth and profitability, and the maintenance of a policy of solid and sustainable dividends.

New investments for growth are selected in accordance with four key elements of interest to **abertis**: investments in the area of infrastructure management; in businesses that offer a long term perspective and provide an opportunity to have a significant presence in the decision-making bodies; investments that show the potential for development through the employment of management knowledge that **abertis** has built up over time, and finally, investments in projects where the risks and expected cash flows can be clearly estimated at the outset.

The events show that we have strictly followed these principals during 2004. Beyond the organic growth of our more mature businesses, namely the highway and car park sectors, this year we have dedicated our efforts to the growth and consolidation of those business areas that were only timidly announced a little over eighteen months ago, but now provide low risk, growth, profitability, future perspective and long term vision. With these new investments we must be able to take advantage of the Company's capacities in the management of infrastructures, incorporating other business, not as traditional as highways, so that they gain a greater dimension to complement those businesses that today are the motor of resource generation.

In this regard, in the telecommunication infrastructures area the full incorporation of **retelevisión** in the structure of **abertis telecom** was important in 2004. From 1 January 2004 we worked hard on its integration so that **tradia** and **retelevisión** can develop their full growth potential in the future, with maximum efficiency, both through international expansion and the development of services for closed user groups using specific networks. In addition, **abertis telecom** is actively working on the development of digital TV and radio with the aim of promoting the launch of DTT in Spain.

With respect to new investments, this year has been marked by the public takeover offer made in November for the British airport operator TBI by the company Airport Concessions and Development Limited (ACDL), the consortium between **abertis** (90%) and Aena (10%). The operation was completed in 2005 with TBI being delisted from the London Stock Exchange and the process concluded with the compulsory purchase of minority shareholdings (squeeze out). The acquisition of the airport operator represents the entry of **abertis** in 14 international airports -8 under ownership or concession and 6 under management for government or local authorities- and the incorporation of more than 18 million clients around the world.

With this operation, at a cost of 788 million euros, (709 million for 90%) **abertis** undertook a significant investment opportunity that allows it to gain critical mass in the airport sector, strengthen its position as a manager of all types of infrastructures and maintain a policy of solid and sustainable growth in shareholder return.

Projections for 2005 indicate that the acquisition of TBI will increase turnover of **abertis** by 17%, whilst consolidating activity in the airport sector, which will be similar in scale to Telecommunication Infrastructures, representing some 15% of income.

The alliance of **abertis** with Aena will provide us with valuable knowledge in airport sector management, which we consider strategic to confirm our leadership as a global manager of infrastructures for mobility and communications. Without a doubt, we are preparing for the future with this operation.

In any event, TBI also represents an essential step in our process of internationalisation. Now we must work with the mentality, ambition and projection of a multinational company.

We have also moved forward in the international expansion in the car park area, centred primarily in the Latin American market (Chile), with the acquisition of six car parks located in Santiago de Chile and Concepción. This is a milestone that reaffirms the effort made by **saba** in its international expansion over the last five years, investing in a country where **abertis** is already present in the highway sector. We have strengthened our car park projects in Italy and Portugal, with significant improvements in their results and new investments, primarily in Italy. In 2005, **saba** has taken control of 100% of its Italian subsidiary, Saba Italia, after purchasing the 40% share held by Autostrade. The car park sector represents 6% of income for **abertis**.

With respect to new investments and projects in the highway sector, the award of the 36-year concession on the Alicante Ring Road, which can be extended to 40 years, to a consortium in which **abertis** holds 25% through **auramar**, is particularly important.

In the area of logistic infrastructures, this has been a year of development for projects at different stages of maturity, located in Barcelona, Alava and Seville. Of special note were the works carried out in Zal Seville, which constructed Phase I with 32,000 square metres of warehousing in 2004. Similarly, work has commenced at the platform in Álava, Arasur, on levelling for the first phase.

Corporate Governance and Social Responsibility

abertis has also published the corresponding annual reports on Social Responsibility and Corporate Governance.

The Social Responsibility Report has been prepared following the criteria established by the Global Reporting Initiative (GRI), an organisation that has established the guide to reporting on economic, environmental and social performance, and the number of indicators employed by **abertis** has even increased, providing evidence of the real willingness that social responsibility is an efficient instrument for the overall management of the entire Group, which proposes and promotes the incorporation of best practices for each business unit.

As for Corporate Governance, in 2004 all the regulatory instruments that comply with the working framework of the various governance bodies of the Company have been put into practice. The Annual Corporate Governance Report has been prepared strictly in accordance with the new model, whereby it is comparable in form to the other listed companies.

Finally I wish to express my thanks to management, employees and suppliers for their dedication. And to you, the shareholders, for your confidence. We will carry on working so that we continue to deserve your confidence in the future.



Isidre Fainé, Chairman of **abertis**



1

{ Governing Bodies

1.1. Board of Directors

1.2. Delegated Board Committees

1.3. Management Team

1.4. Business Units

{ 1.1. Board of Directors

The members of the Board of Directors of **abertis**, at the time of preparing the 2004 Annual Accounts 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)

Caixa d'Estalvis de Catalunya, represented by Josep M^a Loza Xuriach

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

Enrique Corominas Vila

Dragados, S.A., represented by Demetrio Ullastres Llorente

Maria Isabel Gabarró Miquel

Carlos Godó Valls

Miguel Ángel Gutiérrez Méndez

Ernesto Mata López

Enric Mata Tarragó

Vasco de Mello

Jorge Mercader Miró

José Luis Olivas Martínez

Ramón Pascual Fontana

Unicaja, represented by Braulio Medel Cámara

Miquel Roca Junyent (Secretary, Non Board Member)

Juan A. Margenat Padrós (Deputy Secretary, non-board Member)

In 2004 the following have ceased to act as Board Members: Julio de Miguel Aynat, Grupo Dragados, S.A., Dragados Concesiones de Infraestructuras, S.A., Gilberto Benetton and Jordi Aristot Mora.

{ 1.2. Delegated Board Committees

Executive Committee

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)

Caixa d'Estalvis de Catalunya, represented by Josep M^a Loza Xuriach

José Luis Olivas Martínez

Miquel Roca Junyent (Secretary, Non-Board Member)

Juan A. Margenat Padrós (Deputy Secretary, Non-Board Member)

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

Audit And Control Committee

Ernesto Mata López (Chairman)

Caixa d'Estalvis de Catalunya, represented by Josep M^a Loza Xuriach

Enrique Corominas Vila

Juan A. Margenat Padrós (Secretary)

Nomination And Remuneration Committee

Jorge Mercader Miró (Chairman)

Maria Isabel Gabarró Miquel

Ángel García Altozano

Juan A. Margenat Padrós (Secretary)

{ 1.3. Management Team

Chief Executive Officer: Salvador Alemany Mas

Company Secretary: Juan Arturo Margenat Padrós

Director of Legal Services: Marta Casas Caba

Managing Director of Corporate Management: Josep Martínez Vila

Director of Operational Development: Manuel Cruzado de la Hera

Director of Investment Analysis: David Díaz Almazán

Director of Tax Planning: José María García Martín

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

Chief Financial Officer: Miguel Abeniagar 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

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

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

Director of Administration and Purchasing: Manuel Cruces Socasau

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

1.4. Business Units

Highways

Director of International Highways: Jordi Graells Ferrández

Managing Director Catalonia-Aragon (acesa and aucat): Lluís Serra Serra

Managing Director East-South (amar): Américo Jiménez Rodríguez

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

Car parks

Managing Director of saba: Joan Font Alegret

Logistic services

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

Telecommunication infrastructures

Managing Director of Business and Operations abertis telecom: Tobías Martínez Gimeno

Managing Director of Development and Resources abertis telecom: Josep Canós Ciurana

Airports

Managing Director of Airports: Miquel Puig Raposo

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 with a balanced combination of investments that ensures:

- An appropriate combination of low risk, growth and return
- Maintenance of a solid and sustainable dividend policy

whilst developing an organisation model that:

- Seeks excellence in the quality of service to its clients
- Brings wealth and well-being to the area where its activities are carried out
- Strives for adequate integration and projection of its employees within the organisation
- Dedicates special attention to the requirements of transparency in matters concerning Corporate Governance

To achieve this, the selection of its investments is based on the following key lines:

- Area of infrastructure management
- Commitment to long-term investment, ensuring a significant presence in the decision-making bodies
- Contributing to the management knowledge that **abertis** has built up historically
- Involvement in projects where the overall risks and expected cash flow can be clearly estimated at the outset

In the Social Responsibility Report and the Corporate Governance Report included together with this Annual Report, the actions of the Group in these areas are outlined in detail.

3

Structure and Activity

3.1. Structure

3.2. Human Resources

3.3. Activity for the year

Highways

Car parks

Logistic services

Telecommunication infrastructures

Airports

3.4. Performance for the year

Consolidated figures for **abertis**

Figures for the parent company **abertis**



3.1. Structure

Corporate Services

Abertis Infraestructuras

serviabertis

A.I. Finance BV

Subsidiary companies

Highways	Car Parks	Logistic Services	Telecommunications	Airports
acesa	saba	abertis logística	abertis telecom	TBI
aumar	Parbla	Sevisur	retevisión	Codad
iberpistas	Saba Italia		tradia	
aucat	Spel			
castellana	Saba Chile			
Aulesa	Spasa			
GCO	Satsa			
APR	Rabat			
Gesa				
Proconex				

Joint venture companies

Highways	Car Parks	Logistic Services	Telecommunications	Airports
Avasa		Parc Logístic		
Trados 45		Areamed 2000		

Associated companies

Highways	Car Parks	Logistic Services	Telecommunications	Airports
Túnel del Cadí		Cilsa	Torre de Collserola	
Autema		Arasur		
Accesos de Madrid				
Concema				
Henarsa				
Central Gallega				
Ciralsa				
Autostrade				
Brisa				
Coviandes				
Ausol				
RMG				
Elqui				

{ 3.2. Human Resources

The **abertis** Group has become increasingly complex with the incorporation of new businesses. In this context, an employee team willing to participate in the construction of a common project becomes an essential factor in order to achieve the business objectives. At the same time as the **abertis** Group has been growing in size, it has also become more diverse. The contribution of diverse cultural awareness, fruit of the mergers and acquisitions in recent years, is a competitive advantage that we should know how to capitalise on. Furthermore, the necessity already noted last year to perfect the levels of coordination and identify synergies, has continued to be the key for some of the initiatives developed this year, through the collaboration of the Business Units, **serviabertis** and **abertis**.

Some of these initiatives, which are the result of the combined work of the Business Units, **serviabertis** and **abertis**, are outlined below:

Human Resources Information System

Designed to give the **abertis** Group an infrastructure for the management of common processes in Human Resources, providing a technological platform that enables the directors of Human Resources and other directors to manage their teams with greater agility, allowing faster and more effective decision making in matters related to the management and development of employees.

Global position structures

The implementation of a common methodology and language has been sought for the **abertis** Group to standardise the process of position descriptions and classifications in the workplace. With this common base we simplify the comparative analysis between the different Business Units regarding the structure of positions, whilst facilitating the harmonious development of remuneration policies and providing the companies with a base on which they can build competence models.

Internal communication

Establishment of an Internal Communication Plan designed to support the integration of the different sensitivities of the **abertis** Group, seeking an increase in internal cohesion. It also endeavours to boost the information flow between the companies and organisational structures of the Group so that it is more dynamic and relevant, as well as establishing an open and accessible communication model.

Rule book

Development of rules that give the **abertis** Group a frame of reference designed to clarify and establish decision making areas and actions in the relationships between the different organisational structures of the Group, and consequently the relationships between employees.

Management by objectives system

This year the Process of Management by Objectives and Evaluation of Achievements has been extended to all companies in the **abertis** Group with the aim of improving results and the development of employees. The intention is to encourage a culture of dialogue, personal responsibility and continuous improvement. The process is oriented, not just toward the achievement of specified quantitative objectives, but also seeks to align employees with the desired values, through the evaluation of individual performance.

Vision, Values and Model of Governance

Begun in the last quarter of 2004, the Proyecto de Reflexión Organizativa (Organisational Reflection Project) of **abertis**, PROA, considers questions of particular relevance, due to the growth experienced by the **abertis** Group and the significant increase in organisational complexity. In short, the project seeks to clarify and promote the new Corporate Values of the Group, redefining them in a simple and clear manner to create the basic pillars and guiding principles for management of the entire

corporation, to facilitate its evolution as a cohesive group. Consequently, this process aims to:

- Identify the new core elements of the common Group vision that are used to build the corporate structure, covering the strategic objectives and management styles of the Group.
- Adjust the Group's Governance Model to optimise the management framework and the relationship between Corporate Services and the Business Units.

Evolution of average number of employees

	2004	2003
abertis	93	101
serviabertis	112	74
acesa Group	2,014	1,951
iberpistas Group	499	669
aumar	643	665
Aulesa	51	49
Trados 45	1	1
saba Group	899	920
abertis telecom Group	1,295	257
abertis logística Group	14	11
Codad	47	43
Total (1)	5,668	4,741

(1) The total average staffing level does not coincide with the figures provided in the notes to the Annual Accounts due to criteria for consolidated accounts (5,504 employees in 2004).

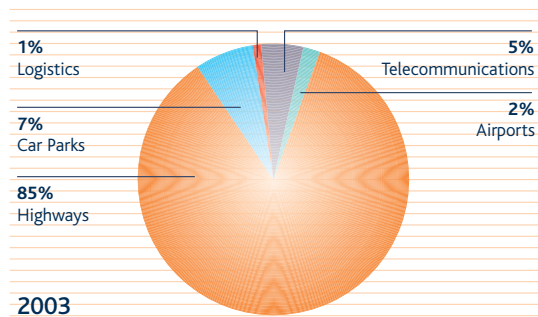
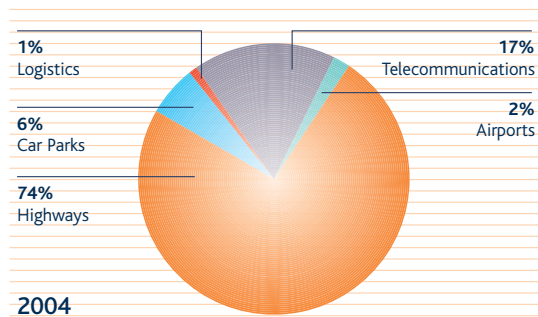
During 2005, ACDL (90% owned by **abertis**) has completed the public takeover offer for the shares of the TBI group, obtaining 100% of the capital. Its employees were not included in the calculation of average number of employees above. Taking TBI into account, average number of employees would increase by almost 2,000 employees.

3.3. Activity for the year

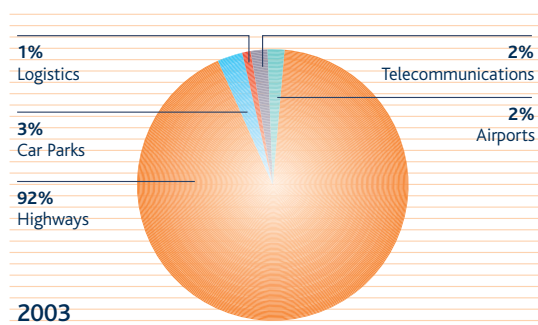
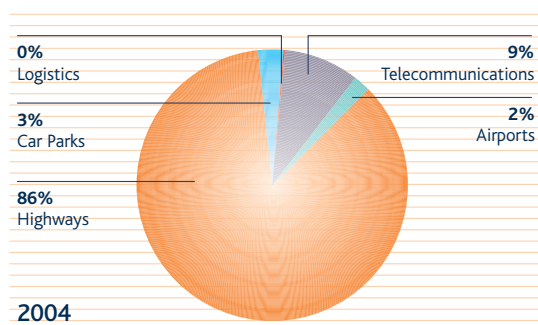
A summary of the contribution made by each sector of activity to the key operating figures is shown below.

Contribution to operating income and EBITDA by sectors:

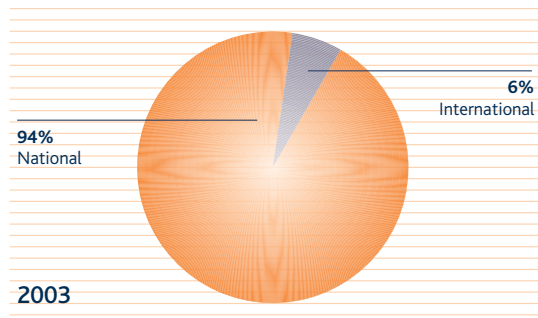
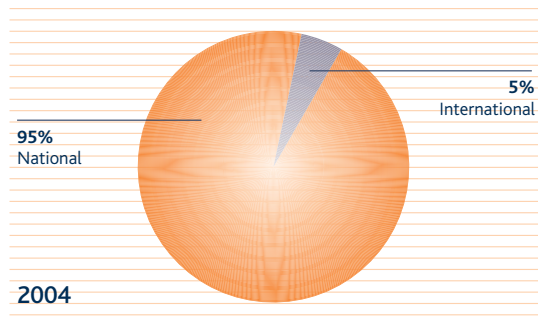
Operating income



EBITDA

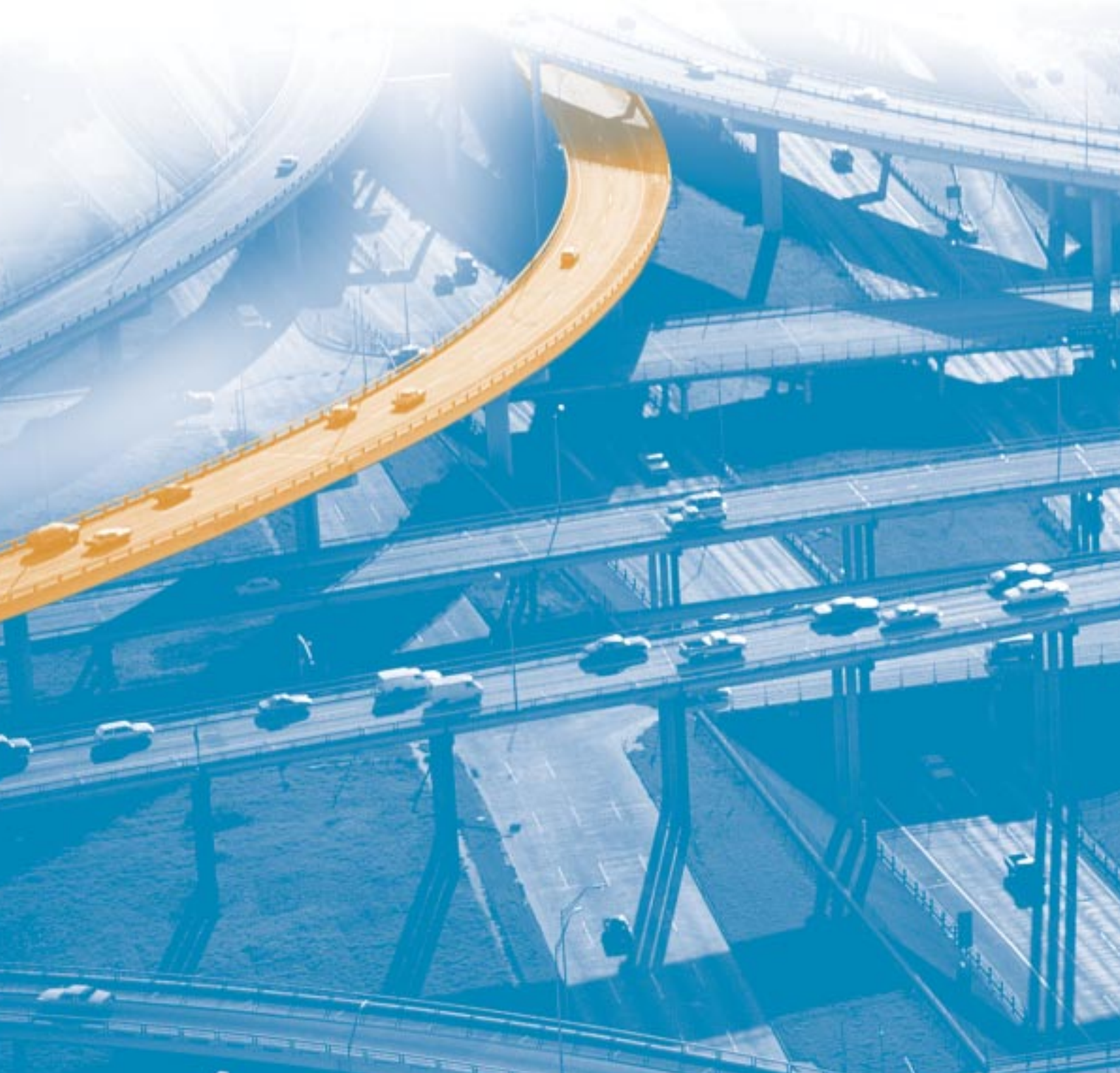


Operating income by origin:



The inclusion of **revisión** at the end of 2003 has changed the relative weight of the contribution of the telecommunications sector, also increasing the

weight of business in Spain. The inclusion of the figures of TBI (and their resulting impact on the current contributions) will not take effect until 2005.



Highways

The business unit for the operation of highway concessions continues as the main activity of **abertis** and represents 74% of the total operating income and 86% of EBITDA.

The Group manages important concessions at both national and international levels. The current portfolio of concessions presents an excellent combination, both geographically and in terms of project maturity (from mature concessions to projects under construction or in the initial phase of activity), which ensures a balanced combination of future cash flows for shareholders.

At the national level, the **highways** business unit is structured into three geographical areas, headed by the operators that historically have been the main companies in Spain: Catalonia-Aragon area through **acesa**, Centre-North area through **iberpistas** and East-South area through **aumar**.

Direct or shared management

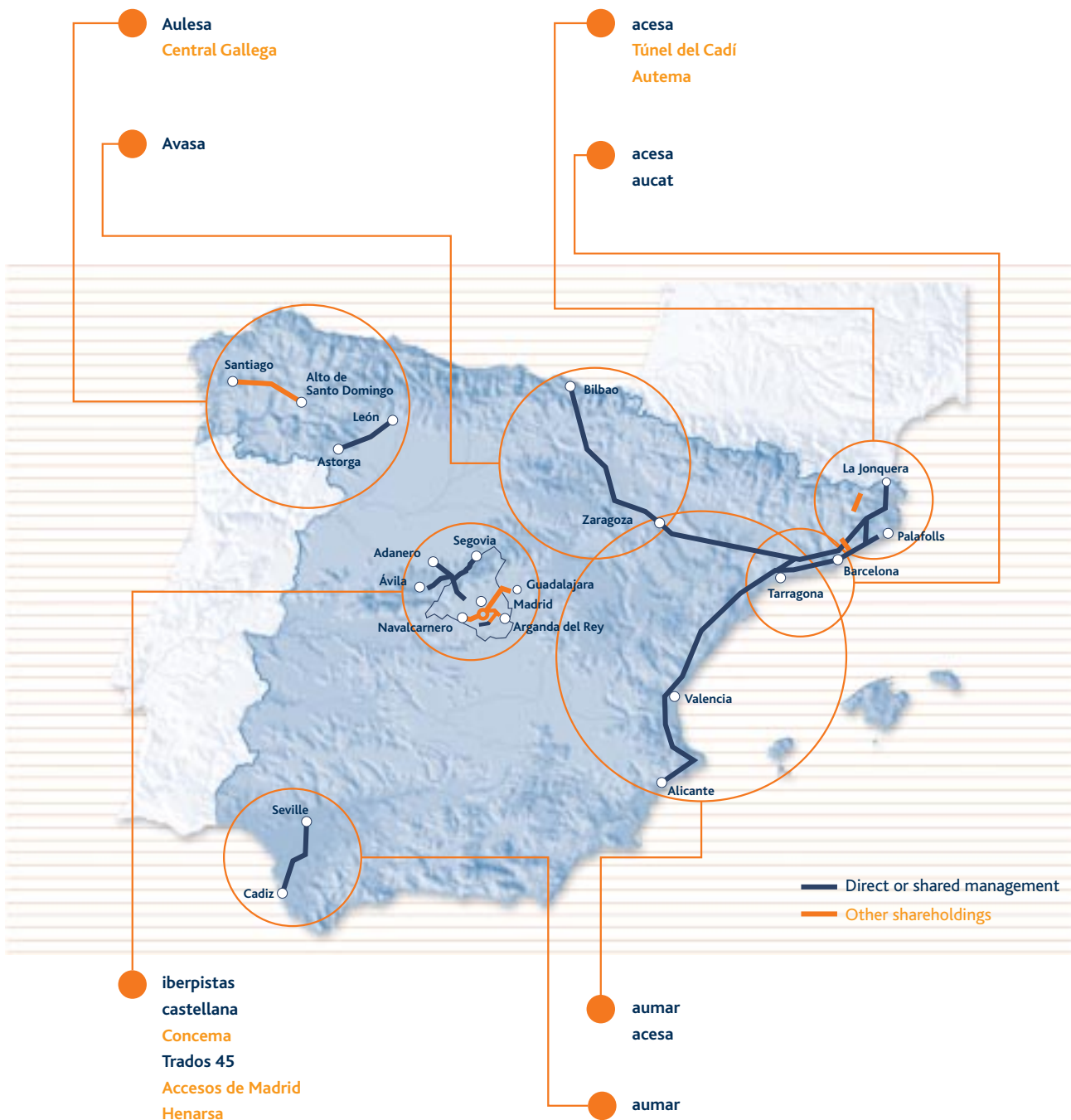
Catalonia - Aragon	Centre-North	East - South	International
acesa	iberpistas	aumar	GCO
aucat	castellana		APR
	Aulesa		Gesa
	Proconex		
	Avasa		
	Trados 45		

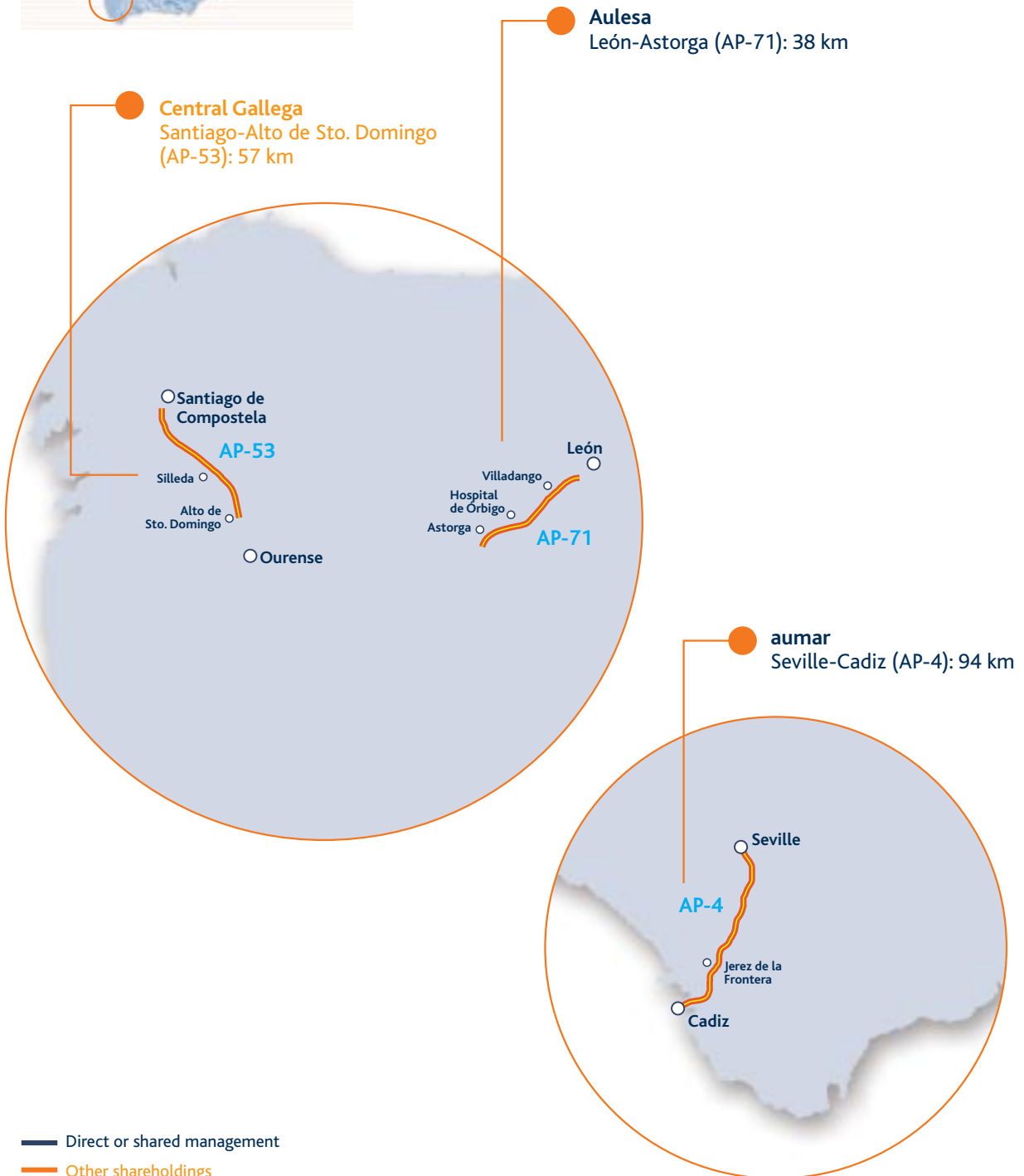
Other shareholdings

Catalonia - Aragon	Centre-North	East - South	International
Túnel del Cadí	Concema	Ciralsa	Autostrade
Autema	Accesos de Madrid		Brisa
	Henarsa		Coviandes
	Central Gallega		Ausol
			RMG
			Elqui

