



**OHL Group
Sustainable Development Report
2004**

OHL Sustainability Key Indicators 2004

KEY ECONOMIC MANAGEMENT INDICATORS

Indicator	2004	% Var. 2004-2003	2003
Net Sales	2,230.5	5.6	2,111.8
Net Operating Income (Ebit)	162.9	13.9	143.0
Attributable Income	57.4	18.4	48.5
Shareholders' Equity	527.8	7.0	493.1
Total Backlog	16,466.6	17.9	13,965.0
Market Capitalization	564.1	6.4	530.1

KEY SOCIAL RESPONSIBILITY INDICATORS

Indicator	2004	% Var. 2004-2003	2003
Net Job Creation (number of employees at close)	11,033	13.5	9,721
Temporary Employment (on average number of employees in the year)	37.3%	(6.8)	40.0%
Training (total hours on average number of employees)	17.7	26.4	14.0
Occupational Accidents. Incidence Index	5,303	(0.8)	5,344
Investment in Society-Oriented Activities in Spain (thousands of euros)	1,887.8	136.5	798.1

KEY ENVIRONMENTAL MANAGEMENT INDICATORS

Indicator	2004	% Var. 2004-2003	2003
Hours of Environmental Training	4,796	37.0	3,500
Environmental Expenditure (thousands of euros)	275	539.5	43
Collaborating Companies Certified in ISO 14.001	408	-	n.av.
Building Construction Work Adhering to the Good Neighbor Code (% of total)	2.4%	-	n.ap.
Formal Notifications Regarding Environmental Matters or Disturbance Caused (total number)	6	(14.3)	7

n.av.: not available - n.ap.: not applicable

KEY INDICATORS IN RESEARCH, DEVELOPMENT AND INNOVATION

Indicator	2004	% Var. 2004-2003	2003
Net Investment in R&D&I (thousands of euros)	2,785	41.2	1,972
Investment in R&D&I on Income	4.9%	19.5	4.1%

The OHL Group Sustainability Policy

OHL deems it necessary that progress be made in conditions of sustainability, a concept integrated in its business culture, convinced that this constitutes the most effective channel for growth and consolidation.

OHL bases its strategies on the economic development of the company, that of its employees and that of society as a whole, making the exercise and progress of its activities compatible with a natural, dynamic, positive evolution of economic, social and environmental systems.

The establishment of this perspective and these values is traditional in OHL, since from its beginnings the organization has been working on the application and establishment of policies ensuring the consolidation and competitiveness of the Group, the protection and improvement of the environment, the quality of its products and services, and the attainment of a safe and stable work environment.

This OHL policy is based on the following principles of sustainability:

Business Development Strategy

OHL has designed a model of social, environmental and economic management which puts above all the creation of value through time, with the participation of the stakeholders.

Commitment

OHL is aware of the influence of its activities on the social, environmental and economic surroundings, and consequently its action is always respectful and responsible, taking on a commitment of ongoing improvement, transparency and integration of the opinion of the stakeholders.

Implication

OHL does not aim to be a mere economic agent, and therefore strives to collaborate and participate in increasing well-being and progress for present and future generations.

Innovate to Endure

OHL puts its stakes on the present, but also on the future, reflecting its strategy by posing objectives aimed at economic, environmental and social improvement, which make it possible to establish new ways of relating to the natural environment and to communities.

Information

Continually applying criteria of transparency, OHL has taken on the commitment to keeping the stakeholders informed fluently and accurately about the actions regarding its sustainable development policy.

Juan-Miguel Villar Mir
Chairman



2004

		Contents
Letter of the Chairman		3
OHL in Profile		5
Mission and Strategy	6	
OHL Group Map	7	
Key Economic Indicators 2004	8	
Foundations for Development		13
Sustainability Commitment and Policy	14	
United Nations Global Compact	15	
Organizational Structure and Working Method	17	
Relations with the Stakeholders	20	
Research, Development and Innovation	22	
Corporate Governance		25
Good Governance Commitment and Policy	26	
Government Structure	27	
Action Taken for Good Governance	30	
Social Responsibility		33
Social Responsibility Commitment and Policy	34	
Social Activities	35	
Work-Related Actions	35	
Society-Oriented Activities	43	
Key Indicators 2004	49	
Environmental Responsibility		53
Environmental Commitment and Policy	54	
Environmental Activities	55	
Environmental Management	55	
Control of Environmental Aspects	59	
Key Indicators 2004	65	
GRI Criteria Index		69
OHL Sustainability Factors Index		72
Contacts		



Juan-Miguel Villar Mir
OHL Group Chairman



Letter

from the Chairman



In recent years, the concept of sustainable development, as a principle integrated in corporate operational management, has made notable headway. This is the way we at OHL conceive it, as we put into practice business strategies which never lose sight of economic efficiency and the appropriate environmental and social measures in all activities of the Group and of the stakeholders.

For this reason, it is a great pleasure for me to present the OHL Group Sustainable Development Report corresponding to the year 2004 which, for the second consecutive year, makes it possible to show clearly and accurately the commitment, policies, objectives, activities and results of the Group in matters of corporate social responsibility.

OHL has striven to situate its corporate government at the best level, anticipating changes in design and organization in order to generate greater security, control and transparency. The obtainment of good results, together with social and environmental commitment, have come to confirm a model of value creation in which, precisely, this anticipation generates advantages for the OHL Group and for society as a whole.

For a better understanding and monitoring of the activities undertaken and the improvements attained, this Report includes all the key indicators enabling the evaluation of the favorable performance of the Group, with a perspective of already three years. Furthermore, with the aim of properly structuring this document in a standardized context, an index is provided offering a correlation between the contents of the Report and the criteria of the Global Reporting Initiative (GRI) guide, as well as the internal criteria defined by OHL as being significant for propitiating sustainable development.

It would be fitting to indicate that this Report reveals and reinforces the commitment which OHL has with the principles of the United Nations Global Compact, explaining the criteria used for definition, formalization and operational integration throughout the Group.

Lastly, I would like to express my desire that the annual Report be consolidated as an increasingly valuable tool, one which in pursuing the ultimate aim of creating value in conditions of sustainability will enable our customers, our human team, investors and all other individuals and organizations having an interest in the proper functioning of the Group, to learn about, analyze and help improve the activities carried out by OHL in relation to sustainable development.

Juan-Miguel Villar Mir
Chairman of the Board of Directors



*"**P**rogressing in conditions of sustainability confirms a model which creates value, in which policies of anticipation and transparency generate advantages for the OHL Group and for society as a whole"*

Mariano Aísa Gómez
Corporate Deputy Chairman



OHL IN PROFILE



MISSION AND STRATEGY

OHL GROUP MAP

KEY ECONOMIC MANAGEMENT INDICATORS 2004

1

OHL IN PROFILE



Mission and Strategy

Our ultimate mission is to create value in conditions of economic, social and environmental sustainability, catering to the specific interests of our clients, of the human team comprising the Group, of the investors and of all of the individuals and entities having a stake in the proper functioning of the company.

For the near future a series of basic business and corporate strategies have been defined in the OHL Group.

OHL Business and Corporate Strategies

Business Strategies:

- Continuity in the growth of construction activity in Spain, especially in Civil Engineering.
- Potent development of the Concessions activity, where the greatest part of future investments lies.
- Promotion of Construction Abroad, basically in Latin America and Central and Eastern Europe. Maintaining criteria of prudence regarding the certainty of collection for work performed and minimizing risks in the results.
- Maintaining a presence in the businesses of environmental services, urban and infrastructure services and social facilities.

Corporate Strategies:

- To continue with the criterion of anticipation in the design and organization of the government of the company, and in compliance with norms and regulations in order to generate greater security, increased control and greater transparency.
- Permanent long-term profitability objective.
- Commitment to maintaining a solid financial structure based on the utilization of long-term financial resources.
- Stimulus of the level of satisfaction, motivation and professional qualification of employees through training and other opportunities for improvement.



- Encouragement of innovation and applied research in the Group through annual plans for R&D&I.
- Promotion of sustainable development policies as a guarantee for growth.
- Commitment with the principles of the United Nations Global Compact, to which OHL adheres.



OHL Group Map

The activities of the Group are comprised of three principle lines:

Sales distribution in 2004:

CONSTRUCTION	83%
CONCESSIONS	7%
SERVICES	10%

In 2004, OHL Group sales amounted to **2,230.5 million euros**

Construction and concessions are core activities of OHL.

CONSTRUCTION (83%)

CIVIL ENGINEERING

ROADS
HYDRAULIC WORKS
RAILWAYS
MARITIME
OTHER CIVIL ENGINEERING WORKS

BUILDING CONSTRUCTION

RESIDENTIAL BUILDINGS
OTHER BUILDINGS

CONCESSIONS (7%)

HIGHWAYS
AIRPORTS
PORTS

SERVICES (10%)

ENVIRONMENTAL SERVICES (INIMA)

DESALINATION
WATER PURIFICATION

URBAN AND INFRASTRUCTURE SERVICES (ELSAN-PACSA)

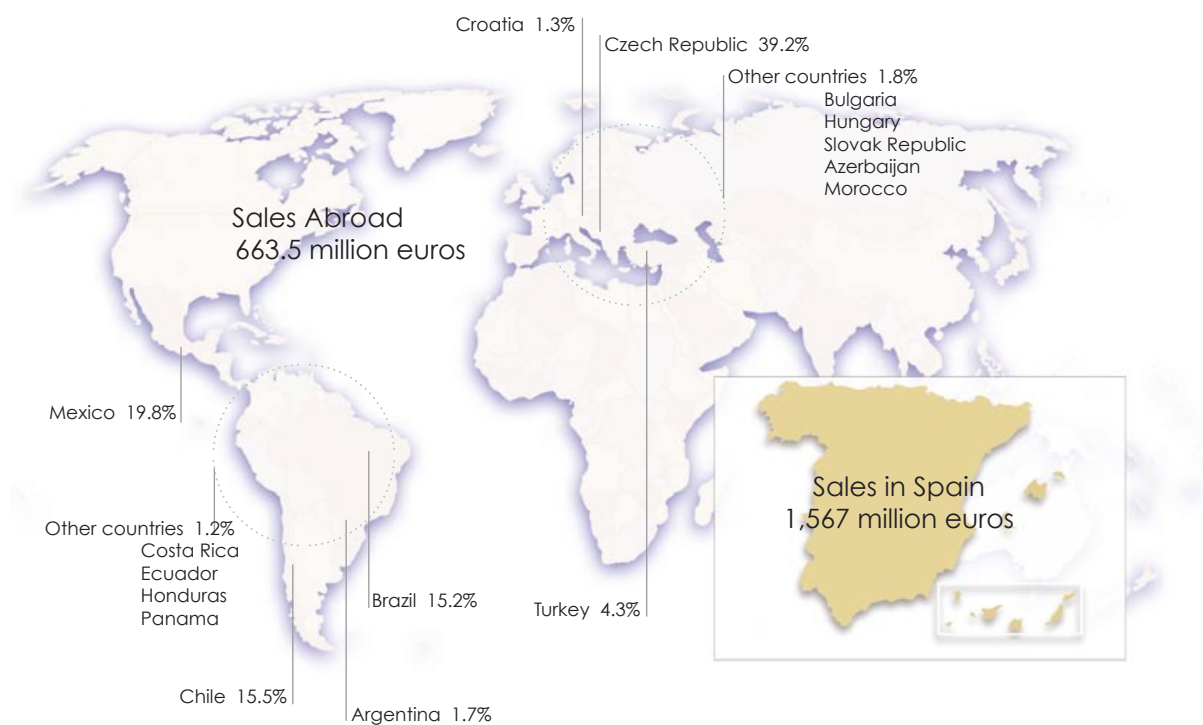
URBAN SERVICES
ROAD SERVICES
INFRASTRUCTURE SERVICES

SOCIAL FACILITIES

TOURISTIC DEVELOPMENTS (MAYAKOBA)
URBAN REHABILITATION
SHOPPING MALLS
RESIDENTIAL FACILITIES FOR THE ELDERLY

NEW TECHNOLOGIES (TESELA)

INTEGRAL TRAINING AND MANAGEMENT SOLUTIONS FOR CONSTRUCTION (STRUCTURALIA)
BUSINESS MANAGEMENT CONSULTANCY AND SOLUTIONS (AVALORA)

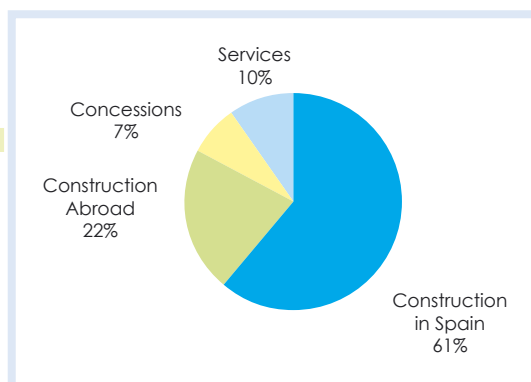


Key Economic Management Indicators for 2004

The year 2004 can be termed a good year for the OHL Group, as witnessed by the improved performance of its principal magnitudes with respect to the previous year.

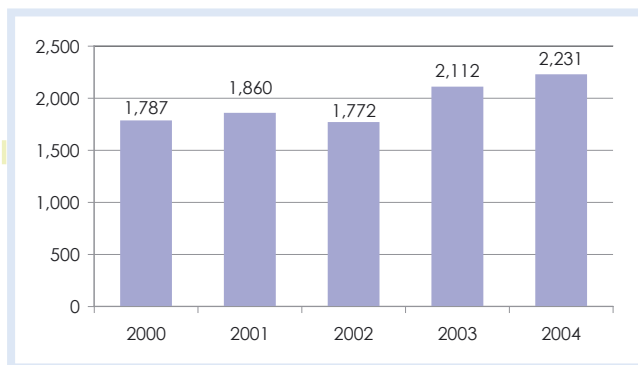
Net sales reached 2,230.5 million euros, a 5.6% increase over the year 2003. This increase is due mainly to the strong thrust of Construction Abroad and the Concessions, which have grown by 71.0% and 30.9%, respectively.

Net sales distribution





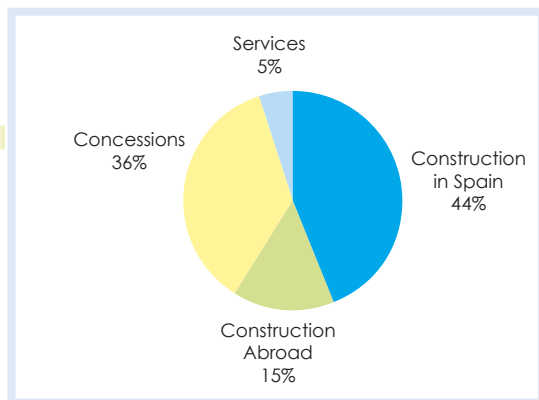
Net sales performance
(millions of euros)



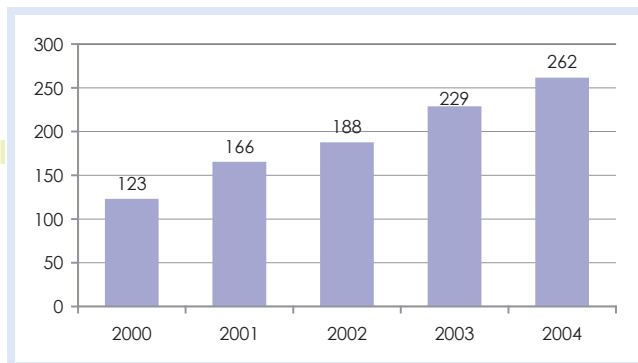
In 2004, gross operating income (Ebitda) amounted to 261.6 million euros, a 14.4% increase accounting for 11.7% of sales. The activity of Construction Abroad and that of Concessions has especially contributed to this increase, with Services activity also making a contribution, though to a lesser degree. Concessions activity currently accounts for 35.9% of total gross operating income (Ebitda).