Spain

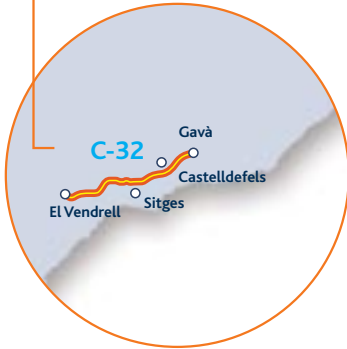
In Spain, **abertis** directly manages more than 1,500 km of highways, which represents 60% of the national toll highway network in operation.







auca
Castelldefels-El Vendrell
(C-32): 58 km



acesa
Montgat-Palafolls (C-31/C-32): 49 km
La Jonquera-Barcelona (C-33/AP-7): 150 km
Montmeló-El Papiol (AP-7): 27 km
Túnel del Cadí
Túnel del Cadí (C-16): 30 km
Autema
Sant Cugat-Manresa (C-16): 48 km



aumar
Tarragona-Alicante (AP-7): 374 km



acesa
Barcelona-Tarragona
(AP-2/AP-7): 100 km



— Direct or shared management
— Other shareholdings



iberpistas

Villalba-Adanero (AP-6): 70 km

castellana

Villacastín-Ávila (AP-51): 23 km

San Rafael-Segovia (AP-61): 28 km

Concema

M-45 Stretch I: 14 km

Trados 45

M-45 Stretch II: 15 km

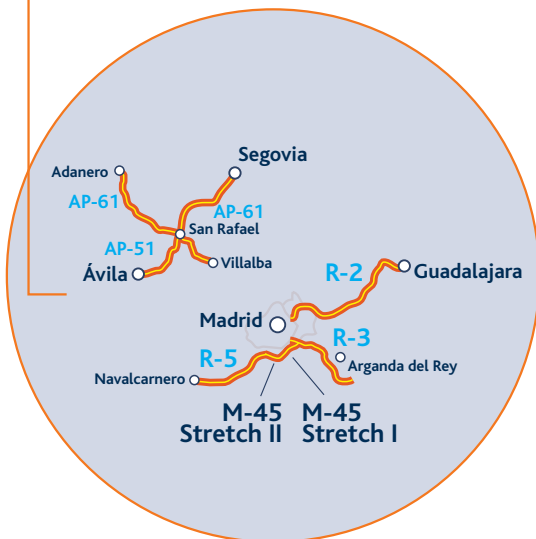
Acceso Madrid

Madrid-Arganda del Rey (R-3): 33 km

Madrid-Navalcarnero (R-5): 53 km

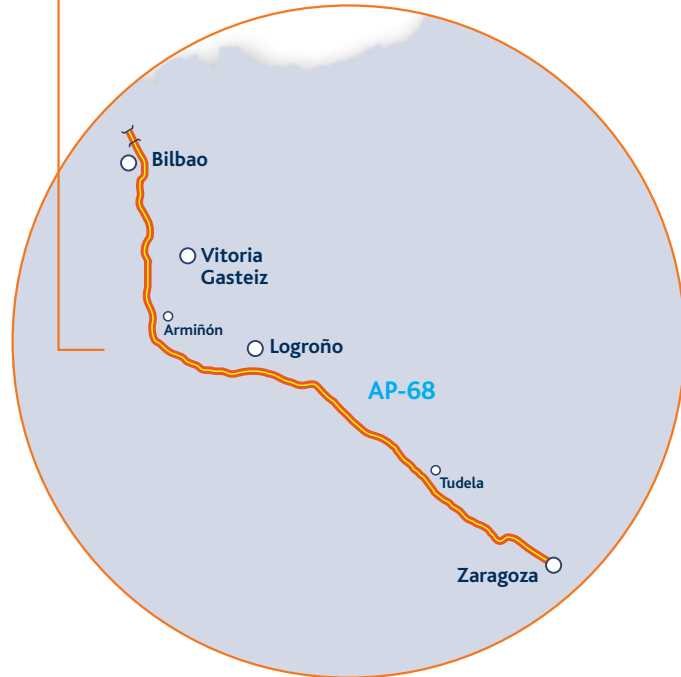
Henarsa

Madrid-Guadalajara (R-2): 81 km



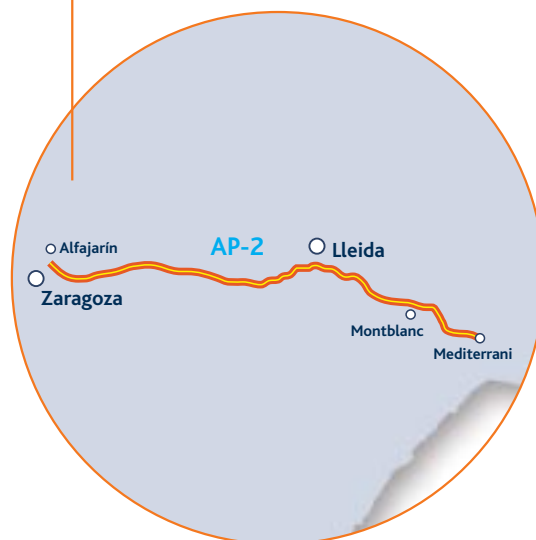
Avasa

Bilbao-Zaragoza (AP-68): 294 km



acesa

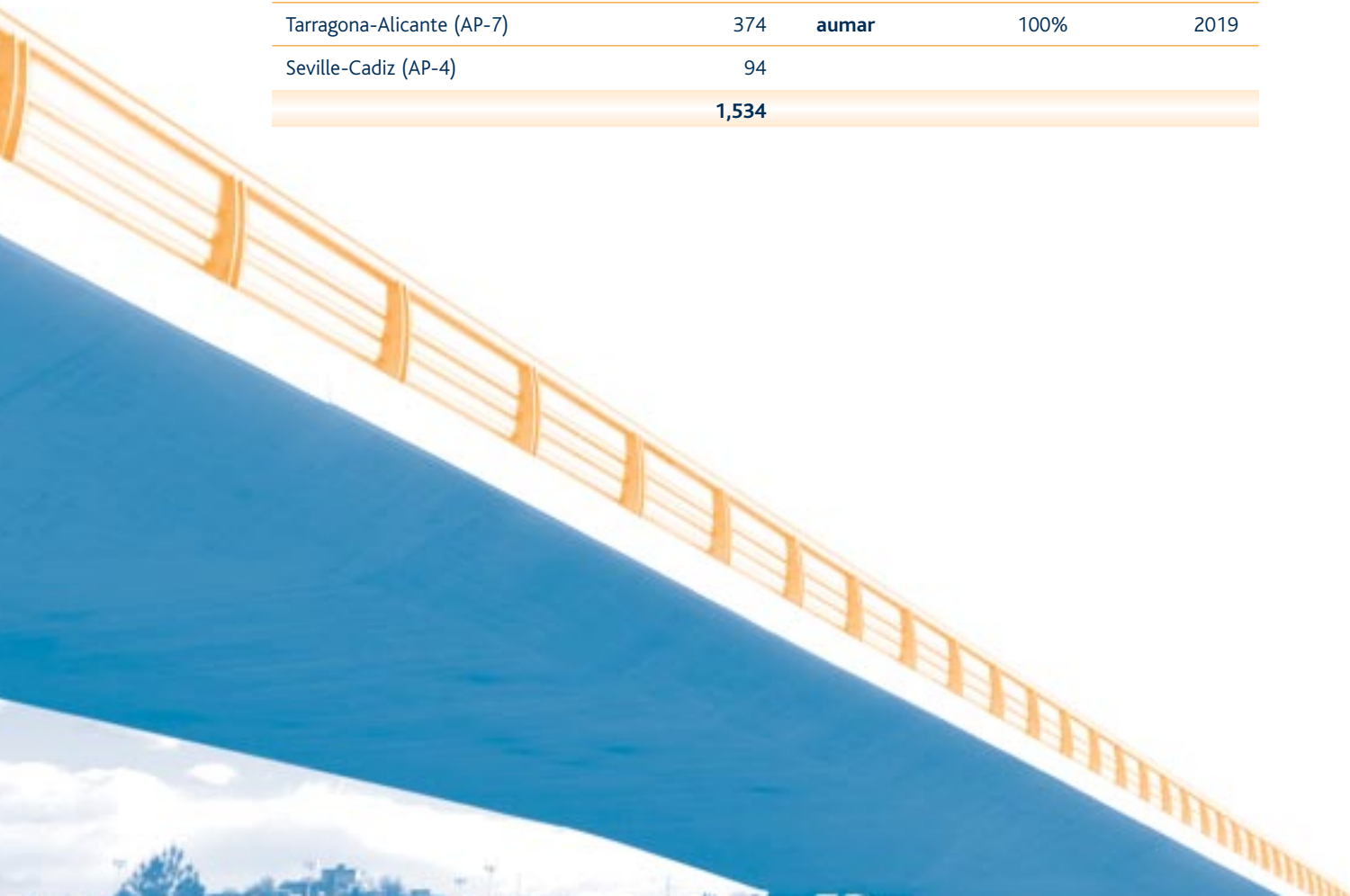
Zaragoza-Mediterráneo (AP-2): 216 km



— Direct or shared management
 — Other shareholdings

Highways under direct or shared management

	km	Concessionaire	% holding	End concession
Catalonia – Aragon Area				
Montgat-Palafolls (C-31 / C-32)	49	acesa	100%	2021
Barcelona-La Jonquera (AP-7)	150			
Barcelona-Tarragona (AP-7)	100			
Montmeló-El Papiol (AP-7)	27			
Zaragoza-Mediterráneo (AP-2)	216			
Castelldefels-El Vendrell (C-32)	58	aucat	100%	2039
Centre-North Area				
Villalba-Adanero (AP-6)	70	iberpistas	100%	2031-2036
Villacastín-Ávila (AP-51)	23	castellana	100%	2031-2036
San Rafael-Segovia (AP-61)	28			
León-Astorga (AP-71)	38	Aulesa	79.2%	2055
Bilbao-Zaragoza (AP-68)	294	Avasa	50.0%	2026
Stretch II (M-45)	15	Trados 45	50.0%	2029
East-South Area				
Tarragona-Alicante (AP-7)	374	aumar	100%	2019
Seville-Cadiz (AP-4)	94			
	1,534			



Activity

In general, the evolution of activity on the main concessions of the Group has been positive, with all of them recording increases in traffic. The comparable combined average daily traffic (ADT) (**acesa**, **aucat**, **aumar**, **iberpistas** and **Avasa**) reached 28,283 vehicles, up 3.4% on the previous year.

Key data for the highway companies under direct or shared management

Concessionaire	ADT 2004	Var.	Thousand euros			
			Operating income	Var.	EBITDA	Var.
acesa	39,569	2.7%	537,567	6.0%	414,304	7.0%
aumar	24,141	3.5%	325,282	7.0%	275,325	7.0%
iberpistas	30,301	5.3%	101,646	9.0%	80,258	5.0%
castellana	5,327	5.7%	7,474	19.0%	3,215	36.0%
aucat	28,922	5.2%	79,033	9.0%	66,359	9.0%
Aulesa	3,749	(12.3%)	4,117	(4.0%)	1,601	(6.0%)
Avasa	13,503	5.1%	127,936	8.0%	104,054	9.0%
Trados 45	73,969	0.7%	21,853	12.0%	20,465	14.0%

The other concessions under direct management (**castellana**, Aulesa and Trados 45) are in the early phase of their activity, so their data do not reflect the real level of future activity. **castellana** inaugurated the Ávila- Villacastín stretch in November 2002 and the San Rafael-Segovia stretch in April 2003. In addition, Trados 45 (under shadow toll) and Aulesa opened to traffic in April and December 2002, respectively.

During 2004 construction work has begun on the third tunnel of Guadarrama on behalf of **castellana**. This is an important project that will allow capacity to increase on the AP-6 highway and the corridor of access from the centre of the Peninsula to the north-east of Spain (Castilla-León, Asturias and Galicia).

The companies of the **abertis** Group are investing in the implementation of dynamic toll systems, tele-toll, both for light and heavy vehicles, which will lead to a better service for clients due to its speed and convenience.

Volume of business

The national highway concessions under direct management represent 72.1% of the Group's total operating income, reaching 1,107 million euros, 6% more than the previous year.

This increase is due to the positive evolution of activity on the national highways previously mentioned.

The EBITDA of those highways was 893 million euros, an increase of 8% compared to 2003.



Other shareholdings

abertis also has shareholdings in the following concessionaire companies, but not a majority interest.

	km	Concessionaire	% holding	End concession
Túnel del Cadí (C-16)	30	Túnel del Cadí	37.2%	2023
Stretch I (M-45)	14	Concema	25.0%	2032
Alicante Ring Road	48	Ciralsa	25.0%	2040
Madrid-Arganda del Rey (R-3)	33	Accesos Madrid	23.3%	2049
Madrid-Navalcarnero (R-5)	53			
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, Túnel del Cadí and Concema have continued to evolve positively, with increases in traffic and income that have boosted their contribution to the final consolidated result.

The other companies are in the early phase of operations: Henarsa commenced its activity in October 2003, the Central Gallega highway, in phases completed, in December 2002, December 2003 and June 2004, and Accesos de Madrid in February 2004.

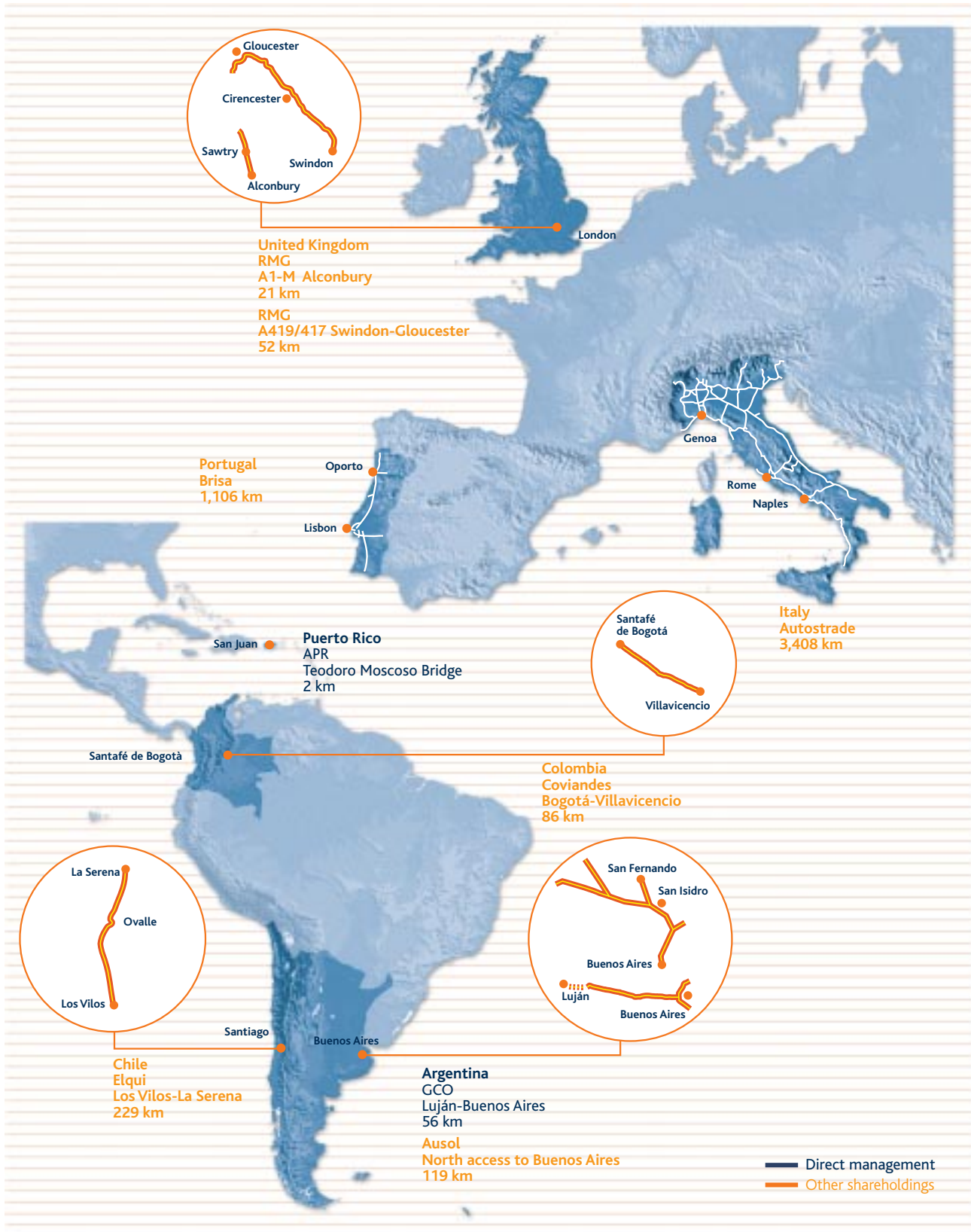
During the year **abertis** was awarded, through the 25% shareholding of **aumar**, the toll highway concession for the Alicante Ring Road (Ciralsa), which is currently under construction.

The combined result of these shareholdings is positive and contributes 4 million euros to the consolidated result of **abertis**.

International

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

It also maintains international strategic alliances with the main European operators: Brisa, Autostrade and ASF.



Highways managed directly

Country	Concessionaire	% holding	km	End concession
Argentina	GCO	48.6%(*)	53	2018
Puerto Rico	APR	75%	2	2027

(*) 57.6% of voting rights.

Other shareholdings

Country	Concessionaire	% holding	km	End concession
Argentina	Ausol	31.6%	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	6.95%	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 Argentine economy stands out, having begun in 2002 and strengthened during 2003 and 2004, resulting in a 13% increase in transits of GCO and a 14% rise in income, resulting in a profit in 2004 that was up 50% on 2003. This recovery, and the anticipated renegotiation of the concession contracts with the administrations that awarded them, gives an optimistic outlook for the evolution of the highway concessions that **abertis** has in Argentina.

During 2004 Schemaventotto (company that groups together the core shareholders of Autostrade) sold 10% of Autostrade, reducing its shareholding from 62.2% to 52.2%. In addition, Acesa Italia increased its shareholding in Schemaventotto to 13.33%, after the acquisition of the 0.5% holding of the Portuguese operator Brisa. The final indirect shareholding of **abertis** in the Italian concessionaire is 6.95%.

The capital gains obtained from the sale by Schemaventotto of 10% in Autostrade and from the sale by Autostrade of 5% in **abertis** resulted in extraordinary income of 70 million euros for **abertis**.



Car parks

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

Key data for car park companies

Company	Country	% holding	No. spaces	No. cities present
saba	Spain	99.2%	39,791	26
Parbla	Spain	100%	4,428	13
Spel	Portugal	100%	15,831	6
Spasa	Andorra	90%	295	1
Satsa	Spain	88.0%	931	1
Saba Italia	Italy	60.0%	11,949	11
Saba Chile	Chile	100%	2,464	2
Rabat	Morocco	51.0%	3,318	1
			79,007	61

Activity

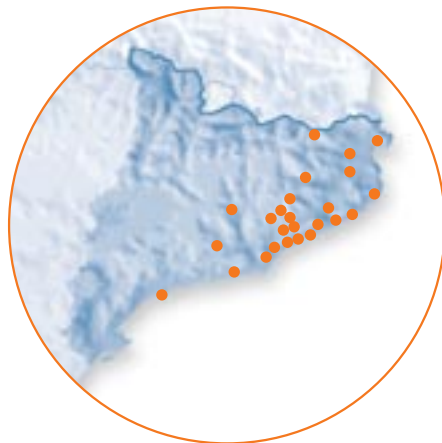
The Group manages more than 79,000 parking spaces, distributed across a total of 145 operating units and is present in more than 60 cities.

The good overall performance of the activity of group companies during the year resulted in a 4.1% increase in vehicle rotation, rising to 45.9 million vehicles, with the number of pass-holders up 7% to more than 23,400.

At national level, an agreement was reached with Barcelona City Council to adopt a new payment system, closer to the real stay, consisting in billing by 5 minute intervals after the first half hour.

An investment plan to modernise the control, safety and environmental systems was also agreed on, as well as work to facilitate access for people with limited mobility. In compensation, the concession period for some car parks was extended.

Location of saba car parks



1

Location of car parks in Catalonia

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



During the year, four car parks were inaugurated in Spain with a total of 1,140 parking spaces and 112 new parking spaces were awarded.

Internationally, the search for new opportunities has focused on the Latin American market, with the establishment of operations in Chile through the incorporation of Saba Chile, and the acquisition of 6 car parks located in Santiago de Chile and Concepción, with a total of 2,464 parking spaces.

With respect to the consolidation of the Italian and Portuguese projects, the results of both subsidiaries (Saba Italia and Spel) have shown a significant improvement over the previous year. In the case of Italy, 367 new spaces have been opened and it is planned, in the short-term, to continue with the

policy of investing in those projects that have been awarded to the company, together with the consolidation of recently-opened operations. In Portugal, Spel has seen very significant increases in the indices of its activity during 2004.

In January 2005, **saba** acquired from Autostrade 40% of Saba Italia, giving it 100% control over its Italian subsidiary.

Figures

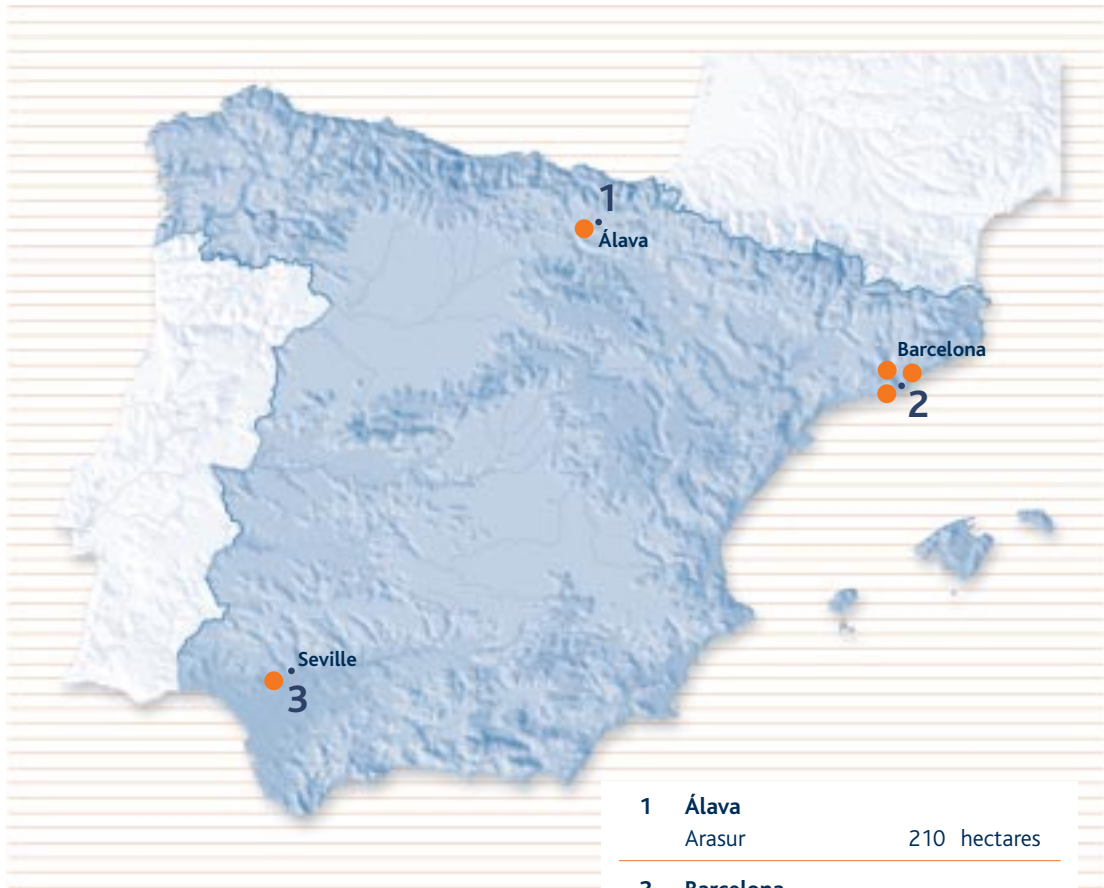
The car parks sector represents a total of 6% of operating income, 96 million euros, up 4.4% on the previous year. The contribution to consolidated EBITDA was 38 million euros, a rise of 13.5% on the previous year.

Logistic services

The logistic services business unit is channelled through **abertis logistica**, holding company for the Group's interests in this sector of activity.

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

Logistic infrastructures



1	Álava	
	Arasur	210 hectares
2	Barcelona	
	CIM Vallès	7 hectares
	PLZF	38 hectares
	CILSA (ZAL I + ZAL II)	220 hectares
3	Seville	
	Sevisur	25 hectares

Key data for logistic services companies

Company	City	% holding	Total area (m ²)	Current state
abertis logística/CIM Vallès	Barcelona	100.0%	70,000	Operative
Sevisur	Sevilla	60.0%	250,000	Construction
Parc Logístic Zona Franca	Barcelona	50.0%	375,000	Operative
Arasur	Álava	39.7%	2,100,000	Construction
Cilsa	Barcelona	32.0%	2,270,000	Operative
Areamed 2000	Barcelona	50.0%	—	Operative

Activity

abertis logística continues operating the integrated goods area of the **Central Integral de Mercaderías (CIM) del Vallès**, which increased its income by 20% in 2004 due 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**, a company held equally by the Consorcio de la Zona Franca de Barcelona (50%) and **abertis logística**, continued to have 100% occupation during 2004 in more than 100,000 m² of warehouses and 20,000 m² of leased offices.

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

During 2004, with Zal Barcelona already completed and fully occupied, Cilsa has continued with work on the development of Zal Prat.

Sevisur Logística S.A., owned by **abertis logística** (60%), and by a series of Andalusian savings banks and the Seville Port Authority, is developing a 25

hectare area (ZAL Seville) for logistics warehouses to be leased and 10 hectares for the provision of services, under a 30 year concession. During 2004 Phase I was built with 32.000 m² of warehousing of which almost 40% being leased.

In February 2003 **Arasur Logística S.A.** was incorporated, with **abertis logística** holding 39.7%, acting as industrial, technological and management partner, with the remaining 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 logistic platform, which it will own, in an area of more than 200 hectares in the south of Álava province. During 2004 levelling work has commenced for the first phase.

Areamed, manages the service areas of the **acesa** highways network. In 2004 the positive evolution of its activity has continued and development of the 2004/2006 Investment Plan has begun to redesign the service areas it manages and controls.

Figures

The logistic services business unit recorded operating income of 16 million euros and contributed EBITDA of 4 million euros to the consolidated accounts of **abertis**.



Telecommunication infrastructures

abertis telecom is the parent company of the telecommunication infrastructures business. As well as holding the shareholdings of **abertis** in this sector, it provides technical assistance and operates the fibre optic cabling located along the **acesa** highways network.

Through the course of the year the organisation structure of **abertis telecom** has been developed, aimed at facilitating the operational development of the businesses, creating new services and products to promote its expansion into new markets, maintaining the networks of **retevisión** and **tradia** legally and operationally separate.

Key data for the telecommunication infrastructure companies

Company	% holding	No. of sites
abertis telecom	100.0%	—
tradia	100.0%	679
retevisión	100.0%	2,524
Torre de Collserola	41.8%	—

abertis telecom is betting on the digital future of the audiovisual sector, actively supporting and participating in the development of digital TV and radio in Spain, and participating in the most relevant national and European events of the sector with the main objective of promoting the launch of DTT in Spain.

The Meeting of Ministers on 30th December 2004 agreed to modify the National Technical Plan for Digital Television before summer 2005, to assign the available frequencies as soon as possible for new programmes (freed up following the disappearance of Quiero TV), to start broadcasting

new programmes with national coverage in autumn 2005 and to bring forward by two years the end of the period for transition to Digital Terrestrial Television (from 2012 to 2010).

tradia is one of the leading Spanish companies specialised in leasing telecommunication infrastructures to operators of mobile telephones, radio transmitters (in Catalonia) and closed user groups.

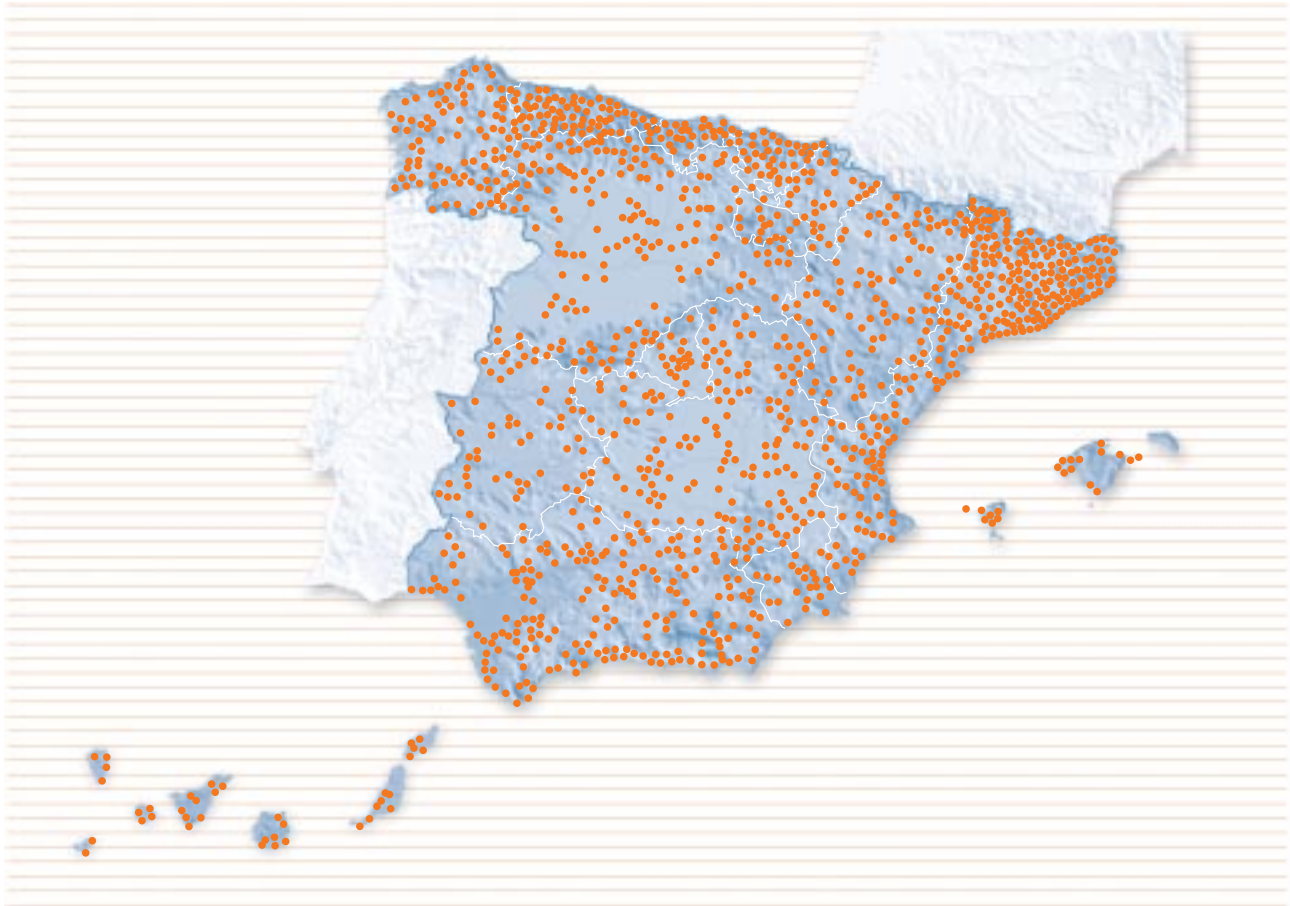
During the year, **tradia** was awarded various contracts on tender, such as the projects in Murcia and Jerez to develop mobile radio-communication networks for emergency services, or the award of the contract to broadcast signals of the autonomous radio and television in the Balearic Islands.

The results for the year show the impact of the significant investments that the company has been making and the positive evolution of the main activities.

retevisión offers services of transporting and broadcasting television and radio signals at a national level on analogical and digital networks. It has a network with 2,500 telecommunication sites, including the emblematic Torrespaña in Madrid and Torre de Collserola in Barcelona.

During the year, **retevisión** increased its shareholding in Torre de Collserola to 41.7%, making it the main core shareholder.

tradia and retevisión sites



Figures

The telecommunications business has seen a positive evolution in the activity, with both **tradia** and **retelevisión** registering positive EBITDA and net profits.

The business of telecommunication infrastructures is the second largest sector in terms of contribution to income, at 266 million euros (17%) and EBITDA, 88 million euros (9%), in **abertis**.

abertis has provisioned 100% of its investment in Xfera (holder of a UMTS mobile telephone licence) as the commercial and technical roll-out is on hold, awaiting the availability of UMTS technology.



Airports managed by abertis



Airports

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

Codad operates under a contract with guaranteed minimum income. Consequently, although the number of flights has declined by 1%, operating income in Colombian pesos has been steady, enabling a 2% rise in EBITDA. The contribution of income and EBITDA to the consolidated accounts of **abertis** was 21 and 18 million euros, respectively.

In December 2004, ACDL, consortium between **abertis** (90%) and Aena Internacional (10%), presented a full public takeover offer for all the shares of the British airport operator, TBI. At 31 December 2004 it had acquired 29.2%. On 4 January 2005 ACDL completed the public takeover offer, gaining 100% control of TBI.

TBI is a British airport operator that manages, under concession and ownership, eight international airports: three in United Kingdom (Luton, Cardiff and Belfast International), one in Sweden (Skavsta), one in United States (Orlando Stanford) and three in Bolivia (El Alto, Jorge Wilstermann and Viru Viru). Additionally, it fully or partially manages six airports in the United States, Canada and Costa Rica.

At the end of 2004, only the 29% shareholding that had been purchased was included in the accounts (without effect on the profit and loss account given that the transaction occurred at year end). The incorporation of the TBI figures in the consolidated accounts of **abertis** will modify the relative weight of the sector contribution to income, and income from the airport sector could end up representing more than 15%.



3.4. Economic performance for the year

Consolidated figures for abertis

Balance sheet

(million euros)

ASSETS	Consolidated		LIABILITIES	Consolidated	
	2004	2003		2004	2003
Net fixed assets	8,360	7,684	Equity	3,318	3,107
Intangible fixed assets	625	262	Share capital	1,654	1,576
Tangible fixed assets	6,663	6,622	Share premium	580	580
Investments	1,072	800	Reserves	743	716
			Result	467	355
Consolidation goodwill fund	629	909	Interim dividend	(126)	(120)
Deferred expenses	612	632	Minority interests	46	28
Current assets	339	460	Negative consolidation difference	39	41
			Deferred income	88	96
			Provisions for liabilities and expenses	2,451	2,285
			Long-term creditors	2,960	2,640
			Short-term creditors	1,038	1,488
Total assets	9,940	9,685	Total liabilities	9,940	9,685

Total consolidated assets exceed 9,900 million euros. As is the case in infrastructure management businesses, fixed assets, consisting basically of investments in highways and other concessionaire assets, represent 67% of the total.

Due to the merger between **abertis** and **iberpistas** in 2004 consolidation goodwill of 365 million euros has been transferred to intangible fixed assets.

The investments reflect both the inclusion of 29.2% of TBI at the close of 2004 (which has also required the inclusion of 98 million euros in the goodwill fund), and the increase in the value of shareholdings

consolidated by equity accounting during the year (proportional part of the result due to **abertis**), which has resulted in an increase of 22%.

87% of the deferred expenses relate to the financing charge under the current accounting standards for the sector of highway concessionaire companies.

On the liabilities side, equity now exceeds 3,300 million euros thanks to the contribution of undistributed results (33% of total liabilities) and debt of just over 3,500 million, with a debt to equity ratio of 106%.

During 2004 efforts to optimise the financial structure of the Group have continued, with the transfer of short-term debt to long-term debt being of note, enabled, to a large extent, by the private placement of long-term bonds made by **abertis** in the North American market valued at 600 million dollars and the 450 million euros bond issue to institutional investors (also made by **abertis**) in the international market.

The provisions for liabilities and expenses entry includes the reversion fund and represents 25% of total liabilities.

This financial balance enables **abertis** to face both its selective policy of investment for growth, and the investments in improving managed infrastructures and its policy of return to shareholders with guarantees.

Profit and loss account

(million euros)

	Consolidated	
	2004	2003
Operating income	1,534	1,282
Operating expenses	(491)	(367)
EBITDA – Result	1,043	915
Depreciation and reversion fund	(300)	(220)
Operating profit	743	695
Financial result	(153)	(151)
Profit from associated companies	116	30
Amortisation goodwill/negative consolidation differences	(19)	(36)
Profit from ordinary activities	687	538
Extraordinary profit (loss)	(9)	4
Corporation tax	(211)	(187)
Minority interests	0	0
Profit for the year	467	355

The consolidated profit and loss account for 2004 is not comparable to the previous year due to the inclusion of **retevisión** in December 2003.

As a result, the gross operating margin (EBITDA) and operating profit rose 14% and 7% respectively on the previous year.

The consolidated operating income and expenses have increased due to the inclusion of **retevisión** as noted and the positive performance of the other companies of the Group.

The slight change in the financial result reflects two concepts, however: the inclusion in 2004 of the cost of debt, both from **retevisión** itself and that raised by **abertis** for its acquisition, which practically

compensate the allocations made in 2003 to write down the shareholding in Xfera.

The profit of companies consolidated by equity accounting has increased significantly for the non-recurring contribution of 70 million euros from the shareholdings in Italian highways, due to the capital gains made on the sale by Schemaventotto of 10% in Autostrade and the sale by Autostrade of 5% in **abertis**.

The amortisation of goodwill has been reduced by the transfer of the goodwill fund of **Iberpistas** to intangible fixed assets following the merger with **abertis**, which explains part of the increase in allocations for depreciation of fixed assets.

As a result of all these changes, the profit from ordinary activities rose 28% and net profit for the year was 467 million euros, with an increase of 32% (12% if we exclude the impact of the extraordinary capital gains from the shareholdings in Italy).

Figures for the parent company Abertis Infraestructuras

Balance sheet (million euros)

ASSETS	Parent Co.		LIABILITIES	Parent Co.	
	2004	2003		2004	2003
Net fixed assets	5,584	4,778	Equity	3,187	3,069
Intangible fixed assets	349	6	Share capital	1,654	1,576
Tangible fixed assets	14	15	Share premium	580	580
Investments	5,221	4,757	Reserves	718	704
Deferred expenses	7	9	Profit	361	329
Current assets	415	588	Interim dividend	(126)	(120)
			Provisions for liabilities and expenses	41	41
			Long-term creditors	2,158	1,369
			Short-term creditors	620	896
Total assets	6,006	5,375	Total liabilities	6,006	5,375

The merger with **iberpistas** that took place during the year has caused part of the increase in the balance sheet figures.

The position as parent company of the Group is reflected on the assets side, where investments (portfolio of shareholdings) represents 87% of the

total, and on the liabilities side, which reflects the financing of these shareholdings through a combination of equity (53%) and debt (44%).

During 2004 the financial structure has continued to be optimised, centralising the debt in **abertis**, which is responsible for covering the financing

requirements of the subsidiary companies. In addition, there has been a transfer of short-term debt to long-term debt, enabled, to a large extent, by the private placement of long-term bonds in the North American market valued at 600 million dollars and the bond issue to institutional investors in the international market of 450 million euros.

Continuing with the established policy on shareholder return, the profit for the year of 361 million euros allowed an interim dividend of 126 million euros to be paid, which is to be complemented by the payment of a final dividend for 2004 of the proposed sum of 138 million euros.

Profit and loss account

(million euros)

	Parent Co.	
	2004	2003
Operating income	15	18
Operating expenses	(29)	(29)
EBITDA – Result	(14)	(11)
Amortisation and reversion fund	(20)	(3)
Operating profit (loss)	(34)	(14)
Financial result	417	332
Profit from ordinary activities	383	318
Extraordinary profit (loss)	(42)	(8)
Corporation tax	20	19
Profit for the year	361	329

As parent company of the combined share holdings, 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 its liabilities.

Operating income and expenses correspond to the expenses of the Corporation that are partially charged out to the subsidiary companies.

The allocations for amortisation have increased significantly due to the amortisation of goodwill fund assumed through the merger with **iberpistas** that took place during the year.

The financial result rose to 417 million euros due to the impact of larger dividends received which have offset the increase in financing charges arising, primarily, from the acquisition of **retevisión** at the end of 2003.

The extraordinary loss includes corrections in the valuation of the portfolio of shareholdings arising from the standardisation of accounting criteria.

Net profit increased almost 10% to reach 361 million euros.

4

abertis on the Stock Exchange

- 4.1. Stock market conditions
- 4.2. **abertis** shares
- 4.3. Evolution of share capital - Share issues
- 4.4. Dividend and shareholder yield
- 4.5. Shareholders
- 4.6. Significant shareholdings
- 4.7. Market information

{ 4.1. Stock market conditions

2004 has been the second consecutive year of recovery for the main world stock markets, with an outstanding Spanish stock market performance following a 17.4% rise in the Ibex-35, higher than all the other European indices and ahead of the main United States indicators.

Factors of uncertainty include the significant increase in the price of oil since summer 2004, which has had a negative impact on world economic expectations and the revaluation of the euro against the US dollar. However, the appearance of these alterations has not affected the good rate of overall growth this year in many countries.

The Spanish economy experienced a slight acceleration in the growth rate in 2004 to 2.7%, up 0.2% on the previous year, and 1% ahead of the euro-zone, following an acceleration in internal demand supported by private consumption and investment in capital goods.

The Spanish stock market registered its second consecutive year of gains, albeit somewhat more moderate on this occasion and concentrated in the last part of the year. The year began with the same upward trend maintained since March 2003, but the uncertainty generated by the terrorist attack of March 11th, together with the usual market weakness experienced with changes in government, broke this trend. The Spanish stock market recorded a fall of almost 10%, from 8,400 points on the Ibex index to 7,700 points.

Midway through August the low for the year was recorded, but the rise in company profits, the recovery of the world economy, the absence of inflation in spite of the rise in oil prices and the holding of elections in the United States without incidents, acted as a boost to stock markets in the last quarter of the year.

The positive balance of the Ibex in 2004, together with the rise in the previous year, resulted in a 50.4% revaluation of the Ibex-35 over the last twenty-four months, rising to 9,100 points at the end of 2004, its maximum level since June 2001. This performance, along with the limited volatility during the year, indicates a progressive improvement of investor confidence in equities.

This confidence has been illustrated by the significant rise in trading volumes on the Spanish Stock Exchange, with a 28.8% increase on the previous year's figures, which represents a record volume for the Spanish exchange.

Market capitalisation has also increased significantly, rising to almost 650,000 million euros, especially due to the improvement in share prices and the incorporation of new shares through public share offers and new share issues.

{ 4.2. **abertis** shares

The evolution of the **abertis** share this year has continued to be excellent, being the best of the main European highway companies that it is usually compared with.

The revaluation over the last twelve months was 41.9%, once again easily exceeding the rise in the Ibex-35.

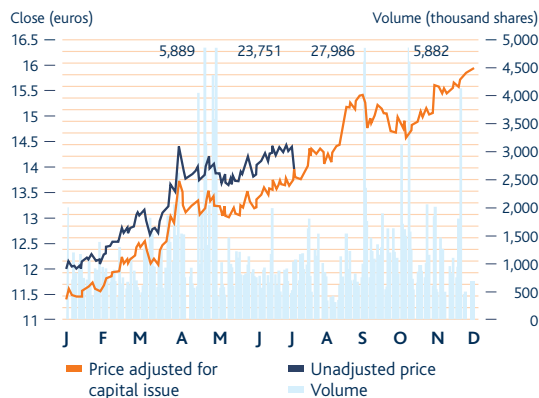
The share price began the year on an upward trend, interrupted by the terrorist attacks of March 11th, which caused a fall of approximately 4%. The recovery from this fall was quick, with the price rising to 14.50 euros by mid April, representing a 14% rise from the low in March.

At the end of July the usual bonus share issue was made and the share price recovered within a few days of the adjustment corresponding to this share issue.

The upward trend continued during the rest of the year, with the price rising significantly in September along with that of the rest of the market, to exceed 15 euros. Following notification in November of the Public Takeover Offer for the airport operator TBI made by **abertis** in partnership with Aena Internacional, the share price rose to 16 euros, ending the year at €16.20.

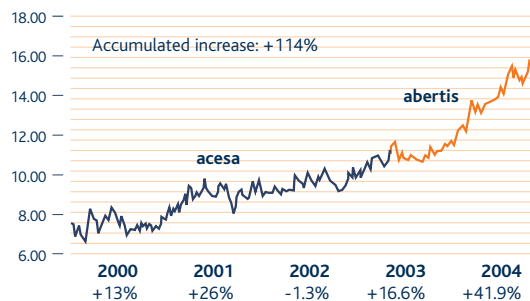
The Company is amongst the best companies in the Ibex in terms of return, considering the increase in the share price and the dividend yield, and it is among the four companies of the Ibex with the lowest volatility.

Ordinary Class A abertis shares - 2004



abertis is one of three companies out of the Ibex-35 that have shown a positive annual performance over the last five years.

The 41.9% rise, added to the increases of the four previous years, gives an accumulated increase in the last five years of 114%.



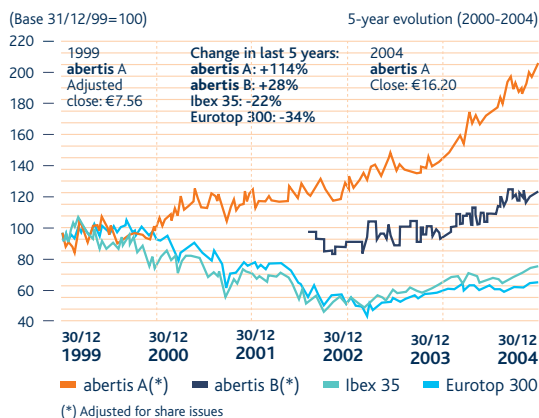
The increased share price saw the market capitalisation of **abertis** reach 8,897 million euros at the end of the year, with 8,334 million corresponding to Class A shares and 563 million to Class B shares.

The Ibex rose 17.4%, although it remains below its closing level for 1999 (change over last five years: -22%).

As far as the stock market evolution of the Class B preference shares is concerned, the shares have shown little liquidity and rarely been traded since being listed on 29 July 2002. This is explained by the fact that the shares give the right to a preference dividend based on how long they have been held and the price of the ordinary Class A shares, which makes trading in these shares less attractive.

Due to the limited trading, on 2 January 2004 the Stock Exchange Company decided to change trading of the 37,036,366 class B shares to the price fixing mode, whereby they are traded in two sessions daily (by auction).

Comparison of the evolution of abertis and the main indices



(*) Adjusted for share issues

The shares of the company are listed on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges and are traded on the electronic interconnected market. The ordinary Class A shares have formed part of the Ibex 35 index since 1992 and are also included in other well known international indices such as Standard & Poor's Europe 350 and the FTSE Eurofirst 300.

In September 2004 **abertis** was included in the Dow Jones Sustainability World index (DJSW), and for a second consecutive year, in the Dow Jones Sustainability Index Stoxx for European companies, increasing its presence in the sustainability indices.

Furthermore in December, FTSE Group, the company responsible for the Footsie stock market indices, announced the creation of the FTSE ISS Corporate Governance indices, a series of indices that value good governance of companies. **abertis** is one of only thirteen Spanish companies included in these indices.

{ 4.3. Evolution of share capital - Share issues

At the end of 2004 the share capital of **abertis** totalled 1,654 million euros, made up of 551,481,375 bearer shares with a nominal value of 3 euros each, fully subscribed and paid up, of which 514,445,009 are ordinary Class A shares and 37,036,366 are Class B preference shares.

During 2004 the usual bonus share issue was made.

July - August

The Shareholders' Meeting held on 27 April agreed to increase share capital with a charge against reserves for an amount of 79 million euros, by issuing and circulating 26,261,017 ordinary Class A shares, for all shareholders, whether Class A or Class B, with 1 new share for every 20 shares held.

Between 20 July and 3 August 49.2 million rights were traded, with a maximum price of 0.99 euros and a minimum price of 0.68 euros. The theoretical value of the rights was 0.69 euros.

The new shares were admitted for trading on 11 August, having the same voting and dividend rights as the existing shares of their class, giving the bearer dividend rights from 1 January 2004.

{ 4.4. Dividend and shareholder yield

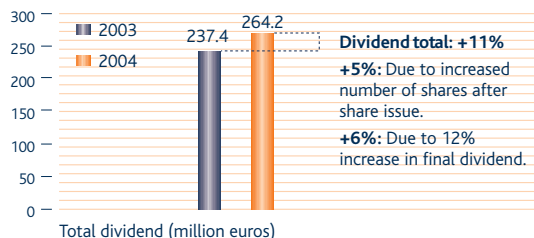
Since 1993, **abertis** has based its policy of shareholder return on a constant annual dividend, in two payments, which is increased through the annual bonus share issue.

abertis paid a final dividend for 2003 of 0.223 euros per share in May, and an interim dividend for 2004 of a gross amount of 0.229 euros per share in October.

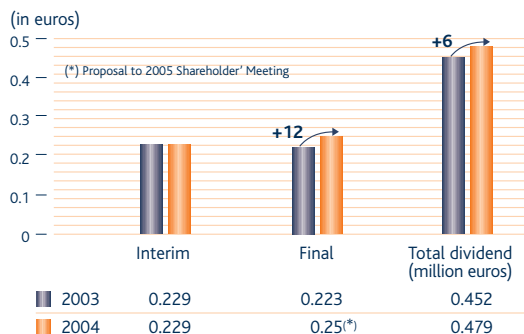
The Board of Directors of **abertis** has agreed to recommend an increase in the final dividend at the 2005 Shareholders' Meeting, proposing a payment of 0.25 euros gross per share to be paid in the second half of April 2005. This proposal represents a 12% increase in the final dividend.

This amount, added to the interim dividend paid in October, represents a total dividend per share of 0.479 euros gross per share charged against profit for 2004, 6% more than in 2003, with the total dividend amount increasing by 11% given the greater number of shares due to the bonus shares issued. The total amount allocated by **abertis** to dividends for 2004 was 264.2 million euros.

Evolution dividend



Evolution dividend (million euros)



4.5. Shareholders

The Investor Relations / Shareholders' Office area runs the communication program to financial markets for **abertis**, releasing all significant information about the Company for shareholders and answering all the queries and doubts that the shareholders and investors raise regarding the evolution of the Company in all its areas.

abertis provides shareholders and the investment community at large with different channels to contact the Company:

- **Company website, www.abertis.com**

Permanent communication channel that has a complete section of information that may be of interest to shareholders and investors. This was the most visited section of the **abertis** website in 2004.

- **abertis Magazine**

Corporate publication with recent news about **abertis**, providing a more detailed reflection compared to the urgent nature of news covered by the media. It contains a specific section for shareholders and investors with contents related to financial matters and the share markets, which has become a strong link with the investment community.

- **E-mail, relaciones.inversores@abertis.com**

Postal address: Avenida del Parc Logístic, 12-20, 08040 Barcelona

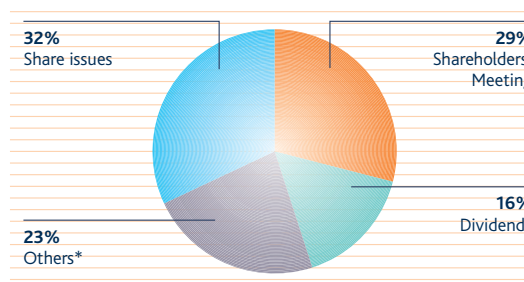
Direct channels with the Company enable an open dialogue with shareholders, so they can raise specific doubts and the Company can provide all the information or clarifications required.

- **Shareholder Telephone Service (902 30 10 15)**

24 hour service, 365 days a year to respond to any doubts or suggestions of shareholders.

The queries tend to be especially about matters related to share issues, the Annual Shareholders' Meeting and dividends.

Breakdown of telephone queries received at Shareholder Telephone Service (figures as percentage)



* Questions about results, evolution, share price, relevant events, new investments, requests for documentation, etc.

4.6. Significant shareholdings

The significant shareholdings in the Company's share capital are those set out in the Corporate Governance Report which is included as an annex to this Annual Report.

4.7. Market information

Information for 2004:

	Class A shares		Class B shares	
	2004	2003	2004	2003
Trading frequency	100%	100%	60%	39%
Trading days	251	250	150	98
Traded volume adjusted for share issues (No. shares)	318,900,812	268.202.536	372,503	144,130
Equivalent percentage of total adjusted shares	62%	55%	1.0%	0.4%
Cash value traded (million €)	4,210.55	3,045.48	5.45	1.76
Market capitalisation (at 30/12) (million €)	8,334.01	5,853.33	562.95	442.58
Options on abertis shares	37,140	43,731	n.a	n.a

Evolution over the last four years:

	2004		2003		2002		2001	
Ibex 35								
Close	9,080.8		7,737.2		6,036.9		8,397.6	
Annual change	17.4%		28.2%		-28.1%		-7.8%	
High/Low	9,100.7	7,578.3	7,760.4	5,452.4	8,554.7	5,364.5	10,132.0	6,498.4
Ibex Utilities								
Close	18,183.4		15,073.0		11,429.2		17,033.5	
Annual change	20.6%		31.9%		-32.9%		-5.5%	
High/Low	18,251.3	15,158.5	15,217.0	10,992.8	17,348.0	10,311.6	20,880.3	13,459.7
Eurofirst 300								
Close	1,041.8		957.9		857.0		1,264.9	
Annual change	8.8%		11.8%		-32.2%		-17.5%	
High/Low	1,042.2	940.9	957.9	682.7	1,279.7	797.2	1,545.5	998.9
Class A Shares								
Close/Adjusted close ⁽¹⁾	16.20	16.20	11.99	11.42	10.80	9.80	11.19	9.67
Annual change/Adjusted annual change ⁽¹⁾	35.1%	41.9%	11.0%	16.6%	-3.5%	1.3%	20.2%	20.2%
High/Low	16.26	12.03	12.90	10.80	11.99	10.28	11.89	9.26
High/Low (adjusted) ⁽¹⁾	16.26	11.46	11.70	9.80	10.36	8.88	9.78	8.00
Weight in Ibex 35	2.42		2.14		1.55		1.12	
Class B shares								
Close/Adjusted close ⁽¹⁾	15.20	15.20	11.95	11.37	12.19	11.10		
Annual change/Adjusted annual change ^{(1) (2)}	27.2%	33.7%	-2.0%	2.4%	-10.7%	-5.7%		
High/Low	15.42	11.97	14.00	11.05	13.65	11.77		
High/Low (adjusted) ⁽¹⁾	15.42	11.38	12.75	10.06	11.87	10.23		

Note: high and low at close.

(1) Adjustment for bonus share issues

(2) In 2002, the annual change for Class B shares is calculated using the closing price on the first day of admission (29/07/02).