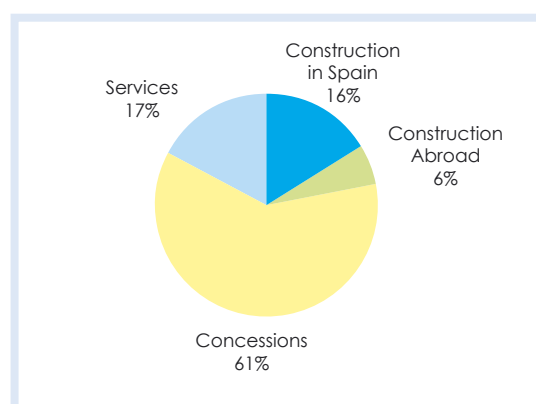
Net operating income (Ebit) rose to 162.9 million euros, accounting for 7.3% of sales and increasing 13.9% with respect to 2003.

Distribution of Ebitda

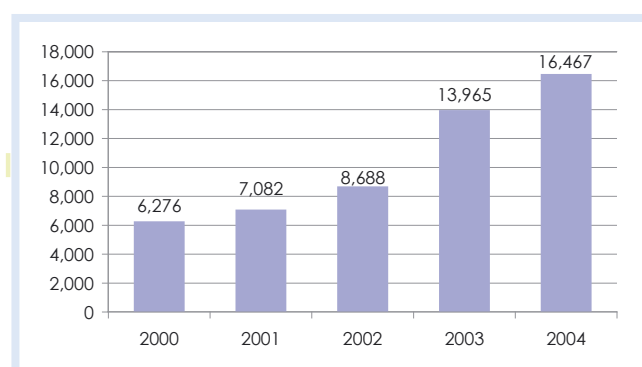


Performance of Ebitda
(millions of euros)





Total backlog performance (millions of euros)



The short-term backlog (22.6% of the total backlog) has increased 12.3% with respect to the year 2003 and has placed activity coverage at 20 months. As at December 31, 68.8% of long-term backlog was international and the remaining 31.2% was for the domestic market.

KEY GROUP ECONOMIC MANAGEMENT INDICATORS

Million euros

	2004	% Var. 2004-2003	2003	% Var. 2003-2002	2002
Net Sales	2,230.5	5.6	2,111.8	19.2	1,772.0
Net Operating Income (Ebit)	162.9	13.9	143.0	94.6	73.5
Attributable Net Income	57.4	18.4	48.5	15.2	42.1
Shareholders' Equity	527.8	7.0	493.1	8.4	454.7
Total Backlog	16,466.6	17.9	13,965.0	60.7	8,687.7
Market Capitalization	564.1	6.4	530.1	46.9	360.9





"Once the basic premises of sustainability have been accepted, any institutional declaration must be made from the humble recognition that we face a challenge that we companies have only just begun to resolve".

Higinio González-Mayo Barajas
Innovation and Development Manager

FOUNDATIONS FOR DEVELOPMENT



SUSTAINABILITY COMMITMENT AND POLICY
UNITED NATIONS GLOBAL COMPACT
ORGANIZATIONAL STRUCTURE AND WORKING METHOD
RELATION WITH THE STAKEHOLDERS
RESEARCH, DEVELOPMENT AND INNOVATION

2

FOUNDATIONS FOR DEVELOPMENT



Sustainability Commitment and Policy

The principal commitment of OHL is to create value over the long-term. In order to sustain this commitment over time, owing to the dimension and characteristics of our activities, the OHL Group has taken on a strategy of anticipation from a standpoint of ethics and responsibility.

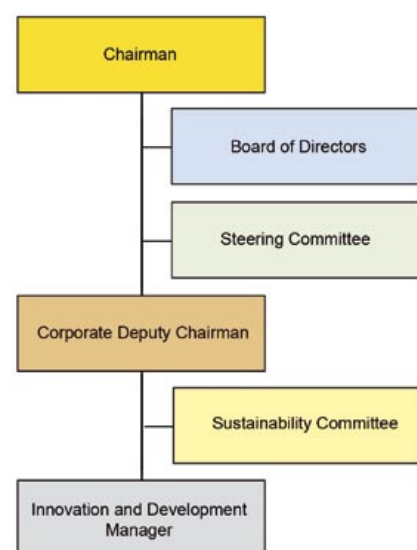
Thus, the core of our sustainability policy is based on a clear commitment to Good Government, to social and environmental responsibility, to safety and health, to fluent communication with the stakeholders, to an in-depth knowledge of the risks derived from our activity and its long-term implications, and to the anticipation of feasible solutions.

Therefore, we at OHL are working from a broad conception of risk and sustainable development, which involves our economic activity, those of us who comprise the Group, the environment on which we act and, generally speaking, the communities where we act, and which goes beyond strict compliance with legal obligations.

With this in mind, we are generating a business culture which is aware of and connected with the surroundings in which we operate, and which favors the development of new and efficient solutions at the same time that it communicates in greater depth with the stakeholders.

Construction activity, by its very nature, profoundly modifies the natural and social surroundings where it takes place. The OHL Group, aware of the special significance of the concept of sustainability in its sector, has made great efforts to integrate and extend a culture of sustainable development and of risk management at all levels of the organization. Along these lines, OHL has a specific sustainable development policy since 2003 coordinated from the Sustainability Committee, the supreme internal organ in this matter, which in turn operates through the Group's Innovation and Development Management.

The principal mission of the OHL Group is to generate value over the long-term at the same time that it contributes to the welfare of society as a whole, catering to the more specific interests of its clients, of the human team comprising the



**OHL Organization Structure
in Sustainable Development**



various corporate structures, of the investors backing the company and of the group of individuals and entities having a stake in the proper functioning of the company. Closely related to this mission, the OHL sustainability policy is founded on the following principles:

- **Business development strategy**, through a social, environmental and economic management model which gives priority to value over a period of time, and in which stakeholders participate.
- **Innovate to endure**, specifying objectives of economic, environmental and social improvement which make it possible to establish new ways of relating to the natural environment and to communities.
- **Commitment of ongoing improvement**, of transparency and integration of the opinion of the stakeholders.
- **Information**, continually applying criteria of transparency. OHL has taken on the commitment of keeping the stakeholders informed fluently and accurately about the actions regarding its sustainable development policy.
- **Implication**. OHL does not aim to be a mere economic agent, and therefore strives to collaborate and participate in increasing well-being and progress for present and future generations.

Therefore, there is a firm conviction at OHL that the incorporation of sustainable development policies constitutes a process which, once it has begun, becomes irreversible. This is owing to three basic reasons. Firstly, because this helps create awareness that responsibility goes beyond production space and time. Secondly, because this is what the stakeholders demand, and OHL is committed to being open to their opinions and demands. Lastly, because these policies no doubt favor an increase in competitiveness, facilitating the appearance of new possibilities making it possible to reach business objectives in the context of sustainable development.



United Nations Global Compact

Together with the principles governing the internal action of the company, formalized through various codes of conduct centered on respect for legality, transparency and individual and corporate responsibility, the OHL Group takes on the important adoption of those initiatives which reflect in codes of conduct the concerns of the business community and of society as a whole.

► **The principles governing the internal action of the OHL Group are reflected in the following documents**

- Board of Directors Regulations
- General Meeting of Shareholders Regulations
- Code of Conduct in matters regarding Securities Markets
- Executive Staff Code of Conduct

The first three documents can be consulted at www.ohl.es

On July 14, 2004, through a communication by Mr. Mariano Aísa Gómez, Second Deputy Chairman and Chairman of the Sustainability Committee, it was agreed to increase the functions of the Sustainability Committee to "Oversee compliance in the OHL Group with the Principles of the United Nations Global Compact"



In this regard, since 2002 the OHL Group has been formally committed to following the principles established by the United Nations Global Compact (www.unglobalcompact.org) in regard to human rights, labor regulations, environmental protection and the fight against corruption. Adhesion by OHL to the Compact is grounded on the following aspects:

1 Definition: a clear definition of policy in each one of the three categories (human rights, labor and environment), whose principle mechanism of dissemination is the present sustainability report.

2 Formalization: through the creation of a structure for the implementation, control and evaluation of the policies derived from the application of the Global Compact principles, in addition to the creation of an organ responsible for the establishment of formal procedures for informing the management organs regarding compliance with these policies and the establishment of procedures for open communication with the stakeholders.

3 Integration: the inclusion of the Global Compact principles collaterally into the policies of the company, implicating all of the corporate units, those responsible for each area and the management of all operations, thus generating instruments for the implication and dissemination of the most suitable practices.

4 Transparency: by means of the adoption of international standards for measuring performance in each one of the aspects contained in the Global Compact, together with a monitoring system and a policy of transparency and public information with respect to these policies.

► **In 2004, OHL joined the Spanish Association of the Global Compact (ASEPAM), as a founding member.**



THE UNITED NATIONS GLOBAL COMPACT IN THE OHL GROUP

Global Compact Principles	Definition (*)	Formalization	Integration	Transparency
Companies must support and respect the protection of internationally recognized human rights within their sphere of influence.	34	Extension of powers of the Sustainability Committee of OHL for the control and monitoring of the principles comprising this initiative.	The planning, management, control and monitoring structure contained in the Global Compact principles within the OHL Group is described in the section "Organization Structure and Working Method" of this report (page 17).	The OHL Group policy of informative transparency is described in detail in the section "Relation with the Stakeholders" of the present report (page 20).
They must ensure that they do not act as accomplices to the violation of human rights.	34			
Companies are asked to support freedom of assembly and the effective recognition of the right to collective bargaining	34			
To promote the elimination of all forms of forced and compulsory labor	34			
To promote the effective abolition of child labor.	34			
To promote the elimination of discrimination in regard to employment and occupation.	37			
Companies must support a precautionary approach to environmental challenges.	54			
To adopt initiatives for promoting greater environmental responsibility.	54			
To encourage the development and dissemination of environmentally friendly technologies.	22-23			
Companies must work against corruption in all of its forms, including extortion and bribery.	31			

(*) Pages of this Sustainable Development Report.

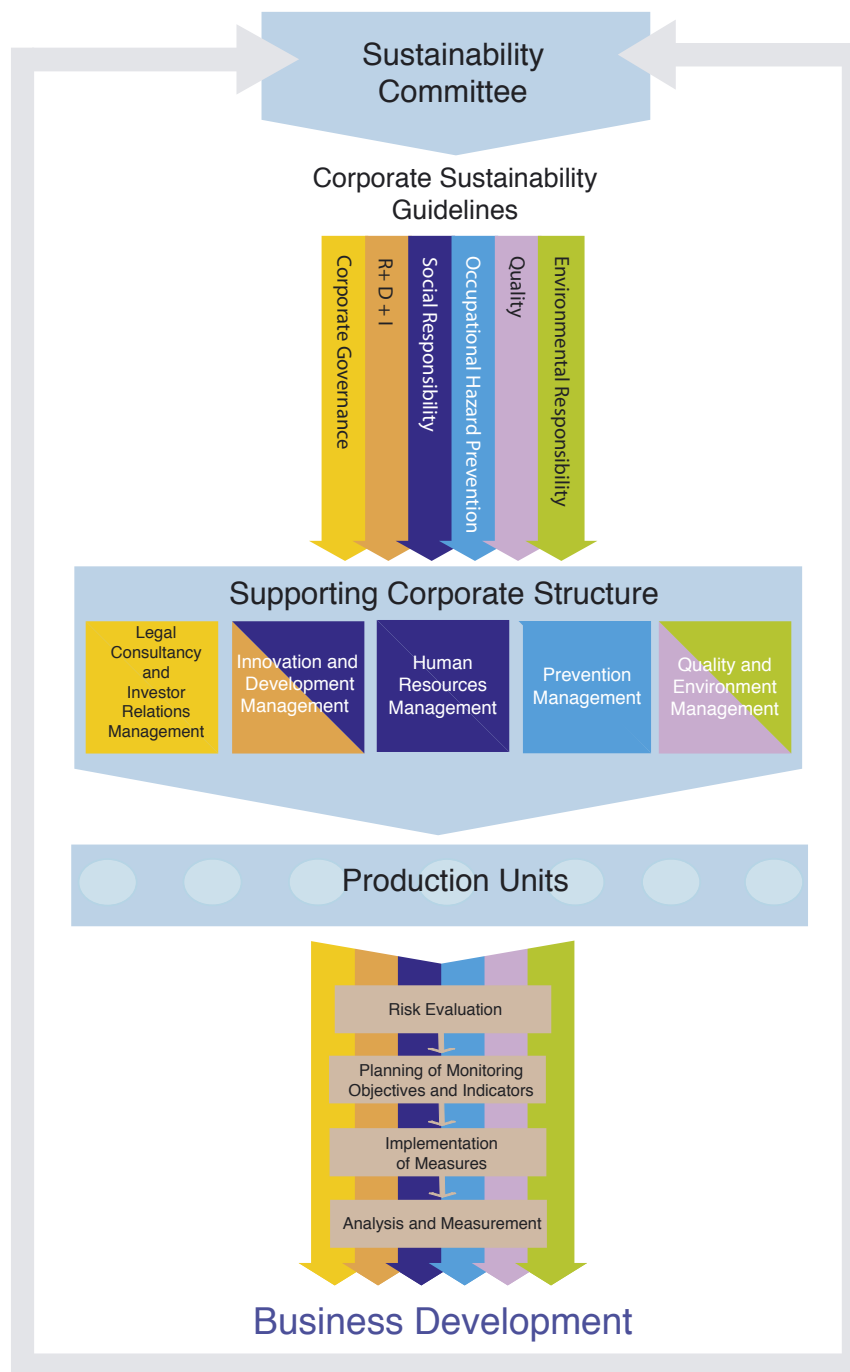


Organization Structure and Working Method

The incorporation of sustainability criteria into business activity is nothing new, since the OHL Group has throughout its history been developing certain aspects of such types of policies. However, in recent years a special effort is being made to order, rationalize and incorporate these criteria into the production units which constitute the core of the Group's activity. This constitutes an endeavor to improve this series of commitments day by day, so that they may be clearly reflected in procedures of daily activity, and at the same time to generate a culture based, among other elements, on sustainability.

In order to promote and coordinate all of these projects, the OHL Group, through the Managements and Services integrated in the Corporate Deputy Chairmanship, gives its support to the production units for the application of the sustainability guidelines to the development of the business. This system makes it possible to adapt the general strategy of the Group to each specific circumstance, facilitating continually evolving dynamic management.