5

Financial Information

5.1. Consolidated Annual Accounts

Consolidated Management Report

Consolidated Auditor's Report

5.2. Parent Company Annual Accounts

Parent Company Management Report

Parent Company Auditor's Report

Consolidated balance sheet at 31 December

(thousand euros)

ASSETS	2004	2003
Fixed assets	8,360,399	7,684,184
<i>Start-up costs</i>	5,411	7,654
<i>Intangible fixed assets</i>	619,863	254,193
Research and development expenses	7,953	6,495
Computer applications	36,412	34,140
Administrative concessions	94,725	54,960
Goodwill	572,390	209,775
Studies and projects	541	1,101
Other intangible assets	18,745	18,965
Amortisation	(110,903)	(71,243)
<i>Tangible fixed assets</i>	6,663,284	6,622,253
Highway investments	6,139,908	6,085,044
Land and natural resources	13,677	13,676
Buildings and other constructions	389,752	385,273
Machinery and vehicles	217,722	212,882
Installations, tooling and furniture	685,052	659,574
Other fixed assets	42,855	39,284
Other fixed assets under construction	62,371	46,907
Depreciation	(888,053)	(820,387)
<i>Investments</i>	1,071,841	800,084
Investments in companies consolidated by equity accounting	843,597	593,123
Loans to companies consolidated by equity accounting	16,015	—
Long-term share portfolio	52,038	48,642
Long-term deposits and guarantees	2,557	4,497
Other credits	199,946	188,195
Provisions	(42,312)	(34,373)
Consolidation goodwill	628,357	908,943
Deferred expenses	612,256	631,848
Current assets	339,010	459,684
<i>Inventories</i>	5,393	7,096
<i>Accounts receivable</i>	280,160	278,148
Advance payments to creditors	255	230
Clients	115,307	108,976
Debtors from companies consolidated by equity accounting	3,281	—
Debtors - Public Treasury compensation	119,667	95,827
Sundry debtors	27,107	48,013
Personnel	635	518
Public Administration	21,689	33,499
Provisions	(7,781)	(8,915)
<i>Short-term investments</i>	27,988	141,060
Short-term share portfolio	14,682	14,547
Loans to companies consolidated by equity accounting	11,615	—
Interest receivable	978	177
Other credits	713	126,336
<i>Treasury</i>	23,537	26,293
Cash	5,311	3,029
Banks and credit institutions	18,226	23,264
<i>Prepayments and accrued income</i>	1,932	7,087
Total assets	9,940,022	9,684,659

Consolidated balance sheet at 31 December

(thousand euros)

LIABILITIES	2004	2003
Equity	3,317,694	3,107,354
<i>Share capital</i>	1,654,444	1,575,661
<i>Share premium</i>	579,690	579,690
<i>Reserves</i>	945,338	896,422
Revaluation reserve	400,712	479,495
Legal reserve RD 1564/1989	191,570	158,668
Voluntary reserve	353,056	258,259
<i>Reserves in fully consolidated companies</i>	(52,356)	(24,356)
<i>Reserves in companies under equity accounting</i>	16,034	10,200
<i>Exchange differences</i>	(166,458)	(165,194)
<i>Profits and losses due to parent company</i>	467,291	355,206
Consolidated profits	467,031	355,369
Profits due to minority interests	260	(163)
<i>Interim dividend paid during year</i>	(126,289)	(120,275)
Minority interests	46,187	27,844
Negative consolidation differences	39,415	40,889
Deferred income	88,484	95,573
Provisions for liabilities & expenses	2,450,579	2,285,414
Reversion fund	2,382,665	2,213,112
Other provisions	67,914	72,302
Long-term creditors	2,959,842	2,639,501
<i>Bond issues</i>	1,395,858	656,428
<i>Loans with credit entities</i>	1,420,550	1,846,714
<i>Loans to companies under equity accounting</i>	10,855	—
<i>Payment pending on shares in Group companies</i>	3,274	3,353
<i>Other creditors</i>	129,305	133,006
Short-term creditors	1,037,821	1,488,084
<i>Bond issues</i>	203,243	12,568
Bonds	178,050	7,175
Interest on bonds	25,193	5,393
<i>Loans with credit entities</i>	500,812	1,118,216
Loans	492,998	1,107,459
Interest on loans	7,814	10,757
<i>Loans to companies under equity accounting</i>	17,891	—
<i>Trade creditors</i>	167,932	182,258
Trade creditors	125,227	118,410
Sundry creditors	42,705	63,848
<i>Other non-trade creditors</i>	144,924	172,730
Public Administration	98,442	95,229
Accrued payroll expense	14,946	12,206
Other debts	24,288	59,001
Deposits and guarantees held	7,248	6,294
<i>Accrued expenses</i>	3,019	2,312
Total liabilities	9,940,022	9,684,659

Consolidated profit and loss account for year ended 31 December
(thousand euros)

EXPENSES	2004	2003
<i>Personnel expenses</i>	239,784	176,174
Salaries and wages	190,813	141,860
Social security	45,035	33,023
Pension fund and other personnel-related liabilities	3,936	1,291
<i>Amortisation and depreciation of fixed assets</i>	159,534	86,098
<i>Movement in trading provisions</i>	2,281	2,369
<i>Other operating expenses</i>	389,862	323,260
External services	235,292	177,316
Taxes	13,856	13,326
Charge to reversion fund	140,714	132,618
Total operating expenses	791,461	587,901
Operating profits	742,548	695,248
<i>Financial costs and related expenses</i>	159,831	159,137
Total financial expenses	159,831	159,137
<i>Amortisation of consolidation goodwill</i>	19,830	36,795
Profit on ordinary activities	686,985	537,808
<i>Losses on disposal of fixed assets and extraordinary expenses</i>	26,143	20,006
Extraordinary profits	—	4,028
Consolidated profits before taxes	678,257	541,836
<i>Corporate Income Tax</i>	211,226	186,467
Consolidated profit for the year	467,031	355,369
<i>Due to minority interests</i>	(260)	163
Profit due to parent company	467,291	355,206

INCOME	2004	2003
<i>Operating revenue</i>	1,489,140	1,226,299
Toll income	1,136,285	1,075,176
Discounts and rebates on toll income	(35,757)	(32,669)
Provision of services	388,612	183,792
<i>Work done by the company on fixed assets</i>	4,302	1,346
<i>Other operating income</i>	40,567	55,504
Sundry income and other management income	40,567	55,504
Total operating income	1,534,009	1,283,149
<i>Other interest and related income</i>	7,280	7,688
Total financial income	7,280	7,688
Negative financial results	152,551	151,449
<i>Share in profit and loss of companies consolidated by equity accounting</i>	115,856	29,904
<i>Reversion of negative consolidation differences</i>	962	900
<i>Profits from the disposal of fixed assets and extraordinary income</i>	17,415	24,034
Extraordinary loss	8,728	—

ABERTIS INFRAESTRUCTURAS, S.A. NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS OF 2004

{ Note 1. Activity

a) Activity

ABERTIS INFRAESTRUCTURAS, S.A. (hereinafter **abertis** or the Company) was incorporated in Barcelona on 24 February 1967. The registered office of the company is Avenida del Parc Logistic nº 12-20, Barcelona.

On 8 April 2003, the Extraordinary General Shareholders' Meetings of ACESA Infraestructuras, S.A. and AUREA, Concesiones de Infraestructuras, S.A. (AUREA) approved the merger, where the former company was to take over the latter company, effective for accounting purposes as from 1 January 2003, the date from which it is understood that AUREA operations were conducted on account of the Company.

On 30 May 2003 (date of registering the merger deed with AUREA) the company changed its name from ACESA INFRAESTRUCTURAS, S.A. to its current name.

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

Its business is the construction, maintenance and operation of highways under concession; the management of highway concessions in Spain and internationally; the construction of roads; complementary construction activities, 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 undertake its business, especially the concessionary activity, directly or indirectly through its shareholding in other companies, being subject, in this respect, to the legal provisions in force at any time.

b) Merger

On 27 April 2004 and 26 April 2004, the General Shareholders' Meetings of Abertis Infraestructuras, S.A. and Ibérica de Autopistas, S.A. respectively approved the merger of both companies, whereby the former company took over the latter, effective from 1 January 2004 for accounting purposes.

As the shareholding of **abertis** in the capital of Ibérica de Autopistas, S.A. was 99.84%, it was not considered necessary to make a specific capital increase to cover the exchange of shares in Ibérica de Autopistas, S.A. for shares in **abertis**. To acquire the 0.16% of shares outstanding, **abertis** purchased the necessary treasury stock to swap with the shareholders of Ibérica de Autopistas, S.A. at the established rate of 1 share in Ibérica de Autopistas, S.A. for 1 share of **abertis**.

{ 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 2004, 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 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, except the TBI group (31 March) for which the balance sheet at 31 December 2004 has been prepared.

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.

The figures provided in the notes to this Annual Report and in the consolidated balance sheet and consolidated profit and loss account are expressed in thousand euros.

b) Comparison of information

The Annual Accounts for 2004 are not directly comparable with those for 2003 as **retelevisión** has been fully consolidated in 2004 for the entire year, whereas in 2003 it was included in the accounts on 31 December (without impact on the profit and loss account for that year).

c) Accounting principles of consolidation

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

- Full consolidation: Used for those companies where **abertis** holds a majority position of more than 50% of the share capital or voting rights, or if they are fully consolidated in the subgroup that they belong to, or if **abertis** 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 minority interest in the equity and profit and loss account of fully consolidated subsidiary companies is included under "Minority interests" under the liabilities in 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 up the consolidated group during 2004 were as follows:

- Merger of **abertis** with Ibérica de Autopistas, S.A. effective for accounting purposes from 1 January 2004 (see Note 1.b).
- Transfer from **abertis** to Iberpistas, S.A.C.E (old A-6) of the shareholdings in **castellana**, Iberavasa, Iberacesa, Ibermadrid and Proconex.
- Sale by **acesa** to Iberpistas, S.A.C.E of 50% of Iberacesa, S.L., giving Iberpistas, S.A.C.E 100% control.
- Incorporation of Ciralsa (consolidated by equity accounting) in which **umar** holds 25%.
- Transfer of 10% shareholding in Brisa held by **acesa** to the Portuguese company Acesa SGPS (100% owned by **acesa**).
- Acesa SGPS became fully consolidated (previously consolidated by equity accounting).
- Sale by Schemaventotto (in which Acesa Italia holds 12.83%) of 10% of Autostrade reducing its shareholding from 62.2% to 52.2%.
- **acesa**, through its subsidiary Acesa Italia, increased its shareholding in Schemaventotto to 13.33% through the acquisition of the 0.5% shareholding held by the Portuguese operator Brisa. The final indirect shareholding of **acesa** in Autostrade increased to 6.95%.

- Increase in shareholding of **acesa** in Autema from 22.33% to 23.72% following reduction of capital made to offset different percentage contributions of shareholders on the unpaid share capital.
- Incorporation of Airport Concessions Development Limited (ACDL), in which **abertis** holds 90% (fully consolidated). On 24 November 2004, ACDL made a Public Takeover Offer for all the shares of TBI, plc. At 31 December 2004, ACDL had directly acquired 29% of TBI (being consolidated by equity accounting, as a result) and in 2005 the public takeover has been completed taking control of 100% of the capital.
- Incorporation of Abertis Infraestructuras Finance BV, which is 100% owned by **abertis** (fully consolidated).
- **abertis logística** increased its shareholding in Arasur from 39.5% to 39.77% after an increase in share capital was not subscribed by another shareholder.
- Increase of shareholding of **retevisión** (100% owned by **abertis telecom**) in Torre de Collserola to reach 41.75%.
- Incorporation of Saba Estacionamientos de Chile, S.A. 100% owned by **saba** and subsequent acquisition of 100% of the companies Subterra, S.A and Subterra Dos,S.A. The three companies are fully consolidated.
- Incorporation of Las Mercedes, Sociedad Concesionaria, S.A. in which **saba** holds 33.33% (consolidated by equity accounting).
- Incorporation of Port Mobility and Parcheggi Pisa in which Saba Italia holds 10% (consolidated by equity accounting) and 70% (fully consolidated), respectively.

{ 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 shareholdings in subsidiary companies on the date of first consolidation adjusted for the amount of latent capital gains on acquisition, when applicable.

Goodwill is amortised systematically over a maximum period of twenty years, or, in the case of toll highways and other concessions, over the remaining 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 year-end exchange rate:

- Capital and reserves are converted at 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 year-end exchange rate. 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 shareholders' funds 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) are shown directly as an amount to be recovered under "Financial investments –Other credits" (47,031 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

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 maximum period of 20 years, being the period over which the investment is expected to be recovered.
- Administrative concessions. Correspond to the amounts paid to obtain the right to operate car parks and 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 taken to profit and loss 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 brought into use.

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 written off after being replaced.

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

The depreciation 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, most are depreciated through allocation to the reversion fund, where technically only the installations and other works of replacement are depreciated 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	2-20%
Machinery	6-30%
Tooling	7-37.5%
Other installations	7-20%
Furniture	10-25%
Computer equipment	20-37.5%
Other fixed assets	3.9-30%
Tollgate machinery	5.6-20%
Highway investments	2-25%

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 by some companies of the Group in financing the investment in highways which, in accordance with the rules applicable to the sector, are recorded against profit and loss based on the proportion of total toll income per year projected in the companies' financial plans.
- Leases paid in advance that are charged to the profit and loss account over the term of the respective contracts.
- Expenses derived from hedging operations that are recorded monthly over the period that the operation is underway (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 setting up 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 for the year of fully consolidated companies is shown as "Results attributed to Minority interests".

k) Reversion fund

The reversion fund of the Group companies is generated annually, and 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 concessionaire 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 (see Note 15).

m) Deferred income

This entry includes:

- Capital grants that are recorded when the requirements for their payment are met, being recognised in the profit and loss account when they are paid and allocated over the estimated useful life of the assets financed.
- Compensation from the Administration for works by **umar** that are recognised in the profit and loss account in proportion to projected toll income until the end of the concession.
- Income for the transfer 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

Meeting the corresponding employment agreements, different companies of the Group have obligations to contribute to an employment system Pension Plan (Defined Contribution Plan) and, in respect of certain employees, the obligation to pay a retirement bonus or lump sum, under certain conditions. These commitments are externalised through an insurance policy.

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) Corporate Income Tax

The consolidated profit and loss account for the year reflects the Corporate Income 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 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 an 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

Amounts allocated annually to meet 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 depreciated 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 movement and balances of intangible fixed asset accounts in 2004 was as follows:

	Balance 31.12.03	Change in perimeter	Increase	Decrease	Transfers	Exchange difference	Balance 31.12.04
R+D expenses	6,495	—	2,313	(475)	(380)	—	7,953
Computer applications	34,140	—	3,326	(1,076)	20	2	36,412
Administrative concessions	54,960	32,589	7,167	(51)	60	—	94,725
Goodwill	209,775	—	—	—	362,615	—	572,390
Studies and projects	1,101	—	387	(947)	—	—	541
Other	18,965	37	—	(1)	(256)	—	18,745
Total	325,436	32,626	13,193	(2.550)	362,059	2	730,766

The initial goodwill is basically derived from the acquisition of shareholdings in the companies **aucat** and **tradia** (157,950 and 44,000 thousand euros respectively).

As a consequence of the merger in 2004 of **abertis** and Ibérica de Autopistas, S.A (see Note 1.b), the goodwill that was stated under consolidation goodwill (see Note 7) has been transferred to the intangible fixed assets account.

The changes in accumulated amortisation during the year were as follows:

	Balance 31.12.03	Change in perimeter	Increase	Decrease	Transfer	Exchange difference	Balance 31.12.04
R+D expenses	3,073	—	1,475	—	—	—	4,548
Computer applications	18,826	—	5,106	(496)	—	2	23,438
Administrative concessions	22,508	418	3,883	—	—	—	26,809
Goodwill	19,114	—	28,655	—	—	—	47,769
Studies and projects	216	—	2,147	(946)	—	—	1,417
Other	7,506	—	919	—	(1,503)	—	6,922
Total	71,243	418	42,185	(1,442)	(1,503)	2	110,903

{ Note 5. Tangible fixed assets

The movement and balances of the accounts under tangible fixed assets were as follows:

	Balance 31.12.03	Change in perimeter	Increase	Decrease	Transfers	Exchange difference	Balance 31.12.04
Highway investment	6,085,044	—	79,978	(40,728)	15,143	471	6,139,908
Land and natural resources	13,676	—	488	(505)	18	—	13,677
Buildings and other constructions	385,273	—	5,531	(4,193)	3,258	(117)	389,752
Other fixed assets	911,740	20	21,130	(8,710)	21,385	64	945,629
Other fixed assets under construction	46,907	—	56,797	(2,140)	(39,193)	—	62,371
Total	7,442,640	20	163,924	(56,276)	611	418	7,551,337

The changes in accumulated depreciation for the year were:

	Balance 31.12.03	Change in perimeter	Increase	Decrease	Transfer	Exchange difference	Balance 31.12.04
Highway investment	221,081	—	33,337	(1,199)	(34,206)	(1,611)	217,402
Buildings and other constructions	95,576	—	15,447	(1,130)	—	(7)	109,886
Other fixed assets	503,730	—	64,472	(7,476)	111	(72)	560,765
Total	820,387	—	113,256	(9,805)	(34,095)	(1,690)	888,053

“Highway investment” includes the transfer in Iberpistas, S.A.C.E of the technical amortisation of the civil works to the reversion fund (as set out in the Financial-Economic Plan) of an amount of 34,183 thousand euros (see Note 15).

Investments in fixed assets outside of Spain rose to 236,008 thousand euros (298,793 thousand euros gross less 62,785 thousand euros recorded as depreciation).

Included under fixed assets are revertible assets of 6,464 million euros, under the terms of the concession agreement in each case, principally highway investment, including revaluations and adjustments of 3,194 million euros made under the applicable legal provisions.

Most of the buildings and other constructions are linked to the administrative concessions conceded by different public corporations, which will revert to them at the end of the concession period.

The following assets are fully depreciated:

	Amount
Highway investment	56,045
Buildings and other constructions	5,553
Tollgate machinery	51,253
Tooling	3,270
Other installations	230,859
Furniture	3,011
Computer equipment	9,342
Other fixed assets	3,256
Total gross book value	362,589

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 concessionaire 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 movement and balances of investments were as follows:

	Balance 31.12.03	Change in perimeter	Increase	Decrease	Transfer	Exchange difference	Balance 31.12.04
Holdings consolidated by equity accounting	593,123	135,534	145,795	(34,086)	—	3,231	843,597
Loans to companies consolidated by equity accounting	—	—	16,015	—	—	—	16,015
Long-term share portfolio	48,642	—	5,061	(1,665)	—	—	52,038
Long-term deposits and guarantees	4,497	—	315	(116)	(2,139)	—	2,557
Other credits	188,195	1,079	7,727	(5,989)	8,934	—	199,946
Provisions	(34,373)	—	(8,108)	169	—	—	(42,312)
Total	800,084	136,613	166,805	(41,687)	6,795	3,231	1,071,841

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

	Balance 31.12.03	Change in perimeter	Increase	Result for year	Dividend/ Decrease	Exchange difference	Balance 31.12.04
Acesa Italia	181,323	—	23,850	79,700	(1,188)	—	283,685
Brisa	131,080	—	—	18,000	(13,800)	—	135,280
TBI	—	122,317	—	—	—	—	122,317
Túnel del Cadí	42,397	—	—	848	—	—	43,245
Iberacesa	39,550	—	—	(1,215)	—	—	38,335
Aulesa	36,346	—	—	(581)	—	—	35,765
Aurea Limited	32,394	—	—	3,396	(1,907)	(96)	33,787
Elqui	22,281	—	—	1,161	—	324	23,766
Coviandes	21,035	—	—	4,975	(5,932)	2,926	23,004
Trados 45	20,045	—	—	3,799	(4,659)	—	19,185
Autema	18,900	—	—	3,474	(3,408)	—	18,966
Irasa	16,184	—	2,574	(756)	—	—	18,002
Cilsa	13,388	—	—	(8)	—	—	13,380
Ciralsa	—	12,542	—	—	—	—	12,542
Concema	8,666	—	—	1,233	(1,210)	—	8,689
Torre de Collserola	4,426	—	730	—	—	—	5,156
Arasur	1,164	—	2,004	(90)	—	—	3,078
P. Autop. Chile Ltda.	2,338	—	—	78	—	33	2,449
Parcheggi Bicocca SRL	—	375	781	(331)	—	—	825
Proconex	230	—	—	1,317	(1,000)	—	547
PTY	500	—	—	729	(752)	44	521
Gicsa	463	—	—	125	(230)	—	358
Ibermadrid	353	—	—	4	—	—	357
Las Mercedes	—	200	—	(11)	—	—	189
Port Mobility	—	150	—	—	—	—	150
serviabertis	7	—	—	9	—	—	16
Adesal	3	—	—	—	—	—	3
Acesa SGPS	50	(50)	—	—	—	—	—
Total	593,123	135,534	29,939	115,856	(34,086)	3,231	843,597

abertis does not have any additional commitments with respect to the holdings consolidated by equity accounting apart from the investment itself, except for that detailed in Note 21.b. and in the Annex.

The long-term share portfolio is basically composed of the shareholding in Xfera Móviles, S.A. (33,178 thousand euros), in Terra Mítica (7,513 thousand euros) and the holding in Port Aventura and USPA Hoteles. Both Xfera Móviles, S.A. and Terra Mítica are 100% provisioned.

The transfer of "Long-term deposits and guarantees" corresponds to the transformation of the deposit that Saba Italia, S.p.A. has in its subsidiary Parcheggi Bicocca, S.r.l. into a loan and shareholding in the company.

"Other credits", in addition to the balance of 47,031 thousand euros to be recovered from the hedge mentioned in Note 3.c, carries the sum of 109 thousand euros from **retevisión** corresponding to tax credit arising from tax losses and timing differences (see Note 17). The reclassification from short to long-term of the prepaid taxes of **abertis telecom** is carried as a transfer.

Note 7. Consolidation goodwill

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

	Balance 31.12.03	Included in perimeter	Additions	Disposal	Amortisation	Transfer	Balance 31.12.04
Brisa	176,674	—	—	—	(6,096)	—	170,578
saba Group	105,331	1,899	—	(145)	(5,761)	—	101,324
TBI	—	98,397	—	—	—	—	98,397
GCO	72,295	—	—	—	(648)	—	71,647
Avasa	65,445	—	—	—	(2,866)	—	62,579
Trados 45	29,872	—	—	—	(1,164)	—	28,708
aucat	28,394	—	—	—	(816)	—	27,578
Autema	26,153	—	1,708	—	(819)	—	27,042
Concema	13,637	—	—	—	(473)	—	13,164
Cilsa	12,116	—	—	—	(303)	—	11,813
Aulesa	6,159	—	—	—	(119)	—	6,040
tradia	6,265	—	—	—	(360)	—	5,905
Codad	3,778	—	—	—	(321)	—	3,457
Coviandes	141	—	—	—	(16)	—	125
Ibérica de Autopistas	362,615	—	—	—	—	(362,615)	—
Iberacesa	68	—	—	—	(68)	—	—
Total	908,943	100,296	1,708	(145)	(19,830)	(362,615)	628,357

The additions to the consolidation goodwill are due to acquisitions detailed in Note 2d.

The goodwill of Ibérica de Autopistas, S.A. was transferred to intangible fixed assets following the merger with **abertis** (see Note 4).

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 31.12.03	Change in perimeter	Increase	Decrease	Exchange difference	Balance 31.12.04
Expenses in raising finance	10,177	—	3,367	(2,477)	—	11,067
Deferred expenses of financing highways	542,568	—	14,096	(22,616)	—	534,048
Other deferred expenses	79,103	62	73	(12,202)	105	67,141
Total	631,848	62	17,536	(37,295)	105	612,256

The deferred financial expenses correspond to the financing of the highways of the companies **umar**, Avasa and **aucat**.

“Other deferred expenses” basically includes:

- Expenses incurred in 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 (32,605 thousand euros).
- The advanced lease on part of the infrastructures of **tradia** (18,185 thousand euros).
- The counterpart of the outstanding **acesa** debt owed to the Ministry of Public Works, which is being off-set by discounts payable by the Ministry (11,767 thousand euros).
- The expenses derived from the hedging operations in the acquisition of 48.6% of GCO (see Note 21.d) for an amount of 3,931 thousand euros.

Note 9. Accounts receivable

The breakdown of this entry by type of activity is as follows:

	Amount
abertis	11,647
Highways	162,812
Car Parks	15,020
Telecommunications	82,450
Logistics	3,733
Airports	4,498
Total	280,160

Note 10. Short-term investments

The average yield on deposits held by Group companies during 2004 was 2.6% per annum.

{ Note 11. Equity

The breakdown and movement in equity in the year ended 31 December 2004 was as follows:

	Balance 31.12.03	Distribution result	Increase in capital	Profit for year	Other movements	Balance 31.12.04
Share capital	1,575,661	—	78,783	—	—	1,654,444
Share premium	579,690	—	—	—	—	579,690
Parent company reserves						
Revaluation res. RDL 7/1996	479,495	—	(78,783)	—	—	400,712
Legal reserve	158,668	32,902	—	—	—	191,570
Voluntary reserves	258,259	87,865	—	—	6,932	353,056
Reserves in fully consol. companies	(24,356)	(7,700)	—	—	(20,300)	(52,356)
Reserves -companies by equity accounting	10,200	4,739	—	—	1,095	16,034
Exchange differences	(165,194)	—	—	—	(1,264)	(166,458)
Profit for year	355,206	(355,206)	—	467,291	—	467,291
Interim dividend	(120,275)	120,275	—	—	(126,289)	(126,289)
Total	3,107,354	(117,125)	—	467,291	(139,826)	3,317,694

a) Share capital

The share capital of **abertis** is made up of 551,481,375 registered shares with a par value of 3 euros per share, fully subscribed and paid up. Of these, 514,445,009 shares are Class A and 37,036,366 are Class B preference shares that have the same rights as the ordinary shares, and additionally, 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 between the reference price of 14.87 euros per share and the average weighted price of the ordinary **abertis** shares in the quarter prior to the due date, with a maximum payment of 4.25 euros per share.

As the shares of **abertis** are bearer shares, the exact participation of shareholders in the share capital is not known. However, based on the information available, the most significant holdings at 31 December 2004 are the following:

Caixa d'Estalvis i Pensions de Barcelona ("la Caixa")	23.99% ⁽¹⁾
ACS, Actividades de Construcción y Servicios, S.A.	17.58%
Caixa d'Estalvis de Catalunya	5.69%
Sitreba, S.L.	5.50%
	52.76%

(1) Caixa Barcelona Seguros de Vida, S.A. de Seguros y Reaseguros (11.844%), VidaCaixa, S.A. de Seguros y Reaseguros (0.504%), Inversiones Autopistas, S.L. (7.753%) and CaixaHolding, S.A., Sociedad Unipersonal (3.890%).

All the shares of the Company are listed on the stock exchanges of Barcelona, Bilbao, Madrid and Valencia, being traded on the Spanish electronic trading system. The ordinary Class A shares are traded on the main board (continuous market) and form part of the Ibex 35 index. The Class B preference shares are traded under the Fixing mode, where single prices are set.

In addition, options on the shares of the Company are traded on the options market of MEF Rent Variable (Spanish Equities Futures Exchange).

The Company's Annual Shareholders' Meeting on 27 April 2004 agreed to pay a final dividend for 2003 of 0.223 euros gross per share, which represents 117,125 thousand euros. At said Shareholders' Meeting a bonus share issue was also approved, to be charged against the Revaluation Reserve Account, as per Royal Decree-law 7/1996, dated 7 June, with one new share for every 20 shares, representing a sum of 78,783 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 fixed assets in the balance sheet of the Company, by virtue of Article 5 of the above legislation.

After three years have passed from the balance sheet date and the revaluation has not been questioned by the Tax Administration, the revaluation operations are deemed to be correct and the balance of the account to be accepted by the Tax Authorities, and accordingly, the balance will be available for distribution to:

- Offset book losses.
- Increase share capital.
- Create reserves freely available for distribution, ten years from the date of the balance sheet stating 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. Given the nature of the activity transferred of the subsidiary company **acesa** in 2002, the requirement that the capital gain be realised can only be understood as such when the company acquiring the revalued assets as part of the new activity has amortised, transferred or written them off.

c) Legal reserve

In accordance with the revised text of the Spanish Companies Act, 10% of the annual profits must be allocated to the legal reserve until this reserve reaches at least 20% of share capital. The legal reserve cannot be distributed to shareholders unless the Company is wound up.

The legal reserve can be used to increase capital, provided the funds used come from the balance exceeding 10% of the capital that has been increased.

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

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

The breakdown by companies of these entries is as follows:

	Amount
saba Group	14,176
acesa Group	3,222
abertis logística Group	3,025
aumar	41
iberpistas Group	(11,237)
Codad	(11,605)
abertis telecom Group	(49,978)
Total reserves in fully consolidated companies	(52,356)

	Amount
Coviandes	18,203
Aurea Ltd	9,715
acesa Group	6,637
Elqui	4,955
Iberpistas Chile Group	1,829
abertis logística Group	1,065
Irasa Group	474
GICSA	404
PTY	243
serviabertis	7
Trados 45	(323)
APR	(408)
Concema	(409)
iberpistas Group	(479)
Aulesa	(546)
Ausol	(25,333)
Total reserves in companies consolidated by equity accounting	16,034

The negative reserves of the **iberpistas** Group are due partly to the impact of the amortisation of treasury stock of 10 million euros in 2003 following the compulsory Public Takeover Offer 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 of this account by company is as follows:

	Amount
Ausol	(122,215)
Codad	(18,182)
Coviandes	(10,675)
ACDL	(5,582)
Aurea Ltd	(5,154)
Elqui	(4,631)
Iberpistas Chile Group	(1,310)
saba Group	(339)
PTY	65
iberpistas	1,565
Total exchange differences	(166,458)

The exchange difference in Ausol reflects the impact 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 31.12.03	Change in holding	Results	Dividend	Exchange difference	Balance 31.12.04
ACDL	—	22,692	—	—	(620)	22,072
Saba Italia	12,925	13	(1,082)	—	—	11,856
GCO	6,066	—	2,167	—	(723)	7,510
Sevisur	1,176	—	(69)	—	—	1,107
Satsa	1,056	(130)	107	—	—	1,033
saba	1,011	(74)	112	(55)	—	994
Rabat	749	—	(17)	—	(24)	708
Codad	4,287	—	(1,521)	(486)	(1,700)	580
Spel	—	250	29	—	—	279
Spasa	44	(10)	14	—	—	48
Iberpistas, S.A.C.E.	530	(530)	—	—	—	—
Total	27,844	22,211	(260)	(541)	(3,067)	46,187

Note 13. Negative consolidation differences

The movement in this entry during 2004 was as follows:

	Balance 31.12.03	Decrease	Charge to results	Balance 31.12.04
Saba Italia	8,306	—	(154)	8,152
Túnel del Cadí	13,281	—	(696)	12,585
Aurea Ltd	2,467	—	(112)	2,355
retevisión	16,835	(512)	—	16,323
Total	40,889	(512)	(962)	39,415

{ Note 14. Deferred income

The movement during the year was as follows:

	Balance 31.12.03	Increase	Charge to results	Exchange difference	Balance 31.12.04
Grants	38,968	188	(5,272)	—	33,884
Other deferred income	56,605	1,628	(3,722)	89	54,600
Total	95,573	1,816	(8,994)	89	88,484

The capital grants basically correspond to **retelevisión**, of which 18,477 thousand euros are grants from the European Regional Development Fund (FEDER).

“Other deferred income” at 31 December 2004 mainly includes:

- Payment to **umar** from the Public Administration for works carried out in Sagunto, for 20,408 thousand euros.
- Income from the sale of car parks under **saba** concession. The Balance at 31 December 2004 totals 20,507 thousand euros.
- Income received by **acesa** for the transfer of the use of fibre optic cables, of 10,603 thousand euros.

{ Note 15. Provisions for liabilities and expenses

The movements in this account for the year ended 31 December 2004 are as follows:

	Balance 31.12.03	Allocations	Application	Transfers	Exchange difference	Balance 31.12.04
Reversion fund (see Note 3.k)	2,213,112	140,790	(6,309)	34,183	889	2,382,665
Other provisions (see Note 3.l)	72,302	6,717	(10,899)	—	(206)	67,914
Total	2,285,414	147,507	(17,208)	34,183	683	2,450,579

Transfers in the “Reversion fund” include the transfer from Iberpistas, S.A.C.E of the technical amortisation of the civil works (as stated in the Financial Plan) for an amount of 34,183 thousand euros (see Note 5).

Note 16. Bond issues and loans from credit institutions

The table below shows the balance of current credit operations at the end of 2004.

	2005	2006	2007	2008	2009	Other maturities	Total
Bonds issued	178,050	9,573	10,444	10,444	189,573	1,175,824	1,573,908
Syndicated loans	—	2,500	101,000	17,500	20,000	50,000	191,000
Loans	89,031	157,574	46,854	16,827	36,677	676,355	1,023,318
Credit lines	283,499	—	—	—	—	—	283,499
Others	120,468	51,140	54,430	56,107	35,165	98,421	415,731
Total	671,048	220,787	212,728	100,878	281,415	2,000,600	3,487,456

At 31 December Group companies had debts in foreign currencies, principally held by Abertis Infraestructuras Finance BV (US dollars), **abertis** (pounds sterling), Codad (US dollars), and GCO (Argentine pesos), for the amounts of 371,463; 204,224; 62,445 and 36,585 thousand euros, respectively. In the case of the debt of GCO, the toll income is pledged as guarantee for the repayment of these debts. Abertis Infraestructuras Finance BV has contracted financial instruments to hedge the US dollar/euro exchange rate, with the same nominal value and maturity as the bond issue made in dollars.

acesa has guarantees arranged in certain circumstances on bank loans granted to the Argentine subsidiary company GCO, with the outstanding balance pending payment at 31 December 2004 of 147,224 thousand Argentine pesos (36,585 thousand euros).

At 31 December the Group companies had contracted several financial operations (swaps and collars) to act as a hedge on financing costs of loans for a nominal amount of 2,038,725 thousand euros.

Of these operations, 780,910 thousand euros were signed with related credit institutions (shareholders of **abertis** that hold 5% or more of its share capital).

Part of the loan and credit operations that are shown as debts with credit institutions at 31 December 2004 (287,342 thousand euros long-term and 16,927 thousand euros short-term), were signed with credit institutions related to **abertis**, at market interest rates.

The weighted average annual interest rate on long-term bonds and loans with credit institutions is approximately 5.06%.

Short-term loans are expected to be refinanced in 2005.

{ Note 17. Tax situation

abertis calculates tax in 2004 on a consolidated basis, as the parent company of the tax Group that includes the following subsidiary companies: **abertis logística**, **abertis telecom**, **acesa**, **serviabertis**, **aucat**, **tradia**, Adesal, Iberacesa, Isgasa, Iberpistas, S.A.C.E, **castellana**, Iberavasa, Proconex, Ibermadrid, **amar**, Aulesa, Gicsa, **retevision**, **saba**, Satsa and Parbla.

The reconciliation of the difference between the reported profit before tax in the accounts and the profit subject to Corporate Income Tax is detailed in the notes to the annual accounts 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	678,257
Permanent differences	-45,111
Timing differences	
- arising during the year	28,517
- from previous periods	1,708
Tax losses carried forward	-46,079
Tax assessment base	617,292

The tax effect of accrued Corporate Income Tax expense during the year off-set against tax losses carried forward is 15 thousand euros.

In calculating the tax payable, the companies of the consolidated Group have applied deductions to avoid the double taxation internally on dividends received, as well as deductions on investments associated with the undertaking of various activities, for a total amount of 15,415 thousand euros.

In addition, the Group has recorded taxes paid outside of Spain similar to Corporate Income Tax for the sum of 2,079 thousand euros and the adjustments to the calculation of the expense accrued in 2003 after having filed the corresponding returns for an amount of 2,975 thousand euros.

The balance at 31 December 2004 of prepaid tax totals 23,393 thousand euros (31,123 thousand euros at 31 December 2003), largely made up of valuation differences and timing differences between tax and accounting criteria for recording income and expenses.

The balance at 31 December 2004 of the deferred tax totalled 100,070 thousand euros (120,641 thousand euros at 31 December 2003), which mainly corresponds to the following items:

- Calculation of tax on income from forward operations on a cash basis, and similarly, the reversal of profit from Spanish companies that have set up internationally; both relate to previous years.
- Deferred taxes recorded in **auramar** and Avasa as the result of applying the single transaction provision of the Order of 10 December 1998 approving the standards of the General Accounting Plan for concessionaire companies of highways, tunnels, bridges and other toll routes and in application of the fiscal legislation.

The tax loss carry forwards available for offset for the companies of the consolidated accounting Group at 31 December 2004 totalled 343,736 thousand euros, falling due from 2005 to 2018. Of these tax loss carry forwards, a sum of 113,072 thousand euros is registered as a tax credit under Accounts Receivable-Public Treasury.

On 9 June 2004 the agreement on the merger between Abertis Infraestructuras, S.A. through the complete takeover of Ibérica de Autopistas, S.A. was made public and the resulting winding up without liquidation of the latter (see Note 1.b). This operation was carried out under the special fiscal regime of Chapter VIII of Title VIII of the Corporate Income Tax Act, now Chapter VIII of Title VII of the Royal Decree Legislation 4/2004, of 5 March, which approved the Amendment to the Corporate Income Tax Act.

As a consequence of the merger, the acquiring company took over the entire equity of the acquired company under universal title, subrogating all the tributary rights and obligations conveyed in the goods and rights transferred.

In general, the companies that form part of the **abertis** Group are open to inspection for the last four years for all the taxes. **abertis** has received the corresponding Tax Assessments raised by the inspection based on audits made between 1989 and 1993 and for 2000, of a partial nature and under a consolidated fiscal regime, which the company has signed in disagreement. These assessments have been appealed and are pending the decision of the authorities.

In addition, inspections of a general nature into the years 2000 to 2002 have begun during 2004, but are limited to Abertis Infraestructuras, S.A. After the close of the financial year, the Tax Administration has initiated various proceedings.

The impact that may be derived from these assessments on the Company's equity has been provided for.

Additionally, due to possible differences in the interpretation of the tax regulations applicable to certain operations, there are specific tax liabilities of a contentious nature that are difficult to quantify. Nevertheless, the amount of tax that may be payable would not have a material impact on the Consolidated Annual Accounts of the Company.

{ Note 18. Income and expenses

a) Distribution of income

The breakdown of the net income by activity and markets for the ordinary activities of the Group is as follows:

	Amount
abertis - National	1,953
Highway operations	1,102,727
National	1,076,543
International	26,184
Car park operations	88,046
National	66,301
International	21,745
Telecommunication infrastructures	260,476
National	258,363
International	2,113
Logistic infrastructures – National	15,246
Airport operations – International	20,692
Total	1,489,140

b) Toll income

After the close of the financial year the Group received and recorded 14 million euros as income for 2005, compensation for the rate revision not authorised by the Ministry of Public Works for the year 2000 for the highways under State Control. The impact on rates for the years 2001, 2002 and 2003 is the object of a claim filed by the Company in the courts.

c) Personnel

The average workforce of the parent company and Group companies is as follows:

Permanent staff	4,860
Temporary staff	644
Total	5,504

d) Foreign currency transactions

The transactions made in foreign currency principally come from GCO (Argentine pesos) and Codad (US dollars and Columbian pesos) with the breakdown in thousand euros shown as follows:

	Amount
Toll income	29,568
Services provided	21,376
Services received	16,149
Interest expenses on financing	16,135

e) Extraordinary results

The entries for extraordinary expenses and income are generated primarily from the charge to results of deferred expenses and income from the consolidated balance sheet.

f) Contribution of each Company to consolidated results

The contribution by companies to the results due to the Parent Company is as follows (the amortisation of the consolidation goodwill assigned to the parent company of the corresponding subgroup):

	Consolidated result	Minority interests	Result due to parent co.
acesa	196,079	—	196,079
aumar	139,244	—	139,244
Acesa Italia (Schemaventotto)	79,700	—	79,700
Iberpistas, S.A.C.E.	39,568	—	39,568
aucat	23,298	—	23,298
Brisa	18,000	—	18,000
saba Group	14,194	837	15,031
Iberavasa Group	10,891	—	10,891
retevisión	7,003	—	7,003
Coviandes	4,975	—	4,975
Trados 45	3,799	—	3,799
Autema	3,474	—	3,474
Aurea Ltd	3,396	—	3,396
GCO	4,215	(2,167)	2,048
Proconex	1,317	—	1,317
Concema	1,233	—	1,233
Elqui	1,161	—	1,161
Túnel del Cadí	848	—	848
PTY	729	—	729
abertis logística Group	205	69	274
tradia	225	—	225
Gicsa	125	—	125
Iberpistas Chile Group	78	—	78
Acesa SGPS	44	—	44
serviabertis	9	—	9
Ibermadrid	4	—	4

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	Consolidated result	Minority interests	Result due to parent co.
Al Finance BV	(23)	—	(23)
castellana	(91)	—	(91)
Aulesa	(581)	—	(581)
Irasa	(756)	—	(756)
Iberacesa Sub-group	(1,215)	—	(1,215)
abertis telecom	(5,948)	—	(5,948)
Codad	(10,142)	1,521	(8,621)
abertis	(68,027)		(68,027)
Total	467,031	260	467,291

The results for the year of Acesa Italia is mainly due to the capital gain obtained on the sale of 10% of Autostrade by Schemaventotto (60 million euros) and the sale of 5% of **abertis** by Autostrade (10 million euros).

{ Note 19. Environment

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

The **abertis** Group in 2004 has invested the sum of 5,243 thousand euros on improving the environment, through the following actions:

- Cutting, fertilising, watering and phytosanitary treatment of green highway verges, on ramps and off-ramps.
- Clearing and upkeep of green zones along the highway.
- Cleaning up and clearing of forested slopes and/or in semi-urban or urban zones to avoid the risk of fire and improve visual appearance of the highway.

- Restoration and improvement of margin areas destroyed by fires by replanting native trees. This will lead to an improved landscape, whilst also helping to increase the forestry value of the highway.
- Installation of both visual screens and vegetation to reduce the visual impact and noise levels at certain points of the highway.
- Special repaving to enhance the absorption of sound generated by traffic.
- Works to improve the rest areas and the areas surrounding tollgates by planting new species and installing both natural and artificial screens for greater integration and safety to impede the entry of unauthorised personnel to these installations.
- Construction of animal paths so that animals can pass from one side of the highway to the other without having to cross the highway.
- Complete conservation of the green zones in the rest areas, tollgates and maintenance areas, as well as along the highways and around the on-ramps and off-ramps.

{ Note 20. Information on Board Members

In accordance with the provisions of Article 127 ter. 4 of the Spanish Companies Act, pursuant to Law 26/2003, of 17 July, which amended the Securities Exchange Act 24/1988, of 28 July, and the Amendment to the Spanish Companies Act, aimed at increasing the transparency of listed companies, the companies with the same, similar or complementary business activity of Abertis Infraestructuras, S.A., in which members of the Board of Directors have shareholdings, as well as their functions, if applicable, excluding those companies controlled by the **abertis** Group.

Shareholder	Company	Activity	Shareholding	Functions
ACS, Actividades de Construcción y Servicios, S.A.	Concesionaria Vial de los Andes	Infrastructures Concessionaire	0.96%	—
	Dragados Concesiones de Infraestructuras, S.A. and subsidiary companies as listed	Infrastructures Concessionaire	99.99%	—
Dragados Concesiones de Infraestructuras, S.A.	Autovía de la Mancha, S.A.	Infrastructures Concessionaire	66.67%	—
	Bidelan Gipuzkoano Autobideak, S.A.	Infrastructures Concessionaire	50.00%	—
	Sociedad Concesionaria Autopista Central, S.A.	Infrastructures Concessionaire	48.00%	—
	Aerocali, S.A.	Infrastructures Concessionaire	33.33%	—
	Ferrocarriles del Norte de Colombia, S.A.	Infrastructures Concessionaire	71.32%	—
	Aeropuertos Mexicanos del Pacífico, S.A. de C.V.	Infrastructures Concessionaire	28.16%	—
	MBJ Airports Ltd	Infrastructures Concessionaire	35.00%	—
	Road Management A13 plc	Infrastructures Concessionaire	25.00%	—
	Road Management Services (Darrington) Holding Ltd	Infrastructures Concessionaire	25.00%	—
	Bakwena Platinum Corridor Concessionaire Ltd	Infrastructures Concessionaire	25.00%	—
	Pt Operational Services Ltd	Infrastructures Concessionaire	33.33%	—
	Tag Reg, S.A.	Infrastructures Concessionaire	50.00%	—
	TP Ferro Concesionaria, S.A.	Infrastructures Concessionaire	50.00%	—
	Celtic Road Group	Infrastructures Concessionaire	3.33%	—
	Road Users Services	Infrastructures Concessionaire	27.00%	—

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Shareholder	Company	Activity	Shareholding	Functions
Dragados Concesiones de Infraestructuras, S.A.	Inversora de Infraestructuras, S.L.	Infrastructures Concessionaire	99.99%	—
	Sociedad Concesionaria Vespucio Norte Express, S.A.	Infrastructures Concessionaire	54.00%	—
	Circunvalación de Alicante, S.A.	Infrastructures Concessionaire	50.00%	—
	Accesos de Madrid, C.E.S.A.	Infrastructures Concessionaire	15.75%	—
	Autopista Central Gallega, C.E.S.A.	Infrastructures Concessionaire	13.32%	—
	Autopista del Henares, C.E.S.A.	Infrastructures Concessionaire	35.00%	—
	Ruta de los Pantanos, S.A.	Infrastructures Concessionaire	25.00%	—
	Carmelton Group LTD	Infrastructures Concessionaire	40.00%	—
	Rutas del Pacífico, S.A.	Infrastructures Concessionaire	50.00%	—
	Desarrollo de Concesiones Ferroviarias, S.L.	Infrastructures Concessionaire	99.99%	—
	Guadalquivir Sociedad Concesionaria de la Junta de Andalucía Guadalmetro, S.A.	Infrastructures Concessionaire	27.83%	—
	Desarrollo de Concesiones Aeroportuarias, S.L.	Infrastructures Concessionaire	99.99%	—
	SCL Terminal Aeropuerto Santiago, S.A.	Infrastructures Concessionaire	14.78%	—
	Scutvias-Autostradas da Beira Interior, S.A.	Infrastructures Concessionaire	26.65%	—
Caixa de Catalunya	Autopistas del Sol, S.A.	Infrastructures Concessionaire	8.18%	—
	Túnel del Cadí	Infrastructures Concessionaire	3.55%	—
	Retevisión Móvil, S.A.	Infrastructures Concessionaire	2.10%	—

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Shareholder	Company	Activity	Shareholding	Functions
Dragados, S.A. (Previously Dragados Obras y Proyectos, S.A.)	Ferrocarriles del Norte de Colombia, S.A.	Infrastructures Concessionaire	5.32%	—
	Aufe, S.A.	Infrastructures Concessionaire	78.00%	—
	Aunor, S.A.	Infrastructures Concessionaire	85.00%	—
	Concesionaria Vial del Sur, S.A.	Infrastructures Concessionaire	25.00%	—
	Autopistas del Sol, S.A.	Infrastructures Concessionaire	6.40%	—
Isidro Fainé Casas	Telefónica, S.A.	Communication	0.0001%	Deputy Chairman
Ángel García Altozano	ACS, Actividades de Construcción y Servicios, S.A.	Construction and Services	0.01%	Corporate General Manager
José Luis Olivas Martínez	Acciona, S.A.	Infrastructures Concessionaire	0.0008%	—
	Grupo Ferroviario, S.A.	Infrastructures Concessionaire	0.0008%	—
	Telefónica, S.A.	Telecommunications	0.0002%	—
Montes de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga y Antequera (Unicaja)	Ausur, Servicios de la Autopista, S.A.	Logistics	5.00%	—
	Autopista del Sol, Concesionaria Española, S.A.	Infrastructures Concessionaire	15.00%	—
	Autopista del Sureste, Concesionaria Española de Autopistas, S.A.	Infrastructures Concessionaire	5.00%	—
	Inversora de Autopistas del Sur, S.L.	Infrastructures Concessionaire	10.00%	—
	Autopista Madrid Sur, Concesionaria Española, S.A., Sociedad Unipersonal	Infrastructures Concessionaire	10.00%	—

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Shareholder	Company	Activity	Shareholding	Functions
Montes de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga y Antequera (Unicaja)	Autopista de la Costa Cálida, Concesionaria Española de Autopistas, S.A.	Infrastructures Concessionaire	4.50%	Board Member
	Sociedad Municipal de Aparcamientos y Servicios, S.A.	Car parks	24.50%	—
	Centro Integral de Mercancías, S.A.	Logistics	10.28%	—
	Red de Banda Ancha de Andalucía, S.A.	Telecommunications	10.00%	—
	Auna Operaciones de Telecomunicaciones, S.A.	Telecommunications	2.21%	Board Member
	Islalink, S.A.	Telecommunications	13.70%	—
	Val de Telecomunicaciones, S.L.	Telecommunications	4.46%	—
Pablo Vallbona Vadell	ACS, Actividades de Construcción y Servicios, S.A.	Construction	0.003%	Deputy Chairman

With respect to offices or functions, and in accordance with the legislation previously mentioned, a list of the Board Members that hold positions in companies with the same, similar or complementary activity as the business activity of the Company is set out overleaf. Those companies controlled by the **abertis** Group have not been included.

Shareholder	Company	Activity	Position
ACS, Actividades de Construcción y Servicios, S.A.	Dragados, S.A.	Construction	Board Member
	ACS, Servicios, Comunicaciones y Energía, S.L.	Construction and Services	Board Member
	ACS, Servicios y Concesiones, S.L.	Construction and Services	Board Member
Salvador Alemany Mas	Centro Intermodal de Logística, S.A.	Logistics	Deputy Chairman
	Accesos de Madrid, Concesionaria Española, S.A.	Highway Concessionaire	Deputy Chairman
	Alazor Inversiones, S.A.	Highway Concessionaire	Board Member
	Autostrade, S.p.A	Highway Concessionaire	Board Member
	Autostrade per l'Italia, S.p.A	Highway Concessionaire	Board Member (until 5/11)
Gilberto Benetton	Autostrade, S.p.A	Highway Concessionaire	Board Member
Isidro Fainé Casas	Autostrade, S.p.A.	Highway Concessionaire	Board Member (until 15/10)
	Brisa, Auto-estradas de Portugal, S.A.	Highway Concessionaire	Board Member
Ángel García Altozano	ACS, Servicios, Comunicaciones y Energía, S.L.	Construction and Services	Board Member
	ACS, Servicios y Concesiones, S.L.	Construction and Services	Board Member
	Dragados Concesiones de Infraestructuras, S.A.	Construction and Services	Board Member
	Dragados, S.A.	Construction	Board Member
	ACS-Sonera Telefonía Móvil, S.L.	Communication	Chairman
	Xfera Móviles, S.A.	Communication	Chairman
	Broadnet Consorcio, S.A.	Communication	Chairman
	Vías y Construcciones, S.A.	Construction	Board Member
	Cobra Instalaciones y Servicios, S.A.	Construction and Services	Board Member
Miguel Ángel Gutiérrez Méndez	Telefónica Internacional	Communication	Board Member
	Telefónica Argentina	Communication	Board Member
Pablo Vallbona Vadell	ACS, Actividades de Construcción y Servicios, S.A.	Construction	Deputy Chairman (non-Executive)

Additionally, one of the main activities of the ACS Group is the promotion, management and operation of transport infrastructures.

{ Note 21. Other information

a) Annual remuneration of the Board Members for their services to the Board of Directors of the Company is fixed as a share of the net profits. Such remuneration can only be paid out once the payment of dividends and transfers to reserves required by law are covered and cannot 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 Infraestructuras, S.A., as members of the Board of Directors, totalled 1,533 thousand euros in 2004, which is less than the statutory limit.

Total remuneration received by the Board Members of Abertis Infraestructuras, S.A. was 2,014 thousand euros, which corresponds to fixed remuneration.

In addition, other benefits that Board Members of Abertis Infraestructuras, S.A. have received are contributions made to cover pension liabilities (1,759 thousand euros) and life insurance (37 thousand euros).

The total remuneration to Board Members of Abertis Infraestructuras, S.A. in the other companies of the Group totalled 646 thousand euros and 246 thousand euros in associated companies.

Abertis Infraestructuras, S.A. does not use a system linked to the evolution of the Company's share price for the remuneration of any of its employees or any of the members of the Board of Directors.

b) At 31 December the Group has given the following guarantees to third parties provided by financial entities, broken down by company as follows:

	Amount
abertis	122,171
saba	38,547
acesa	21,258
aumar	19,232
castellana	17,888
retevisión	10,335
tradia	3,769
Avasa	3,720
aucat	2,546
Sevisur	522
Iberpistas, S.A.C.E.	36
Total	240,024

Out of the total guarantees, 93,545 thousand euros corresponded to guarantees given in relation to the operating agreements of different companies. The rest correspond to certain commitments contracted by the subsidiary companies (investments, financing, etc). It is not expected that these guarantees will lead to unexpected material liabilities.

c) Fees received during the year by PricewaterhouseCoopers Auditores, S.L. from **abertis** and its Group companies for statutory auditing services totalled 335 thousand euros and for other audit work provided totalled 90 thousand euros. In addition, the fees received during the year by other companies trading under the name PricewaterhouseCoopers for audit services and other services provided totalled 97 and 411 thousand euros, respectively.

d) In the year 2000, **abertis** contracted exchange rate hedges on the investment made in the Argentine company GCO.

The following financial instruments have been contracted:

- Transactions without the exchange of principal on expiry (Non Delivery Forward). The nominal value of all these transactions is USD 120.6 million. **abertis** sells 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 current 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 straight-line 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.

e) The Company is analysing the impact that the new international accounting standards (IAS) will have on the consolidated financial statements of **abertis**, which may be affected by the specific interpretation of the IAS for concessionaires, which was being analysed and studied by the international regulatory bodies at the time of preparing these Consolidated Annual Accounts.

{ Note 22. Financial plan

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

{ Note 23. Subsequent events

During 2005, ACDL has completed the Public Takeover Offer for the Shares of the TBI group, taking control of 100% of the share capital.

saba acquired in January 2005 40% of its Italian subsidiary Saba Italia from Autostrade. On completing the operation, which involved an investment of 11.3 million euros, **saba** gained full control of Saba Italia.