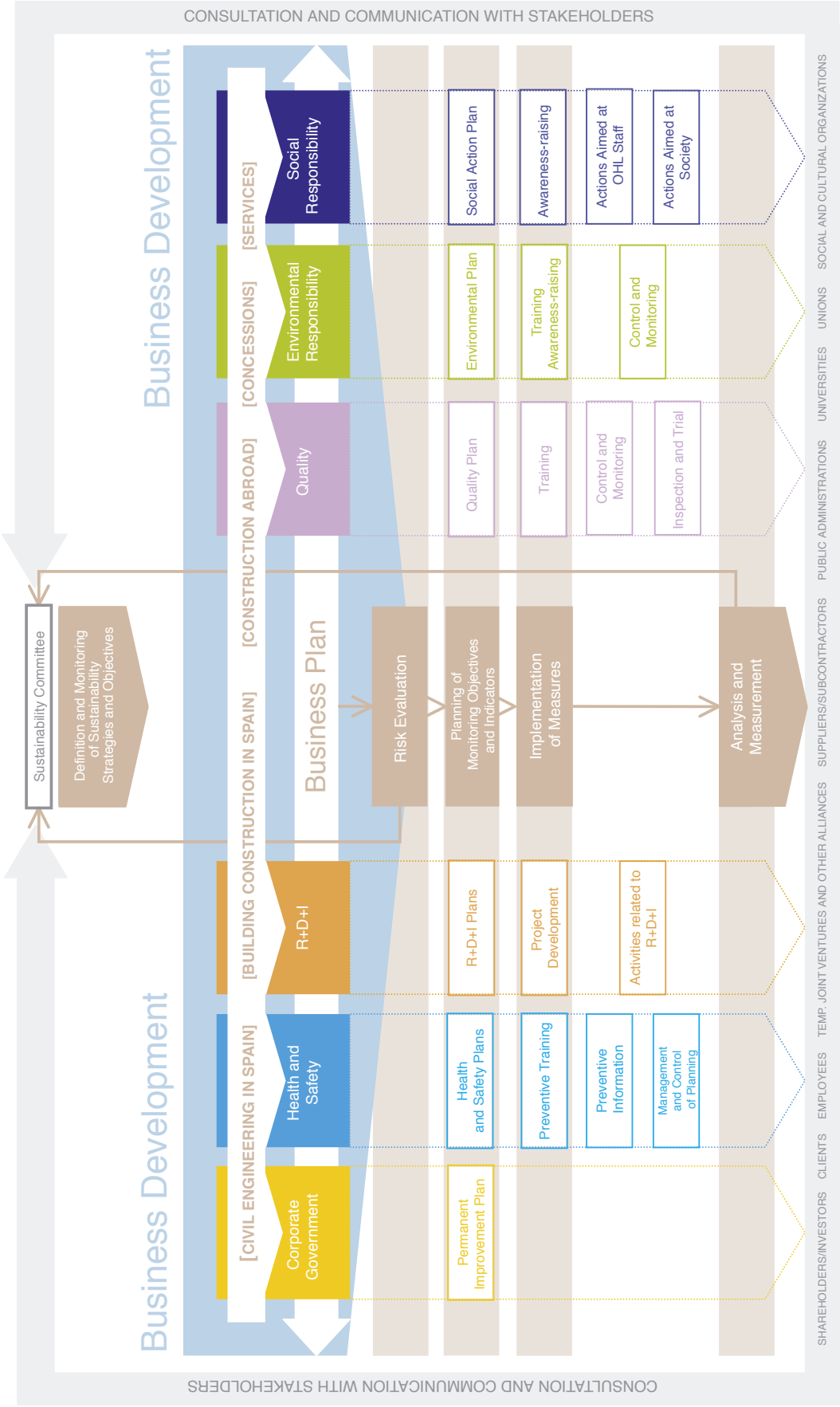
APPLICATION OF SUSTAINABILITY GUIDELINES IN THE OHL GROUP



The chart contained below describes the production line from the standpoint of the processes associated with the activities carried out in each of the sustainability areas defined.



OHL GROUP WORKING METHOD IN DEVELOPING SUSTAINABILITY POLICIES





Relation with the Stakeholders

Transparency of Information

As defined in the Sustainability Policy, the OHL Group is committed to transparency in regard to the information furnished to its shareholders and to the market in general.

A triptych is published each quarter summarizing the most significant figures, in accordance with the periodical information submitted before the Spanish Securities Commission (CNMV). Pursuant to the Transparency Act in force and the provisions stipulated by the CNMV, the web page of the Group (www.ohl.es) contains the information required with respect to the Government of the Company, its shareholders and the course of its business.

Investors have various channels to contact OHL: through the Group web page (www.ohl.es), through Investor Relations Management, through a specific telephone number (91 348 44 71), through a postal address (Relaciones con Inversores, c/Gobelas 35.37, 28023, Madrid) and through an e-mail address (relacion.accionistas@ohl.es).

The most frequent questions received at the Investor Relations Management are the following:

- With the publication of the quarterly results, the questions the Company is asked are related to the performance of the Company and possible variations with respect to the preceding business year.
- When the General Meeting of Shareholders is about to be held, the questions are usually related to the dividend to be shared out and the date on which this is to be done.
- In the face of a significant variation in share quotations, shareholders are interested in knowing whether there is any circumstance which is responsible for this variation.
- In the face of the publication of press releases concerning the Company, the shareholders make contact to broaden the information which has appeared in the media.

The Company has a list of addresses of those shareholders who have shown an interest in receiving the quarterly information sent to the Spanish Securities Commission. This information is sent to stakeholders, once it has been submitted to the CNMV, in either Spanish or English, by e-mail or by post.

Channels of Communication

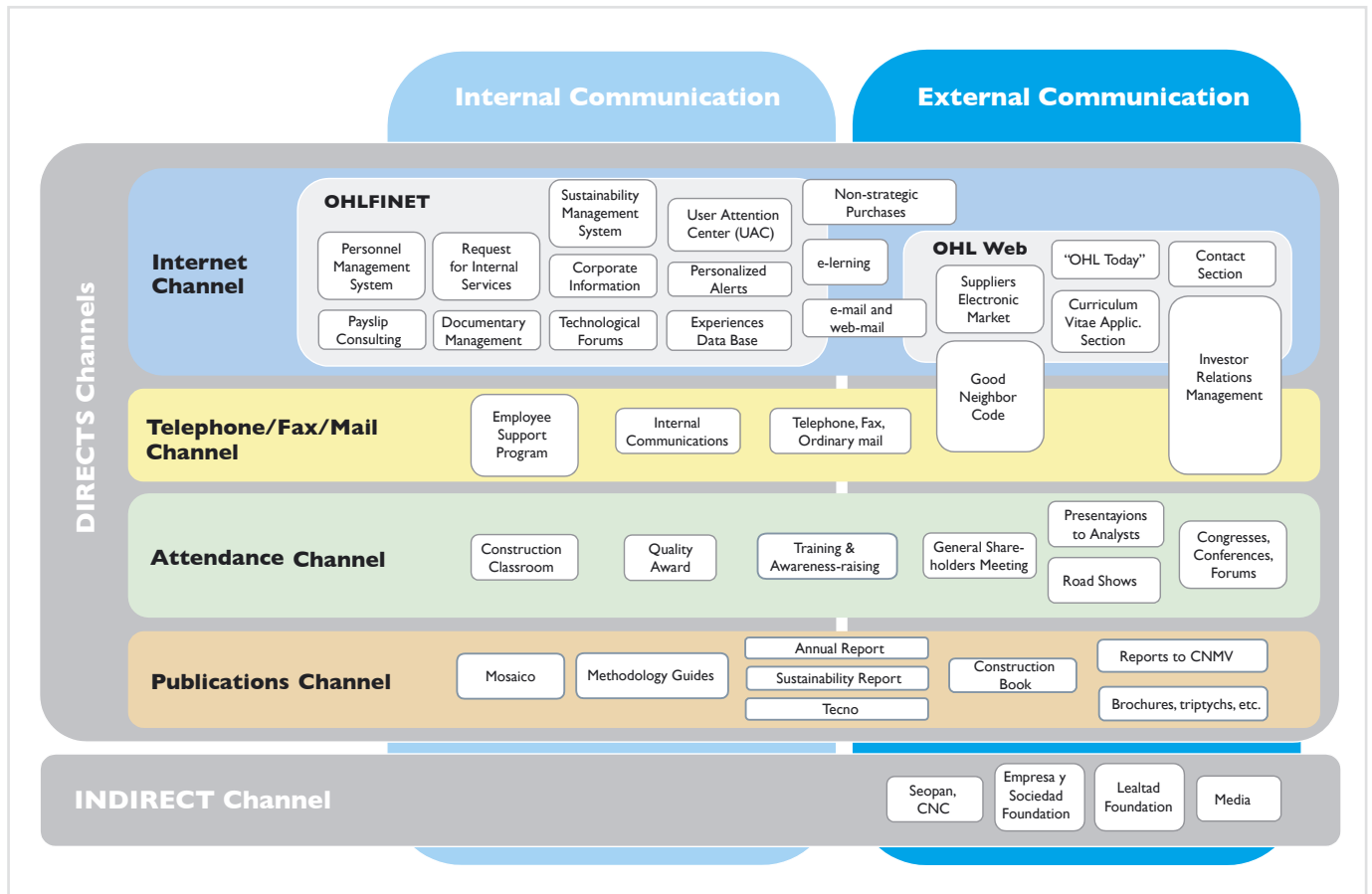
The commitment of the OHL Group to make its sustainable development objectives public and widespread implies the identification of the stakeholders. The required channels of communication are used in an endeavor to become aware of and tend to their demands in the economic, social and environmental spheres.



The stakeholders, in the sphere of OHL, are made up of employees, shareholders, customers, partners (joint ventures and other alliances), suppliers, subcontractors, public administrations, local communities, cultural and social organizations, trade unions, universities and research centers. Sustainability criteria are considered in the selection of collaborators and their training is provided for; furthermore a Good Neighbor Code – which can be consulted on page 44 – has been established as a commitment and bond of communication with the social environment of the construction work. Participation in and sponsorship of congresses, forums and encounters related to economic, environmental and social aspects is commonplace.

The map of the OHL communication policy, presented below, shows the various channels employed and the actions and contents which are channeled through them.

OHL COMMUNICATION POLICY MAP



COMMUNICATION WITH STAKEHOLDERS

	OHLFINET			Web OHL																			
	e-learning	Non strategic Purchases	Paylip Consulting		Supplier's Electronic Market	Contact Section	Curriculum Vitae Application Section	OHL Today	Investors Relations Management	e-mail	Good Neighbor Code	Employee Support Program	Construction Classroom Quality Award	Training and Awareness-raising	Gral. Shareholders Meeting Reports, Roadshows	Sustainable Development Report	Congresses, Conferences, Forums	Mosalco	Methodology Guides	Tecno, Construction Book, Brochures	Seopan, CNC...	Empresa y Sociedad Foundation, Entrono Foundation	Media
Employees	✓	✓	✓	✓						✓		✓	✓	✓				✓	✓	✓			
Shareholders / Investors					✓	✓		✓	✓						✓	✓							
Customers					✓			✓			✓					✓	✓			✓			
Partners (Joint Ventures and other alliances)					✓			✓			✓					✓			✓	✓			
Suppliers and subcontractors		✓			✓	✓		✓	✓		✓			✓		✓			✓				
Public Administrations					✓			✓	✓		✓					✓	✓						
Local Communities					✓	✓		✓	✓		✓					✓	✓						
Cultural and Social Entities					✓	✓		✓	✓		✓					✓	✓						
Trade Unions					✓	✓		✓	✓							✓	✓						
Universities and Research Centers					✓	✓		✓	✓							✓	✓						
Everyone (General Public)							✓														✓	✓	✓

The above outline reflects the stakeholders forming the target audiences for each one of the communication channels used.



Research, Development and Innovation

► In 2004
the OHL Group
invested
2.8 million euros
in R&D&I
projects

Innovate to Endure

We at the OHL Group are aware of the importance of innovation in creating value over the long term. This culture reaches all of the activities of our Group, with the aim of maintaining a competitive position in the market, promoting the quality of our processes, products and services.

We understand that the actions carried out by Research, Development and Innovation (R&D&I) are to be carried out in the context of the three dimensions of sustainable development: economic, social and environmental.

Aware of the importance of the implication of the private sector in those initiatives promoting national R&D&I, during 2004 the OHL Group actively participated in various activities, among which can be highlighted the Spanish Construction Technology Platform, where OHL leads the Focus Area of Sustainable Construction.



Improvement of Group sustainability through R+D+I projects

Establishment of the discontinuous process of biological treatment by active sludge known as SBR (Sequenced Batch Reactor), developed for treating urban and industrial waters.

Period of development: 2002-2004

Sustainability benefits:

Obtainment of a prototype for the treatment of residual waters, highly useful for application to industrial waste discharge and urban waste discharge in small centers, with a very low operational cost.

In collaboration with: University of Gerona
Estimated investment: 338,000 euros

Creation of a new system of sustainable development management which allows for data-taking and measurement, analysis and presentation.

Period of development: 2003-2004

Sustainability benefits:

System which allows for on-line management of OHL sustainability indicators, allowing for data introduction from construction sites and facilitating decision taking.

Estimated investment: 297,000 euros

Optimization of the manufacturing system and use of concrete with microsilica in the construction of tall buildings, in guiniting tunnels and in prefabricating concrete.

Period of development: 2002-2004

Sustainability benefits:

Valuation of a contaminating waste, studying effective alternatives as an additive to concrete.

Project in cooperation with the Ferroatlántica and Pacadar companies.

In collaboration with: Polytechnic University of Catalonia, Composites I+D and IDEAM.
Estimated investment (OHL): 395,000 euros

Development of a methodology to evaluate the long-term stability of hydroseeded vegetation coverings.

Period of development: 2003-2004

Sustainability benefits:

To diminish environmental impact and reduce the costs of maintenance and exploitation of embankments seeded by the hydroseeding process, especially in highways and motorways. Getting embankments to blend in with the landscape of the natural surroundings.

In collaboration with: Complutense University of Madrid

Estimated investment: 520,000 euros

Smart roads. New technology for dynamic toll control.

Period of development: 2001-2005

Sustainability benefits:

Development of a toll system without barriers or lanes, allowing for a greater affluence of vehicles and increasing the comfort and quality of the service for the user of OHL toll roads.

Project in cooperation with the INDRA company.
In collaboration with: Polytechnic University of Madrid

Estimated investment (OHL): 1,500,000 euros

Research on floating shelter docks. Development of a canal for dynamic trials and design and trials of a prototype of floating dock.

Period of development: 2004-2006

Sustainability benefits:

Obtainment of a novel prototype of floating dock for use in deep-draught docks (over 40-50 meters), moored by chains, minimizing effects on marine flora and fauna.

In collaboration with: CEDEX, Spanish Ministry of Defense

Estimated investment: 902,400 euros

Development of new applications and improvement of existing tools in OHLFINET, the OHL Group management and communication channel.

Period of development: 2004-2005

Sustainability benefits:

New or improved applications which reinforce the range of possibilities offered by OHLFINET to Group employees.

Estimated investment: 990,700 euros

Creation of an advanced system of purchase management for the OHL Group, based on the development of a code language and its application to the integral purchasing process.

Period of development: 2004-2006

Sustainability benefits:

Fundamental improvement in the technical and economic management of the OHL Group processes.

Estimated investment: 2,578,400 euros

Smart interconnection system between a toll road control center and the fleet management system.

Period of development: 2004-2005

Sustainability benefits:

Allows for the control of the position of special vehicles which, owing to the type of goods, may be a risk for traffic safety. Efficient maintenance management.

Project in cooperation with the GMV Sistemas company

Estimated investment (OHL Group): 160,000 euros

KEY INDICATORS IN RESEARCH, DEVELOPMENT AND INNOVATION

Indicator	2004	% Var. 2004-2003	2003	% Var. 2003-2002	2002
Net Investment in R&D&I (thousands of euros)	2,785	41	1,972	22	1,620
Investment in R&D&I on Income	4.9%	20	4.1%	8	3.8%



3



CORPORATE GOVERNANCE



GOOD GOVERNANCE COMMITMENT AND POLICY
GOVERNMENT STRUCTURE
ACTION TAKEN FOR GOOD GOVERNANCE



"The basic principles presiding the action carried out by the OHL Group in relation to Good Governance are responsibility, efficacy, transparency and anticipation, aimed at increasing company value and increasing, day by day, the confidence already placed in our Group by individuals and organizations."

Rafael Martín de Nicolás Cañas
Construction General Manager



3

CORPORATE GOVERNANCE



Good Governance Commitment and Policy

Good Governance in a company implies responsibility, efficacy and transparency. In the OHL Group we have added a new variable: anticipation.