ANNEX*

Subsidiary and associated companies

(thousand euros)

Company	Registered office	Activity	Auditors	Share capital	% Shareholding direct	indirect	Company owning indirect shareholding
FULLY CONSOLIDATED							
Abertis Infraestructuras Finance, B.V.	Rokin, 55 1012KK. Ámsterdam (Netherlands)	Financing	—	18	100.00	—	—
Highway operations							
Autopistas, C.E.S.A. (ACESA)	Av. del Parc Logístic, 12-20. Barcelona	Toll highway concessionaire	PwC	876,465	100.00	—	—
Autopistes de Catalunya, S.A. (AUCAT)	Av. del Parc Logístic, 12-20. Barcelona	Toll highway concessionaire	PwC	96,160	—	100.00	acesa
Autopistas-Conces. Espanhola, SGPS, S.A.	Rua General Norton de Matos, 21-A. Arquiparque Algés Oeiras. (Portugal)	Holding company of concessionaires	PwC	1,000	100.00	—	acesa
Grupo Concesionario del Oeste, S.A. (GCO) ⁽¹⁾	Ruta Nacional, n° 7, km 25,92. Ituzaingó (Argentina)	Toll highway concessionaire	PwC	20,160	—	48.60	acesa
Autopistas Aumar S.A.U.C.E (AUMAR)	Paseo de la Alameda, 36. Valencia	Toll highway concessionaire	PwC	419,643	100.00	—	—
Iberpistas, S.A.U.C.E.	Pío Baroja, 6. Madrid	Toll highway concessionaire	PwC	50,000	100.00	—	—
Castellana de Autopistas, S.A.U.C.E. (Castellana)	Pío Baroja, 6. Madrid	Toll highway concessionaire	PwC	46,800	—	100.00	iberpistas
Iberavasa de Inversiones, S.L.U.	Pío Baroja, 6. Madrid	Holding company	PwC	24,207	—	100.00	iberpistas
Car parks							
Saba Aparcamientos, S.A. (SABA)	Av. del Parc Logístic, 12-20. Barcelona	Car park operator	PwC	18,243	99.26	—	—
Saba Estacionamientos de Chile, S.A.	Andrés Bello, 2777. Las Condes. Santiago (Chile)	Car park operator	PwC	11,500	—	99.26	saba
Concesionaria Subterra	Andrés Bello, 2777. Las Condes. Santiago (Chile)	Car park operator	PwC	1,248	—	99.26	Saba Chile
Concesionaria Subterra Dos	Andrés Bello, 2777. Las Condes. Santiago (Chile)	Car park operator	PwC	805	—	99.26	Saba Chile

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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							
Spel-Sociedade de Parques de Estacionamento, S.A. (Spel)	Guedes de Azevedo, 148-180. Porto (Portugal)	Car park operator	PwC	6,000	—	99.26	saba
Liz Estacionamientos	Guedes de Azevedo, 148-180. Porto (Portugal)	Car park operator	PwC	500	—	50.62	Spel
Parbla, S.A.	Sabino Arana, 38. Barcelona	Car park operator	—	3	—	99.26	saba
Societat Pirenaica d'Aparcaments, S.A. (Spasa)	Pau Casals, 7. Escaldes-Engordany (Principality of Andorra)	Car park operator	—	301	—	89.33	saba
Societat d'Aparcaments de Terrassa, S.A. (Satsa)	Plaça Vella, subsuelo. Terrassa	Car park operator	PwC	7,313	—	87.39	saba
Saba Italia, S.p.A.	Via delle Quattro Fontane, 15. Rome (Italy)	Car park operator	PwC	28,600	—	59.56	saba
Saba Campo San Giacomo	Via delle Quattro Fontane, 15. Rome (Italy)	Car park operator	—	100	—	58.96	Saba Italia
Parcheggi Pisa	Via delle Quattro Fontane, 15. Rome (Italy)	Car park operator	—	50	—	41.69	Saba Italia
Rabat Parking, S.A.	Rue de Larache, 8. Rabat (Morocco)	Car park operator	Other auditors	1,879	—	50.62	saba
Logistic Services							
Abertis Logística, S.A.	Av. del Parc Logístic, 12-20. Barcelona	Promotion, logistics and technical assistance	PwC	55,832	100.00	—	
Sevisur Logística, S.A.	Moratin, 1. Seville	Construction and operation of logistic areas	PwC	3,000	—	60.00	abertis logística
Telecommunications							
Abertis Telecom, S.A.	Av. del 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 infrastructures	Other auditors	131,488	—	100.00	abertis telecom

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Subsidiary and associated companies

(thousand euros)

Company	Registered office	Activity	Auditors	Share capital	% Shareholding direct	indirect	Company owning indirect shareholding
FULLY CONSOLIDATED							
Retevisión I, S.A.	Gran Vía de les Corts Catalanes, 130-136. Barcelona	Operator of telecommunication infrastructures	Other auditors	81,270	—	100.00	abertis telecom
Airports							
Airport Concession and Development Limited (ACDL)	159 New Bond Street London W1S 2UD (United Kingdom)	Holding company of airport companies	—	22,072	90.00	—	
Compañía de Desarrollo Aeropuerto Eldorado, S.A. (CODAD)	Carrera, 13, 93-40. Santafé de Bogotá (Colombia)	Construction and maintenance of airports	Other auditors	11,455	85.00		
CONSOLIDATED BY PROPORTIONAL INTEGRATION							
Highway operations							
Autopistas Vasco-Aragonesa, C.E.S.A. (AVASA)	Barrio de Anuntzibai, s/n, 48410. Orozco. Vizcaya	Toll highway concessionaire	Other auditors	234,000		50.00 ⁽²⁾	Iberavasa
Logistic services							
Parc Logístic de la Zona Franca, S.A. (PLZF)	Av. del Parc Logístic, 12-20. Barcelona	Promotion and operation of logistic areas	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

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Subsidiary and associated companies

(thousand euros)

Company	Registered office	Activity	Auditors	Share capital	% Shareholding direct	indirect	Company owning indirect shareholding
CONSOLIDATED BY EQUITY ACCOUNTING							
Serviabertis, S.L.	Av. del Parc Logístic, 12-20. Barcelona	Administrative and management services	PwC	3	100.00	—	—
Highway operations							
Aurea Limited	180 Strand, London (United Kingdom)	Holding company of concessionaires	Other auditors	14,182	100.00	—	—
Promoción de Autopistas Chile Limitada (Iberpistas Chile)	Gertrudis Echenique, 30. Las Condes- Santiago (Chile)	Toll highway concessionaire	PwC	527	100.00	—	—
Gestión Integral de Concesiones, S.A. (GICSA)	Montalbán, 5. Madrid	Administration and management of infrastructures	—	60	100.00	—	—
Autopistas de León, S.A.C.E. (AULESA)	Villadangos del Páramo, ctra. Santa María del Páramo. León	Toll highway concessionaire	PwC	34,642	79.20	—	—
Autopistas de Puerto Rico y Compañía, S.E. (APR)	Montellano, sector embalse. San José (Puerto Rico)	Infrastructures concessionaire	Other auditors	1,099	75.00	—	—
Autopista Trados-45, S.A. (TRADOS-45)	Ctra. M-203 P.K. 0,280. Madrid	Infrastructures concessionaire	PwC	27,648	50.00	—	—
Concesionaria Vial de los Andes, S.A. (COVIANDES)	Carrera novena, 126-91. Santafé de Bogotá (Colombia)	Infrastructures concessionaire	Other auditors	8,602	39.04	—	—
Pt Operational Services Limited (PTY)	1 Lavender Road. Bon Accord 009. Pretoria (South Africa)	Operation and maintenance	Other auditors	0	33.30	—	—
Autopistas del Sol, S.A. (AUSOL)	Leandro N. Alem, 986, piso 4. Buenos Aires (Argentina)	Toll highway concessionaire	PwC/ Other auditors	43,585	31.59	—	—
Sociedad Concesionaria del Elqui, S.A. (ELQUI)	Av. Andrés Bello, 2777 -Las Condes- Santiago (Chile)	Toll highway concessionaire	Other auditors	72,308	25.00	—	—
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	8,228	22.50 ⁽³⁾	—	—

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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
Brisa, Auto-estradas de Portugal, S.A. ⁽⁴⁾	Quinta da Torre da Aguilha, Edifício Brisa, 2785-589. São Domingos de Rana (Portugal)	Toll highway concessionaire	Other auditors	600,000 ⁽⁵⁾	—	10.00	Autopistas-Conces. Espanhola, SGPS
Acesa Italia, S.R.L.	Via delle Quattro Fontane, 15. Rome (Italy)	Holding company of concessionaires	PwC	166,341 ⁽⁶⁾	—	100.00	acesa
Schemaventotto, S.p.A.	Calmaggiore, 23. Treviso (Italy)	Holding company of concessionaires	Other auditors	445,536	—	13.33	Acesa Italia
Autostrade, S.p.A. ⁽⁷⁾	Via A. Bergamini, 50. Rome (Italy)	Toll highway concessionaire	Other auditors	571,712 ⁽⁵⁾	—	6.95	Schemaventotto
Túnel del Cadí, 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)	Autopista C-16, km 41. Barcelona	Toll highway concessionaire	PwC	69,411	—	23.72	acesa
Ciralsa, S.A.C.E.	Av. Maisonave, 41. Alicante	Construction, maintenance and operation of toll highways	—	50,167	—	25.00	umar
Iberacesa, S.L.	Caleruega, 102-104. Madrid	Holding company of concessionaires	—	32,229	—	100.00	iberpistas
Ingeniería y Sistemas de Gestión de Autopistas, S.A. (ISGASA)	Pío Baroja, 6. Madrid	Technical engineering services	—	61	—	100.00	Iberacesa
Alazor Inversiones, S.A.	Rozabella, 6. Las Rozas. Madrid	Holding company of concessionaires	Other auditors	199,000	—	23.34	Iberacesa
Accesos de Madrid, C.E.S.A.	Rozabella, 6. Las Rozas. Madrid	Toll highway concessionaire	Other auditors	199,000	—	23.34	Alazor Inversiones
Tacel Inversiones, S.A.	Hórreo, 11. Santiago de Compostela	Holding company of concessionaires	Other auditors	32,250	—	18.00	Iberacesa
Autopista Central Gallega, C.E.S.A. (ACEGA)	Hórreo, 11. Santiago de Compostela	Toll highway concessionaire	Other auditors	32,250	—	18.00	Tacel Inversiones

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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
Ibermadrid de Infraestructuras, S.A.	Pío Baroja, 6. Madrid	Study, development and construction of civil works infrastructures	—	500	—	100.00	Iberpistas
Proconex, S.A.	Pío Baroja, 6. Madrid	Operation of sub-leased service areas	—	100	—	100.00	iberpistas
Road Management Group (RMG)	130 High Street Old Woking, Surrey (United Kingdom)	Toll highway concessionaire	Other auditors	35,931	—	25.00	Aurea Limited
Gestora de Autopistas, S.A. (GESA)	Andrés Bello, 2777. Las Condes- Santiago (Chile)	Toll highway concessionaire	PwC	1,058	—	51.00	Promoción de Autopistas Chile Limitada
M-45 Conservación, S.A.	Ctra. M-203 P.K. 0,280. Madrid	Conservation and maintenance of infrastructures	—	553	—	37.50	Trados45/ Concerna
Autopista del Henares, S.A.C.E. (HENARSA)	Golfo de Salónica, 27. Madrid	Toll highway concessionaire	Other auditors	96,700	—	22.50	Infraestructuras y Radiales
Erredosa Infraestructuras, S.A. (ERREDOSA)	Golfo de Salónica, 27. Madrid	Administration and management infrastructures	Other auditors	61	—	22.50	Infraestructuras y Radiales
Car Parks							
Las Mercedes Sociedad Concesionaria, S.L.	Las Mercedes, s/n. Las Arenas-Getxo Vizcaya	Car park operator	—	611	—	33.33	saba
Parcheggi Bicocca	Via Gaetano Negri, 10. Milan (Italy)	Car park operator	—	1,500	—	14.89	Saba Italia
Port Mobility	Località Porto del Turco, 53. Civitavecchia. Rome (Italy)	Car park operator	—	1,500	—	5.96	Saba Italia
Logistic services							
Araba Logística, S.A. (ARASUR)	Olaguibel, 2. Vitoria	Construction and operation of logistic areas	PwC	6,408	—	39.77	abertis logística
Centro Intermodal de Logística, S.A. (CILSA)	Av. Ports d'Europa, 100. Barcelona	Promotion and operation of logistic areas	Other auditors	15,467	—	32.00	abertis logística

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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
Telecommunications							
Adquisición de Emplazamientos, S.L. (ADESAL)	Motors, 392. L'Hospitalet de Llobregat. Barcelona	Inactive	—	3	—	100.00	tràdia
Torre de Collserola, S.A.	Ctra. de Vallvidrera a Tibidabo, s/n. Barcelona	Construction and operation of telecommunication infrastructures	Other auditors	12,020	—	41.75	retevisión
Airports							
TBI, plc ⁽⁸⁾	159 New Bond Street London W1S 2UD (United Kingdom)	Operation of airports	PwC	81,388	—	26.28	ACDL

Foreign currency amounts converted to euro using exchange rate at close.

- (1) The shares of GCO are traded on the Argentina Stock Exchange. The average weighted price in the last quarter of 2004 was 1.36 Argentine pesos. At year-end the share price was 1.66 Argentine pesos. 57.6% of the voting rights are held.
- (2) The shares of Avasa are pledged by virtue of the share pledge agreement dated 2/8/2001 as guarantee on a loan.
- (3) Direct shareholding of **abertis** 15%. Indirect holding through **iberpistas** and Avasa of 7.5%.
- (4) The shares of Brisa, Auto-estradas de Portugal, S.A. are traded on the Lisbon Stock Exchange. The average weighted price in the last quarter of 2004 was 6.47 euros. At year-end the price was 6.75 euros.
- (5) Information at 30 June 2004.
- (6) Information at 31 December 2003.
- (7) The shares of Autostrade, S.p.A. are traded on the Milan Stock Exchange. The average weighted price in the last quarter of 2004 was 17.907 euros. At year-end the price was 19.70 euros.
- (8) Group that was listed on the London Stock Exchange until its acquisition by ACDL. This group is made up of various companies in different countries and operates (under concession or ownership) in eight international airports (Europe, United States and Latin America) and manages fully or partially, on behalf of governments or local authorities, another six airports.

ABERTIS INFRAESTRUCTURAS, S.A.

Consolidated Management Report for 2004

The 2004 financial year represents another step forward in the process of growth and consolidation for the **abertis** Group as one of the leading managers of mobility and communications infrastructures operating in highways, car parks, logistic infrastructures, telecommunication infrastructures and airports.

As head of an important business group, the objective of **abertis** is to continue offering its shareholders a balanced combination of investments in the sectors mentioned above that ensure an adequate combination of low risk, growth and yield. In this respect, the following events in 2004 should be highlighted:

- In the highways sector, the award of the Alicante Ring Road tender to a consortium in which **abertis** holds 25%, the start of operations of Radial 3 and 5 in Madrid (23% share held by **abertis**), the acquisition of 0.5% shareholding in Schemaventotto (company that groups the core shareholders of Autostrade) and the capital gains on the sale by Schemaventotto of 10% of Autostrade and the sale by Autostrade of 5% of **abertis**. With the objective of rationalising the ownership structure of the Group the operations of **abertis** and **iberpistas** (100% owned) have been merged.
- In the car parks sector, during the year **saba** has reached an important agreement on a new fee model with the Barcelona City Council, along with an investment plan to improve the car parks and an extension of the concessions. It has commenced its expansion in Chile with the acquisition of 6 car parks and has embarked on the construction of new car parks in Italy, one of the two main axes, together with Portugal, of its international expansion until entering Latin America.
- In the logistic infrastructures sector, development of the logistics projects at Alava, Seville and ZAL Prat, in which **abertis** is a shareholder, continues according to plan and the Logistics Park of Zona Franca and ZAL Barcelona are fully occupied.
- In the telecommunication infrastructures sector, the inclusion of Retevisión Audiovisual in the accounts for 2004 should be noted, having been acquired at the end of 2003, as well as the increase in the shareholding in Torre de Collserola to become the main shareholder with 41.75%.
- Lastly, in the airport sector the company ACDL was incorporated at the end of the year and presented a Public Takeover Offer for the British airport operator TBI, which was successfully completed in 2005 by taking 100% control. At the end of 2004, investment totalled 204.2 million euros for the acquisition of 29% of TBI, which has been consolidated by equity accounting.

All these actions, combined with the positive performance of the other businesses and activities, have had a positive impact on the key figures and results for the year.

The 2004 consolidated profit and loss account of **abertis** is not comparable with the previous year due to the abovementioned consolidation of **retevisión** during its first full year of activity within the Group. The profit for the year was 467 million euros, which represents an increase of 32% on the previous year (11.8% if we exclude the effect of the extraordinary capital gains of 70 million euros obtained from the Italian associated companies).

Operating income rose to 1,534 million euros (20% more than 2003). The highways sector contributed 74% of total income, car parks 6%, telecommunication infrastructures 17%, with logistic infrastructures and airports generating the remaining 3%.

The evolution of the activity has been positive in the main concessionaires of the Group as the evolution of Average Daily Traffic (ADT) indicates, rising by 3.4% across all the highways operated by **abertis** in Spain to 28,283 vehicles.

The balance sheet clearly reflects the effect of the new investments and the organic growth recorded by the companies that make up **abertis**. Total assets rose from 9,685 million euros at 31 December 2003 to 9,940 million euros at the end of 2004 whilst consolidated equity was 3,318 million euros, 7% more than the previous year.

Debt at 31 December 2004 (3,521 million euros) represents 106% of equity and 35% of total liabilities, percentages below those of other large European operators of communication infrastructures. During 2004 the financial structure of the Group has been optimised, centralising the debt in **abertis**, which is responsible for covering the funding requirements of the subsidiary companies. In addition, there has been an important transfer of short-term debt to long-term debt, enabled to a large extent by the bond issues made in November 2004, in which **abertis** concluded a private debt placement of long-term bonds on the US market valued at 600 million dollars (the largest placement in the US Private Placement market made by a Spanish company during the year) and in February 2004, when **abertis** made a bond issue to institutional investors, also in the international market under Spanish law and documentation, of 450 million euros.

The financial equilibrium of **abertis** has allowed it to face the new investments into improving the infrastructures currently under management with guarantees, and continue with the selective investment policy developed in recent years without the need for additional capital contributions.

As in previous years, **abertis** has maintained its policy of shareholder return that combines the dividend payout with a bonus share issue of one share for every 20 shares held.

The Board of Directors of **abertis** has agreed to propose to the Ordinary Shareholders' Meeting a final dividend for 2004 of 0.25 euros gross per share, which represents an increase of 12.1% on the final dividend of the previous year, an indication of the confidence in the consolidation of the return on investments made in recent years and their growing contribution to profits.

The total dividend charged against results for 2004 will be 264 million euros, including the interim dividend already paid, representing an increase of 11.3% on the dividend payout of the previous year.

In 2005 it is expected that the positive contribution of all business units will continue, accentuated by the progressive contribution of all new projects and the most recent incorporations in the Group, with the policy on shareholder return being maintained.

As a listed Group, **abertis** will have to adopt international accounting standards as from 2005. Consequently, it is currently analysing the impact that the new international accounting standards (IAS) will have on the consolidated financial statements of **abertis**, which may be affected by the specific interpretation of the IAS on the concessionaires sector, being analysed and studied by the international regulatory bodies at the time of preparing these annual accounts.

The Company has not traded, directly or indirectly, in its own shares, with the exception of the acquisition of 111,601 shares in the context of the merger with **iberpistas**. Due to the small number of shares required for the share swap (0.16% of the share capital of **iberpistas**), the issue of new **abertis** shares to exchange with the shareholders of **iberpistas** was substituted, on prior approval of the Shareholders' Meeting, by the acquisition of treasury stock that were subsequently exchanged with the minority shareholders.



{ Consolidated Auditor's Report

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 58 to 107, consisting of the consolidated balance sheet at 31 December 2004, 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 2004 of certain direct or indirect investee companies indicated in Note 2 to the accompanying consolidated accounts, and which assets and net results represent, respectively, 24% and 25% 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 2004. Our opinion refers solely to the consolidated annual accounts for 2004. On 19 March 2004, we issued our audit report on the consolidated annual accounts for 2003, in which we expressed an unqualified opinion.
3. In our opinion, based on our audit and the reports of other auditors, the accompanying consolidated annual accounts for 2004 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 2004 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 2004, set out on pages 108 to 110, 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 2004. 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

11 March 2005

Balance sheet at 31 December
(thousand euros)

ASSETS	2004	2003
Fixed assets	5,583,787	4,777,874
<i>Start-up costs</i>	—	26
<i>Intangible fixed assets</i>	349,121	5,828
Computer applications	296	218
Goodwill	370,438	7,823
Studies and projects	947	770
Other intangible assets	3	3
Amortisations	(22,563)	(2,986)
<i>Tangible fixed assets</i>	14,033	15,299
Land and natural resources	3,015	3,038
Buildings and other constructions	7,511	8,311
Machinery and vehicles	349	492
Installations, tooling and furniture	3,405	4,167
Other fixed assets	3,197	3,197
Depreciation	(3,444)	(3,906)
<i>Investments</i>	5,220,633	4,756,721
Shareholdings in subsidiary and associated companies	4,080,016	4,264,271
Long-term loans to Group companies	1,376,804	700,802
Long-term share portfolio	7,513	7,513
Long-term deposits and guarantees	62	65
Other credits	6,613	6,616
Provisions	(250,375)	(222,546)
Deferred expenses	7,286	9,173
Current assets	414,529	587,854
<i>Accounts receivable</i>	11,448	9,219
Advance payments to creditors	23	12
Group company accounts receivable	2,192	4,703
Sundry accounts receivable	10,342	5,528
Personnel	10	4
Public Administration	1,632	1,662
Provisions	(2,751)	(2,690)
<i>Short-term investments</i>	399,226	575,346
Short-term loans to Group companies	372,127	575,346
Short-term share portfolio	1,325	—
Other credits	25,774	—
<i>Treasury</i>	3,855	3,289
Cash	39	41
Banks and credit institutions	3,816	3,248
Total assets	6,005,602	5,374,901

Balance sheet at 31 December

(thousand euros)

LIABILITIES	2004	2003
Equity	3,186,622	3,068,960
<i>Share capital</i>	1,654,444	1,575,661
<i>Share premium</i>	579,690	579,690
<i>Reserves</i>	717,701	704,867
Revaluation reserve RDL 7/1996	400,712	479,495
Legal reserve RD 1564/1989	191,570	158,668
Voluntary reserve	125,419	66,704
<i>Profit and loss account</i>	361,076	329,017
<i>Interim dividend paid during year</i>	(126,289)	(120,275)
Provisions for liabilities and expenses	41,397	40,529
<i>Other provisions</i>	41,397	40,529
Long-term liabilities	2,157,993	1,369,159
<i>Bond issues</i>	870,000	590,000
<i>Loans with credit institutions</i>	801,000	763,765
<i>Payments pending on shares of Group companies</i>	2,227	3,353
<i>Loans with subsidiary and associated companies</i>	482,255	9,530
<i>Other creditors</i>	2,511	2,511
Current liabilities	619,590	896,253
<i>Bond issues</i>	193,685	4,768
Bonds	170,000	—
Interest on bonds	23,685	4,768
<i>Loans with credit institutions</i>	323,933	818,117
Loans	318,600	812,340
Interest on loans	5,333	5,777
<i>Loans with Group companies</i>	42,205	17,242
<i>Trade creditors</i>	4,203	3,065
Creditors for traffic operations	4,203	3,065
<i>Other non-trade creditors</i>	55,564	53,061
Public Administrations	53,790	51,409
Remuneration pending payment	1,253	800
Other creditors	509	847
Guarantees and deposits received	12	5
Total liabilities	6,005,602	5,374,901

Profit and loss account for the year ended 31 December
(thousand euros)

EXPENSES	2004	2003
<i>Personnel expenses</i>	12,157	13,638
Salaries and wages	11,055	12,414
Social security	870	929
Pension fund and other personnel-related expenses	232	295
<i>Amortisation and depreciation of fixed assets</i>	20,274	2,826
<i>Movement in trading provisions</i>	146	454
<i>Other operating expenses</i>	16,898	15,634
External services	16,814	14,997
Taxes	84	637
Total operating expenses	49,475	32,552
<i>Financial costs, related expenses and variation in investment provision</i>	92,529	71,781
Total financial expenses	92,529	71,781
Positive financial results	416,872	332,128
Profit on ordinary activities	382,645	317,965
<i>Losses on disposal of fixed assets and extraordinary expenses</i>	25,996	5
<i>Movement in fixed asset provisions</i>	31,765	26,989
Profit before tax	340,419	309,715
<i>Corporate income tax</i>	(20,657)	(19,302)
Profit for the year	361,076	329,017

INCOME	2004	2003
<i>Operating revenue</i>	14,704	15,748
Services	14,704	15,748
<i>Other operating expenses</i>	544	2,641
Other operating expenses	544	2,641
<i>Work done on fixed assets</i>	—	—
Total operating income	15,248	18,389
Operating loss	34,227	14,163
<i>Income from shareholdings in Group and associated companies</i>	464,702	368,837
<i>Other interest and related income</i>	44,699	35,072
Total financial income	509,401	403,909
<i>Profit from the disposal of fixed assets and extraordinary income</i>	15,535	18,744
Extraordinary loss	42,226	8,250

ABERTIS INFRAESTRUCTURAS, S.A. NOTES TO THE 2004 ANNUAL ACCOUNTS

{ Note 1. Activity

a) Activity

ABERTIS INFRAESTRUCTURAS, S.A. (hereinafter **abertis** or the Company) was incorporated in Barcelona on 24 February 1967.

On 29 June 2002, the General Shareholders' 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.)

On 8 April 2003, the Extraordinary Shareholders' Meetings of ACESA Infraestructuras, S.A. and AUREA, Concesiones de Infraestructuras, S.A. (AUREA) approved the merger, whereby the former company would take over the latter, effective for accounting purposes as from 1 January 2003, the date from which it is understood that the operations of AUREA were conducted on account of the Company.

On 30 May 2003 (registration date for deed of merger with AUREA) it changed its name from ACESA INFRAESTRUCTURAS, S.A. to its current name. Its registered office is Avenida del Parc Logistic nº 12-20, Barcelona.

abertis is currently the parent of a group engaged in the management of infrastructures serving mobility and communications that operates in five sectors of activity: highway concessions, car parks, logistic services, telecommunications and airports.

Its corporate 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, under the necessary authorisation, when applicable.

The Company can undertake its corporate 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 27 April 2004 and 26 April 2004, the General Shareholders' Meetings of Abertis Infraestructuras, S.A. and Ibérica de Autopistas, S.A. approved the merger, whereby the former company took over the latter, effective as from 1 January 2004 for accounting purposes, from which date the operations of Ibérica de Autopistas, S.A. were understood to be made on account of the Company.

As the shareholding of **abertis** in the capital of Ibérica de Autopistas, S.A. was 99.84%, it was not considered necessary to make a specific capital increase to cover the exchange of shares in Ibérica de Autopistas, S.A. for shares in **abertis**. To acquire the 0.16% shares outstanding, **abertis** proceeded to purchase the necessary treasury stock to swap with the shareholders of Ibérica de Autopistas, S.A. at the established rate of 1 share in Ibérica de Autopistas, S.A. for 1 share of **abertis**.

The audited balance sheet of Ibérica de Autopistas, S.A at 31 December 2003, which has been included in the balance sheet of the Company, is as follows:

	Thousand euros
Assets	
Net fixed assets	507,747
Intangible fixed assets	53
Tangible fixed assets	1,885
Investments	505,809
Deferred expenses	1,272
Current assets	22,305
	531,324

	Thousand euros
Liabilities	
Equity	248,970
Long-term creditors	234,118
Short-term creditors	48,236
	531,324

In the tables and movements shown in these notes to the accounts, the column "Incorporation on merger" indicates the balances included as from 1 January 2004.

{ Note 2. Basis of presentation of Annual Accounts

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 and the notes to these accounts are expressed in thousands euros.

The Consolidated Annual Accounts for the **abertis** Group for 2004 are presented separately from the parent company's accounts. The main figures taken from the audited consolidated accounts are as follows:

Total assets	9,940,022
Equity	3,317,694
Consolidated operating income	1,534,009
Result for the year due to the parent company – Profit	467,291

b) Comparison of information

The Annual Accounts for 2004 are not comparable with those for 2003 as the 2004 accounts reflect an increased level of activity due to the merger mentioned in Note 1 b).

{ Note 3. Proposed distribution of results

The following distribution of results will be submitted to the Annual Shareholders' Meeting for approval:

Basis of distribution	Amount
Profit for the year	361,076
Distribution	
Dividends	264,159
Legal reserve	36,108
Voluntary reserve	60,809
	361,076

During 2004 an interim dividend of 126,289 thousand euros was paid. This interim dividend represented a gross amount of 0.229 euros per share on all issued shares.

The table below shows that there was sufficient profit in the period to cover the payment of the interim dividend (which was made in October 2004), with the accounting statement verifying sufficient liquidity to make the payment.

	Amount
Net profit from 1 January to 31 July 2004	140,718
Less:	
Legal reserve	(14,072)
Maximum amount available for distribution	126,646
Amount proposed and distributed	126,289

	Amount
Cash funds available prior to payment	829,618
Gross amount of interim dividend	(126,289)
Cash funds available after payment	703,329

Note 4. Accounting policies

The most significant accounting policies used in the preparation of these Annual Accounts are as follows:

a) Start-up costs

Incorporation expenses and share capital increase expenses 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 under this heading are valued at acquisition price or the cost of production and amortised as follows:

- Goodwill is amortised on a straight-line basis over the estimated period in which it will contribute to profit generation, up to a maximum period of 20 years.
- Computer applications are amortised at a rate between 25% and 33% per annum.

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 written off after being replaced.

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

The depreciation 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 book value, plus the acquisition goodwill remaining at the 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 book value of the subsidiary and associated companies.

The Company undertakes currency hedges against exchange rate risks on investments using the necessary financial instruments (see Note 4.e).

e) Deferred expenses

The expenses for raising loans is amortised on a straight-line basis over the period of the loans.

Also included in this entry is the sum corresponding to expenses arising from the hedging operations contracted in 2000 related to the acquisition of 48.6% of Grupo Concesionario del Oeste, S.A. (GCO) for an 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 GCO to the subsidiary company ACESA, **abertis** has agreed to transfer the hedges when they are cancelled or on their final settlement (October 2005).

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 that could affect the company (see Note 11).

g) Pension commitments and other personnel-related liabilities

Meeting the corresponding employment agreements, the Company has obligations to contribute to an employment system Pension Plan (Defined Contribution Plan) and, in respect of certain employees, it must pay a retirement bonus or lump sum, under certain conditions. These commitments are externalised through an insurance policy.

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) Corporate Income Tax

The profit and loss account includes the charge for Corporate Income Tax, the calculation of which incorporates the full amount of tax accrued for the year, the effect of timing differences between the tax profit and book profit, and all credits or allowances to which the Company is entitled. The Corporate Income Tax charge is calculated as explained in Note 14.

The Company pays tax on a consolidated basis together with other Group companies, 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 in effect at that date. Negative exchange differences generated at year end on transactions are recorded as a loss in the profit and loss account, while exchange gains are deferred until maturity. See exchange rate hedging transactions in Note 4.e).

k) Accounting for income and expenses

Income and expenses are recorded on an accruals basis, that is, at the time the activity occurs, irrespective of when the financial transaction takes place.

l) Actions affecting the environment

Amounts outlaid annually in meeting legal requirements related to the environment are recorded either as an expense or investment, depending on their nature. Amounts recorded as investments are depreciated 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 during 2004 and balances of the accounts that make up intangible fixed assets were as follows:

	Balance 31.12.03	Incorporation on merger	Increase	Decrease	Balance 31.12.04
Computer applications	218	78	78	(78)	296
Goodwill	7,823	362,615	—	—	370,438
Studies and projects	770	—	177	—	947
Other intangible assets	3	—	—	—	3
Total cost	8,814	362,693	255	(78)	371,684

Goodwill is generated by the existing difference between the value of the investment that the Company held in Ibérica de Autopistas, S.A and the value of the consolidated shareholders' funds of this company on the effective date of the merger, 1 January 2004.

The changes in accumulated amortisation during the year were as follows:

	Balance 31.12.03	Incorporation on merger	Increase	Decrease	Balance 31.12.04
Computer applications	21	25	72	(25)	93
Goodwill	2,963	—	18,557	—	21,520
Studies and projects	—	—	947	—	947
Other intangible assets	2	—	1	—	3
Total amortisation	2,986	25	19,577	(25)	22,563

{ Note 6. Tangible fixed assets

The movement and balances of tangible fixed assets were as follows:

	Balance 31.12.03	Incorporation on merger	Increase	Decrease	Balance 31.12.04
Land and natural resources	3,038	471	—	(494)	3,015
Buildings and other constructions	8,311	2,066	15	(2,881)	7,511
Machinery and vehicles	492	69	—	(212)	349
Tooling	11	—	—	(10)	1
Other installations	3,295	—	5	(679)	2,621
Furniture	861	286	1	(365)	783
Computer equipment	247	95	—	(95)	247
Other fixed assets	2,950	—	—	—	2,950
Total	19,205	2,987	21	(4,736)	17,477

The changes in accumulated depreciation during the year are as follows:

	Balance 31.12.03	Incorporation on merger	Increase	Decrease	Balance 31.12.04
Buildings and other constructions	1,056	810	126	(952)	1,040
Machinery and vehicles	274	38	59	(149)	222
Tooling	10	—	1	(10)	1
Other installations	1,914	—	184	(623)	1,475
Furniture	508	199	55	(249)	513
Computer equipment	144	55	49	(55)	193
Total	3,906	1,102	474	(2,038)	3,444

The most significant decreases during the year correspond basically to the sale at net book value of the assets transferred as a result of the merger indicated in Note 1.b) to the subsidiary Autopistas, A-6 (now Iberpistas, S.A.C.E).

The following assets are fully depreciated:

	Amount
Buildings and other constructions	2
Machinery and vehicles	28
Furniture	585
Computer equipment	307
Other fixed assets	55
Total gross book value	977

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 and balances of investments are as follows:

	Balance 31.12.03	Incorporation on merger	Increase	Decrease	Transfers	Balance 31.12.04
Shareholdings in subsidiary and associated companies	4,264,271	(122,892)	217,991	(279,354)	—	4,080,016
Long-term loans to Group companies	700,802	605	1,030,904	(187,579)	(167,928)	1,376,804
Long-term share portfolio	7,513	3,505	—	(3,505)	—	7,513
Long-term deposits and guarantees	65	1	—	(4)	—	62
Other credits	6,616	—	—	(3)	—	6,613
Less: Provisions	(222,546)	(7,731)	(34,216)	14,118	—	(250,375)
Total	4,756,721	(126,512)	1,214,679	(456,327)	(167,928)	5,220,633

a) Shareholdings in subsidiary and associated companies

The detail of the direct and indirect shareholdings in Group subsidiary and associated companies, together with the breakdown of their shareholders' funds at 31 December 2004 or of the latest public information available, is shown in the Annex.

The main movements recorded were::

- Incorporation, as a result of the merger with Ibérica de Autopistas, S.A., of the direct shareholdings in the companies Iberpistas, S.A.C.E. (formerly A-6), Castellana de Autopistas, S.A.U.C.E. (**castellana**), Iberavasa de Inversiones S.L.U. (Iberavasa), Iberacesa S.L.U., Ibermadrid de Infraestructuras, S.A., Promoción, Conservación y Explotación de Servicios de Autopistas, S.A.U. (Proconex), Promoción de Autopistas de Chile Limitada (Iberpistas Chile) and Sociedad Concesionaria del Elqui, S.A. (Elqui).
- Incorporation of Airport Concessions Development Limited (ACDL), in which **abertis** holds 90%, for a sum of 204,224 thousand euros to cover the acquisition of TBI, plc.

On 24 November 2004, ACDL launched a public takeover offer for all the shares of TBI. At 31 December 2004, ACDL had acquired 29.2% of TBI and in January 2005 the Public Takeover Offer was completed securing 100% of the share capital.

- Increase of capital of **abertis logística** and Irasa by 9,998 and 1,718 thousand euros, respectively.
- Inclusion of Abertis Infraestructuras Finance BV for the sum of 2,000 thousand euros.
- Sale by Iberpistas, S.A.C.E (formerly A-6) of the shareholdings in **castellana**, Iberavasa, Iberacesa, Ibermadrid and Proconex for their net book value at 31 December 2003 (278,228 thousand euros), with payment being made through the subrogation of long term loans with credit institutions and other debts.
- Decrease in the value of the investment in Trados 45 as a result of the reduction in capital of 1,126 thousand euros (the shareholding remains at 50%).

The provisions basically correspond to the Argentine company Ausol and the Colombian company Codad, 147.548 and 45.751 thousand euros respectively (100% of the value of the holdings in both companies is provisioned) and **abertis telecom**, 44.207 thousand euros.

During 2004 the provisions of the subsidiary companies on the balance sheet of Ibérica de Autopistas, S.A at 31 December 2003 have been reversed, and included in the Company's balance sheet through the merger, as well as part of the provision made for **abertis telecom**. The allocation made during the year basically corresponds to Codad.

abertis does not have any other commitments in relation to subsidiary and associated companies other than the financial investment made, with the exception of that set out in Note 18.b and in the Annex.

b) Long-term loans to Group companies

The long-term loans with Group companies have the following maturities:

	2006	2007	2008	2009	Other mat.	Total
Loans to Group companies	115,000	564,658	65,000	315,000	317,146	1,376,804

All loans accrue interest at market rates (see Note 13).

Note 8. Deferred expenses

The changes in the accounts and balances of deferred expenses were as follows:

	Balance 31.12.03	Incorporation on merger	Increase	Decrease	Balance 31.12.04
Expenses in raising finance	—	1,272	3,355	(1,272)	3,355
Other deferred expenses	9,173	—	—	(5,242)	3,931
Total	9,173	1,272	3,355	(6,514)	7,286

Note 9. Short-term investments

The Company has credit lines with Group companies of 759,178 thousand euros with interest at market rates. The outstanding balance at 31 December 2004 was 372,127 thousand euros (see details in Note 13).

The amount of "Other credits" corresponds to interim dividends declared by some of the subsidiary companies that are pending payment at 31 December 2004.

Note 10. Equity

The amount and movements in equity during 2004 were as follows:

	Balance 31.12.03	Distribution of result for year	Increase in capital	Other movements	Balance 31.12.04
Share capital	1,575,661	—	78,783	—	1,654,444
Share premium	579,690	—	—	—	579,690
Revaluation reserve	479,495	—	(78,783)	—	400,712
Legal reserve RD 1564/1989	158,668	32,902	—	—	191,570
Voluntary reserves	66,704	58,715	—	—	125,419
Result for the year	329,017	(329,017)	—	361,076	361,076
Interim dividend	(120,275)	120,275	—	(126,289)	(126,289)
Total	3,068,960	(117,125)	—	234,787	3,186,622

a) Share capital

The share capital of **abertis** is made up of 551,481,375 registered shares, with a par value of 3 euros each, fully subscribed and paid up. Of these, 514,445,009 shares are Class A and 37,036,366 are Class B preference shares that have the same rights as the ordinary shares and the right to a preferential dividend to be paid once to holders of those shares in 2007. The maximum amount of the preferential dividend corresponding to each preference share will be determined by the difference between the reference price of 14.87 euros per share and the average weighted price of the ordinary **abertis** shares in the quarter prior to the due date, with a maximum payment of 4.25 euros per share.

As the shares of **abertis** are bearer shares, the exact percentage of shareholders in the share capital is not known. However, based on the information available, the most significant holdings at 31 December 2004 are the following:

Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" ⁽¹⁾	23.99%
ACS, Actividades de Construcción y Servicios, S.A.	17.58%
Caixa d'Estalvis de Catalunya	5.69%
Sitreba, S.L.	5.50%
	52.76%

(1) Caixa Barcelona Seguros de Vida, S.A. de Seguros y Reaseguros (11.844%), VidaCaixa, S.A. de Seguros y Reaseguros (0.504%), Inversiones Autopistas, S.L. (7.753%) and CaixaHolding, S.A., Sociedad Unipersonal (3.890%).

All the shares of the Company are listed on the stock exchanges of Barcelona, Bilbao, Madrid and Valencia, being traded on the Spanish electronic trading system. The ordinary Class A shares are traded on the main board (continuous market) and form part of the Ibex 35 index. The Class B preference shares are traded under the Fixing mode, where single prices are set.

In addition, 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 Shareholders' Meeting on 27 April 2004, agreed to pay a final dividend for 2003 of 0.223 euros gross per share, which represents 117,125 thousand euros. At said Shareholders' Meeting a bonus share issue was also approved, to be charged against the Revaluation Reserve Account, Royal Decree-law 7/1996, dated 7 June, with one new share for every 20 shares, representing a sum of 78,783 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 Royal Decree-law 7/1996, of 7 June

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

After three years have passed from the balance sheet date and the revaluation has not been questioned by the Tax Administration, the revaluation operations are deemed to be correct and the balance of the account to be accepted by the Tax Authorities, the balance will be available for distribution to:

- Offset book losses.
- Increase share capital.
- Create reserves freely available for distribution, ten years from the date of the balance sheet stating 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. Given the nature of the activity transferred of the subsidiary company ACESA in 2002, the requirement that the capital gain be realised can only be understood as such when the company acquiring the revalued assets as part of the new activity has amortised, transferred or written them off.

c) Legal reserve

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

The legal reserve can be used to increase capital, provided the funds used come from the balance exceeding 10% of the capital that has been increased.

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

{ Note 11. Provisions for liabilities and expenses

The movements in this account during the year ended 31 December 2004 were as follows:

	Balance 31.12.03	Increase	Applications	Balance 31.12.04
Other provisions (see Notes 4.f and 14)	40,529	2,627	(1,759)	41,397

Note 12. Bond issues and loans from credit institutions

The table below details the situation at the close of 2004.

	2005	2006	2007	2008	2009	Other mat.	Total
Bond issues	170,000	—	—	—	180,000	690,000	1,040,000
Syndicated loans	—	2,500	101,000	17,500	20,000	50,000	191,000
Loans	45,000	150,000	40,000	10,000	30,000	380,000	655,000
Credit lines	273,600	—	—	—	—	—	273,600
Total	488,600	152,500	141,000	27,500	230,000	1,120,000	2,159,600

Part of the loan and credit operations shown as loans from credit institutions at 31 December 2004 (260,000 thousand euros long-term) were signed with related credit institutions (shareholders of the Company that held 5% or more of the capital). Financial charges accrued on these operations with related financial entities during the year totalled 6,453 thousand euros.

The bond issues include 60,000 thousand euros at an annual interest rate of Euribor plus a margin of 0.45; 180,000 thousand euros at 3.53%; 200,000 at 4.95%; 450,000 at 4.75% and 150,000 at Euribor plus a margin of 0.22.

The credit lines have a limit of 1,490,404 thousand euros of which 375,000 have an interest rate of Euribor plus 0.3 and 1,115,404 thousand euros at Libor plus 0.18.

The Company has also contracted interest rate hedge operations for an amount of 1,265,000 thousand euros, of which 525,000 thousand euros are from credit entities related to the Company.

Short-term loans are expected to be refinanced in 2005.

Note 13. Transactions and balances with subsidiary and associated companies

The credit and debit balances that **abertis** had with subsidiary and associated companies of the Group at 31 December 2004 were as follows:

	Thousand euros				
	Debtors		Other debts	Creditors	
	Investments			Long-term	Short-term
	Long-term	Short-term			
acesa	566,802	105,321	519	—	71
Iberpistas, S.A.C.E.	196,146	137,882	210	—	32,643
retevisión	181,000	1,676	62	—	118
aumar	180,000	41,020	—	—	—
aucat	128,856	29,550	—	—	—
tradia	95,000	12,134	24	—	344
saba	29,000	6,982	115	—	—
Iberacesa	—	14,288	—	—	614
Abertis Infraestructuras Finance BV	—	—	—	471,400	370
APR	—	—	—	10,855	—
abertis telecom	—	12,626	—	—	1,844
Sevisur	—	6,155	—	—	—
serviabertis	—	4,346	13	—	607
abertis logística	—	—	11	—	5,179
Gco	—	—	989	—	—
Others	—	147	249	—	415
Total	1,376,804	372,127	2,192	482,255	42,205

The long-term balances to pay to Abertis Infraestructuras Finance BV have the same maturities (between 2011 and 2024), interest rate and amount as the bonds issued in foreign currency by that subsidiary company.

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

	Thousand euros				
	Income			Expenses	
	Services provided	Interest received	Share capital	Services received	Interest paid
acesa	5,139	23,102	249,510	63	1
aumar	3,562	6,354	147,042	—	576
Iberpistas, S.A.C.E.	1,522	1,278	40,004	—	417
Codad	727	—	2,755	—	—
retevisión	640	5,733	—	—	1
saba	594	336	11,756	—	—
aucat	544	3,479	—	—	—
tradia	244	2,534	—	—	—
abertis logística	107	12	—	—	16
APR	102	—	—	—	—
Coviandes	—	—	5,932	—	—
Trados 45	—	—	3,533	—	—
Concema	—	—	1,210	—	—
Others	145	1,512	2,960	3,650	370
Total	13,326	44,340	464,702	3,713	1,381

{ Note 14. Tax situation

The Company calculates Corporate Income 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 Corporate Income Tax for 2004 is as follows:

	(Thousand Euros)
Profit before tax	340,419
Permanent differences	(407,461)
Timing differences	
Arising during the year	7,447
From previous years	69
Tax assessment base	(59,526)

The accrued Corporate Income Tax expense stated on the profit and loss account 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 consolidated subsidiary companies, the adjustment in values and the elimination of results for transactions between Group companies that have been eliminated to determine the consolidated tax payable are considered as permanent differences.
- The consolidated tax Group has assumed the right to offset tax loss carry forwards generated by the Company in 2004, as well as the application of the deductions generated, with the corresponding inter-group offsetting of balances having being recorded in the balance sheet.
- Taxes paid outside of Spain similar to Corporate Income Tax totalling 834 thousand euros have been recorded as an expense, as well as the adjustments in the calculation of the expense accrued in 2003, after having filed the respective returns totalling 4,722 thousand euros.

The balance at 31 December 2004 of prepaid tax totalled 1,561 thousand euros (1,605 thousand euros to 31 December 2003), which corresponds to the valuation differences between the tax criteria and accounting criteria for social security contributions.

The deferred tax balance at 31 December 2004 was 3,183 thousand euros (5,789 thousand euros at 31 December 2003), which arises from calculating the tax on forward operations on a cash basis, and the reversal of profit for Spanish companies that set up internationally, both arising in previous years.

The amount of the deductions applied in 2004 is 2,740 thousand euros, for deductions related to dividends from associated companies not included in the consolidated Group for tax purposes, deductions for the reinvestment of extraordinary profits obtained in the transfer of equity, training expenses and other deductions.

The amount of income covered by the deduction for reinvestment was 837 thousand euros, with the entire amount having been reinvested in different equity during 2004.

On 9 June 2004 the agreement on the merger between Abertis Infraestructuras, S.A. through the full takeover of Ibérica de Autopistas, S.A. was made public and the resulting dissolution without liquidation of the latter (see Note 1.b). This operation was done under the special fiscal regime of Chapter VIII of Title VIII of the Corporate Tax Act, now Chapter VIII of Title VII of the Royal Decree Legislation 4/2004, dated 5 March, which approved the Revised Text of the Corporate Tax Act.

As a consequence of the merger, the acquiring company takes over the entire equity of the merged company under universal title, as shown in the detail and information provided in Note 1.b to the Accounts, subrogating all the tributary rights and obligations conveyed in the goods and rights transferred. The assets and liabilities acquired have been included in the accounts of the acquiring company at book value and with the effects that are detailed in Notes 5 to 8 of this annual report.

During 2002 and 2003 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 Corporate Tax Act, now Chapter VIII of Title VII of the Royal Decree Legislation 4/2004. The information on these transactions is provided in the annual reports for 2002 and 2003. These operations were as follows:

- The non-monetary transfer of the branch of concession activity which the Company held for highway operations to Autopistas Concesionaria Española, S.A, Sociedad Unipersonal.
- The increase of the Company's share capital, to cover the share swap established in the Public Takeover Offer made by the Company for the shares in Ibérica de Autopistas, S.A.
- The increase in share capital of the subsidiary company Abertis Logística, S.A., subscribed by the Company through the non-monetary transfer of shares in different subsidiary and associated companies.
- The merger of the company Acesa Infraestructuras, S.A. through the complete takeover of Aurea, Concesiones de Infraestructuras, S.A., and the resulting winding up without liquidation of the latter.

On 25 March 2004 notification was given to Abertis Infraestructuras, S.A. of the start of tax audits for the years 2000 to 2002. With respect to the Corporate Income Tax, the inspection was confined to Abertis Infraestructuras, S.A., both as representative of the Group 142/99, as well as taxable subject. After the close of the financial year, the Tax Administration has initiated various proceedings.

In addition, the Company has been issued the corresponding tax assessments based on examinations made between 1989 and 1993 and for 2000, of a partial nature and under 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. Nevertheless, the amount of tax that may be payable would not have a material impact on the Company's Annual Accounts.

{ Note 15. Income and expenses

a) Income

abertis, operates in five sectors of activity: highway concessions, car parks, logistics and services, telecommunications and airports, 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 average size of the workforce during 2004 was:

Permanent staff	92
Temporary staff	1
Total	93

c) Extraordinary results

Include extraordinary expenses and extraordinary income related with the changes in provisions for shareholdings in subsidiary and associated companies (see Note 7). The extraordinary expenses also include the sum of 23,194 thousand euros corresponding to the difference arising from the recording of the merger with Ibérica de Autopistas, S.A (Note 1.b).

Note 16. Environment

At 31 December 2004, **abertis**, as the parent company of the Group, has no significant assets allocated to the protection and improvement of the environment, nor has it incurred expenses of this nature during the year. Furthermore, it has not received any grants of an environmental nature during the year.

Note 17. Other information on Board Members

In accordance with the provisions of Article 127 ter. 4 of the Spanish Companies Act, pursuant to Law 26/2003, of 17 July, which amended The Securities Exchange Act 24/1988, of 28 July, and the Revised Text of the Spanish Companies Act, aimed at increasing the transparency of listed companies, the companies with the same, similar or complementary activity to Abertis Infraestructuras, S.A., in which members of the Board have shareholdings, as well as their functions, if applicable, are shown below. Those companies controlled by the **abertis** Group are excluded.

Shareholder	Company	Activity	Shareholding	Functions
ACS, Actividades de Construcción y Servicios, S.A.	Concesionaria Vial de los Andes	Infraestructures Concessionaire	0.96%	—
	Dragados Concesiones de Infraestructuras, S.A. and subsidiary companies as listed	Infraestructures Concessionaire	99.99%	—
Dragados Concesiones de Infraestructuras, S.A.	Autovía de la Mancha, S.A.	Infraestructures Concessionaire	66.67%	—
	Bidelan Gipuzkoano Autobideak, S.A.	Infraestructures Concessionaire	50.00%	—
	Sociedad Concesionaria Autopista Central, S.A.	Infraestructures Concessionaire	48.00%	—
	Aerocali, S.A.	Infraestructures Concessionaire	33.33%	—
	Ferrocarriles del Norte de Colombia, S.A.	Infraestructures Concessionaire	71.32%	—
	Aeropuertos Mexicanos del Pacífico, S.A. de C.V.	Infraestructures Concessionaire	28.16%	—

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Shareholder	Company	Activity	Shareholding	Functions
Dragados Concesiones de Infraestructuras, S.A.	MBJ Airports LTD	Infrastructures Concessionaire	35.00%	—
	Road Management A13 PLC	Infrastructures Concessionaire	25.00%	—
	Road Management Services (Darrington) Holding Ltd	Infrastructures Concessionaire	25.00%	—
	Bakwena Platinum Corridor Concesionaire Ltd	Infrastructures Concessionaire	25.00%	—
	Pt Operational Services Ltd	Infrastructures Concessionaire	33.33%	—
	Tag Reg, S.A.	Infrastructures Concessionaire	50.00%	—
	TP Ferro Concesionaria, S.A.	Infrastructures Concessionaire	50.00%	—
	Celtic Road Group	Infrastructures Concessionaire	3.33%	—
	Road Users Services	Infrastructures Concessionaire	27.00%	—
	Inversora de Infraestructuras, S.L.	Infrastructures Concessionaire	99.99%	—
	Sociedad Concesionaria Vespucio Norte Express, S.A.	Infrastructures Concessionaire	54.00%	—
	Circunvalación de Alicante, S.A.	Infrastructures Concessionaire	50.00%	—
	Accesos de Madrid, C.E.S.A.	Infrastructures Concessionaire	15.75%	—
	Autopista Central Gallega, C.E.S.A.	Infrastructures Concessionaire	13.32%	—
	Autopista del Henares, C.E.S.A.	Infrastructures Concessionaire	35.00%	—
	Ruta de los Pantanos, S.A.	Infrastructures Concessionaire	25.00%	—
	Carmelton Group Ltd	Infrastructures Concessionaire	40.00%	—

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Shareholder	Company	Activity	Shareholding	Functions
Dragados Concesiones de Infraestructuras, S.A.	Rutas del Pacífico, S.A.	Infraestructures Concessionaire	50.00%	—
	Desarrollo de Concesiones Ferroviarias, S.L.	Infraestructures Concessionaire	99.99%	—
	Guadalquivir Sociedad Concesionaria de la Junta de Andalucía Guadalmetro, S.A.	Infraestructures Concessionaire	27.83%	—
	Desarrollo de Concesiones Aeroportuarias, S.L.	Infraestructures Concessionaire	99.99%	—
	SCL Terminal Aeropuerto Santiago, S.A.	Infraestructures Concessionaire	14.78%	—
	Scutvias-Autostradas da Beira Interior, S.A.	Infraestructures Concessionaire	26.65%	—
	Autopistas del Sol, S.A.	Infraestructures Concessionaire	8.18%	—
Caixa de Catalunya	Túnel del Cadí	Infraestructures Concessionaire	3.55%	—
	Retevisión Móvil, S.A.	Infraestructures Concessionaire	2.10%	—
Dragados, S.A. (previously Dragados Obras y Proyectos, S.A.)	Ferrocarriles del Norte de Colombia, S.A.	Infraestructures Concessionaire	5.32%	—
	Aufe, S.A.	Infraestructures Concessionaire	78.00%	—
	Aunor, S.A.	Infraestructures Concessionaire	85.00%	—
	Concesionaria Vial del Sur, S.A.	Infraestructures Concessionaire	25.00%	—
	Autopistas del Sol, S.A.	Infraestructures Concessionaire	6.40%	—
Isidro Fainé Casas	Telefónica, S.A.	Communication	0.0001%	Deputy Chairman
Ángel García Altozano	ACS, Actividades de Construcción y Servicios, S.A.	Construction and Services	0.01%	Corporate General Manager
José Luis Olivas Martínez	Acciona, S.A.	Infraestructures Concessionaire	0.0008%	—

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Shareholder	Company	Activity	Shareholding	Functions
José Luis Olivas Martínez	Grupo Ferrovial, S.A.	Infrastructures Concessionaire	0.0008%	—
	Telefónica, S.A.	Telecommunications	0.0002%	—
Montes de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga y Antequera (Unicaja)	Ausur, Servicios de la Autopista, S.A.	Logistics	5.00%	—
	Autopista del Sol Concesionaria Española, S.A.	Infrastructures Concessionaire	15.00%	—
	Autopista del Sureste, Concesionaria Española de Autopistas, S.A.	Infrastructures Concessionaire	5.00%	—
	Inversora de Autopistas del Sur, S.L.	Infrastructures Concessionaire	10.00%	—
	Autopista Madrid Sur Concesionaria Española, S.A., Sociedad Unipersonal	Infrastructures Concessionaire	10.00%	—
	Autopista de la Costa Cálida Concesionaria Española de Autopistas, S.A.	Infrastructures Concessionaire	4.50%	Board Member
	Sociedad Municipal de Aparcamientos y Servicios, S.A.	Car Parks	24.50%	—
	Centro Integral de Mercancías, S.A.	Logistics	10.28%	—
Red de Banda Ancha de Andalucía, S.A.	Telecommunications	10.00%	—	
Auna Operaciones de Telecomunicaciones, S.A.	Telecommunications	2.21%	Board Member	
Islalink, S.A.	Telecommunications	13.70%	—	
Val de Telecomunicaciones, S.L.	Telecommunications	4.46%	—	
Pablo Vallbona Vadell	ACS, Actividades de Construcción y Servicios, S.A.	Construction	0.003%	Deputy Chairman

With respect to office or functions, in accordance with the above-mentioned legislation, set out below is a list of the Board Members that hold positions in companies with activities that are the same, similar or complementary to the corporate purpose of the Company. Companies controlled by the **abertis** Group have not been considered in this case, either.

Shareholder	Company	Activity	Position or function	
ACS, Actividades de Construcción y Servicios, S.A.	Dragados, S.A.	Construction	Board Member	
	ACS, Servicios, Comunicaciones y Energía, S.L.	Construction and Services	Board Member	
	ACS, Servicios y Concesiones, S.L.	Construction and Services	Board Member	
Salvador Alemany Mas	Centro Intermodal de Logística, S.A.	Logistics	Deputy Chairman	
	Accesos de Madrid, Concesionaria Española, S.A.	Highway Concessionaire	Deputy Chairman	
	Alazor Inversiones, S.A.	Highway Concessionaire	Board Member	
	Autostrade, S.p.A	Highway Concessionaire	Board Member	
	Autostrade per l'Italia, S.p.A	Highway Concessionaire	Board Member (until 5/11)	
	Gilberto Benetton	Autostrade, S.p.A	Highway Concessionaire	Board Member
	Isidro Fainé Casas	Autostrade, S.p.A.	Highway Concessionaire	Board Member (until 15/10)
Brisa, Auto-estradas de Portugal, S.A.		Highway Concessionaire	Board Member	
Ángel García Altozano	ACS, Servicios, Comunicaciones y Energía, S.L.	Construction and Services	Board Member	
	ACS, Servicios y Concesiones, S.L.	Construction and Services	Board Member	
	Dragados Concesiones de Infraestructuras, S.A.	Construction and Services	Board Member	
	Dragados, S.A.	Construction	Board Member	
	ACS- Sonera Telefonía Móvil, S.L.	Communication	Chairman	
	Xfera Móviles, S.A.	Communication	Chairman	
	Broadnet Consorcio, S.A.	Communication	Chairman	
	Vías y Construcciones, S.A.	Construction	Board Member	

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Shareholder	Company	Activity	Position or function
	Cobra Instalaciones y Servicios, S.A.	Construction and Services	Board Member
Miguel Ángel Gutiérrez Méndez	Telefónica Internacional	Communication	Board Member
	Telefónica Argentina	Communication	Board Member
Pablo Vallbona Vadell	ACS, Actividades de Construcción y Servicios, S.A.	Construction	Deputy Chairman (non-Executive)

Additionally, one of the main activities of the ACS Group is the promotion, management and operation of transport infrastructures.

{ Note 18. 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 net profits. Such remuneration can only be paid out once the payment of dividends and transfers to reserves required by law are covered and cannot 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 Infraestructuras, S.A., as members of the Board of Directors, totalled 1,533 thousand euros in 2004, which is less than the statutory limit.

Total remuneration received by the Board Members of Abertis Infraestructuras, S.A. was 2,014 thousand euros, which corresponds to fixed remuneration.

In addition, other benefits that Board Members of Abertis Infraestructuras, S.A. have received contributions made to cover pension liabilities (1,759 thousand euros) and life insurance (37 thousand euros).

Abertis Infraestructuras, S.A. does not use a 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) At 31 December the Company has given guarantees with third parties for a total amount of 122,171 thousand euros, which principally correspond to guarantees backed by financial institutions to Public Administrations for certain commitments (investments, operation of services, financing, etc.) contracted by subsidiary and associated companies. It is not expected that these guarantees will lead to unexpected material liabilities.

c) Fees received by PricewaterhouseCoopers Auditores, S.L. for statutory auditing services corresponding to the 2004 financial year totalled 93 thousand euros and 88 thousand euros for other auditing work. In addition, the fees received by other companies trading under the name PricewaterhouseCoopers for other services provided to the Company totalled 148 thousand euros.

{ Note 19. Subsequent events

During 2005, ACDL has completed the Public Takeover Offer for the Shares of the TBI Group, taking full control of the share capital.

Note 20. Source and application of funds
(thousand euros)

Source	2004	2003
<i>Resources from operations</i>		
Net profit for the year	361,076	329,017
Charge for depreciation of fixed assets	20,274	2,826
Charge to investment provision	20,098	28,475
Transfer of deferred expenses to results	6,514	5,241
Losses on fixed assets	—	5
Charge to provision for expenses and liabilities	2,627	—
Profit from investments	—	(3,501)
Profit from fixed assets	(850)	(15,243)
	409,739	346,820
<i>Capital increase due to merger</i>		
	—	927,877
<i>Provision for expenses and liabilities due to merger</i>		
	—	6,512
<i>Increase in long-term creditors due to merger</i>		
	234,118	346,839
<i>Long-term debt</i>		
Bonds	450,000	350,000
Loans	37,235	60,102
Debts with Group companies	472,725	—
<i>Transfer of fixed assets</i>		
Intangible fixed assets	53	50
Fixed assets	3,548	22,400
Investments	638,373	184,618
<i>Other creditors</i>		
	—	2,511
Total sources	2,245,791	2,247,729

Application	2004	2003
<i>Acquisition of fixed assets</i>		
Start-up costs	197	1,104
Intangible fixed assets	255	386
Tangible fixed assets	21	619
<i>Investments</i>		
Group companies	217,991	322,921
Other financial investments	—	383
Long-term loans to Group companies	1,030,904	11,483
<i>Increase in assets and deferred expenses due to merger</i>	<i>239,313</i>	<i>1,424,487</i>
<i>Increase in deferred expenses</i>	<i>3,355</i>	<i>—</i>
<i>Cancellation of long-term debt</i>	<i>234,118</i>	<i>—</i>
<i>Dividends</i>	<i>243,414</i>	<i>197,350</i>
<i>Provision for expenses and liabilities</i>	<i>1,759</i>	<i>8,402</i>
<i>Reduction in payments pending</i>	<i>1,126</i>	<i>—</i>
<i>Transfer of short-term debt to long-term</i>	<i>170,000</i>	<i>—</i>
Total applications	2,142,453	1,967,135
<i>Excess of sources over applications /(applications over sources)</i>		
Increase/(Decrease) of working capital	103,338	280,594
Change in working capital		
<i>Increase/(Decrease) current assets</i>		
Receivables	2,229	(1,351)
Short-term investments	(176,120)	383,817
Treasury	566	2,333
Payments and accruals	—	(2)
	(173,325)	384,797
<i>(Increase)/Decrease current liabilities</i>		
Short-term creditors	276,663	(104,203)
Change in working capital	103,338	280,594

ANNEX*

Direct shareholdings

(thousand euros)

Company	Registered office	Activity	Auditors	% Holding	Share capital	Reserves (less interim divid.)	Result for year	Value of shareholding	Dividends received
Abertis Infraestructuras Finance, B.V.	Rokin, 55 1012KK. Ámsterdam (Netherlands)	Financing	—	100.00	18	1,982	(23)	2,000	—
Serviabertis, S.L.	Av. del Parc Logístic, 12-20. Barcelona	Management services	PwC	100.00	3	—	7	3	—
Highways									
Autopistas, C.E.S.A. (ACESA)	Av. del Parc Logístic, 12-20. Barcelona	Toll highway concessionaire	PwC	100.00	876,465	544,443	245,039	1,647,187	249,510
Autopistas Aumar, S.A.U.C.E. (AUMAR)	Paseo de la Alameda, 36. Valencia	Toll highway concessionaire	PwC	100.00	419,643	442,461	139,244	991,587	147,042
Iberpistas, S.A.U.C.E.	Pío Baroja, 6. Madrid	Toll highway concessionaire	PwC	100.00	50,000	110,705	47,157	223,560	40,004
Aurea Limited	180 Strand. London (United Kingdom)	Holding company of concessionaires	Other auditors	100.00	14,182	—	1,312	23,363	1,893
Promoción de Autopistas Chile Limitada (Iberpistas Chile)	Gertrudis Echenique, 30. Las Condes-Santiago (Chile)	Toll highway concessionaire	PwC	100.00	527	1,488	41	805	—
Gestión Integral de Concesiones, S.A. (GICSA)	Montalbán, 5. Madrid	Infrastructures administration and management	—	100.00	60	174	124	60	—
Autopistas de León, S.A.C.E. (AULESA)	Villadangos del Páramo. Ctra. Santa María del Páramo. León	Toll highway concessionaire	PwC	79.20	34,642	11,250	(733)	43,168	—
Autopistas de Puerto Rico y Compañía, S.E. (APR)	Montellano Sector Embalse. San José (Puerto Rico)	Infrastructures concessionaire	Other auditors	75.00	1,099	(11,588)	903	4,640	—
Autopista Trados-45, S.A. (TRADOS-45)	Ctra. M-203 P.K. 0,280. Madrid	Infrastructures concessionaire	PwC	50.00	27,648	3,122	7,599	46,746	3,533
Concesionaria Vial de los Andes, S.A. (COVIANDES) ⁽¹⁾	Carrera novena, 126-91. Santafé de Bogotá (Colombia)	Infrastructures concessionaire	Other auditors	39.04	8,602	37,269	12,635	17,789	5,932

* This annex forms an integral part of Note 7 to these 2004 Annual Accounts, with which it should be read.

Direct shareholdings

(thousand euros)

Company	Registered office	Activity	Auditors	% Holding	Share capital	Reserves (less interim dividend)	Result for year	Value of shareholding	Dividends received
Pt Operational Services Limited (PTY)	1 Lavender Road Bon Accord 009 Pretoria (South Africa)	Operation and maintenance	Other auditors	33.30	0	(715)	2,281	—	752
Autopistas del Sol, S.A. (AUSOL)	Leandro N. Alem, 986, Piso 4. Buenos Aires (Argentina)	Toll highway concessionaire	PwC/ Other auditors	31.59	43,585	(195,920)	57,215	147,548	—
Sociedad Concesionaria del Elqui, S.A. (ELQUI)	Av. Andrés Bello, 2777- Las Condes. Santiago (Chile)	Toll highway concessionaire	Other auditors	25.00	72,308	18,114	13,920	22,748	—
Concesiones de Madrid, S.A. (CONCEMA)	Av. Europa, 18. Alcobendas. Madrid	Infrastructures concessionaire	Other auditors	25.00	28,798	1,370	4,587	21,977	1,209
Infraestructuras y Radiales, S.A. (IRASA)	Golfo de Salónica, 27. Madrid	Infrastructures administration and management	Other auditors	22.50 ⁽²⁾	8,228	56,400	(16,598)	12,191	—
Car parks									
Saba Aparcamientos, S.A. (SABA)	Av. del Parc Logístic, 12-20. Barcelona	Car park operator	PwC	99.26	18,243	99,681	14,825	231,244	11,756
Logistic Services									
Abertis Logística, S.A.	Av. del Parc Logístic, 12-20. Barcelona	Logistics promotion and technical assistance	PwC	100.00	55,832	11,230	(624)	66,993	—
Telecommunications									
Abertis Telecom, S.A.	Av. del Parc Logístic, 12-20. Barcelona	Telecommunication services	—	100.00	300,000	9,160	(5,948)	326,433	—
Airports									
Airport Concession and Development Limited (ACDL)	159 New Bond Street London W1S 2UD (United Kingdom)	Holding company of airport companies	—	90.00	22,072	198,648	—	204,224	—
Compañía de Desarrollo Aeropuerto Eldorado, S.A. (CODAD) ⁽¹⁾	Carrera 13, n° 93-40. Santafé de Bogotá (Colombia)	Airport construction and maintenance	Other auditors	85.00	11,455	2,823	11,615	45,751	2,755
								4,080,017	464,616

Foreign currency amounts are converted to euros using year-end exchange rates.

* This annex forms an integral part of Note 7 to these 2004 Annual Accounts, with which it should be read.

Indirect shareholdings

(thousand euros)

Company	Registered office	Activity	Auditors	% Indirect holding	Company that owns indirect holding	Share capital	Reserves (less interim dividend)	Profit for year
Through AUTOPISTAS, C.E.S.A.								
Autopistas-Conces. Espanhola, SGPS, S.A.	Rua General Norton de Matos, 21-A. Arquiparque Algés Oeiras (Portugal)	Holding company of concessionaires	PwC	100.00	acesa	1,000	308,358	42
Brisa, Auto-estradas de Portugal, S.A. ⁽³⁾	Quinta da Torre da Aguilha, Edificio Brisa, 2785-589. Sao Domingos de Rana (Portugal)	Toll highway concessionaire	Other auditors	10.00	Autopistas-Conces. Espanhola, SGPS	600,000 ⁽⁴⁾	606,052 ⁽⁴⁾	101,183 ⁽⁴⁾
Acesa Italia, S.R.L.	Via delle Quattro Fontane, 15. Rome (Italy)	Holding company of concessionaires	PwC	100.00	acesa	166,341 ⁽⁵⁾	4,080 ⁽⁵⁾	1,188 ⁽⁵⁾
Schemaventotto, S.p.A.	Calmaggiore, 23. Treviso (Italy)	Holding company of concessionaires	Other auditors	13.33	Acesa Italia	445,536	951,467	561,635
Autostrade, S.p.A. ⁽⁶⁾	Via A. Bergamini, 50. Rome (Italy)	Toll highway concessionaire	Other auditors	6.95	Schemaventotto	571,712 ⁽⁴⁾	428,492 ⁽⁴⁾	117,598 ⁽⁴⁾
Autopistes de Catalunya, S.A. (AUCAT)	Av. del Parc Logístic, 12-20. Barcelona	Toll highway concessionaire	PwC	100.00	acesa	96,160	15,178	23,298
Grupo Concesionario del Oeste, S.A. (GCO) ^(1 and 7)	Ruta Nacional n° 7, km 25,92. Ituzaingó (Argentina)	Toll highway concessionaire	PwC	48.60	acesa	20,160	(9,379)	3,828
Túnel del Cadí, S.A.C.	Carretera de Vallvidrera a St. Cugat, km 5,3. Barcelona	Toll highway concessionaire	Other auditors	37.19	acesa	105,504	8,405	2,371
Autopista Terrassa-Manresa, Autema, Concessionària de la Generalitat de Catalunya, S.A. (AUTEMA)	Autopista C-16, km 41. Barcelona	Toll highway concessionaire	PwC	23.72	acesa	69,411	(3,485)	14,031
Through AUMAR, S.A								
Ciralsa, S.A.C.E.	Av. Maisonnave, 41. Alicante	Construction, conservation and operation of toll highways	—	25.00	aumar	50,167	—	—
Through IBERPISTAS, S.A.C.E.								
Castellana de Autopistas, S.A.U.C.E.	Pío Baroja, 6. Madrid	Toll highway concessionaire	PwC	100.00	iberpistas	46,800	187,591	(91)

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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)	Profit for year
Iberavasa de Inversiones, S.L.U.	Pío Baroja, 6. Madrid	Holding company	PwC	100.00	iberpistas	24,207	15,568	3,808
Autopistas Vasco-Aragonesa, C.E.S.A. (AVASA)	Barrio de Anuntzibai, s/n 48410. Orozco. Vizcaya	Toll highway concessionaire	Other auditors	50.00 ⁽⁸⁾	Iberavasa	234,000	5,240	45,631
Áreas de Servicio y Mantenimiento, S.A.	Autopista A68, km 6. Vizcaya	Food services	—	50.00	Avasa	600	643	(3)
Vasco-Aragonesa de Servicios y Concesiones, S.A.	Barrio de Anuntzibai, s/n. Vizcaya	Inactive	—	50.00	Avasa	110	4	1
Iberacesa, S.L.	Caleruega, 102-104. Madrid	Holding company of concessionaires	—	100.00	iberpistas	32,229	7,212	(1,141)
Ingeniería y Sistemas de Gestión de Autopistas, S.A. (ISGASA)	Pío Baroja, 6. Madrid	Technical engineering services	—	100.00	Iberacesa	61	1,081	779
Alazor Inversiones, S.A.	Rozabella, 6. Las Rozas. Madrid	Holding company of concessionaires	Other auditors	23.34	Iberacesa	199,000	5	(6,077)
Accesos de Madrid, C.E.S.A.	Rozabella, 6. Las Rozas. Madrid	Toll highway concessionaire	Other auditors	23.34	Alazor Inversiones	199,000	5	(6,001)
Tacel Inversiones, S.A.	Hórreo, 11. Santiago de Compostela	Holding company of concessionaires	Other auditors	18.00	Iberacesa	32,250	(852)	(1,138)
Autopista Central Gallega, C.E.S.A.	Hórreo, 11. Santiago de Compostela	Toll highway concessionaire	Other auditors	18.00	Tacel Inversiones	32,250	(856)	(1,110)
Ibermadrid de Infraestructuras, S.A.	Pío Baroja, 6. Madrid	Study, promotion and construction of civil work infrastructures	—	100.00	iberpistas	500	(147)	5
Proconex, S.A.	Pío Baroja, 6. Madrid	Operation of subleased service areas	—	100.00	iberpistas	100	(870)	1,317
Through Aurea Ltd.								
Road Management Group (RMG)	130 High Street Old Woking Surrey (United Kingdom)	Toll highway concessionaire	Other auditors	25.00	Aurea Limited	35,931	60,083	10,222
Through Iberpistas Chile								
Gestora de Autopistas, S.A. (GESA)	Andrés Bello, 2777. Las Condes. Santiago (Chile)	Toll highway concessionaire	PwC	51.00	Iberpistas Chile	1,058	1,015	162

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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)	Profit for year
Through Trados 45								
M-45 Conservación, S.A.	Ctra. M-203 P.K. 0,280. Madrid	Highway and conservation concessionaire	—	37.50	Trados 45/ CONCEMA	553	—	—
Through INFRAESTRUCTURAS Y RADIALES, S.A.								
Autopista del Henares, S.A.C.E. (HENARSA)	Golfo de Salónica, 27. Madrid	Toll highway concessionaire	Other auditors	22.50	Infraestructuras y radiales	96,700	328,897	(2,358)
Erredosa Infraestructuras, S.A. (ERREDOSA)	Golfo de Salónica, 27. Madrid	Infrastructure administration and management	Other auditors	22.50	Infraestructuras y radiales	61	(3)	(2)
Through SABA								
Saba Estacionamientos de Chile, S.A.	Andrés Bello, 2777. Las Condes. Santiago (Chile)	Car park operator	PwC	99.26	saba	11,500	(60)	(89)
Concesionaria Subterra	Andrés Bello, 2777. Las Condes. Santiago (Chile)	Car park operator	PwC	99.26	Saba Chile	1,248	(115)	260
Concesionaria Subterra Dos	Andrés Bello, 2777. Las Condes. Santiago (Chile)	Car park operator	PwC	99.26	Saba Chile	805	1	(55)
Spel-Sociedade de Parques de Estacionamento, S.A. (SPEL)	Guedes de Azevedo, 148-180. Oporto (Portugal)	Car park operator	PwC	99.26	saba	6,000	22,889	81
Liz Estacionamientos	Guedes de Azevedo, 148-180. Oporto (Portugal)	Car park operator	PwC	50.62	Spel	500	10	59
Parbla, S.A.	Sabino Arana, 38. Barcelona	Car park operator	—	99.26	saba	3	1,172	27
Societat Pirenaica d'Aparcaments, S.A. (SPASA)	Pau Casals, 7. Escaldes-Engordany (Principality of Andorra)	Car park operator	—	89.33	saba	301	32	140
Societat d'Aparcaments de Terrassa, S.A. (SATSA)	Plaça Vella, subsuelo. Terrassa	Car park operator	PwC	87.39	saba	7,313	434	891
Saba Italia, S.p.A.	Via delle Quattro Fontane, 15. Rome (Italy)	Car park operator	PwC	59.56	saba	28,600	3,713	(2,704)

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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)	Profit for year
Saba Campo San Giacomo	Via delle Quattro Fontane, 15. Rome (Italy)	Car park operator	—	58.96	Saba Italia	100	—	(6)
Parceggi Pisa	Via delle Quattro Fontane, 15. Rome (Italy)	Car park operator	—	41.69	Saba Italia	50	—	(6)
Parceggi Bicocca	Via Gaetano Negri, 10. Milan (Italy)	Car park operator	—	14.89	Saba Italia	1,500	—	(1,323)
Port Mobility	Località Porto del Turco, 53. Civitavecchia Rome (Italy)	Car park operator	—	5.96	Saba Italia	1,500	—	—
Rabat Parking, S.A.	Rue de Larache, 8. Rabat (Morocco)	Car park operator	Other auditors	50.62	saba	1,879	(328)	(34)
Las Mercedes Sociedad Concesionaria, S.L.	Las Mercedes, s/n. Las Arenas-Getxo. Vizcaya	Car park operator	—	33.33	saba	611	—	(34)
Through ABERTIS LOGÍSTICA								
Sevisur Logística, S.A.	Moratin, 1. Seville	Construction and operation of logistics area	PwC	60.00	abertis logística	3,000	(59)	(173)
Parc Logístic de la Zona Franca, S.A. (PLZF)	Av. del Parc Logístic, 2-10. Barcelona	Promotion and operation of logistics area	Other auditors	50.00	abertis logística	23,742	(622)	1,529
Areamed 2000, S.A.	Vía Augusta, 21-23, Barcelona	Operation of service areas	Other auditors	50.00	abertis logística	70	7,608	1,882
Araba Logística, S.A. (ARASUR)	Olaguibel, 2. Vitoria	Construction and operation of logistics area	PwC	39.77	abertis logística	6,408	1,548	(217)
Centro Intermodal de Logística, S.A. (CILSA)	Av. Ports d'Europa, 100. Barcelona	Promotion and operation of logistics area	Other auditors	32.00	abertis logística	15,467	25,304	1,040
Through ABERTIS TELECOM								
Difusió Digital Societat de Telecomunicacions, S.A. (TRADIA)	Motors, 392. L'Hospitalet de Llobregat. Barcelona	Telecommunication infrastructures operator	Other auditors	100.00	abertis telecom	131,488	(33,029)	225
Adquisición de emplazamientos, S.L. (ADESAL)	Motors, 392. L'Hospitalet de Llobregat. Barcelona	Inactive	—	100.00	tradia	3	(0.3)	—

* This annex forms an integral part of Note 7 to these 2004 Annual Accounts, with which it should be read.

Indirect shareholdings

(thousand euros)

Company	Registered office	Activity	Auditors	% Indirect holding	Company that owns indirect holding	Share capital	Reserves (less interim dividend)	Profit for year
Retevisión I, S.A.	Gran Via de les Corts Catalanes, 130-136. Barcelona	Telecommunication infrastructures operator	Other auditors	100.00	abertis telecom	81,270	118,193	7,003
Torre de Collserola, S.A.	Ctra. de Vallvidrera al Tibidabo, s/n. Barcelona	Construction and operation of telecommunication infrastructures	Other auditors	41.75	Retevisión I	12,020 ⁽⁵⁾	564 ⁽⁵⁾	107 ⁽⁵⁾
Through ACDL								
TBI, plc ⁽⁹⁾	159 New Bond St. London W1S 2UD (United Kingdom)	Airport operator	PwC	26.28	ACDL	81,388	331,974	14,381 ⁽¹⁰⁾

Foreign currency amounts converted to euros using the year-end exchange rate.

- (1) Financial statements at 31 December 2004 without including the effect of inflation considered in local criteria.
- (2) Direct shareholding of **abertis** 15%. Indirect holding through Iberpistas S.A.C.E and Avasa of 7.5%.
- (3) The shares of Brisa, Auto-estradas de Portugal, S.A. are traded on the Lisbon Stock Exchange. The average weighted price in the last of quarter 2004 was 6.47 euros. At year-end the price was 6.75 euros.
- (4) Information at 30 June 2004.
- (5) Information at 31 December 2003.
- (6) The shares of Autostrade, S.p.A. are traded on the Milan Stock Exchange. The average weighted price in the last quarter of 2004 was 17.907 euros. At year-end the price was 19.70 euros.
- (7) The shares of GCO are traded on the Argentina Stock Exchange. The average weighted price in the last quarter of 2004 was 1.36 Argentine pesos. At year-end the share price was 1.66 Argentine pesos. 57.6% of the voting rights are held.
- (8) The shares of Avasa are pledged by virtue of the share pledge agreement dated 2/8/2001 as guarantee on a loan.
- (9) Group that was listed on the London Stock Exchange until its acquisition by ACDL. This Group is made up of various companies in different countries and operates (under concession or ownership) eight international airports (Europe, United States and Latin America) and manages fully or partially, on behalf of governments or local authorities, another six airports.
- (10) Corresponds to the 9 months of the financial year to 31 December 2004.

ABERTIS INFRAESTRUCTURAS, S.A.

Management Report for 2004

2004 was the second full year of activity for Abertis Infraestructuras, S.A. (**abertis**), one of the leading managers of mobility and communications infrastructures operating in the sectors of highways, car parks, logistic infrastructures, telecommunication infrastructures and airports.

As head of an important business group, the objective of **abertis** is to continue offering its shareholders a balanced combination of investments in the above-mentioned sectors that ensure an adequate combination of low risk, growth and yield. In this respect, the following events in 2004 should be highlighted:

- In the highways sector, the award of the Alicante Ring Road tender to a consortium in which **abertis** holds 25%, the start of operations of Radial 3 and 5 in Madrid (23% share held by **abertis**), the acquisition of 0.5% shareholding in Schemaventotto (company that groups the core shareholders of Autostrade) and the capital gains on the sale by Schemaventotto of 10% of Autostrade and the sale by Autostrade of 5% of **abertis**. With the objective of rationalising the ownership structure of the Group the operations of **abertis** and **iberpistas** (100% owned) have been merged.
- In the car parks sector, during the year **saba** reached an important agreement on a new fee model with the Barcelona City Council, along with an investment plan to improve the car parks and an extension of the concessions. It has commenced its expansion in Chile with the acquisition of 6 car parks and has embarked on the construction of new car parks in Italy, one of the two main axes, together with Portugal, of its international expansion until entering Latin America.
- In the logistic infrastructures sector, development of the logistics projects at Alava, Seville and ZAL Prat, in which **abertis** is a shareholder, continues according to plan and the Logistics Park of Zona Franca and ZAL Barcelona are fully occupied.
- In the telecommunication infrastructures sector, the inclusion of Retevisión Audiovisual in the accounts for 2004 should be noted, having been acquired at the end of 2003, as well as the increase in the shareholding in Torre de Collserola to become the main shareholder with 41.75%.
- Lastly, in the airports sector the company ACDL was incorporated at the end of the year and presented a Public Takeover Offer for the British airport operator TBI, which was successfully completed in 2005 by taking 100% control. At the end of 2004, investment totalled 204.2 million euros for the acquisition of 29% of TBI.

All these actions, combined with the positive performance of the other businesses and activities, have had a positive impact on the key figures and results for the year, and form the base for growth in coming years.

The balance sheet of **abertis** clearly reflects its position as parent company of the Group and mainly comprises the portfolio of shareholdings, on the assets side, and by the financing of these holdings through equity and debt, on the liabilities side.

During 2004 the financial structure of the Group has been optimised, centralising the debt in **abertis**, which is responsible for covering the funding requirements of the subsidiary companies. In addition, there has been an important transfer of short-term debt to long-term debt, enabled to a large extent by the bond issues made in November 2004, in which **abertis** (through its subsidiary Abertis Infraestructuras Finance BV) concluded a private debt placement of long-term bonds on the US market valued at 600 million dollars (the largest placement in the US Private Placement market made by a Spanish company during the year), and in February 2004, when **abertis** made a bond issue to institutional investors, also in the international market under Spanish law and documentation, of 450 million euros.

In 2004, the profit and loss account basically reflects the transfer of the results generated in the different companies of the Group, through the dividend policy, as well as the costs derived from the corporation structure and the financing of the investments in subsidiary and associated companies. The profit for the year rose to 361 million euros, which represents an increase of 9.7% on the previous year and allows **abertis** to ensure, in turn, its policy of shareholder return.

As in previous years, **abertis** has maintained its policy of shareholder return that combines the dividend payout with a bonus share issue of one share for every 20 shares held.

The Board of Directors of **abertis** has agreed to propose to the Ordinary Shareholders' Meeting a final dividend for 2004 of 0.25 euros gross per share, which represents an increase of 12.1% on the final dividend of the previous year, an indication of the confidence in the consolidation of the return on investments made in recent years and their growing contribution to profits.

The total dividend charged against results for 2004 will be 264 million euros, including the interim dividend already paid, representing an increase of 11.3% on the dividend payout of the previous year.

In 2005 it is expected that the positive contribution of all business units will continue, accentuated by the progressive contribution of all new projects and the most recent incorporations in the Group, with the policy on shareholder return being maintained.

The Company has not traded, directly or indirectly, in its own shares with the exception of the acquisition of 111,601 shares in the context of the merger with **iberpistas**. Due to the small number of shares required for the share swap (0.16% of the share capital of **iberpistas**), the issue of new **abertis** shares to exchange with the shareholders of **iberpistas** was substituted, on prior approval of the Shareholders' Meeting, by the acquisition of treasury stock that were subsequently exchanged with the minority shareholders.



{ Parent Company Auditor's Report

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

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 114 to 154, consisting of the balance sheet at 31 December 2004, 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 2004 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 294,423 thousand, in direct shareholding, and Euros 884,640 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 2004. Our opinion refers solely to the annual accounts for 2004. On 19 March 2004, we issued our audit report on the annual accounts for 2003, in which we expressed an unqualified opinion.

According to Note 2. b) to the accompanying accounts, the annual accounts for 2004 are not directly comparable with those for 2003 due to the fact that 2004 carries the impact, effective in accounting terms as from 1 January 2004, of the merger with Ibérica de Autopistas, 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 2004 present fairly, in all material respects, the shareholders' equity and financial position of Abertis Infraestructuras, S.A. at 31 December 2004 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 2004, set out on pages 155 and 156, 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 2004. 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

11 March 2005

abertis

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