In effect, the adoption of new formulas for organization and renewed behavior patterns have allowed the OHL Group to anticipate the advances made by the sector.

Our approach combines strict compliance with norms with the balanced development of the mechanisms of self-regulation. We furnish clear, current information as required and recommended by the regulatory agencies. Moreover, we include all the additional information needed in order for stakeholders to learn, in the most suitable way possible, about the situation of the Group

The OHL Group system of corporate governance functions in conjunction with the sustainability policy, both being key to the "ethical infrastructure" of the organization. The balance between the mandatory legal regulations, national conventions and recommendations (Olivenza and Aldama reports) as well as international ones (United Nations Global Compact) and the internal norms which guide the relations between the management team, the Board of Directors and the shareholders, allow the OHL Group to have access to a series of mechanisms which generate confidence and solidity, and favor the development of the business in conditions of sustainability.

The system of corporate governance in the OHL Group is a continually evolving process which, based on a culture of anticipation, makes it possible to adopt the right solutions in the face of the changes taking place in the Group and in its surroundings.

All of the information regarding corporate governance of OHL, especially its regulatory norms, may be consulted on the Group's web page (www.ohl.es). Furthermore, the Annual Report 2004 includes the Corporate Governance Report corresponding to the year.



Government Structure

The make-up and functioning of the OHL Group organs of government fully adapt to the law as well as to the values and criteria for conduct recommended by the supervisory agencies. In addition, they incorporate a series of internal conduct regulations each one of which facilitates both the control and the monitoring of the development of business activity, thus ensuring the future viability of the Group as well as its competitiveness.

Board of Directors at December 31, 2004

Chairman of the Board of Directors:

Mr. Juan-Miguel Villar Mir ^{Ap.C.}

First Deputy Chairman:

Mr. José Luis García-Villalba González ^{Ap.C.}

Second Deputy Chairman:

Mr. Mariano Aísa Gómez

Managing Director:

Mr. Rafael Martín de Nicolás Cañas

Members:

Mr. Luis Blasco Bosqued ^{Ap.C.}

Mr. Tomás García Madrid ^{Ad.C.}

Mr. Javier López Madrid ^{Ap.C.}

Mr. Juan Mato Rodríguez ^{Ap.C.}

SAAREMA Inversiones, S.A., represented by Mr. Joaquín García-Quirós Rodríguez ^{Ad.C.}

Mr. Luis Solera Gutiérrez ^{Ad.C.}

Mr. Jaime Vega de Seoane Azpilicueta ^{Ad.C.}

Mr. Juan Villar-Mir de Fuentes ^{Ad.C.}

Non-Director Secretary:

Mr. Daniel García-Pita Pemán

Non-Director Deputy Secretary:

Mr. José María del Cuvillo Pemán

Ap.C. Member of the Appointments and Compensation Committee.
Ad.C. Member of the Audit and Compliance Committee.

Management Team at December 31, 2004

Strategy Committee

Chairman:

Mr. Juan-Miguel Villar Mir

Members:

Mr. Mariano Aísa Gómez

Mr. José Antonio Fernández Eléjaga

Mr. Rafael Martín de Nicolás Cañas

Mr. Juan Villar-Mir de Fuentes

Steering Committee

Chairman:

Mr. Juan-Miguel Villar Mir

Chairman of the Board of Directors and of the Strategy Committee. Member of the Appointments and Compensation Committee

Vocales:

Mr. Mariano Aísa Gómez

Second Deputy Chairman of the Board of Directors and member of the Strategy

Mr. Rafael Martín de Nicolás Cañas

Construction General Manager and member of the Strategy Committee

Mr. José Antonio Fernández Eléjaga

Economic and Finance General Manager and member of the Strategy Committee

Mr. Julián Núñez Olías

Second Deputy Chairman and Managing Director of OHL Concesiones, S.L.

Mr. Joaquín Jiménez López

Civil Engineering General Manager

Mr. Joaquín Gonzalo Gonzalo

Building Construction General Manager

Mr. Francisco Marín Andrés

International Construction General Manager

Mr. Ángel Puente de Lucas

Technical General Manager

Mr. Juan Luis Osuna Gómez

Operations General Manager of OHL Concesiones, S.L.

Mr. Enrique Gómez de la Fuente

Urban and Infrastructure Services General Manager

Mr. Antonio García-Zarandieta Giménez

Environmental Services General Manager

Mr. Salvador Linares Martínez

Social Facilities General Manager



Sustainability Committee

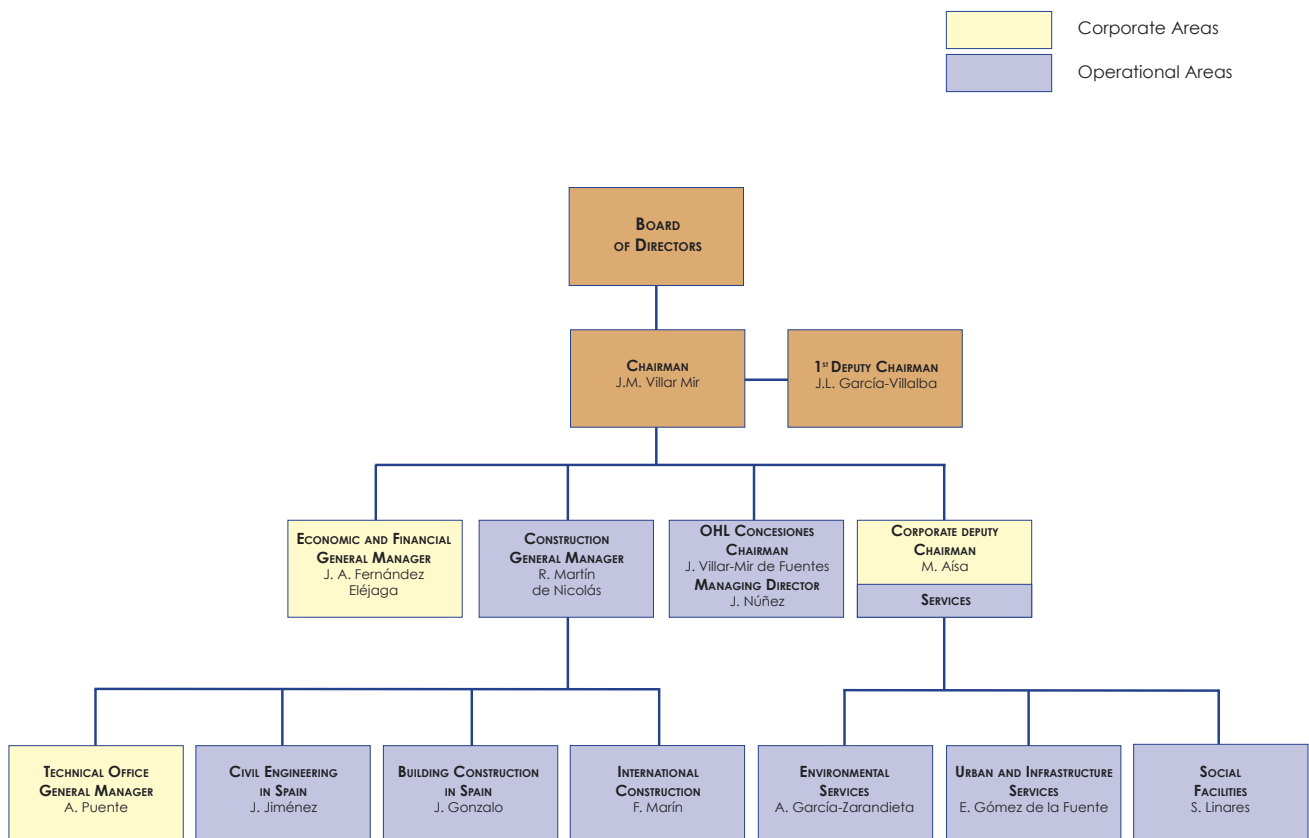
Chairman:

- Corporate Deputy Chairman

Members:

- Building Construction General Manager
- Civil Engineering General Manager
- International Construction General Manager
- Investor Relations Manager
- Technical General Manager
- Human Resources Manager
- Organization and Systems Manager
- Innovation and Development Manager
- Quality Control and Environment Service Manager

Organization Structure





Action Taken for Good Government

OHL is firmly committed to transparency in regard to the information furnished to its shareholders, to the Public Administration, to the market agents and to the remaining stakeholders. The fruit of this commitment is the triptych published each quarter summarizing turnover and the most significant circumstances in accordance with the periodical information submitted before the Spanish Securities Commission (CNMV). Furthermore, the OHL web page contains the information required with respect to the government of the company, in accordance with the "Transparency Act" in force and the provisions stipulated by the CNMV.

► **With regard to transparency, the OHL model, based on anticipation, places the Group at the head of the Spanish stock market**

- In 2003, OHL was the first major group in the Spanish construction sector to publish a separate report on sustainable development.
- Since 2001, on an annual basis, OHL has been publishing a Corporate Governance Report, said report becoming mandatory by law in the year 2003.
- Likewise, the information regarding 2003 had already been published in accordance with the model of transparency subsequently approved by the CNMV in 2004.
- With the information offered from its web site, OHL also acted a year before it was required by law, furnishing over three-hundred users a day with broad, operative, relevant information always in real time.

This effort has been recognized in the study "*e-corporate government and information transparency in Spanish listed companies: an empirical study*". Published in February of 2005 by the CNMV Studies Directorate, it analyzes the transparency of the information furnished by a total of 92 companies, through their three principal channels of communication with shareholders: web pages, annual reports and communications to the CNMV. The OHL Group ranks among the ten best companies in the three areas analyzed. Only five companies out of the total, and only one from the construction sector, share this privilege with OHL.

These values are detailed in a series of texts comprising the ethical infrastructure of the OHL Group, which range from the functioning of the Board of Directors and conduct in matters regarding the securities markets, to the principals guiding the conduct of the executive staff (see reference in the section on the United Nations Global Compact, on page 15 of this Report).



- In 1999, with the formulation of its regulation on internal norms and functioning of the Board of Directors, OHL anticipated most companies, as well as what would be stipulated by law in the year 2003 by means of act 26/2003.
- In May of 2003, OHL was the first company in the construction sector to approve a regulation for the General Meeting of Shareholders.
- Both the bylaws as well as the regulation of the General Meeting of Shareholders consider electronic voting and distance voting regulation.
- Since 1999, OHL has a code of conduct in matters regarding the securities markets.
- It also has since 2002 a code of conduct for its executive staff, which binds them in the performance of their activities to conduct themselves with integrity, honesty and social commitment.
- OHL is a member of the United Nations Global Compact and subscribes its principles in the performance of its activities.
- In 2003, OHL created the Sustainability Committee, the supreme organ having responsibility in matters of sustainable development for the Group as a whole.

Since 1999, OHL has been anticipating changes in the design and organization of its organs of government in order to generate greater security, control and transparency

A good example of the Group's commitment to integrity, honesty and transparency toward the community in which it acts can be found in the Executive Staff Code of Conduct. OHL demands that the actions of the heads of the company respect the following principles as their main internal and external point of reference:

- Quality and efficacy in performing their traditional duties.
- Honest trustworthy conduct in their relation with the communities affected by the business: clients, suppliers, collaborators and shareholders.
- Strict attitude to avoid any conflict of interests between the Group and the employee himself, his family or any related person.
- Considerate and exemplifying relation with their subordinates.
- Strict compliance with the law, with the regulations and norms in force in those areas where they perform their activity, as well as with any corporate regulations affecting them.
- Responsibility in the face of the consequences of their actions.





"Any company aspiring to generate value for society as a whole has the unavoidable duty to manage its business in a socially responsible manner. This is the way we at OHL see it, channeling our actions in matters of social responsibility towards our employees and society as a whole."

Carmelo Ferrández Bueno
Human Resources Manager

SOCIAL RESPONSIBILITY



SOCIAL RESPONSIBILITY COMMITMENT AND POLICY
SOCIAL ACTIVITIES
KEY INDICATORS 2004

4

SOCIAL RESPONSIBILITY



Social Responsibility Commitment and Policy

At OHL we are developing our activities with regard to social responsibility through two basic channels:

- Inwardly, in relation to our human team.
- Outwardly, through collaboration with the stakeholders, social action or sponsorship and patronage activities.

The strategy of the OHL Group with regard to human resources is essentially based on promoting the professional and human development of its workers, in an endeavor to obtain the best from each individual and offering security, stability, quality of life, training and opportunities for improvement. With this aim in mind, OHL has been striving to design spaces and processes which will allow employees to enjoy suitable working conditions which favor their career development.

The model promoted has made it possible to implement policies aimed at bringing internal promotion in line with workers' expectations, improving quality on the job, managing and designing their professional careers and recognizing and rewarding efforts and achievements made. It is a primary objective for OHL that the Group companies be a suitable place to work and foster career development, thus consolidating jobs. The company is aware that it is facing new challenges of corporate diversification and development in the international sphere. For this reason, Human Resources Management has incorporated new management tools in order to increase its capacity to attract, keep and develop talent.

Furthermore, the OHL Group, in consonance with the criteria of the United Nations Global Compact, supports the rights of freedom of assembly, trade union representation and collective bargaining, and promotes the elimination of forced labor and child labor, in any of its forms.

Outwardly, the actions of OHL in regard to social responsibility revolve around three principal axes:

- Opening up channels of communication and collaboration with the various stakeholders.
- Social action based on employees and on the daily actions of the Group in its construction work, concessions and services.

- Contribution to the promotion of activities fostering social, cultural, technological and economic development as well as the respect for and consolidation of human rights.



Social Activities

WORKER-RELATED ACTIONS

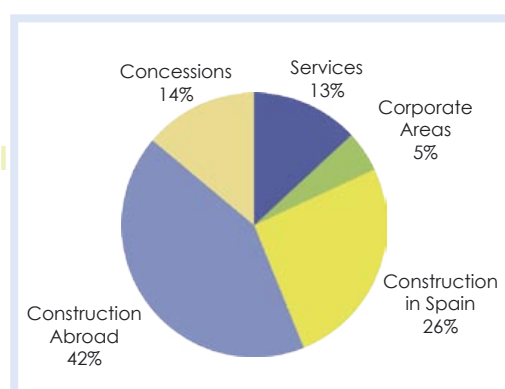
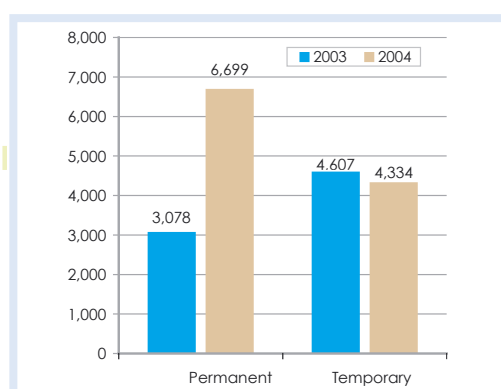
The Human Team

The structure of the human team comprising the OHL Group has been substantially influenced by the clear international vocation of the Group which has increased its personnel in Brazil, Chile and Mexico. An increase can also be detected in the business lines of Infrastructure Concessions and Social Facilities. The tables below contain the most important figures corresponding to the consolidated Group.

PERSONNEL DISTRIBUTION AT CLOSE OF BUSINESS YEARS 2004 AND 2003

	2004		2003		Inter-annual Var. (%)
Managers & 5-year Degree Grad.	1,258	11%	1,014	10%	24
3-year Graduates	819	8%	722	7%	13
Non-graduate Technicians	1,218	11%	1,351	14%	(10)
Administrative Personnel	1,334	12%	1,253	13%	6
Remaining Personnel	6,404	58%	5,381	56%	19
Total	11,033	100%	9,721	100%	13
Permanent Personnel	6,699	61%	6,211	64%	8
Temporary Personnel	4,334	39%	3,510	36%	23

Evolution of permanent and temporary personnel. Number of persons.



OHL Group personnel
by line of business, at
31/12/2004

AVERAGE AGE AND LENGTH OF SERVICE WITH OHL AT YEAR'S CLOSE

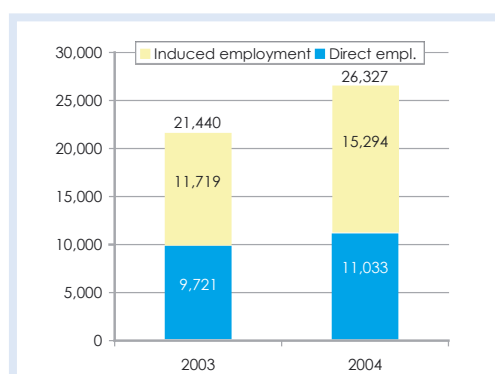
	2004	2003	Inter-annual Var.(%)
Average Age	37 years	39 years	(5)
Average Length of Service	8 years	7 years	14

DISTRIBUTION OF OHL GROUP PERSONNEL BY GEOGRAPHIC LOCATION AT YEAR'S CLOSE

	2004		2003		Inter-annual Var. (%)
National	4,771	43%	4,897	50%	(3)
International	6,262	57%	4,824	50%	30

INDUCED EMPLOYMENT IN 2004. DISTRIBUTION BY COMPANIES

	No. of subcontracted companies	No. of subcontracted employees
Obrascón Huarte Lain, S.A.	1,255	7,514
Subsidiary Companies		
Construction	560	5,917
Concessions	21	685
Services	317	1,178
Total	2,153	15,294



Evolution of total OHL employment (direct and induced). Number of persons.

Training and Career Development

In order to attract and keep the best human team, OHL applies the actions which best guarantee the career development of the Group's employees.

Personnel Selection Processes. The training of young people to work in the Group is a strong wager on the future. Therefore, the Plan for Hiring Young Professional Qualification Holders has been intensified and consolidated. This



project is based on close collaboration with universities and vocational training centers and it is developed by means of two procedures:

- The incorporation of young people with high potential and capacity to develop professionally in a globalized market.
- The internship program, which rounds out their theoretical training with the real-life experience of everyday business practice in a competitive work environment.

With this project, the OHL Group complies with its social commitment to interrelate university and business, teaching and practice, by contributing to training young people to be able to take on the highest professional challenges.

Career Development. Internal promotion, which encourages career development, is a guarantee of the stability of company values. OHL favors the career development of its employees, recognizing and compensating their achievements. Internal promotion is channeled through the various work areas and the different lines of business, by means of appropriate evaluation systems.

The evaluation system by areas of competence established in the OHL Group responds to the need for a management model enabling the company to quantify the activity of the individual as accurately and objectively as possible. It defines a total of eleven professional skill areas, grouped into four profiles key among the criteria of the Group organization: customer relations, team motivation and management, quality and identification with the organization.

Equal Opportunities. OHL maintains a firm, active equal opportunities policy, based on the principle of fair treatment and the rejection of employment discrimination, promoting the social and labor integration of the most disfavored groups.

These commitments have crystallized in Spain in cooperation projects such as those signed with the Integra and Empresa y Sociedad Foundations, or in a series of actions undertaken to prevent gender discrimination. At the same time, special attention is paid to employees suffering some type of disability, facilitating their integration at work. In regard to the accessibility and accommodation of the work centers, progress is being made in the elimination of architectural barriers as well as in providing suitable facilities and means for disabled persons.

In the Czech Republic, action has also been carried out in 2004 related to the employment of persons at risk of exclusion. Furthermore, the services of the cooperative Integra VD Zlín, employing over 50% of disabled workers, have been contracted.

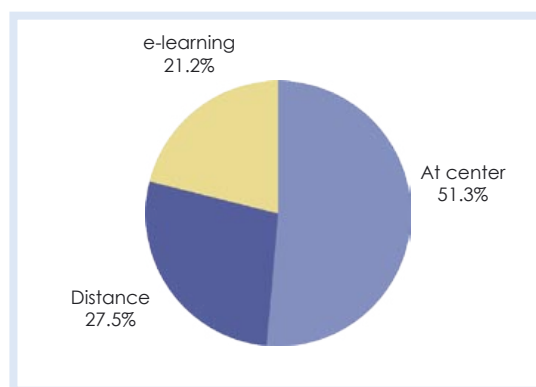
Training. The wager of the OHL Group on the permanent qualification and training of its staff is reflected in various activities, among which is the development and annual updating of the Ongoing Training Plan, which contains the needs detected for the various work areas of the companies comprising the Group.

The computer tool of curriculum management, optimized in 2004, makes it possible to conduct searches by professional profile ◀

TRAINING BY SUBJECT, PARTICIPANTS AND HOURS IN 2004

Subjects	Participants	Hours at center	Distance hours	On-line hours	Total hours
OHL Construction Classroom	72	2,360		78	2,438
Quality and the Environment	182	640	5,470	1,622	7,732
Technical Data Processing and Office Automation	445	415		13,390	13,805
Occupational Hazard Prevention	800	5,544	22,562	2,562	30,668
Economic / Financial Management	481	13,324		1,475	14,799
Skills	397	10,280		2,464	12,744
Production / Planning	529	9,219			9,219
Languages	126	7,760			7,760
Other courses	70	2,525			2,525
Total	3,102	52,067	28,032	21,591	101,690

► **e-learning
has soared
from 2.5% of total
training in 2001
to 21.2% in 2004**



Training by teaching
modality

Throughout 2004 courses have continued to be given, with a high level of participation, on hazards and preventive measures at construction sites, in collaboration with the Fremap mutual society and aimed at all the human teams at new construction sites.

The Czech subsidiary ŽPSV received the special award in 2004 from the organizers of the competition "Employer of the Year", for its project "Personnel Education and Training in relation to Quality".

The OHL Construction Classroom. In 2004 objectives have also been met in regard to this training initiative, aimed at heads of construction who are new to the company or who have little experience, and which seeks to incorporate into the business culture working procedures, norms and techniques that will enable these employees to accommodate themselves efficiently and rapidly into their professional environment.

Collaboration with Universities and Professional Training. The OHL Group has an internship program for students from national and international learning institutions, who engage in practice work lasting from two to six months at the various work centers. In 2004 agreements were renewed with the Spanish Ministry of Education and Science and with the Labor and Social Affairs Ministry, enabling vocational and occupational training students to enter and train in the working world through the companies of the Group.



Occupational Hazard Prevention

The endeavor to develop a modern, efficient policy of prevention has led to the drafting of a short-term **Strategic Prevention Plan** for OHL, in an aim to keep active the prevention culture of the Group in four directions:

- **In regard to the human team.** Both new professionals as well as veteran workers at OHL receive the preventive-technical training required to keep their knowledge up to date and to ensure that the preventive culture of the Group is maintained in all of its processes.
- **In regard to material resources.** The machinery, equipment and technical means successively incorporated into the production process are required to pass a preventive integration stage prior to being made available to the employees.
- **In regard to society.** By means of proper knowledge management, OHL shares its preventive experiences, proven to be successful within the organization, with business collectives which share with the Group a high concern for awareness-raising.
- **In regard to other countries.** OHL likewise strives to extend its preventive culture to all of its activities abroad, adapting the guidelines and basic principles of the Group's preventive policy to the idiosyncrasies of each country as required.

The Strategic Prevention Plan was developed in 2004 through the basic actions explained below.

Management Coaching in Prevention. This method has made it possible to put the individual areas of competence of the construction executives at the service of the teams they manage, thus favoring an active awareness of responsibility in the Group. Combining learning and action, the application of this system favors the generation of commitments to reduce the number of accidents to nil.

Preventive Institutional Relations. OHL maintains and encourages permanent contact with its clients, with public agencies, universities and any other entities with which it habitually collaborates, through participation in debate forums, seminars and encounters related to the subject of prevention. In 2004, OHL participated in the following events:

- Encounter at the University of Salamanca
- 1st Iberian Encounter held in Portugal, at the Oporto School of Engineering
- Encounter at the University of Navarra School of Engineering
- 2nd International Congress on Health and Safety held in San Sebastián
- European Conference on Safety, Environment and Health in Construction
- Health and Safety Congress at the Kaiserstejnsky Palac of Prague, in the Czech Republic
- Encounters sponsored in Bilbao by the European Agency for Safety and Health at Work, culminating with the declaration Building in Safety



Preventive Excellence. At OHL the “Golden Prevention Month” has been set up, planned as an annual initiative, held for the first time in 2004. Throughout the month of October visits, training actions and awareness-raising campaigns were held at construction sites, culminating with the award of three prizes for different teams: the first prize, for “Preventive Management”; the second one, for “Preventive Innovation”; and the third one, for “Preventive Culture”.

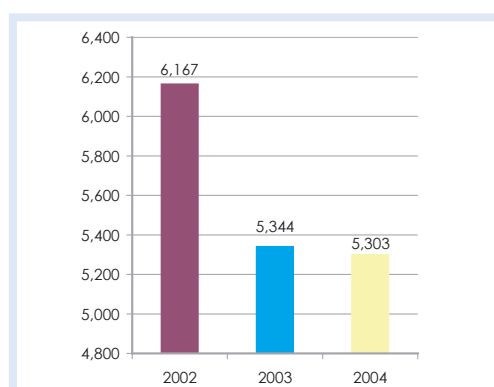
Development and Updating of the Prevention Plan. The OHL Group guarantees the permanent updating of its Occupational Hazard Prevention Management System and its Prevention Plan, adapting its preventive procedures and instructions to scientific advances and to the national and international legislation in force. Each year, preventive parameters of the Plan are assigned through an outside auditing firm of international prestige accredited by the labor authority. Through the pertinent legislative adaptations, advances are also being made in adapting the preventive criteria adopted in Spain to all countries in which the Group acts.

Preventive Training and Information. Training in matters of prevention has taken place throughout 2004 by means of different modalities. Courses have been held both at Group work centers and outside centers, e-learning tools have been used and direct courses have been organized for operators at their place of work. Throughout 2004, preventive training in the OHL Group has, in Spain alone, reached 500 managers, executives and technicians, and over 1,000 operators, both in-house as well as subcontracted.



Installation of collective protection on highway overpasses (left)

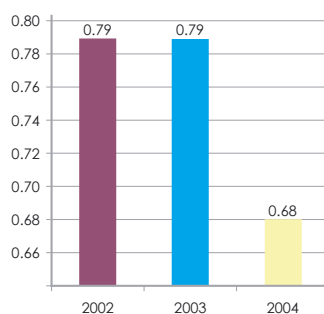
Protection against falls from heights in civil engineering structures (right)



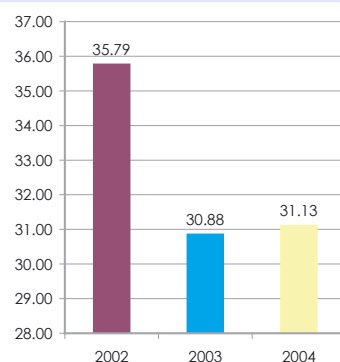
OHL. Incidence index:
no. of accidents requiring sick leave
x 100,000/average no. of workers



OHL. Gravity index:
no. of lost days owing
to accident x 1,000/hours
worked



OHL. Frequency index:
no. of accidents with
sick leave x 1,000,000/hours
worked



Social Benefits for Employees

OHL develops clearly defined social action which contributes value to the Group and its employees alike. These projects aim to achieve greater worker satisfaction by implementing services in line with their personal and professional needs.

Conciliation of the Family and Work Environment. The OHL Group develops various different initiatives in this area, both in Spain and abroad, such as the Employee Support Program (PAE), which makes available to workers an advisory service to help identify and find solutions to practical and personal matters.

Occupational Health. Among other advantages for its employees in the context of occupational health, the OHL Group has an internal medical service in the Autonomous Community of Madrid; agreements with health care companies to attain financial advantages through membership; a collaboration protocol entered into with the Clínica Universitaria de Navarra; or the development of various campaigns in the areas of gynecology, ophthalmology, flu protection, anti-smoking, and early detection of different pathologies.

Promotion of the use of new technologies and on-line training. In 2004 the free course *Internet para todos* continued to be given, in an aim to familiarize employees and their families with the use of the Internet, and with the program *Informatízate*, for the subsidized acquisition of computer materials.

Sports' Activities. In an endeavor to promote and give incentive for the practice of sports, as well as to favor social relations among employees, the OHL Group promotes several sports competitions for its workers.

Other Benefits. In conjunction with the above, OHL promotes a large number of social initiatives such as prizes for permanence on the job and for marriage, insurance policies, the loan fund, the OHL Quality Award or the three "Golden Prevention Month" Prizes, created in 2004.

Information and Internal Communication

Within the framework of OHLFINET, the Group management and internal communication channel, new tools have been developed, such as the system of alerts, the quality and sustainability indicators, the new purchasing resources coding, construction work under study, human resources management and new security systems. Furthermore, other tools, such as documentary management, have been improved. Likewise, new agenda and e-mail functions have been established, facilitating data access from anywhere in the world, maintaining synchronization.



The User Service Center has been consolidated as a call reception center attending to problems related with computer applications and computerized media, with notable improvement having been made in the quality of the service provided.

During the year, the two Group magazines, *Mosaico* and *Tecno*, were published and distributed as usual.



Knowledge Management: In 2004 the use of specific tools established in OHL for knowledge management, such as the entry guide, the personnel management system (SGP), the technological forums or the experiences data base, has continued functioning with normality. The experiences data base was thoroughly remodeled during the year, and, after its definitive establishment in 2005, will allow all persons in the Group access to an extensive catalog of multimedia material and OHL construction experiences. Also completed in 2004 was the module for online payroll consultation, integrated in the SGP application.

SOCIETY-ORIENTED ACTIVITIES

Collaboration with Public Administrations

The OHL Group has sponsored or participated in numerous public encounters in which Public Administration officials have taken part. Among the most noteworthy encounters in 2004 was the 45th Annual Meeting of the Board of Governors of the Inter-American Development Bank, the 7th National Environmental Congress, the Architecture and Quality of Life Forum Congress, the New Economy Forum, the ABC Forum, or the 2nd Business Social Action Fair in Valencia.

Collaboration with Research Centers and Universities

The OHL Group maintains collaboration agreements with research centers and universities for the development of R+D+I projects. Most worthy of note in 2004 are those entered into with the University of Girona, the Madrid Polytechnic, the Catalonia Polytechnic, the Madrid Complutense University and the Madrid European University.

Over 40 environment specialists from various countries have collaborated in the design and management of the Mayakoba project, which OHL is developing in the Mexican state of Quintana Roo. This endeavor has, moreover, made it possible to generate valuable information in environmental matters, with great regional impact. Among the institutions participating in this project are the Autonomous National University of Mexico, the Autonomous University of Quintana Roo, the A.C. Ecological Institute, the prestigious Colegio de la Frontera Sur and the Louisiana State University, in the United States.

In 2004, in the framework of its traditional collaboration with the Madrid Higher Technical School of Civil Engineers, OHL has contributed to organizing Civil for and to the sponsorship, as in previous years, of the OHL Graduation Award given to the student with the best grades in the department of General Construction Procedures and Construction Work Organization.

Collaboration with Social Organizations

In 2004 OHL collaborated with several non-profit making organizations such as the Spanish Red Cross, the Integra Foundation, the Mancha-Acoge Association, Sólo por Ayudar, International Solidarity, the Nantik Lum Foundation, Ayuda en Acción and the Entreculturas Foundation.

This year in Spain special mention must be made of the collaboration carried out with the Entreculturas Foundation in support of the victims of the tsunami in Southeast Asia, materialized in 2005, and the sponsorship of the campaign "Entre Todos y Para Todos", for the prevention of drug consumption in the Autonomous Community of Valencia. Also worthy of note is the support of humanitarian and health care campaigns in the Czech Republic, such as the financing of a health care facility at the Brothers of Charity Hospital in Brno or the donations to the Union of the Blind and Vision-impaired in Prague and the Children's Playgrounds in Uherský Ostroh.



Social Action Supported by Construction, Concessions and Services

During the performance of its activities in the fields of construction, concessions and services, the OHL Group conducts a wide variety of actions related to the social environment, which contribute to attaining a more responsible and respectful integration of these actions in the community.

Construction

In Spain, worthy of special note in 2004 is the establishment of the new **Good Neighbor Code** at Group construction sites, through a pilot project. This is comprised of a series of regulations for conduct and actions which facilitate a more friendly, responsible and respectful integration of construction work in the social environment in which it takes place. This initiative also serves as an effective channel of communication with citizens, and provides information on the social perception of the OHL Group.

Construction works adhering to the Good Neighbor Code in 2004:

Building:

- 75 homes in Castro Urdiales (Cantabria)
- Extension and reform of the Elda Hospital (Alicante)
- Construction of the Perchel Building (Malaga)

Civil engineering:

- Elimination of the railroad grade crossing in Piera (Barcelona)

The Good Neighbor Code will continue to be implemented in 2005, the year in which it is planned to promote adhesion to the initiative by all Group national delegations and to improve communication with the citizens.





Dear Citizen,

We at the OHL Group are aware that construction work may cause some upset in your daily life. For this reason, at this site we intend to do all our work showing maximum respect for the neighbors, pedestrians and drivers, workers in the area, storekeepers and their customers, staff on the job and visitors, as well as the surrounding environment.

With this aim in mind, we pledge to comply with the following Good Neighbor Code:

- 1) We will make a special effort to notify all parties concerned of the objectives and progress of the work.
- 2) We will keep the construction site and surrounding area clean and orderly. We will keep to a minimum any environmental disturbance we may cause.
- 3) We will properly manage waste, and will recycle everything possible. Furthermore, we will reduce contamination to a minimum.
- 4) We will try not to hinder, but rather to facilitate, the transit of people and vehicles, paying special attention to the needs of the elderly, children and those persons who are mobility, vision or hearing disabled.
- 5) We will try to use local resources insofar as possible.
- 6) We will adequately signpost construction zones - barriers, access ways and perimeters - by means of warning signs and lighting, and keep such areas clean, in proper running order and safe.
- 7) Our personnel will conduct themselves properly at all times and will always pay maximum respect to all when doing their work.
- 8) For all matters concerning this Good Neighbor Code we have made a special telephone number available.

AT THE OHL GROUP WE ARE PROUD OF WHAT WE DO.
WE ALSO WANT YOU TO BE PROUD OF US.

The OHL Group Good Neighbor Code



Other OHL Group initiatives related to social action supported by construction work are the following:

- Contracting of professionals and local companies.
- Purchase of personal protection materials manufactured in factories working under a protective scheme, employing disabled workers.
- Regular interviews with representatives from municipalities affected by the construction work.
- Periodical information to citizens on construction work development and on work planned, by means of interviews on local TV.
- Guided visits for the public and the media during the actual construction work.

OHL Concesiones

Throughout 2004, OHL has kept its commitment of sharing with the municipalities through which its highways run part of the profits generated by these highways, collaborating in preventive, educational and civic plans of action related to the world of transport by road and to the surrounding area.

► In 2004, the Escola project, developed in Brazil, received the Motiva award for Social Responsibility, promoted by the Motiva Institute for Community Education and Local Development

In Brazil the important projects developed annually by the concessionaires of the Group have continued: *Amigos da estrada*, *Educando para o transito*, *Saúde na boléia*, *Escola Interviás* and *Mais saúde na estrada*. Through these programs, reference points in the Brazilian toll roads, OHL Concesiones devises its various medical attention campaigns aimed at professionals in the transport sector as well as its collaboration with schools and universities in matters of driver's education.

In 2004, the ongoing collaboration which OHL Concesiones maintains in Argentina with the municipalities of the area of influence of the Ezeiza-Cañuelas highway has continued. Throughout the year it has also collaborated with the Garrahan Foundation of the pediatric hospital of the same name, and it has sponsored several cultural events.

Services

One of the most noteworthy initiatives which the OHL Group took on in 2004 in the area of social action related to water and environment services took place in Ribeirão Preto, Brazil, through the Ambient concessionaire. Social awareness on the importance of taking care of water resources, both for the sake of the environment as well as for public health, was promoted through the program *Água limpa, saúde para todos*. A range of activities was carried out through social-educational associations aimed at making school children aware of the environment.



In the Mexican state of Quintana Roo, OHL is developing the Mayakoba tourist complex. Among the multiple social action activities carried out during 2004 in the framework of this project, the following ones are worthy of note:

- Training of project staff by Mayan teachers from the Colegio de la Frontera Sur, the principal scientific and social research institution of Quintana Roo. All of the environmental awareness-raising and dissemination programs were given in Spanish and in the indigenous language, respecting and promoting the local culture.
- Direct generation of over 1,000 jobs for the inhabitants of the local communities.



- Contributions and activities related to the development of the municipal government.
- Other contributions to the local community, such as the non-repayable execution of public lighting works, the contribution of 10,000 m³ of stone materials for the construction of the Technological University and infrastructure improvements in the Municipal Public Security Building, or the donation of 10 fully-equipped patrol cars in support of the Municipal Public Security Program.

In 2004, social action in relation to the Mayakoba project (Quintana Roo, Mexico) amounted to 464,000 Euros

Also in Mexico, the OHL Group is remodeling the historic center of the city of Puebla, declared by UNESCO as a World Heritage area, and is developing the Paseo de San Francisco for tourism. This project in itself will be a very important example of the conservation of heritage, by integrating the existing historic buildings of importance with the new tourist and commercial developments. Furthermore, several activities are being planned in relation with the support of education, the promotion of cultural development and the economic regeneration of the adjacent artisan quarters of the city.



OHL has signed an agreement with the University of Dallas School of Architecture, for information exchange during 2005.

With the slogan "The True Center of Puebla", OHL aims to make known the true origin of the city, initially founded in the Paseo de San Francisco and relocated thirty years later to the current city center.

Activities in support of education and encouragement of children's sports in Puebla (Mexico)

Social Action Supported by Employees

In this area, a donation was made in 2004 from the OHL Group, together with its employees, to the Emergency Fund of the NGO Doctors without Borders, as a gesture of solidarity with the victims of the tsunami which took place in Southeast Asia. The voluntary contribution of the employees comes from the assignment of part of the premium return from the 2003 Collective Life Insurance Policy.

Also in 2004, in collaboration with the Entreculturas Foundation, work was begun on the project "You Can Be a Volunteer", focused on promoting social volunteerism among OHL Group employees. An informative course was developed aimed at encouraging workers to participate anonymously and personally as



social volunteers. The course will be available to all employees through OHLFINET, during the first quarter of 2005 and will contain detailed information on the work of several NGOs and the steps to be taken by those interested in starting to collaborate with these organizations.

Further Sponsorship and Patronage Activities

Culture Promotion. As has come to be customary in previous years, the OHL Group has collaborated in 2004 with various cultural entities, among which the following can be pointed out: Fundación Teatro Lírico (Madrid Royal Theatre), Fundación Teatro del Liceo de Barcelona, Spanish Zarzuela Foundation, Spanish Royal Academy of Language, Camilo José Cela Foundation, Spanish Institutional Foundation (FIES), Isaac Albéniz Foundation, Spanish Royal Academy of Engineering, Fundació Orfeó Català, Las Palmas Opera Festival, Bilbao Marine Museum, MACBA Foundation (Barcelona Museum of Contemporary Art) and Bilbao Guggenheim Museum. Also worthy of mention in 2004 is the sponsorship of the Martín Chirino exhibition in the Prague Castle and the rehabilitation of the concert hall of the Brothers of Charity Monastery in Brno.

Technological Development Promotion. In 2004 OHL participated in symposiums, congresses and encounters in support of technological and industrial development. It has collaborated with the Agustín de Betancourt Foundation, sponsoring the Master's in Soil Mechanics and Foundation Engineering, and with the Instituto de Empresa, financing the Business Leadership Forum. It likewise participated as sponsor in the COTEC Foundation for Technological Innovation and formed part of the Spanish Commission on Large Dams. Through its subsidiary in the Czech Republic, in 2004 the Group sponsored the translation of the book "High Performance Concrete" by P.C. Aitcina.

Sustainable Development Promotion. In 2004 OHL took part in congresses and encounters in support of sustainable development, among which are to be noted the 7th National Environmental Congress, the 2nd National Environmental Management Forum, the "Madrid Excelente" Congress, the 2nd Social Action Fair in Valencia and the 13th International Quality Conference in Ostrava, Czech Republic.

Especially worthy of mention is the collaboration of OHL with the "Citizens' Dialogues" organized in 2004 by Philanthropos, at which sessions various present and future social problems were debated, with the participation of prestigious lecturers.

Themes of "Citizens' Dialogues" in 2004:

What obstacles do women continue to face in the labor market?

Is Spanish society prepared to integrate the five million foreigners who will be living in the country in 2010?

How does the aging population compromise our model of well-being?

How can employment be increased in Spain?

OHL sponsors the Empresa y Sociedad Foundation, which commits it to improving its social action strategy and practice, to communicating this social action suitably and to supporting the institutional activities of the Foundation to promote social action in the business sector.



Furthermore, the Group has signed a collaboration agreement with the Lealtad Foundation, pledging its support to the NGOs evaluated positively by the Foundation with regard to transparency and good practices.

Socio-economic Development Promotion. OHL collaborates with various foundations and institutions in support of socio-economic development, among which the following can be pointed out: the Financial Studies Foundation, the New Economy Forum, the ABC Forum, the Gaudí Construction Institute, the Euroamérica Foundation, the Hispano-French Dialogue Association, Expo Zaragoza 2008, Madrid Excelente, Fundació Barcelona Promoció (Universal Forum of Cultures) and the Madrid 2012 Foundation. In 2004, the Group participated in the 45th Annual Meeting of the Board of Governors of the Inter-American Development Bank, in the Architecture and Quality of Life Forum Congress and in the Mediterranean Real Estate Trade Fair.

Medical Research Promotion. In 2004, OHL collaborated with the Spanish Hospital Engineering Association, sponsoring services, publications and congresses, with the Reina Sofía-Alzheimer Foundation and with the Canary Islands Foundation Against Leukemia.



Key Indicators 2004

KEY SOCIAL RESPONSIBILITY INDICATORS

Indicator	2004	% Var. 2004-2003	2003	% Var. 2003-2002	2002
Net Job Creation (number of employees at close)	11,033	13.5	9,721	61.0	6,039
Temporary Employment (on average number of employees in the year)	37.3%	(6.8)	40.0%	(16.7)	48.0%
Training (total hours on average number of employees)	17.7	26.4	14.0	(17.7)	17.4
Occupational Accidents. Incidence index	5,303	(0.8)	5,344	(13.3)	6,167
Investment in Society-Oriented Activities in Spain (thousands of euros)	1,887.8	136.5	798.1	n.av.	n.av.

n.av.: Data not available

For greater clarity of information, the following table summarizes the principal activities and projects taken on by the OHL Group in regard to Social Responsibility during the year 2004, specifying, in each case, the principal beneficiaries and the corresponding areas of activity.

PRINCIPAL OHL SOCIAL RESPONSIBILITY ACTIVITIES AND PROJECTS

	BENEFICIARIES															AREAS														
Activities and projects	Employees	Subcontractors	Public Administrations	Social Organizations	Univ. & Research Centers	Childhood and Family	Youth	The Sick	The Disabled	The Unemployed	Immigrants	Drug addicts	Women in Difficulty	The Elderly	Convicts	Developing Countries	Social Welfare	Health	Education & Awareness	Training	Employment	Social-labor Insertion	Emergencies	Development Cooperation	Prevention	Volunteerism	Leisure and Free Time	Sports	Human Rights	Research & Development
Internal Training and Professional Development	X																		X	X	X									
Social Benefits for Employees	X					X		X									X	X	X	X	X						X	X	X	
Occupational Hazard Prevention	X	X	X	X														X	X	X					X				X	
Internal Information and Communication	X	X																	X	X					X	X				X
Training Internships	X						X			X										X	X	X			X					
Subcontractor Training		X																	X	X					X					
Hiring of Disfavored Groups							X		X	X	X	X	X		X		X		X	X	X	X		X					X	
Collaboration with Public Administrations			X																X	X	X	X		X	X					
Collaboration with Universities and Research Centers					X														X	X	X	X						X		X
Collaboration with Social Organizations				X			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X			X	
Social Action Supported by Construction Work, Concessions and Services	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X			X		X	X	X	
Social Action Supported by Employees	X			X												X							X			X			X	
Further Sponsorship and Patronage	X	X	X	X	X												X	X	X	X		X	X	X			X	X	X	





*“**R**espect for the environment and the conservation of natural surroundings pervade all of the activities of the OHL Group. Not only do they form part of the quality of life which every community aspires to, but moreover they are essential conditions for maintaining economic and social development over the long term”.*

Cecilia Siquot Bertotto
Quality and Environment Service Manager

The background of the entire page is a photograph of green, lobed leaves hanging over a body of water. The leaves are in sharp focus in the foreground, while the water below shows gentle ripples and reflections of the foliage. The overall color palette is dominated by various shades of green and white from the sky and water.

ENVIRONMENTAL RESPONSIBILITY



ENVIRONMENTAL COMMITMENT AND POLICY
ENVIRONMENTAL ACTIVITIES
KEY INDICATORS 2004



5

ENVIRONMENTAL RESPONSIBILITY



Environmental Commitment and Policy

In addition to the intrinsic value of environmental responsibility, the OHL Group sees this commitment as being key to guaranteeing the satisfaction of customers, of the communities in which it operates and of society as a whole. In its wager on sustainable development, OHL aims to make all of the stakeholders aware of environmental responsibilities:

- Customers. Through strict compliance with contractual requirements and with the environmental legislation in force, and through the practice of actions which minimize environmental impact.
- Suppliers. Establishing environmental criteria for the selection of suppliers and promoting their environmental training.
- Universities. Materializing multiple collaboration agreements, without overlooking active participation in and sponsorship of congresses, forums and encounters.
- Employees. Providing training and environmental awareness.

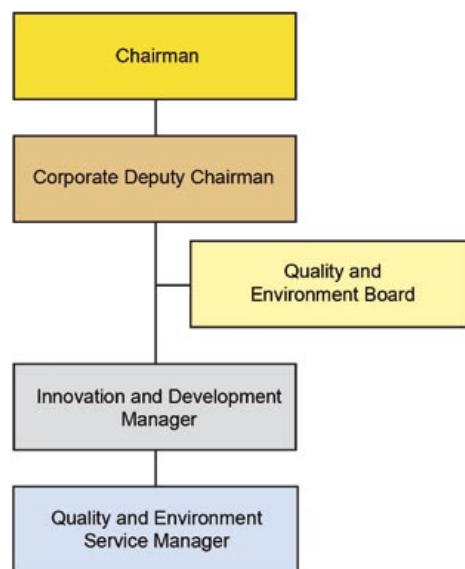
In turn, OHL is permanently committed to quality and environmental protection, a commitment based on the following premises:

- Continual improvement, in regard to the environment, is a priority to be met in all construction work, concessions and services, and generally speaking in all work centers. With this aim in mind, our Management establishes the corresponding objectives and goals, assigning the resources required for their development and monitoring.
- The OHL Group strives to prevent pollution and contamination and to minimize environmental impact which may be generated in carrying out our various activities. Consequently, those aspects which may significantly affect the environment are identified and evaluated, and the required controls are planned in order to ensure responsible action from the start of each contract and throughout its entire duration.
- Moreover, customer satisfaction is a basic premise in all our action, with the commitment to comply with the requisites stipulated in the contractual framework of the construction work. The pertinent legal and regulatory requirements, both present and future, in relation to the environment as well as to the quality of the work being performed and defined by contract, are strictly adhered to, as are any other requirements which the organization endorses.



ORGANIZATIONAL STRUCTURE

The Quality and Environment Board, where the main business areas are represented, actively contributes to compliance with the environmental protection commitment, giving shape to the environmental policy premises through specific activities.



The various activities are coordinated by the Innovation and Development Manager, who directly answers to the Corporate Deputy Chairman.



Environmental Activities



Environmental Management

Characteristics of the System

The OHL Environmental Management System, in operation since 1998, flexibly adapts itself to the specific characteristics of the construction sector, comprising all of the Group's activities, especially those associated with the execution of construction work.

Environmental management is also a field for innovation. In 2004, the "GEMA" tool, developed by the OHL Group Quality and Environment Service, began to be employed. This improvement simplifies the identification of environmental legal requirements and the definition of the control in each work center, thus fostering awareness and compliance. This tool has met with widespread acceptance at the pilot centers, and as from 2005 its use will become mandatory in the execution of newly awarded construction work.

Certificates

As in previous years, in 2004 OHL and the subsidiaries of the Group have renewed the corresponding environmental management certificates (UNE-EN ISO 14001). By means of this renewal, it has been possible to do the following:

- Unify the content of the scope of the environmental management certificates with that of the corresponding company registers.
- Have the same date of termination, the month of June, for environment and quality certificates alike, in the various companies.

Consequently, this facilitates the management and control of these certificates. The next renewal audit will be in 2007.

CERTIFIED OHL COMPANIES. 2004

Company	Environmental Management System and EMAS Certificate (*)
Obrascón Huarte Lain, S.A. (OHL)	CGM-98/054
Asfaltos y Construcciones Elsan, S.A.	CGM-00/261
Sociedad Anónima de Trabajos y Obras (SATO)	CGM-01/174
Elsan-Pacsa, S.A.	CGM-03/315
Construcciones Adolfo Sobrino, S.A.	CGM-01/399
Agrupación Guinovart Obras y Servicios Hispania S.A. (G&O)	CGM-99/026
Electrificaciones y Montajes Guinovart, S.A.	CGM-99/028
José Malvar Construcciones, S.A.	CGM-02/342
Inima Servicios Europeos de Medio Ambiente, S.A.	CGM-99/097
ŽS Brno, a.s.	EMS-045/2004
Railways	EMS-007/2002
	8020026 CQS 14/2002
	EMAS CZ-S-015
MOSAN	EMS-056/2004
	EMAS CZ-S-014
Building Construction	EMS-029/2003
	EMAS CZ-S-016

(*) Scope as detailed in corresponding certificate

External recognition

In the Czech Republic the OHL Group has obtained the following recognition for environmental management and execution in its activities:

"Health and Environment Award 2003" offered by the Business Leaders Forum (Prague, April, 2004). Nominated to participate in the "European Awards for the Environment".

"Award to the Best Work Executed in 2003 from the Ecological Standpoint", granted by the Building Ecologically Association, the Environment Ministry and the Construction Employers' Union, in April, 2004, for the work Hydro Plzeň Converting Station (Pilsen).



OHL Quality Award

Offered in 2004 for the second consecutive year, the “OHL Quality Award” aims to recognize the dedication of the production line to improving the construction work carried out, and in general, its contribution to compliance with the commitments and strategic objectives of the Group in matters of quality and sustainable development. Further information can be found in the section Excellence and Quality, in the OHL Group Annual Report 2004.

OHL Quality Award Assessment Criteria	
Improvements over the original project:	70%
Own objectives and contribution to compliance with overall objectives:	20 %
Compliance with environmental legislation and quality norms:	10%

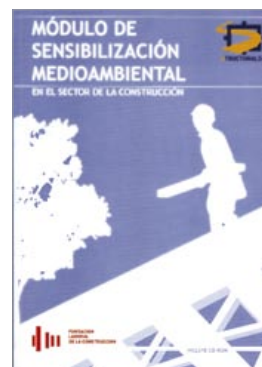
Training and Awareness-Raising

OHL provides its employees with the training required to ensure continued compliance with its commitment of minimizing the environmental impact of its activities and respecting the environmental legislation in force. In 2004, training was principally aimed at construction supervisors, particularly those new at the company. General environmental training, dealing with good practices and an awareness of legislation, also took place as normal, just as in previous years. Among the activities most worthy of note in 2004 are the environmental awareness meetings held by company staff and outside collaborators at each construction site.

SUBJECTS TAUGHT IN 2004
Practical Application of Environmental Management. Environmental management at the start of activity
Practical Application of Environmental Management. Waste management
Practical Application of Environmental Management. Control of environmental emergency situations
Practical Application of Environmental Management. Environmental management in plants
Introduction to the OHL Quality and Environment System for Technical Experts (construction supervisors)
OHL Construction Classroom
Environmental Awareness-Raising Module for the Construction Sector

► The total number of persons in the OHL Group trained in environment rose 37% in 2004

Practical Guides and Environmental Awareness-Raising Module. In 2004, OHL distributed to several groups a total of 350 copies of the “Construction Sector Environmental Awareness-Raising Module” published jointly by its subsidiary Structuralia and the Fundación Laboral de la Construcción. This educational guide aims to deal with real environmental problems and provide workers with the aptitudes and knowledge required to improve the quality of their environmental surroundings.



The environmental management practical guides applied to construction work ensure compliance with environmental legal regulations.

Communication

Worthy of mention in 2004 in regard to communication is the active participation of the OHL Group in the 7th National Environment Congress (VII CONAMA: Sustainable Development Summit), as sponsor and organizer of the Dynamic Exhibition “*New Hydric Resources. Desalination and Tertiary Treatments*”. Moreover, Group professionals have taken part in technical seminars and working groups related with sustainable development.

Throughout 2004, OHL participated in other forums and working groups related with the environment:

- Collaboration with the Spanish Standardization and Certification Association (AENOR), through the Spanish Constructing Companies Consulting Board, the construction sector environmental working group, the sub-working group for the design of environmental indicators for the construction sector and the working group for AEN/CTN 41/SC 9 “Sustainable Construction”.
- With regard to the Spanish Construction Technological Platform, OHL leads the Focus Area of Sustainable Construction Strategic Line and takes an active part in the remaining strategic lines.
- Quality and Environment Commission of the Autonomous Community of Valencia Chamber of Contractors.
- Sponsorship of the 3rd National Forum on Environmental Management and Sustainability organized by the National Association of Auditors and Environmental Verifiers (ANAVAM).



Control of Environmental Aspects

Noteworthy Aspects

The application of the Environmental Management System to the various activities of the Group enables the different work centers to identify their most significant environmental aspects and define the measures to be taken to minimize their impact.

SIGNIFICANT ENVIRONMENTAL ASPECTS

	2004	2003	2002
Works	1. Emission of acoustic energy and vibration	1. Generation of hazardous waste	1. Generation of inert waste
	2. Generation of hazardous waste	2. Emission of noise and vibration	2. Generation of hazardous waste
	3. Generation of inert waste	3. Generation of inert waste	3. Emission of noise and vibration
	4. Emission of dust and particles	4. Emission of dust and particles	4. Energy consumption
	5. Energy consumption	5. Emission of gases	5. Raw material consumption
Environmental Services	1. Consumption of materials		
	2. Generation of hazardous waste		
	3. Generation of inert waste		
	4. Emission of acoustic energy and vibrations		
	5. Emission of odor		
Machinery Yard	1. Generation of hazardous waste	1. Generation of hazardous waste	1. Generation of hazardous waste
	2. Generation of other types of waste (non-inert)	2. Generation of other types of waste (non-inert)	2. Generation of other types of waste (non-inert)
	3. Energy consumption	3. Energy consumption	3. Energy consumption
	4. Generation of volatile organic compounds	4. Consumption of raw materials	4. Consumption of raw materials
		5. Water consumption	5. Water consumption
		6. Discharge of polluted water	6. Discharge of polluted water
Offices	1. Energy consumption	1. Consumption of raw materials	1. Consumption of raw materials
	2. Water consumption	2. Energy consumption	2. Energy consumption
	3. Emission of acoustic energy and vibrations	3. Water consumption	3. Water consumption
		4. Generation of other types of waste (neither hazardous nor inert)	4. Generation of other types of waste (neither hazardous nor inert)

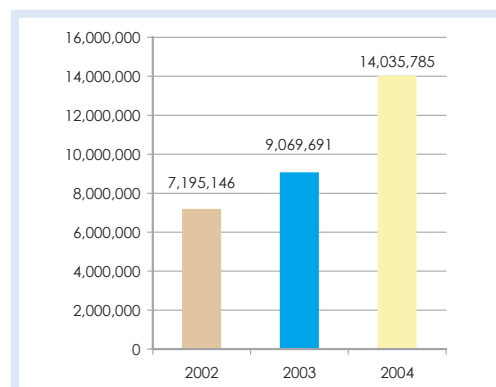
Waste Management (*)

Throughout 2004, the endeavor of the OHL Group to reduce inert waste generated has continued, and for this purpose the measures established and the means provided have been revised.

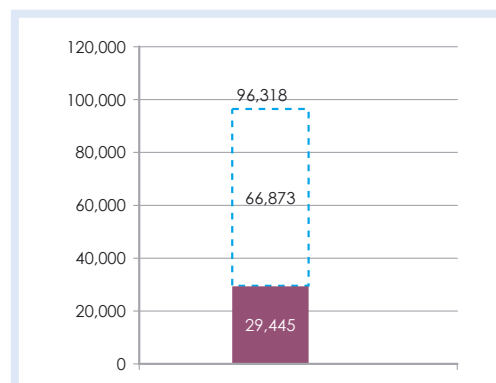
In overall terms, the volume of reused earth has risen 77% in 2004 with respect to 2003 and the debris produced has decreased by 69%.

Recycling of earth

At the "40 + 42 homes" construction site in Nueva Alcántara (Malaga), 100% of the inert waste extracted has been reused. In order to do so, the company subcontracted for the earth removal collaborated by contributing a classifying plant for the sifting and classification of all of the earth from the excavation site.



OHL/Reused earth (m³)

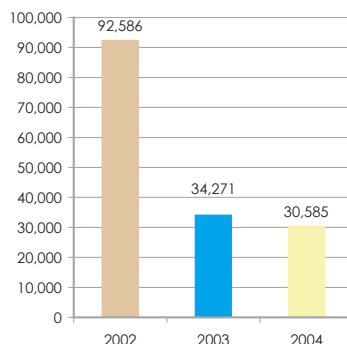


OHL/Reduction of waste produced in 2004 (m²)

(*) The evolution of the data furnished for waste management over the different years is not representative of the construction company's environmental behavior, as there are several factors regarding the construction work which condition the results: volume, typology, subcontractors or project qualities.

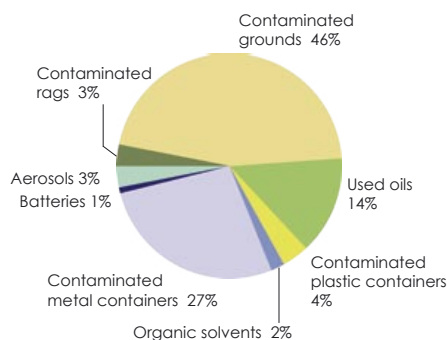
The OHL Group manages hazardous waste in compliance with the environmental legislation in force, taking special care to control the hazardous waste produced in the course of construction work, both in the work done directly by the Group itself as well as in work done by its outside collaborators. In order to achieve this, OHL promotes contracting with companies that correctly manage the waste produced in their activities, and requires that subcontractors furnish it with documentation attesting to this fact.

OHL/Hazardous waste managed at work site (Kg)



At the work site, the total amount of hazardous waste managed became stabilized in 2004

OHL/Hazardous waste managed at work site in 2004 (%)



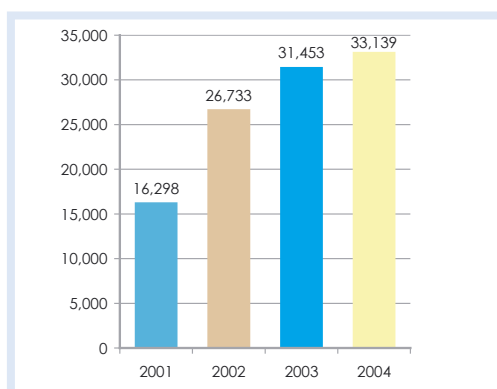
Availability in 2004 of hazardous waste management data in treatment plants makes it possible to identify new fields of environmental improvement.

Hazardous waste at EDAR exploitations

Type of waste	2004
Used oils (l./p-eq. ¹)	4,052
Laboratory waste (units removed/ eq-p. ¹)	6,057

(1) eq-p.: total equivalent population, in thousands

The OHL machinery yard has also managed to stabilize hazardous waste production and management.



OHL Group/Hazardous waste managed at the machinery yard (Kg)

Resource Consumption

Resource consumption at the machinery yard has become stabilized, except in the case of gas oil, which has increased with the inclusion in 2004 of gas oil A.

Machinery Yard Consumption

	2004	2003	2002	2001
Electricity (Kwh.)	750,530	727,301	597,190	536,190
Water (m ³)	1,940	2,072	1,962	1,817
Gas (m ³)	49,972	45,677	35,823	30,646
Gas oil (l.)	95,250	22,014	39,887	No figures

Note: Gas oil figures for 2002 and 2003 refer solely to gas oil B. In 2004, gas oil A is also taken into account.

The strict control of paper consumption at fixed work centers during 2004 has allowed for a 6.5% decrease with respect to 2003.

Whenever possible, each construction site has set its own objectives in regard to the consumption of materials or the use of less contaminating or more ecological materials.

Atmospheric Emissions

At plants manufacturing asphalt conglomerate as well as at concrete plants and stone-crushing plants the control of atmospheric emissions is essential. In 2004, the programs established in the corresponding administrative authorizations have been complied with in these plants. Likewise, controls have been carried out at the treatment plants to verify compliance with the legislation.

At construction sites, activities have been adopted aimed at reducing the emission of dust, particles, noise and vibration, especially where work is carried out in dry climates or in urban centers, respectively.



Replacement of equipment depleting the ozone layer

At the construction site of "40 + 42 homes in Nueva Alcántara" (Malaga), the installation of the reversible heating-cooling equipment with R-22 refrigerants (mixture of chlorofluorocarbons, CFCs) initially planned, has been replaced by other equipment with R-410a (azeotropic mixture of hydrofluorocarbons, HFCs).

This change is an environmental improvement over the approved project and contributes to reducing atmospheric contamination by the use of substances which do not deplete the ozone layer. Although this replacement is currently regulated by law, the corresponding Regulation was not applicable in this instance, given that the project had been approved prior to the date on which this regulation came into effect.

Soil Contamination

Soil contamination is an important environmental aspect of Civil Engineering activity, especially owing to the internal traffic at the construction site and to machinery management. Among the measures which contribute to protecting the soil are the use of chemical latrines for workers, which prevent waste discharge contamination, or the on-site refueling of machinery, which reduces fuel spillage to the ground.

Other Environmental Data

Among the measures taken in 2004 for the control and monitoring of other environmental aspects, mention may be made of project changes for the reuse of residual waters, the control of water quality where channels are affected, the protection of vegetable and/or animal species when the construction site is located in natural surroundings, and the measures taken to ensure that the elements used in construction are compatible with the natural landscape.



Protection of a protected bird species in Malaga

On the occasion of the rehabilitation of the old Hotel de la Caleta in Malaga, a flock of swifts which had their nest on the premises was detected. After the Administration was notified, the work timetable was changed to synchronize with the biological cycle of these birds, and the activities were begun once the reproductive phase of the birds had terminated.

Reuse of treated water in agriculture

The modification of the EDAR in Crevillente (Alicante) will allow for the independent treatment of urban and industrial waters. After treatment, the water from urban discharge will be used for agriculture, making available to the Irrigators' Community a volume of 5,000 m³/day for irrigation.

Moreover, the demolition of the old plant facilities was commissioned to a subcontractor having its own stone-crushing plant, which has made it possible to recycle approximately 3,800 m³ of debris.

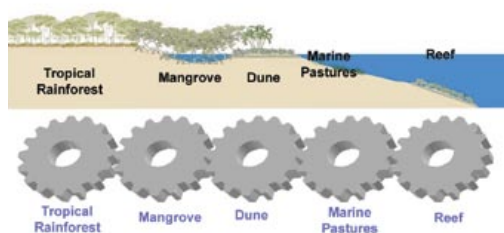
At the dam construction site in Navas de Marqués a surge tank was covered with stonework and vegetation terraces were created in order to integrate it in the landscape and reduce its visual impact



Important Environmental Project

The Mayakoba sustainable tourist development project is located on a 650-hectare lot in the Mexican state of Quintana Roo, on the Mayan Riviera. This region is characterized by the existence of ecosystems having great ecological value, as, for instance, the reef, the marine pastures, the dune, the mangrove forest and the tropical rainforest.

The OHL master plan is a reference point in sustainable development, making, from its conceptual design, economic profitability compatible with the strictest respect for the environment.

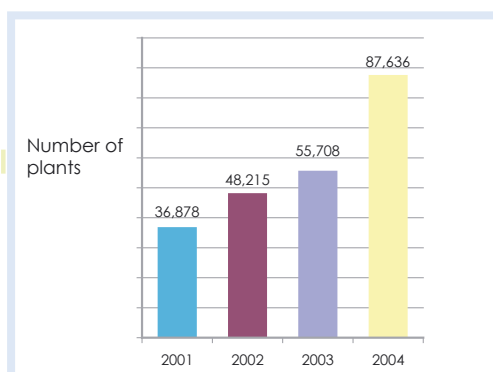


Integrated functioning of the ecosystems present in Mayakoba. The stability of each one of them directly depends on the functioning of the whole

A broad team of specialists in coastal ecology, geohydrology and integral ecosystem and natural resource management is used in the environmental control of the project.



Evolution of the inventory of nursery plants from the recovery in Mayakoba



Composting of vegetation waste

From the start of the work, over 6,042 m³ of vegetation waste from surface clearing, thinning and cleaning of algae from the beach have been composted, equivalent to the total volume of a facility measuring 900 m² and 6.5 m in height.

Use of mangroves in assimilating nutrients from effluents

In the wake of numerous scientific studies conducted by international researchers and experts, an innovative project has been started up, using the mangroves existing on the land of the Mayakoba tourist development project as a means of assimilating nutrients in drainage from the golf course and from the treated residual water. This minimizes any alteration in the quality of the water in the channel and lake system of the complex and of the adjacent marine-reef zone.



Key Indicators 2004

Key Environmental Management Indicators

The measurement and improvement of environmental management is possible owing to the environmental indicators which have been established. Of these, five are key in monitoring the environmental management system.

KEY ENVIRONMENTAL MANAGEMENT INDICATORS

Indicator	2004	% Var. 2004-2003	2003	% Var. 2003-2002	2002
Hours of Environmental Training	4,796	37.0	3,500	(38.9)	5,730
Environmental Expenditure (thousands of euros)	275	539.5	43	-	n.av.
Collaborating Companies Certified in ISO 14.001	408	-	n.av.	-	n.av.
Building Construction Work Adhering to the Good Neighbor Code (% of total)	2.4%	-	n.ap.	-	n.ap.
Formal Notifications Regarding Environmental Matters or Disturbance Caused (total number)	6	(14.3)	7	(12.5)	8

n.av.: not available - n.ap.: not applicable

Environmental Objectives

The Quality and Environment Board defines annual objectives to attain continual improvements, in accordance with the established environmental policy, the environmental aspects deemed to be significant and the achievements attained in previous years.

For a better understanding of the endeavor undertaken in regard to the environment, the following table expresses the correlation between the key indicators, the objectives defined in 2004 and, as a result of their being met, the posing of new objectives for 2005.

EVOLUTION OF ENVIRONMENTAL OBJECTIVES ASSOCIATED WITH KEY INDICATORS

Indicators	OBJETIVES 2004	STATE 2004	OBJETIVES 2005
Hours of Environmental Training	Improve response of technical experts to environmental matters	100% of technical experts incorporated have been trained	Training for newly incorporated technical experts
Environmental Expenditure	Improve control of environmental expenditure	Environmental expenditure has increased significantly	Increase percentage of imputation of environmental expenditure
Collaborating Companies Certified in ISO 14.001	Improve supplier management tool	Percentage identified of suppliers and subcontractors with certified Environmental Management System	Continue development of Purchasing Management tool
Building Construction Work Adhered to the Good Neighbor Code	Encourage Good Neighbor conduct and respect for the environment	Good Neighbor Code Program developed and established in pilot works	<p>Increase the number of building construction jobs adhered to Code</p> <p>Promote the dissemination of the initiative, translating the contents to other languages</p> <p>Improve the means of communication with citizens by use of low-cost telephone lines for users.</p>
Formal Notifications Regarding Environmental Matters or Disturbance Caused	Additional control over compliance with environmental legal requirements	Six visits conducted to civil engineering construction sites	<p>Increase percentage of sites visited</p> <p>Conduct visits to building construction sites</p> <p>Improve level of compliance with requirements</p>





6





GRI CRITERIA INDEX

The GRI guide (Global Reporting Initiative – www.globalreporting.org) is a voluntary framework, adopted to varying degrees by a multitude of companies throughout the world, to present sustainable development reports informing about the economic, environmental and social action of the various organizations. Listed below is an index of the pages where information may be obtained in regard to each of the criteria defined by GRI.

GRI Contents	Indicator	Page
1. Vision and Strategy	1.1 Sustainability Vision and Strategy	6, 14, 15
	1.2 Chairman's Statement	3
2. Organization Profile	2.1 Organization name	a.r.
	2.2 Product and services	7
	2.3 Operational structure	7, 8
	2.4 Divisions, subsidiaries and alliances	7, a.r.
	2.5 Countries of activity	8
	2.6 Nature of ownership and legal form	a.r.
	2.7 Market nature	7, a.r.
	2.8 Magnitude of organization	7, 8, 9, 10
	2.9 List of Stakeholders and relation to them	21, 22
	2.10 Persons to contact	73
	2.11 Period covered by the report	3
	2.12 Date of the most recent report	3
	2.13 Coverage and limitations	As specified in every section
	2.14 Changes from the previous report	As specified in every section
	2.15 Bases for joint reports	n.a.
	2.16 Redrafting of previous information	n.a.
	2.17 Decisions not to apply the GRI	n.a.
	2.18 Accounting criteria and definitions	a.r.
	2.19 Changes in calculation methods	n.a.
	2.20 Internal verification of the report	18
	2.21 External verification of the report	30, 40, 56, a.r.
	2.22 Sources of addition information	20
3. Government Structure and Management Systems	3.1 Government structure	27, 28, 29
	3.2 % of independent members on managing board	a.r.
	3.3 Process to determine needs for qualifying sustainability managers	29
	3.4 Sustainability managers	14, 18, 19, 29
	3.5 Managers' compensation for objectives	15, 26, 31, 37, a.r.
	3.6 Sustainability organizational structure	14, 18, 19
	3.7 Policies and codes	Cover, 6, 14, 15, 18, 19, 26, 34, 54
	3.8 Communication of shareholders to managers	20
	3.9 Identification of stakeholders	21
	3.10 Consultations with stakeholders	20, 49
	3.11 Information obtained from consultations	20, 49
	3.12 Use of information obtained	20, 21, 22, 49
	3.13 Precaution Principle	26, 31, a.r.
	3.14 Adhesion to external codes	15, 26, 49, 56
	3.15 Membership in associations	16, 21, 58, 49
	3.16 Value and product chain policies	14, 18, 19, 31, 34, 44, 54
	3.17 Indirect impact management	18, 44, 59
	3.18 Changes in operations or facilities	n.a.
	3.19 Auditing and control of the sustainable endeavor	10, 18, 19, 49, 56, 65
	3.20 Sustainability certifications	56
4. Economic action	EC1 Net sales	7, 8
	EC2 Geographical breakdown	8
	EC3 Cost of purchases	a.r.
	EC4 Contracts paid as agreed	a.r.
	EC5 Wage costs	a.r.
	EC6 Capital supplier payments	a.r.
	EC7 Increase/decrease in reserves	a.r.
	EC8 Taxes paid	a.r.
	EC9 Subsidies received	a.r.
	EC10 Donations	a.r.



n.a.: Not applicable - n.av.: Information not available - a.r.: Information available in OHL Group Annual Report 2004

■ Additional indicators (not defined in GRI as mandatory)

GRI Contents	Indicator	Page
5. Environmental action	EN1 Consumption of materials except water	59
	EN2 External waste consumption	n.a.
	EN3 Energy consumption	62
	EN4 Indirect energy consumption	62
	EN5 Water consumption	62
	EN6 Land owned, leasing or management in biodiversity-rich habitats	64
	EN7 Operations and product impact on biodiversity (land, water, marine)	23, 62, 63, 64
	EN8 Greenhouse effect gas emissions	62
	EN9 Emissions hazardous to ozone layer	62
	EN10 NOx, SOx and other gases	n.a.
	EN11 Waste, total y broken down by type and	60, 61, 62
	EN12 Discharge into water	23, 59
	EN13 Chemical, oil and fuel discharge	59, 61
	EN14 Environmental impact of products and services	59, 64
	EN15 Recycling of products sold	n.a.
	EN16 Environmental sanctions	65
	EN26 Impact, protection and restoration of habitats	64
	EN27 Programs and objectives for protection and restoration in degraded areas	64
	EN35 Total environmental expenditure	65
6. Social action	LA1 Break down of staff	35
	LA2 Net employment creation and rotation	35, 36
	LA3 Union representation	34
	LA4 Collective bargaining mechanisms	34
	LA5 Accident recording and notification	n.av.
	LA6 Joint management-worker commissions	n.av.
	LA7 Absenteeism and accidents	40, 41
	LA8 HIV-AIDS policies	46
	LA9 Average annual hours of training by employee and category	38, 49
	LA10 Equal opportunities policies	34, 37
	LA11 Women and minorities in management organs if deemed relevant	n.a.
	LA12 Social benefits not required by law	41, 42
	LA17 Continual training and skill area management	36, 37, 57
	HR1 Human rights policies	17, 34
	HR2 Consideration of human rights in investment and collaboration decisions	17, 34
	HR3 Evaluation of human rights in the value chain	17, 34
	HR4 Non-discrimination policies	17, 37
	HR5 Freedom of assembly	17, 34
	HR6 Rejection of child labor	17, 34
	HR7 Rejection of forced labor	17, 34
	HR13 Joint organization/authorities mechanisms for community complaints	44
	HR14 Reversion of income to local communities	44, 46, 47, 49
	SO1 Community impact management policies	34, 44, 46, 47
	SO2 Rejection of bribes and corruption	17, 31
	SO3 Political contribution and lobbying policies	17, 31
	PR1 Customer health and safety protection	31
	PR2 Product labeling and information	n.a.
	PR3 Customer privacy protection	31
	PR6 Voluntary codes and awards for social or environmental responsibilities	14, 15, 26, 30, 31, 34, 36, 44, 46, 47, 48, 49, 54, 56, 57, 64, 66
	PR8 Customer satisfaction policies	6, 20, 21, 22, 26, 31

OHL Sustainability Factors Index

Internal criteria defined by OHL as significant in promoting sustainable development.

Contents	Sustainability Factor	Page
1. Corporate Government	1.1 Government Annual Report	26, a.r.
	1.2 Compliance with Good Government Code recommendations	26, a.r.
	1.3 Compensation of directors and management team	a.r.
	1.4 Size and frequency of board meetings	a.r.
	1.5 Weight of independent board members/executives	a.r.
	1.6 Auditing and compliance commission / appointments and compensation	27, a.r.
	1.7 No golden parachute clauses	a.r.
	1.8 Code of conduct	31, 15
	1.9 Relations with auditors, external consultants	19
	1.10 Corporate government regulations (bylaws, Shareholders' Meeting regulations, board regulations, code of conduct (securities market))	15, 26, 30
	1.11 Information furnished (contents and channels)	20, 21, 22
2. Investor relations	2.1 Existence of specific area	20
	2.2 Transparency of true, complete and timely information	20, 30
	2.3 Mechanisms for communication with analysts and investors	20, 21, 22
3. Strategic planning	3.1 Existence and evaluation of the PLP	26, 27
	3.2 Existence of strategic planning organs	18, 19, 28
	3.3 Establishment of long-term objectives	6, 18, 19, 26, a.r.
	3.4 Management team succession scheme	n.av.
	3.5 Mission and strategy information	6
4. Risk and crisis management	4.1 Investment evaluation and approval	a.r.
	4.2 Criteria for detection and action regarding risks in operations	14, 31
	4.3 Systems for responding to major crises or emergencies	n.av.
	4.4 Capacity of response to accidents or emergencies	n.av.
	4.5 Communication system (internal-external) in high risk or crisis situations	n.av.
5. Customer management	5.1 Methods for detecting potential customers	n.av.
	5.2 Managers' mechanisms for and capacity of negotiating	31
	5.3 Systems for determining customer satisfaction level	a.r.
6. Internal organization	6.1 Organizational development	7
	6.2 Information and control systems	18, 19, 20, 42
	6.3 Quality management system	a.r.
	6.4 Regulations and procedures	14, 15, 18, 19, 26, 50, 55
	6.5 Conflict-solving mechanisms	31
7. Innovation and development	7.1 R&D&I management system	22, a.r.
	7.2 Existence of specific area	18, 19, 22, a.r.
8. Environmental dimension	8.1 Environmental policy	54
	8.2 Environmental management system (certified)	55, 56
	8.3 Degree of system establishment	56
	8.4 Environmental behavior	55 to 66
	8.5 Existence of specific area	18, 19, 54
	8.6 Information systems	21, 57, 58
9. Social dimension	9.1 Corporate strategy	34
	9.2 Career development. Training plan	37
	9.3 Health and occupational hazard prevention	39, 41, 50
	9.4 Social benefits	41, 50
	9.5 Philanthropy and patronage	43 to 50

n.av.: Data not available

a.r.: Information available in OHL Group Annual Report 2004

Contacts

Higinio González-Mayo Barajas

Innovation and Development Manager
desarrollo.sostenible@ohl.es

Carmelo Ferrández Bueno

Human Resources Manager
recursos.humanos@ohl.es

Cecilia Siquot Bertotto

Quality and Environment Service Manager
desarrollo.sostenible@ohl.es

Francisco J. Meliá Fullana

Investor Relations Manager
relacion.accionistas@ohl.es

Published by:

OHL Group

c/ Gobelos, 35 - 37 El Plantío (28023 - Madrid)

Tfno.: +34 91 348 41 00

www.ohl.es

Management and production:

IPPI Comunicación

Design: Carlos Alvarez Mesas

Paseo de la Castellana, 154 28046 - Madrid

Tfno.: + 34 91 314 81 78

www.ippi.es

National book catalog number:

