

**ACS, Actividades de
Construcción y Servicios, S.A.
and Subsidiaries**

Interim Condensed Consolidated
Financial Statements and Interim
Consolidated Directors' Report for
the six-month period ended 30
June 2012, together with Report
on Limited Review

Translation of a report originally issued in Spanish based on our work performed in accordance with the limited review regulations in force in Spain and of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 1.a and 20). In the event of a discrepancy, the Spanish-language version prevails.

Translation of a report originally issued in Spanish based on our work performed in accordance with the limited review regulations in force in Spain and of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 1.a and 20). In the event of a discrepancy, the Spanish-language version prevails.

REPORT ON LIMITED REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of ACS, Actividades de Construcción y Servicios, S.A., at the request of the Board of Directors of the Company:

1. We have performed a limited review of the accompanying interim condensed consolidated financial statements (“the interim financial statements”) of ACS, Actividades de Construcción y Servicios, S.A. (“the Parent”) and Subsidiaries (“the Group”), which comprise the condensed consolidated statement of financial position at 30 June 2012 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and explanatory notes thereto for the six-month period then ended. The Parent’s directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial information, in conformity with Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.
2. Our review was performed in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying certain analytical and other review procedures. A limited review is substantially less in scope than an audit and, consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.
3. As a result of our limited review, which under no circumstances may be considered to be an audit of financial statements, nothing came to our attention that might cause us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2012 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, pursuant to Article 12 of Royal Decree 1362/2007, for the preparation of interim condensed financial statements.
4. Without affecting our conclusion, we draw attention to Note 1-a) to the accompanying interim financial statements, which indicates that the aforementioned accompanying interim financial statements do not include all the information that would be required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and, therefore, the accompanying interim financial statements should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2011.
5. The accompanying interim consolidated directors' report for the six-month period ended 30 June 2012 contains the explanations which the Parent's directors consider appropriate about the significant events that took place in that period and their effect on the interim financial statements presented, of which it does not form part, and about the information required under Article 15 of Royal Decree 1362/2007. We have checked that the accounting information in the interim consolidated directors' report is consistent with that contained in the interim financial statements for the six-month period ended 30 June 2012. Our work was confined to checking the interim consolidated directors’ report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of the consolidated companies.

6. This report was prepared at the request of the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. in relation to the publication of the half-yearly financial report required by Article 35 of Spanish Securities Market Law 24/1988, of 28 July, implemented by Royal Decree 1362/2007, of 19 October.

DELOITTE, S.L.

Javier Parada Pardo
30 August 2012

ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries

Interim Condensed Consolidated Financial
Statements for the six-month period ended 30
June 2012

Translation of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 1 and 20). In the event of a discrepancy, the Spanish-language version prevails.

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2012

ASSETS	Note	Thousands of Euros	
		30/06/2012	31/12/2011
		(*)	
NON-CURRENT ASSETS		17,876,391	20,039,669
Intangible assets	2	4,721,758	4,753,432
Goodwill		2,602,795	2,496,438
Other intangible assets		2,118,963	2,256,994
Tangible assets - property, plant and equipment	3	3,412,446	3,343,538
Non-current assets in projects	4	827,961	834,692
Investment property		75,824	79,511
Investments accounted for using the equity method	5	1,648,706	1,569,911
Non-current financial assets	6	5,111,817	7,351,522
Financial instrument receivables	11	13,452	23,739
Deferred tax assets	12	2,064,427	2,083,324
CURRENT ASSETS		28,520,350	27,947,941
Inventories	7	1,863,272	1,774,714
Trade and other receivables		12,028,367	10,703,493
Trade receivables for sales and services		10,243,725	9,625,068
Other receivable		1,012,543	951,857
Current tax assets		772,099	126,568
Other current financial assets	6	3,000,834	3,006,222
Financial instrument receivables	11	7,009	-
Other current assets		269,387	221,278
Cash and cash equivalents		3,948,011	4,155,177
Non-current assets held for sale and discontinued operations	1 f)	7,403,470	8,087,057
TOTAL ASSETS		46,396,741	47,987,610

The accompanying notes 1 to 20 and Appendix I are an integral part of the consolidated statement of financial position at 30 June 2012.

(*) Unaudited

Translation of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 1 and 20). In the event of a discrepancy, the Spanish-language version prevails.

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2012

EQUITY AND LIABILITIES	Note	Thousands of Euros	
		30/06/2012	31/12/2011
		(*)	
EQUITY	8	5,284,441	6,191,264
SHAREHOLDERS' EQUITY		4,111,995	5,682,274
Share capital		157,332	157,332
Share premium		897,294	897,294
Reserves		5,081,385	4,709,557
(Treasury shares and equity interests)		(791,282)	(760,651)
Profit for the period of the parent		(1,232,734)	961,940
(Interim dividend)		-	(283,198)
ADJUSTMENTS FOR CHANGES IN VALUE		(1,723,509)	(2,363,192)
Available-for-sale financial assets		(1,180,295)	(1,839,361)
Hedging instruments		(689,842)	(648,120)
Exchange differences		146,628	124,289
EQUITY ATTRIBUTED TO THE PARENT		2,388,486	3,319,082
NON-CONTROLLING INTERESTS		2,895,955	2,872,182
NON-CURRENT LIABILITIES		14,157,653	13,476,553
Grants		56,201	58,132
Non-current provisions	9	1,956,675	2,033,463
Non-current financial liabilities	10	10,198,762	9,604,305
Bank borrowings, debt, and other held-for-trading liabilities		6,203,499	3,605,979
Project finance with limited recourse		3,885,217	5,888,061
Other financial liabilities		110,046	110,265
Derivative financial instruments	11	530,564	421,705
Deferred tax liabilities	12	1,233,615	1,174,599
Other non-current liabilities		181,836	184,349
CURRENT LIABILITIES		26,954,647	28,319,793
Current provisions		1,332,560	1,268,481
Current financial assets	10	5,328,761	6,891,279
Bank borrowings, debt, and other held-for-trading liabilities		4,741,103	6,271,497
Project finance with limited recourse		115,265	77,432
Other financial liabilities		472,393	542,350
Financial instrument payables	11	177,589	-
Trade and other payables		15,064,652	14,560,695
Suppliers		8,691,951	8,186,905
Other payables		6,242,774	6,285,641
Current tax liabilities		129,927	88,149
Other current liabilities		680,057	603,997
Liabilities relating to non-current assets held for sale and discontinued operations	1 f)	4,371,028	4,995,341
TOTAL EQUITY AND LIABILITIES		46,396,741	47,987,610

The accompanying notes 1 to 20 and Appendix I are an integral part of the consolidated statement of financial position at 30 June 2012.

(*) Unaudited

Translation of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 1 and 20). In the event of a discrepancy, the Spanish-language version prevails.

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

	Note	Thousands of Euros	
		30/06/2012	30/06/2011
		(*)	(*)
REVENUE	13	18,833,251	9,473,361
Changes in inventories of finished goods and work in progress		55,300	(59,489)
Capitalised expenses of in-house work on assets		6,825	10,664
Procurements		(11,877,211)	(5,705,948)
Other operating income		303,306	34,192
Staff costs		(4,249,156)	(2,061,186)
Other operating expenses		(1,515,062)	(807,391)
Depreciation and amortisation charge		(728,400)	(237,468)
Allocation of grants relating to non-financial assets and others		1,771	2,814
Impairment and gains on the disposal of non-current assets		(1,790)	(6,959)
Other profit or loss		15,411	39,195
OPERATING INCOME		844,245	681,785
Finance income	14	370,485	334,339
Financial costs		(720,385)	(508,354)
Changes in the fair value of financial instruments	17	(145,176)	(20,050)
Exchange differences		17,688	(8,035)
Impairment and gains or losses on the disposal of financial instruments	16	(2,356,063)	216,178
FINANCIAL RESULT		(2,833,451)	14,078
Results of companies accounted for using the equity method	5	265,505	18,092
PROFIT BEFORE TAX		(1,723,701)	713,955
Income tax	12	622,833	(102,960)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		(1,100,868)	610,995
Profit after tax from discontinued operations	1.f) (**)	107,465	21,955
PROFIT FOR THE PERIOD		(993,403)	632,950
Profit attributed to non-controlling interests	8	(239,320)	(28,964)
Profit from discontinued operations attributable to non-controlling interests		(11)	63
PROFIT ATTRIBUTABLE TO THE PARENT		(1,232,734)	604,049

(**) Profit after tax from discontinued operations attributable to non-controlling interests	1.f)	107,454	22,018
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EARNINGS PER SHARE

		Euros per Share	
		30/06/2012	30/06/2011
Basic earnings per share	1.n)	-4.25	2.02
Diluted earnings per share	1.n)	-4.25	2.02
Basic earnings per share from discontinued operations	1.n)	0.37	0.07
Basic earnings per share from continuing operations	1.n)	-4.62	1.94

The accompanying notes 1 to 20 and Appendix I are an integral part of the consolidated income statement at 30 June 2012.

(*) Unaudited

Translation of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 1 and 20). In the event of a discrepancy, the Spanish-language version prevails.

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

	Thousands of Euros					
	30/06/2012 (*)			30/06/2011 (*)		
	Of the Parent	Of Non-Controlling Interests	Total	Of the Parent	Of Non-Controlling Interests	Total
A) Total consolidated profit	(1,232,734)	239,331	(993,403)	604,049	28,901	632,950
Profit from continuing operations	(1,340,188)	239,320	(1,100,868)	582,031	28,964	610,995
Profit from discontinued operations	107,454	11	107,465	22,018	(63)	21,955
B) Income and expense recognised directly in equity	(1,021,351)	6,436	(1,014,915)	236,448	(39,186)	197,262
Measurement of financial instruments	(1,288,424)	(6,305)	(1,294,729)	383,933	(1,424)	382,509
Cash-flow hedges	(127,951)	(2,593)	(130,544)	17,491	(39,463)	(21,972)
Exchange differences	22,394	54,697	77,091	(63,357)	(11,103)	(74,460)
Actuarial profit and loss	(63,873)	(59,629)	(123,502)	14,742	(2,470)	12,272
Tax effect	436,503	20,266	456,769	(116,361)	15,274	(101,087)
C) Transfers to profit or loss	1,619,797	11,698	1,631,495	(10,612)	-	(10,612)
Reversal of financial instruments	2,211,830	-	2,211,830	-	-	-
Cash flow hedges	80,961	16,711	97,672	61,371	-	61,371
Reversal of exchange differences	(56)	-	(56)	(52,702)	-	(52,702)
Tax effect	(672,938)	(5,013)	(677,951)	(19,281)	-	(19,281)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(634,288)	257,465	(376,823)	829,885	(10,285)	819,600

The accompanying notes 1 to 20 and Appendix I are an integral part of the consolidated statement of comprehensive income at 30 June 2012.

(*) Unaudited

Translation of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 1 and 20). In the event of a discrepancy, the Spanish-language version prevails.

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

	Thousands of Euros (*)								
	Share capital	Share premium	Retained earnings and other reserves	Treasury shares	Adjustments for changes in value	Profit attributable to the parent	Interim dividend	Non-controlling interests	TOTAL
Balance at 31 December 2010	157,332	897,294	4,118,719	(683,491)	(1,340,666)	1,312,557	(283,198)	263,839	4,442,386
Revenue (expenses) for the period recognised in equity	-	-	14,742	-	211,094	604,049	-	(10,285)	819,600
Stock Options	-	-	4,354	-	-	-	-	-	4,354
Distribution of profit from the prior period									
To reserves	-	-	950,693	-	-	(950,693)	-	-	-
To dividends	-	-	(270,746)	-	-	(361,864)	283,198	(8,696)	(358,108)
Treasury shares	-	-	(889)	122,714	-	-	-	-	121,825
Change in quoted investee companies for actuarial profit and others	-	-	(25,796)	-	-	-	-	-	(25,796)
Change in the scope of consolidation and other effects of a lesser amount	-	-	(2,390)	-	-	-	-	2,925,911	2,923,521
Balance at 30 June 2011	157,332	897,294	4,788,687	(560,777)	(1,129,572)	604,049	-	3,170,769	7,927,782

	Thousands of Euros (*)								
	Share capital	Share premium	Retained earnings and other reserves	Treasury shares	Adjustments for changes in value	Profit attributable to the parent	Interim dividend	Non-controlling interests	TOTAL
Balance at 31 December 2011	157,332	897,294	4,709,557	(760,651)	(2,363,192)	961,940	(283,198)	2,872,182	6,191,264
Revenue (expenses) for the period recognised in equity	-	-	(41,237)	-	639,683	(1,232,734)	-	257,465	(376,823)
Stock Options	-	-	4,354	-	-	-	-	-	4,354
Distribution of profit from the prior year									
To reserves	-	-	462,045	-	-	(462,045)	-	-	-
To dividends	-	-	24,143	-	-	(499,895)	283,198	(99,841)	(292,395)
Treasury shares	-	-	(16,432)	(30,631)	-	-	-	-	(47,063)
Change in quoted investee companies for actuarial profit and others	-	-	(60,791)	-	-	-	-	-	(60,791)
Change in the scope of consolidation and other effects of a lesser amount	-	-	(254)	-	-	-	-	(133,851)	(134,105)
Balance at 30 June 2012	157,332	897,294	5,081,385	(791,282)	(1,723,509)	(1,232,734)	-	2,895,955	5,284,441

The accompanying notes 1 to 20 and Appendix I are an integral part of the consolidated statement of changes in equity at 30 June 2012.

(*) Unaudited

Translation of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 1 and 20). In the event of a discrepancy, the Spanish-language version prevails.

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012

		Thousands of Euros	
		30/06/2012	30/06/2011
		(*)	(*)
A)	CASH FLOWS FROM OPERATING ACTIVITIES	395,682	581,881
1.	Profit before tax	(1,723,701)	713,955
2.	Adjustments to profit:	2,983,073	441,458
	Depreciation and amortisation charge	728,400	237,468
	Other adjustments to profit (net)(Note 1.j)	2,254,673	203,990
3.	Changes in working capital	(728,286)	(463,903)
4.	Other cash flows from operating activities:	(135,404)	(109,629)
	Interest payable	(678,434)	(444,685)
	Dividends receivable	378,656	257,577
	Interest receivable	179,810	127,572
	Income tax payment/proceeds	(15,436)	(50,093)
B)	CASH FLOWS FROM INVESTING ACTIVITIES	522,152	282,070
1.	Investment payables:	(1,591,017)	(69,600)
	Group companies, associates and business units	(351,121)	1,245,253
	Tangible assets - property, plant and equipment, intangible assets and property investments	(892,072)	(942,301)
	Other financial assets	(317,693)	(201,587)
	Other assets	(30,131)	(170,965)
2.	Divestment:	2,113,169	351,670
	Group companies, associates and business units	1,047,549	288,005
	Tangible assets - property, plant and equipment, intangible assets and property investments	255,389	53,279
	Other financial assets	806,423	8,900
	Other assets	3,808	1,486
C)	CASH FLOWS FROM FINANCING ACTIVITIES	(1,181,345)	735,352
1.	Equity instruments proceeds (and payments)	(30,631)	(54,803)
	Acquisition	(73,024)	(80,268)
	Disposal	42,393	25,465
2.	Liability instrument proceeds (and payments):	(634,827)	1,025,488
	Issue	2,772,362	2,324,131
	Refund and repayment	(3,407,189)	(1,298,643)
3.	Dividends paid and remuneration relating to other equity instruments	(357,542)	(270,746)
4.	Other cash flows from financing activities:	(158,345)	35,413
	Other financing activity proceeds and payables	(158,345)	35,413
D)	EFFECT OF CHANGES IN EXCHANGE RATES	56,345	(202)
E)	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(207,166)	1,599,101
F)	CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	4,155,177	2,452,570
G)	CASH AND CASH EQUIVALENTS AT END OF PERIOD	3,948,011	4,051,671

1. CASH FLOWS FROM OPERATING ACTIVITIES	-	(22,926)
2. CASH FLOWS FROM INVESTING ACTIVITIES	80,860	-
3. CASH FLOWS FROM FINANCING ACTIVITIES	-	22,926
NET CASH FLOWS FROM DISCONTINUED OPERATIONS	80,860	-

CASH AND CASH EQUIVALENTS AT END OF PERIOD

Cash and banks	2,893,051	2,924,645
Other financial assets	1,054,960	1,127,026
TOTAL CASH AND CASH EQUIVALENTS AT YEAR END	3,948,011	4,051,671

The accompanying notes 1 to 20 and Appendix I are an integral part of the consolidated statement of cash flows at 30 June 2012.

(*) Unaudited

ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2012

1.- Introduction and basis of presentation of the interim condensed consolidated financial statements

ACS, Actividades de Construcción y Servicios, S.A. is a company incorporated in Spain in accordance with the Spanish Consolidated Companies Law. Its registered office is at Avenida de Pío XII, nº 102 in Madrid.

ACS, Actividades de Construcción y Servicios, S.A. is the head of a group of subsidiaries that engage in various business activities, including, inter alia, construction, industrial services, the environment, concessions and energy. Therefore, ACS, it is obliged to prepare, in addition to its own individual financial statements, the ACS Group's consolidated financial statements, which also include the interests in joint ventures and investments in associates.

a) Basis of presentation and basis of consolidation

- Basis of presentation

The interim condensed consolidated financial statements of ACS, Actividades de Construcción y Servicios, S.A. and subsidiaries (hereafter the ACS Group) for the six-month period ended 30 June 2012 were approved by the directors of the parent at a Board of Directors' Meeting held on 30 August 2012. These were prepared on the basis of the accounting records kept by the parent and other ACS Group companies.

The Directors have approved the Interim Condensed Consolidated Financial Statements under the presumption that any reader of the same will also have access to the Consolidated Financial Statements for the year ended 31 December 2011, which were prepared in accordance with International Financial Reporting Standards (IFRS) on 22 March 2012 and were approved by the shareholders at the Annual General Meeting held on 31 May 2012. Consequently, and in view of the fact that they have been prepared using the accounting principles and standards employed in preparing the annual consolidated financial statements, it was not necessary to either repeat or update most of the notes that are included in these condensed consolidated financial statements. Instead, the accompanying notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and consolidated profit or loss of the ACS Group since the date of the aforementioned annual consolidated financial statements.

This interim consolidated financial information was prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union, and taking into account International Accounting Standard 34 (IAS 34) on Interim Financial Reporting and all the mandatory accounting policies and rules and measurement bases, so that they present fairly the ACS Group's consolidated equity and financial position at 30 June 2012, and the results of its operations, the changes in consolidated equity and the consolidated cash flows in the interim period then ended. All of this is pursuant to article 12 of Royal Decree 1362/2007.

However, since the accounting policies and measurement bases used in preparing the ACS Group's consolidated financial statements for the six-month period ended 30 June 2012 might differ from those used by certain of the Group companies, the required adjustments and reclassifications were made on consolidation to unify the policies and criteria used and to make them compliant with the International Financial Reporting Standards. In order to uniformly present the various items comprising these consolidated financial statements, the measurement principles and standards used by the Parent have been applied to the individual financial statements of the companies included in the scope of consolidation.

In preparing the ACS Group's consolidated financial statements for the six-month period ended 30 June 2012, estimates were occasionally made by the senior management of the Group and consolidated companies (subsequently ratified by the directors) to quantify certain of the assets, liabilities, income, expenses and commitments reported herein. These estimates essentially refer to the same aspects detailed in the consolidated financial statements for the year ended 31 December 2011:

- The measurement used to ascertain whether impairment losses exist for certain assets.
- The fair value of assets acquired in business combinations.
- The measurement of goodwill and the assignment of assets on acquisitions.
- The recognition of earnings in construction contracts.
- The amount of certain provisions.

- The assumptions used in the calculation of liabilities and commitments to employees.
- The market value of derivatives, and especially "equity swaps".
- The useful life of intangible and tangible assets - property, plant and equipment.

Although these estimates were made on the basis of the best information available at the date of these interim condensed consolidated financial statements, on the events analysed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively, recognising the effects of the change in estimates in the related future consolidated financial statements.

- Basis of consolidation

The consolidation criteria applied in the first six months of 2012 are consistent with those applied in the 2011 consolidated financial statements.

b) Entry into force of new accounting standards

During the first six months of 2012 the following interpretations and standards already adopted by the European Union and whose application is mandatory in 2012, have come into force. If applicable, they were used by the Group in the preparation of the accompanying interim condensed consolidated financial statements:

(1) New standards, amendments and interpretations of standards whose application is mandatory in the year commencing 1 January 2012:

New standards, amendments and interpretations of standards:		Mandatory application in the year commencing:
Adopted for use in the European Union		
Amendment to IFRS 7-Financial Instruments: Disclosures - Transfers of financial assets (published in October 2010)	Expands and reinforces disclosures on transfers of financial assets.	Annual periods commencing 1 July 2011
Not yet adopted for use in the European Union		
Amendment of IAS 12 - income tax-deferred taxes relating to investment property (published in December 2010)	Regarding the calculation of deferred taxes relating to investment property in accordance with the fair value model of IAS 40.	Annual periods commencing 1 January 2012(1)

(1) Scheduled to be adopted by the EU in the last quarter of 2012.

Amendment to IFRS 7 - Financial Instruments: Disclosures - Transfers of financial assets. It strengthens the disclosure requirements applicable to the transfer of assets, both when they are not derecognised on the statement of financial position, and those which are derecognised but in relation to which the entity is continually involved. The latter case is that in which the largest number of new disclosures is required, including, as an example and among others, information on the entity's maximum exposure to loss from its continuing involvement in derecognised assets, a maturity analysis of the undiscounted cash outflows that would be required to repurchase the derecognised financial assets, the income and expenses arising from this continued involvement in the period, and cumulatively, and generally, greater qualitative information on the transaction that gave rise to the derecognition of the financial assets (description, nature of the continuing involvement, the risks to which the entity may be exposed, etc.) Early application of this standard is allowed and it has been adopted for use in Europe.

Amendment of IAS 12 - income tax- Deferred taxes relating to investment property (published in December 2010). The amendment introduces an exception to the general principles of IAS 12 affecting deferred taxes relating to investment property measured according to the fair value model of IAS 40 "Investment Property". In these cases, for the purpose of calculating the applicable deferred taxes, it is presumed that the carrying value of these assets will be fully recovered through their sale. This presumption can be rejected when the investment property is amortisable and its business model requires the use of the property over time to earn financial profit rather than its sale. It is expected to be adopted for use in Europe before the end of 2012.

(2) New standards, amendments and interpretations of standards whose application is mandatory subsequent to the year commencing 1 January 2012 (applicable beginning in 2013):

At the date of the approval of these financial statements, the following standards and interpretations had been published by the IASB but had not yet entered into force, either because the date they were to enter into force was subsequent to the date of the half-yearly condensed consolidated financial statements, or because they had not yet been adopted by the European Union:

New standards, amendments and interpretations of standards:		Mandatory application in the year commencing:
Not yet adopted for use in the European Union		
Amendment of IAS 1 - Presentation of other comprehensive income (published in June 2011)	Minor amendment in relation to other comprehensive income	Annual periods commencing 1 July 2012
Amendment of IAS 19 - Employee benefits (published in June 2011)	The amendments mainly affect defined benefit plans given that one of the main changes is the elimination of corridor percentages	Annual periods commencing 1 January 2013
IFRS 9 Financial Instruments: Classification and measurement (published in November 2009 and October 2010) and subsequent amendments of IFRS 9 and IFRS 7 regarding the effective date and transition disclosures (published in December 2011)	It replaces the requirements for classification and measurements of financial assets, liabilities and derecognition of IAS 39.	Annual periods commencing 1 January 2015
IFRS 10 Consolidated financial statements (published in May 2011)	It replaces the current consolidation requirements of IAS 27.	Annual periods commencing 1 January 2013 (2)
IFRS 11 Joint arrangements (published in May 2011)	It replaces the current IAS 31 Interests in Joint Ventures.	Annual periods commencing 1 January 2013 (2)
IFRS 12 Disclosure of interests in other entities (published in May 2011)	Separate standard establishing the disclosures relating to interests in subsidiaries, associates, joint ventures and unconsolidated SPEs.	Annual periods commencing 1 January 2013 (2)
IFRS 13 Measurement of fair value (published in May 2011)	It establishes a framework for fair value measurement	Annual periods commencing 1 January 2013
IAS 27 (Revised) Individual financial statements (published in May 2011)	The standard has been revised given that following the issue of IFRS 10, it will only comprise an entity's separate financial statements	Annual periods commencing 1 January 2013 (2)
IAS 28 (Revised) Investments in associates and joint ventures (published in May 2011)	Parallel revision in relation to the issue of IFRS 11 Joint Ventures	Annual periods commencing 1 January 2013 (2)
Amendment of IAS 32 Offsetting financial assets and financial liabilities (published in December 2011)	Additional clarifications regarding the rules for offsetting financial assets and financial liabilities of IAS 32 and introduction of new associated disclosures in IFRS 7	Annual periods commencing 1 January 2014
Amendment of IFRS 7. Disclosures: Offsetting assets with financial liabilities (published in December 2011)		Annual periods commencing 1 January 2013
Improvements in the IFRS Cycle 2009-2011 (published in May 2012)	Minor amendments to a number of standards	Annual periods commencing 1 January 2013
Transition rules: Amendment of IFRS 10, 11 and 12 (published in June 2012)	Clarification of the transition rules for these standards.	Annual periods commencing 1 January 2013
Interpretation IFRIC 20: Stripping costs in the production phase of a surface mine (published in October 2011)	The IFRS Interpretations Committee deals with the accounting treatment of waste elimination costs in surface mines.	Annual periods commencing 1 January 2013

(2) On 1 June 2012 the Accounting Regulatory Committee of the EU approved the postponement of the effective date of IFRSs 10, 11 and 12 and the new IAS 27 and IAS 28 to annual periods commencing 1 January 2014. Early application will be allowed once these standards are adopted for use in the European Union.

IFRS 9 Financial Instruments: The partially published IFRS 9 (not yet complete to date) replaces IAS 39 in the classification and measurement of financial assets (part published in November 2009) and financial liabilities (published in October 2010). The standard published in October 2010 also includes recognition and derecognition requirements, which are essentially the same as in IAS 39. The phases which are lacking (impairment and hedge accounting) of IFRS 9 are expected to be developed over 2013 and are to finally fully replace IAS 39. This standard could have a potentially significant effect on the financial statements of the ACS Group to the extent that the eventual impact of the impairment of the investment in Iberdrola would not have to be recycled in the Group's income statement (see Note 6 (b)). Although the application date for this IFRS 9 is 1 January 2015, early application is voluntary once the standard has been adopted for use by the European Union.

IFRS 10 Consolidated financial statements: new consolidation standard which will replace the portion of IAS 27 on consolidation currently in force, as well as SIC Interpretation 12 regarding the consolidation of special purpose entities. The main novelty of IFRS 10 is the amendment of the definition of control, eliminating the focus on risks and benefits of SIC-12. The new definition of control consists of three conditions which must be met: power over the investee, exposure, or rights, to variable returns from the investment and the ability to use this power to affect the amount of those returns.

IFRS 11 Joint arrangements: it replaces the current IAS 31. The main change in principle between IFRS 11 and the current standard is the elimination of the option to apply the proportional consolidation method when accounting for jointly controlled entities, which will be consolidated using the equity method. In addition to this noteworthy amendment, IFRS 11 also changes to a certain extent the approach to the analysis of joint arrangements. The conclusion made under IAS 31 depends largely on the legal structure of the agreement, while in IFRS 11 this is secondary, the primary focus being the analysis of whether or not the joint arrangement is structured through a separate vehicle and if it represents a distribution of net profit or a right or obligation to a proportional share of their assets and liabilities, respectively. In this regard, the standard defines only two types of joint arrangement: joint operations or joint ventures. With respect to the recognition of joint values, the standard is not expected to have a significant effect for the ACS Group since it accounts for its jointly controlled companies using the equity method.

IFRS 12 Disclosure of interests in other entities: it combines, in a single standard, the disclosure requirements for interests in other entities (subsidiaries, associates, joint arrangements and other interests). These requirements are generally expanded, one of the novelties with respect to current disclosures being reporting obligations on investments in unconsolidated structured entities.

Amendments of IAS 27 and IAS 28 - these are parallel to the issuance of the new IFRS. IAS 27 has been revised given that its contents not only make reference to individual financial statements. IAS 28 has been re-issued because it now also defines the treatment of jointly controlled entities which are now required to be consolidated, there being no option of accounting for these entities using the equity method, as in the case of associates.

Is expected to be passed for use in the EU in the last quarter of 2012, so as to facilitate voluntary early adoption (the mandatory date of adoption in the EU was announced to be 1 January 2014, a year later than adoption by the IASB).

IFRS 13 Measurement of Fair Value - This standard has been issued with the aim of being the only source for determining how to calculate the fair value of assets or liabilities in the event that this is the measurement method required by other standards. In this regard, it does not amend current measurement criteria established by other standards in any way and is applicable to the measurement of both financial and non-financial items.

Amendment of IAS 1 - Presentation of other comprehensive income. This amendment requires the separate presentation of items of other comprehensive income that are subsequently reclassified to profit or loss (recyclable) and those that are not (non-recyclable). Early application of this standard is allowed and it has been adopted for use in Europe.

Amendment of IAS 19 Employee Benefits. The main changes made by this amendment of IAS 19 affect defined benefit plans.

Amendment of IAS 32 Financial Instruments: Presentation - Offsetting of financial assets and liabilities. This amendment introduces a number of additional clarifications regarding the rules for the implementation of the standard's requirements for offsetting financial assets and liabilities in the balance sheet, which are to be found in paragraph 42. IAS 32 already indicates that a financial asset and a liability may only be offset when the entity has a legally enforceable right to offset the amounts recognised. The amended implementation rules indicate, among other things, that in order to comply with this condition, the right to offset should not depend on future events and therefore should be legally enforceable in the normal course of business as in the case of breach, insolvency or bankruptcy of the entity and all counterparties. It also clarifies in which cases gross offsetting can be considered equivalent to netting.

Amendment of IFRS 7 - Financial Instruments: Information to be disclosed - Offsetting of financial assets and liabilities.- The amendment introduces a specific section on the new disclosure requirements for financial assets and liabilities which are netted on the statement of financial position and also for financial assets and liabilities which are subject to an enforceable net offsetting agreement or similar, regardless of whether or not they are offset for accounting purposes in accordance with IAS 32.

IFRIC 20 Stripping costs in the production phase of a surface mine - in surface mine operations, the entity needs to remove material in order to be able to access the mineral deposits. The interpretation deals with the accounting treatment of the related waste costs. Provided they comply with the requirements in the interpretation, these costs will generally be capitalised as either inventory if these operations give rise to mineral or as a non-current asset representing the cost required for access to the mineral deposits.

Improvements in the IFRS (published in May 2012)

These changes are mandatory for periods commencing 1 January 2013. This standard has not yet been adopted by the EU. This summary does not include the amendment of the standard regarding the first time adoption of IFRSs (IFRS 1).

These changes are mandatory for periods commencing 1 January 2013.

Standard	Amendment
IAS 1	<p>Clarification of the requirements for comparative information.</p> <p>When an entity changes an accounting policy retrospectively or makes an error correction or a reclassification, the standard requires the presentation of a third balance sheet at the beginning of the comparative period. The amendment clarifies that the third balance is required when such a retrospective change has a material effect on the figures in the opening balance sheet and specifies the disclosures to be made in relation to this balance sheet, clarifying that they are not necessarily the related notes.</p> <p>A number of clarifications are also introduced in relation to additional comparative information that can be included in IFRS financial statements.</p>
IAS 16	<p>Classification of servicing equipment.</p> <p>The amendment solves an inconsistency in relation to the classification of the servicing equipment, so that spare parts that meet the definition of property, plant and equipment, shall be classified as property, plant and equipment.</p>
IAS 32	<p>Tax effect of distributions to holders of equity instruments</p> <p>It introduces a clarification in the standard indicating that the tax effects of distributions to holders of equity instruments or transaction costs relating to equity should be accounted for in accordance with IAS 12 Income Tax.</p>
IAS 34	<p>Interim financial information reporting and information segments.</p> <p>The total assets and liabilities of reportable segments should be disclosed in interim financial statements only if this information is provided to the highest decision-making authority and there has been a material change from the figures reported for the segment in the latest annual financial statements.</p>

At the date of this report, the Group is assessing the effect that the future application of these standards might have on the financial statements once they enter into force. Except as indicated in the case of IFRS 9, the Group's preliminary assessment is that the effects of the application of these standards will not be significant.

c) Contingent assets and liabilities

In the first six months of 2012 there were no significant changes in the Group's contingent assets and liabilities.

d) Correction of errors

In the interim condensed consolidated financial statements for the six-month period ended 30 June 2012 there were no corrections of any significant errors.

e) Comparative information

The information contained in these interim condensed consolidated financial statements for the first half of 2011 and/or at 31 December 2011, is presented solely for the purposes of its comparison with the information for the six-month period ended 30 June 2012.

This comparative information is affected by Hochtief, A.G., which was fully consolidated rather than being accounted for using the equity method beginning on 1 June 2011, as explained in section k) of this note. This event has given rise to a significant change in the income statement for the first half of 2012, as well as in the statement of cash flows and corresponding notes.

The accompanying notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and consolidated profit or loss of the ACS Group since the date of the Group's annual consolidated financial statements.

f) Non-current assets held for sale, liabilities relating to non-current assets held for sale and discontinued operations

At 30 June 2012 the non-current assets held for sale related mainly to renewable energy assets (wind farms and solar thermal plants), ownership interests in the airports managed by Hochtief, waste collection activities of Thiess (Lenin subgroup), certain concession assets relating to highways, transmission lines and logistics. In all the above cases a formal decision was made by the Group to sell these assets, a plan for their sale was initiated, the assets were made available-for-sale in their current condition and the sale is expected to be completed within a period of 12 months from the date of their classification as assets held for sale.

The main change in these periods was due to the sale of 23.5% of Clece to various funds managed by Mercapital, who has also been granted an option to buy the remaining capital. As from the date of sale, 8 March 2012, the company has been jointly controlled. For this reason, rather than being fully consolidated, its assets and liabilities being recognised in the statement of financial position under the headings "Non-current Assets Held-for-Sale and Discontinued Operations" and "Liabilities relating to Non-current Assets Held -or-Sale and Discontinued Operations", and the company was accounted for using the equity method.

It is noteworthy that there are certain assets which have been classified as held-for-sale for a period exceeding twelve months, and whose carrying value amounts to EUR 4,638 million. Their sale has not been completed due to circumstances which were unlikely at the time of their classification, primarily related to regulatory uncertainties in the electricity industry and the situation of the financial markets. However the group remains committed to its sale plans for these assets, which are actively being marketed and it is highly likely that they will be sold. In other cases, sales agreements have been signed but the suspensive clauses common in these types of agreements have yet to be complied with meaning that the assets cannot yet be definitively derecognised.

At 31 December 2011, the non-current assets held for sale related mainly to renewable energy assets (wind farms and solar thermal plants), ownership interests in the airports managed by Hochtief, certain concession assets relating to highways, transmission lines, logistics and integral maintenance activities carried on by Clece S.A. (the latter was considered to be a discontinued operation).

Discontinued Operations

The breakdown of the profit from discontinued operations, by line of business, in the periods ended 30 June 2012 and 2011 is as follows:

	Thousands of Euros	
	30/06/2012	30/06/2011
	Clece	Clece
Revenue	183,043	541,945
Operating expenses	(171,082)	(508,291)
Operating profit	11,961	33,654
Profit before tax	10,508	31,007
Income tax	(3,143)	(9,052)
Profit after tax from discontinued operations	-	-
Profit attributed to non-controlling interests	(11)	63
Profit after tax and non-controlling interests	7,354	22,018
Profit before tax from disposal of discontinued operations	216,496	-
Profit before tax from the disposal of discontinued operations	(66,396)	-
Net profit from the disposal of discontinued operations	150,100	-
Profit after tax and non-controlling interests from discontinued operations	157,454	22,018

Following the sale of 23.5% of the ownership interest of the ACS Group in the Clece Group (consisting of Clece S.A., and its subsidiaries) on 8 March 2012, Clece ceased to be regarded as a discontinued operation. Also, rather than being fully consolidated it was accounted for by the equity method since joint control over the company is now held together with the new holder of the equity interest. For this reason, the net capital gains from the sale of Clece amounting to EUR 150,000 thousand were recognised under "Profit after Tax from Discontinued Operations" in the accompanying consolidated income statement. This balance includes the capital gains on the sale of 23.5% of the ownership interest, which amounted to EUR 39.7 million as well as the revaluation of the ownership interest to market value due to the loss of control of the company, which amounted to EUR 110.3 million.

Additionally, profit from the activity in the first two months of 2012 net of taxes and non-controlling interests amounting to EUR 7,354 thousand was recognised.

The detail of the assets and liabilities relating to discontinued operations at 31 December 2011 is as follows:

	Thousands of Euros
	31/12/2011
	Clece
Tangible assets - property, plant and equipment	33,889
Intangible assets	40,420
Financial Assets	12,026
Deferred tax and other non-current assets	5,731
Current assets	351,518
Assets held for sale from discontinued operations	443,584
Non-current liabilities	26,530
Current liabilities	299,519
Liabilities relating to assets held for sale from discontinued operations.	326,049
Non-controlling interest from discontinued operations	1,001

Since the ACS Group continued to hold control of the subsidiaries of the Clece Group (head of the activity), at the end of 2011, the balance relating to this ownership interest continued to be recognised under "Non-controlling Interests" until the date of its sale.

The net debt recognised under assets and liabilities of the Clece line of business, which was regarded as a discontinued operation at 31 December 2011, amounted to EUR 94,384 thousand.

No income and expenses were recognised under the heading "Adjustments for Changes in Value" in the consolidated statement of changes in equity in relation to discontinued operations at 31 December 2011 or the date of sale. At 30 June 2012 and 2011, the discontinued operations had no effect on the consolidated statement of comprehensive income other than the effects on profit or loss listed above.

The breakdown of the effect of the discontinued operations on the statement of cash flows is as follows:

	Thousands of Euros	
	30/06/2012	30/06/2011
	Clece	Clece
Cash flows from operating activities	-	(22,926)
Cash flows from investing activities	80,860	-
Cash flows from financing activities	-	22,926
Net cash flows from discontinued operations	80,860	-

Additionally a provision was amounting to EUR 50,000 thousand net of taxes for possible future contingencies relating to discontinued operations. This provision reduced the balance included under "Profit after Tax and Non-controlling Interests" in the consolidated income statement to EUR 107,454 thousand.

Non-current assets held for sale

The lines of business relating to the renewable energy assets and power transmission lines are included under the Industrial Services activity area. Certain of the remaining port and logistics assets are included in the Environmental activity area and lastly, certain concession assets such as highways and airports managed by Hochtief are included in the Construction activity area.

In addition to the aforementioned assets and liabilities, also included as non-current assets and liabilities relating to non-current assets are certain immaterial assets and liabilities held for sale from among the ACS Group companies.

The breakdown of the main assets and liabilities held for sale at 30 June 2012 and 31 December 2011 is as follows:

	Thousands of Euros						
	30/06/2012						
	SPL	Renewable energy	Transmission lines	Concessions	Airports managed by Hochtief	Other	Total
Tangible assets - property, plant and equipment	29,649	19,048	-	708	67,925	16,761	134,091
Intangible assets	37,380	8,035	-	611	5,908	22,426	74,360
Non-current assets in projects	-	2,916,673	854,841	891,502	-	10,456	4,673,472
Financial Assets	5,026	80,740	1,812	28,384	1,426,211	453,102	1,995,275
Deferred tax assets	1,464	85,112	-	46,581	-	6,563	139,720
Other non-current assets	-	-	-	-	1,114	-	1,114
Current assets	50,913	143,158	25,260	92,784	24,416	48,907	385,438
Financial assets held for sale	124,432	3,252,766	881,913	1,060,570	1,525,574	558,215	7,403,470
Non-current liabilities	14,007	2,609,140	351,455	814,658	3,699	259,050	4,052,009
Current liabilities	35,379	143,667	33,496	42,862	36,130	27,485	319,019
Liabilities relating to assets held for sale	49,386	2,752,807	384,951	857,520	39,829	286,535	4,371,028
Non-controlling interests held for sale	14,027	3,420	-	-	388,299	19,393	425,138

	Thousands of Euros						
	31/12/2011						
	SPL	Renewable energy	Transmission lines	Concessions	Airports managed by Hochtief	Other	Total
Tangible assets - property, plant and equipment	31,050	21,451	-	770	201	9,092	62,564
Intangible assets	37,435	32,173	-	1,072	5,910	22,865	99,455
Non-current assets in projects	-	3,169,416	-	946,727	-	10,897	4,127,040
Financial Assets	5,875	97,593	31,090	31,935	1,397,734	150,372	1,714,599
Deferred tax assets	1,276	81,338	-	43,695	-	5,831	132,140
Other non-current assets	-	-	789,272	-	975	288,947	1,079,194
Current assets	51,398	161,246	32,359	94,680	51,011	37,787	428,481
Financial assets held for sale	127,034	3,563,217	852,721	1,118,879	1,455,831	525,791	7,643,473
Non-current liabilities	14,531	2,838,659	322,140	872,047	3,174	264,824	4,315,375
Current liabilities	36,031	198,002	21,739	56,689	16,097	25,359	353,917
Liabilities relating to assets held for sale	50,562	3,036,661	343,879	928,736	19,271	290,183	4,669,292
Non-controlling interests held for sale	14,841	2,109	-	-	372,939	18,804	408,693

The net debt recognised under assets and liabilities held for sale at 30 June 2012 amounted to EUR 2,245.8 million (EUR 2,568.3 million at 31 December 2011) in renewable energies, EUR 306.0 million (EUR 274.2 million at 31 December 2011) in transmission lines, EUR 630.3 million (EUR 672.4 million at 31 December 2011) in concession assets and EUR 168.3 million (EUR 113.4 million at 31 December 2011) in other assets.

The income and expenses recognised under the heading "Adjustments for Changes in Value" in the consolidated statement of changes in equity, which relate to operations considered to be held for sale at 30 June 2012 and 31 December 2011 is as follows:

	Thousands of Euros						
	30/06/2012						
	SPL	Renewable energy	Transmission lines	Concessions	Airports managed by Hochtief	Other	Total
Available-for-sale financial assets	-	-	-	-	138,853	-	138,853
Exchange differences	2,285	(506)	(29,683)	(64,815)	16	(3,244)	(95,947)
Cash flow hedges	-	(194,711)	-	(420)	(117,587)	(49,867)	(362,585)
Adjustments for changes in value	2,285	(195,217)	(29,683)	(65,235)	21,282	(53,111)	(319,679)

	Thousands of Euros						
	31/12/2011						
	SPL	Renewable energy	Transmission lines	Concessions	Airports managed by Hochtief	Other	Total
Available-for-sale financial assets	-	-	-	-	(138,853)	-	(138,853)
Exchange differences	2,289	(1,707)	(2,748)	(64,883)	(16)	(2,541)	(69,606)
Cash flow hedges	(220)	(184,910)	-	(8)	117,587	(48,162)	(115,713)
Adjustments for changes in value	2,069	(186,617)	(2,748)	(64,891)	(21,282)	(50,703)	(324,172)

g) Seasonality of Group transactions

Given the activities in which the Group companies engage, its transactions are not of a significantly cyclical or seasonal nature. For this reason no specific disclosures are made in these notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2012.

h) Relative significance

Pursuant to IAS 34, when determining the information to be disclosed regarding the different financial statement headings or other matters, the Group has taken into account their relative importance in relation to the interim condensed consolidated financial statements.

i) Events after the reporting period

The most significant events after the reporting period and up to the date of approval of the interim condensed consolidated financial statements were as follows:

- The ACS Group has agreed to the sale of 45.45% of the ownership interest held by Hochtief, A.G. in the Chilean highway Vespucio Norte Express for EUR 230 million to a consortium led by Brookfield. The closing of the transaction is subject to the usual approvals pending in this type of operations and is expected to be completed by the end of 2012. Following this transaction the ACS Group will have no more shares in this project.
- As a result of the resolution made by the shareholders at the Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 31 May 2012, on 28 June 2012 the Company agreed to carry out the first run of the share capital increase, setting the maximum reference value at EUR 362 million against the Company's reserves so that the shareholders could choose between continuing to receive remuneration in cash or in shares of the Company. However, as a result of the simultaneous reduction of share capital through the redemption of treasury shares for a par amount equal to the cash value of the capital increase, the current amount of share capital will remain unchanged. In this regard, on 10 July 2012 certain aspects were determined regarding the aforementioned share capital increase in the first run, which are summarised below:
 - a) The maximum number of new shares to be issued in the first run would be 22,476,042 shares.
 - b) The number of free allotment rights required to receive a new share was fourteen.
 - c) The maximum par value in the first run amounted to EUR 11,238,021 euros.
 - d) The purchase price of each free allotment right under the purchase commitment assumed by ACS was EUR 1.068.

- Finally, after the decision period given to the shareholders, on 26 July 2012 the following events occurred:
 - a) The dividend was set at EUR 216,697,100.68 and was paid on 31 July 2012.
 - b) The share capital was finally increased by 7,332,095 shares, for a par amount of EUR 3,666,047.46.
 - c) The number of treasury shares redeemed as a result of the shareholders who participated in the share capital increase was 7,332,095 shares for a par amount of EUR 3,666,047.46.
- On 13 July 2012 Residencial Monte Carmelo, S.A., a company wholly owned by ACS, Actividades de Construcción y Servicios, S.A., entered into a financial transaction with Société Générale allowing it to repay the syndicated loan that it had arranged with a syndicate of banks in which the Banco Bilbao Vizcaya Argentaria, S.A. acted as an agent, which amounted to a gross EUR 1,599,223 thousand (Note 10).

This financial transaction consisted of a three-year prepaid forward, realizable in actions or in cash at the option of Residencial Monte Carmelo, S.A., and guaranteed with a securities lending agreement. The loan was granted by Residencial Monte Carmelo, S.A. (lender) to Société Générale (borrower) over the full ownership interest of Residencial Monte Carmelo, S.A. in Iberdrola, S.A. (8.25%). Société Générale has promised to make its best effort to assure that Residencial Monte Carmelo, S.A. holds the voting rights relating to this ownership interest at each Annual General Meeting of Iberdrola, S.A.

Additionally, a set of derivative instruments have been arranged on a percentage of shares of Iberdrola, S.A. , which limit the exposure of the ACS Group to the market fluctuations for the shares of this company and the need to provide additional guarantees ("margin calls").

Following the aforementioned transaction, the ACS Group will not derecognise the investment in Iberdrola, S.A. in its statement of financial position, since it is to the Group's understanding that in accordance with IFRSs, all contracts entered into must be considered jointly given that they were signed on the same day and in relation to the same underlying and essentially the same counterpart, within the context of refinancing of Iberdrola, S.A. Also, the ACS Group retains substantially all the risks and benefits inherent to the ownership interest in Iberdrola, S.A.

- On 27 July 2012, ACS, Actividades de Construcción y Servicios, S.A. amended the "equity swap" agreement entered into with Natixis for a nominal amount of EUR 1,434.2 million with an underlying of 277,971,800 shares of Iberdrola, S.A. , in order to substantially reduce the "margin calls" requiring guarantees to be given depending on the market fluctuations of the Iberdrola shares. The "equity swap" matures on 31 March 2015 and like to date, it will only be realizable in shares.

j) Consolidated statement of cash flows

The following terms are used in the consolidated statement of cash flows with the meanings specified :

- Cash flows are inflows and outflows of cash and cash equivalents.
- Operating activities are the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.
- Investing activities include the acquisition and disposal of non-current assets and other investments not included in cash and cash equivalents.
- Financing activities are activities that result in changes in the size and composition of the equity and borrowings of the Group.

For the purpose of the consolidated statement of cash flows, "cash and cash equivalents" were considered to consist of cash and demand deposits, in addition to short-term, highly liquid investments that are convertible into cash, being subject to an insignificant risk of changes in value.

Additionally, for comparison purposes, it is noteworthy that in the preparation of the consolidated statement of cash flows for the first half of 2011, within the cash flows for investing in Group companies, associates and business units, the cash and cash equivalents recognised as a result of the consolidation of Hochtief, A.G, amounting to EUR 2,270,041 thousand were considered to reduce the value of the investment paid to acquire this company in the first six months of 2011 amounting to EUR 805,742 thousand (excluding the treasury shares delivered in the takeover).

The breakdown of the heading "Other Adjustments to Profit (net)" in the statement of cash flows is as follows:

	Thousands of Euros	
	30/06/2012	30/06/2011
Finance income	(370,485)	(346,928)
Financial costs	720,385	508,354
Profit (loss) from disposals and other provisions	968,480	(220,154)
Results of companies accounted for using the equity method	(265,505)	(18,092)
Adjustments relating to the allotment of net assets of Hochtief which do not give rise to cash	(257,955)	193,717
Impairment of Iberdrola	1,374,598	-
Other effects	85,155	87,093
Total	2,254,673	203,990

k) Changes in the scope of consolidation

The main changes in the scope of consolidation of the ACS Group (consisting of ACS, Actividades de Construcción y Servicios, S.A. and its subsidiaries) in the six-month period ended 30 June 2012 are detailed in Appendix I, most significant being the sale of 23.5% of Clece and of 10.28% of Abertis Infraestructuras, S.A.

Acquisitions, sales and other corporate transactions

In the first six months of 2012, except for the purchase of 51% of Clark Builders by the company Turner, a subsidiary of Hochtief, A.G., there were no relevant acquisitions of ownership interests in the share capital of subsidiaries, joint ventures or associates, and consequently changes in the scope of consolidation mainly related to the inclusion of newly incorporated companies. The most noteworthy acquisitions of ownership interests in the share capital of other companies were as follows:

Business Combinations and other Acquisitions or Increases in Ownership Interest in Subsidiaries, Joint Ventures and/or Investments in Associates						
Name of company (or line of business) acquired or merged	Category	Effective transaction date	Net cost of combination (Thousands of Euros)		% of voting rights acquired	% of total voting rights in the company after the acquisition
			Amount (net) paid in the acquisition and other costs directly attributable to the combination	Fair value of the equity instruments issued for the acquisition of the company		
Clark Builders	Subsidiary	01/01/2012	49,910	-	51.00%	51.00%
Hochtief, A.G.	Subsidiary	29/06/2012	9,339	-	0.36%	49.53%

- Hochtief, A.G.

In the final months of 2010, ACS, Actividades de Construcción y Servicios, S.A., decided to launch a takeover bid targeting all of the shareholders of the German company Hochtief A.G., payable in shares at a rate of 9 shares of ACS for every 5 shares of Hochtief. The takeover process was completed on 1 February 2011, the bid for a total of 2,805,599 shares representing 3.6436% of the share capital of Hochtief, A.G. was accepted. These shares were physically delivered on 4 February 2011.

On 12 May 2011 the Annual General Meeting of Hochtief was held, and since the ACS Group held a majority of its shares (ACS held 63.21% of the votes present or represented at the meeting). not only as a result of the takeover mentioned above but also past acquisitions of shares by the Group and subsequent acquisitions in the stock exchanges, four members of the Board of Directors of Hochtief were appointed as proprietary members in representation of ACS. This was half the board members not representing employees on this Board. On 16 June 2011, the ACS Group notified the supervisory authority of the German stock market (abbreviated "Bafin") that it held 50.16% of the voting rights including 4.46% of the treasury shares of Hochtief, in accordance with the criteria stipulated by Bafin. At 30 June 2011 and 31 December 2011 the total ownership interest of the ACS Group in Hochtief, A.G. amounted to 46.67% and 49.17% of the share capital, respectively.

Consequently, the ACS Group considered the conditions to be appropriate to fully consolidate its investment in Hochtief A.G, with effect from 1 June 2011. Therefore, only its income and expenses for June 2011 were recognised in the consolidated

income statement at 30 June 2011. In the first half of 2012 it includes the income and expenses for the first six months of the year, meaning that this effect must be taken into account when comparing information.

In accordance with accounting regulations, the ACS Group assessed the fair value of its ownership interest in Hochtief at the date of its full consolidation. In this regard, considering the increase in the share price of Hochtief in the Frankfurt Stock Exchange in the first half of 2011, the appraisals of the consensus of analysts who monitor the company and the appraisals requested from independent experts of recognised prestige, the ACS Group has not experienced any loss nor, for reasons of prudence, any gain arising from the valuation of its ownership interest prior to its full consolidation.

At that date, in accordance with IFRS 3, it was necessary to make an assessment so as to recognize the fair value of identifiable assets and liabilities acquired from Hochtief, A.G. separately from goodwill, ("Purchase Price Allocation" or PPA) at the acquisition date. Since the ACS Group did not have all the information required for a final assessment at the previous reporting date, and in accordance with IFRS 3, the following provisional allocation was made, subsequent to which the Group was required to permanently allocate the purchase of the shares within 12 months: After completion of the twelve-month period, the final allocation of the assets identified and liabilities assumed by the acquisition of Hochtief, A.G. is as follows:

	Thousands of Euros		
	Carrying Amount	Allocation of net assets	Fair value of net assets
Tangible assets - property, plant and equipment	2,041,252	-	2,041,252
Intangible assets	565,832	1,504,370	2,070,202
Other non-current assets	3,825,626	56,580	3,882,206
Current assets	9,131,438	(68,355)	9,063,083
Non-current liabilities	(2,903,875)	(1,847,616)	(4,751,491)
Current liabilities	(8,836,023)	(381,625)	(9,217,648)
Total net assets	3,824,250	(736,646)	3,087,604
Non-controlling interests	(1,268,420)	195,532	(1,072,888)
Fair value of the fully acquired net assets (100%)			2,014,716
Fair value of assets relating to non-controlling interests			1,105,734
Fair value of the net assets of the acquirer			908,982
Cumulative reserves from the purchase to the first date of full consolidation			(28,353)
Purchase price			2,371,136
Goodwill (Note 2.01)			1,433,801

- The main assets to which a higher value was attributed relate to the backlog of construction work and the relationships with customers, whose balances are amortised based on the useful life taken into account and whose effect on depreciation in the seven-month period ending on 31 December 2011 amounted to EUR 168 million, and whose effect in the first six months of 2012 amounted to EUR 142 million.
- Additionally, a higher value was allocated in the PPA, for an attributed net amount of EUR 62 million, mainly relating to assets that were sold following the full consolidation of Hochtief and which were consequently not taken into account in the profit of the ACS Group in 2011. In the first six months of 2012 there was no effect on the gains from the sale of assets revalued in the PPA.
- Additionally, provisions amounting to EUR 216 million were recognised for estimated losses in different projects and investments of Hochtief, part of which were used over the seven months of full consolidation in 2011 and EUR 115 million of which were used in the first six months of 2012.
- Hochtief's sales in 2011 amounted to EUR 23,282,236 thousand and the net loss attributable to the parent was EUR 160,288 thousand. Hochtief's sales in the first half of 2011 amounted to EUR 10,374,977 thousand and the net loss attributable to the parent was EUR 155,633 thousand.

Other disposals of ownership interests in the share capital of subsidiaries, joint ventures or associates in the first six months of 2012 were as follows:

Decrease in ownership interest in Subsidiaries, Joint Ventures and/or Investments in Associates or Other Operations of a Similar Nature					
Name of company (or branch of activity) disposed of, spun off or retired	Category	Effective transaction date	% of voting rights disposed of or retired	% of total voting rights in the company following disposal	Profit/ (loss) before taxes (thousands of Euros)
Clece, S.A.	Subsidiary	08/03/2012	23.50%	76.50%	216,496
Abertis Infraestructuras, S.A.	Associate	25/04/2012	10.28%	0.00%	201,699
Parque Eólico La Boga, S.L.	Subsidiary	08/05/2012	75.00%	0.00%	-16,639

The most significant changes in the scope of consolidation were as follows:

- On 8 March 2012, the ACS Group sold an ownership interest of 23.25% of Clece S.A. to various funds managed by Mercapital, to which it has also granted the option to buy the remaining capital. Following this date control of Clece is to be exercised by the acquiring funds and by ACS, and the company is to be accounted for using the equity method rather than being fully consolidated. The purchase price was EUR 80 million, which represents a total business value of EUR 505.7 million.
- The sale of the full ownership interest in Abertis Infraestructuras, S.A., with a profit before tax of EUR 201,699 thousand included under the heading 'Impairment and Gains or Losses on the Disposal of Financial Instruments' in the accompanying income statement. After the disinvestment by ACS, Actividades de Construcción y Servicios, S.A. of its ownership interest in Abertis Infraestructuras, S.A., ACS and Trebol Holdings S. a r.l. have reached an agreement to terminate the shareholders' agreement that was published on 1 September 2010.

l) Functional currency

The Euro is the currency in which these half-yearly condensed consolidated financial statements are presented, since this is the functional currency in the area in which the Group operates. The sales in the main countries in which the Group operates are detailed in Note 13.

m) Dividends paid by the parent company

Below are shown the dividends paid out by the parent company during the first six months of 2012 and 2011, which are in both cases dividends approved with regard to results from the previous year:

	First half of 2012			First half of 2011		
	% of par value	Euros per Share	Thousands of Euros	% of par value	Euros per Share	Thousands of Euros
Ordinary shares	180.00	0.90	283,198	180.00	0.90	283,198
Total dividends paid	180.00	0.90	283,198	180.00	0.90	283,198

Dividends were paid against profit of the parent.

Additionally, subsequent to the end of the half-yearly reporting period (note 1i), and as a result of the resolution made by the shareholders at the Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 31 May 2012, on 28 June 2012 the Company agreed to carry out the capital increase in the first run. The maximum reference value was set at EUR 362 million against the Company's reserves so that the shareholders could choose between continuing to receive remuneration in cash or in shares of the Company. However, as a result of the simultaneous reduction of share capital through the redemption of treasury shares for a par amount equal to the cash value of the capital increase, the current amount of share capital will remain unchanged. In this regard, on 10 July 2012 certain aspects were determined regarding the aforementioned share capital increase in the first run, which are summarised below:

- The maximum number of new shares to be issued in the first run would be 22,476,042 shares.
- The number of free allotment rights required to receive a new share was fourteen.
- The maximum par value in the first run amounted to EUR 11,238,021.
- The purchase price of each free allotment right under the purchase commitment assumed by ACS was EUR 1,068.

Finally, after the decision period given to the shareholders, on 26 July 2012 a dividend of EUR 216,697,100.68 was set and paid on 31 July.

n) **Earnings per share from ordinary and discontinued operations**

- *Basic earnings per share*

Basic earnings per share are calculated by dividing the net profit attributed to the Group by the weighted average number of ordinary shares outstanding during the year, excluding the average number of treasury shares held in the year.

Accordingly:

	30/06/2012	30/06/2011	Change (%)
Net profit for the period (thousands of Euros)	(1,232,734)	604,049	(304.08)
Weighted average number of shares outstanding	289,807,219	299,656,472	(3.29)
Basic earnings per share (Euros)	-4.25	2.02	(310.40)
Profit after tax and non-controlling interests from discontinued operations (Thousands of Euros)	107,454	22,018	388.03
Basic earnings per share from discontinued operations (Euros)	0.37	0.07	428.57
Basic earnings per share from continuing operations (Euros)	-4.62	1.94	(338.14)

- *Diluted earnings per share*

To calculate diluted earnings per share both the amount of profits attributable to ordinary shareholders and the weighted average for shares outstanding net of treasury shares should be adjusted by all the dilutive effects inherent in potential ordinary shares (share options, warrants and convertible bonds). For these purposes, the shares are considered to be converted at the beginning of the year or at the date of issue of the potential ordinary shares, if the latter were issued during the current period. On 30 June 2012 and 2011 the basic earnings per share from continuing operations and basic earnings per share from discontinued operations were the same as the diluted earnings since there were no instruments that could be converted into ordinary shares in these periods.

2.- **Intangible assets**

2.01. **Goodwill**

The detail by line of business of the changes in goodwill is as follows:

	Thousands of Euros	
	30/06/2012	31/12/2011
Parent	780,939	780,939
Construction	1,659,098	1,553,932
Environment	84,520	84,602
Industrial Services	78,238	76,965
Total	2,602,795	2,496,438

In accordance with the above table, the most significant additions are the result of the full consolidation of Hochtief, A.G. (Note 1.k) amounting to EUR 1,433,801 thousand, and the merger of the parent with Dragados Group, S.A. The most important changes in the six-month period ended 30 June 2012 correspond, in addition to the change in the provisional goodwill of Hochtief, A.G. at 31 December 2011 arising from the acquisition of Clark Builders and amounting to EUR 30,314 thousand.

In accordance with IAS 36, the Group has not found any evidence of impairment in goodwill at 30 June 2012 or in the rest of the assets subject to the impairment test. There were no significant changes in the assumptions used in the tests of impairment of the Group's goodwill which might lead to a relevant risk of recognition of impairment in the future.

There was no impairment of goodwill of the ACS Group in the first six months of 2012 and 2011.

2.02. Other intangible assets

In the first half of 2012 the impairment losses included under "Other Intangible Assets" amounted to EUR 8,280 thousand (EUR 8,359 thousand in the first half of 2011) and in both cases related primarily to the Construction area. Impairment losses have not reverted to the income statement in the first half of 2012 and 2011. Additions in the first half of 2012 amounted to EUR 45,842 thousand and related mainly to Hochtief due to additions and changes in the scope of consolidation amounting to EUR 38,887 thousand.

The main additions in 2011 relate to the fair value assigned to intangible assets of the Hochtief Group, and relate primarily to the construction order book and relationships with customers of Hochtief and its subsidiaries (in particular the Leighton Group).

3.- Tangible assets - property, plant and equipment

In the first six months of 2012 and 2011, acquisitions of tangible assets - property, plant and equipment amounted to EUR 926,073 thousand and EUR 367,754 thousand, respectively.

In the first six months of 2012 the most significant additions related to the Construction area and amounted to EUR 862,441 thousand, which mainly included investments by Hochtief for the acquisition of equipment for the mining activities of Leighton amounting to EUR 589,243 thousand. Additions relating to Industrial Services amounted to EUR 40,192 thousand and included the acquisition of machinery and equipment for the development of new projects. Additions relating to the Environmental area are amounted to EUR 23,438 thousand, mainly for the acquisition and replacement of machinery and tooling.

In the first half of 2011, in addition to the addition relating to the change in the method by which Hochtief, A.G. was consolidated, (Note 1k), which amounted to EUR 2,041,252 thousand, the most significant additions related to Hochtief and amounted to EUR 257,853 thousand, mainly for mining equipment. The additions relating to Industrial Services amounted to EUR 49,591 thousand and primarily included the acquisition of machinery and equipment for the development of new projects. Additions relating to the Environmental area and Dragados amounted to EUR 44,630 and EUR 15,391 thousand, and primarily included acquisitions and the replacement of machinery and tools in the development of new contracts.

Additionally, in the first half of 2012 and 2011 gains on the disposals of assets totalled a net carrying value of EUR 351,114 thousand and EUR 35,569 thousand, respectively, and did not give rise to significant gains on disposals.

At 31 December 2011, the Group had entered into contractual commitments for the future acquisition of tangible assets - property, plant and equipment amounting to EUR 520,534 thousand, including, inter alia, EUR 507,255 thousand mostly relating to mining operations in Leighton. The commitments entered into at 30 June 2012 amounted to EUR 498,355 thousand.

The impairment losses recognised in profit and loss at 30 June 2012 amounted to EUR 978 thousand and mainly related to the sale and impairment of machinery of Dragados (EUR 1,021 thousand in 2011). Also, there were no impairment losses reversed and recognised in profit and loss in the first half of 2012 and 2011.

4.- Non-current assets in projects

The balance of "Non-Current Assets in Projects" in the consolidated statement of financial position at 30 June 2012, includes the costs incurred by fully consolidated companies in the construction of transport, service and power plant infrastructures whose operation constitutes the purpose of their respective concessions. These amounts related to tangible assets - property, plant and equipment associated with projects financed by means of the "project finance" figure and concessions identified as intangible assets or those that are included as a financial asset according to the criteria discussed in Note 03.04 of the consolidated financial statements at 31 December 2011. The Group considers it to be more appropriate to present its infrastructure projects in a grouped manner for improved interpretation of this activity, although they are broken down by type of asset (financial or intangible) in this note.

All the project investments made by the ACS Group at 30 June 2012 were as follows:

Type of Infrastructure	End date of operation	Thousands of Euros		
		Investment	Accumulated depreciation	Net carrying amount of investment in projects
Waste treatment	2015 - 2038	604,978	(226,860)	378,118
Highways/roads	2024 - 2050	270,251	(18,588)	251,663
Police stations	2024 - 2032	77,048	-	77,048
Water management	2028 - 2032	47,614	(6,502)	41,112
Parking lots	2040 - 2051	35,080	(5,520)	29,560
Security	2014	64,128	(44,702)	19,426
Wind powered facilities	-	12,645	(221)	12,424
Thermal solar power plants	-	8,764	-	8,764
Other infrastructures	-	10,296	(450)	9,846
Total		1,130,804	(302,843)	827,961

The breakdown of this heading by type in accordance with IFRIC 12 is as follows:

The concession assets identified as intangible given that the Group assumes the demand risk are as follows:

Type of Infrastructure	End date of operation	Thousands of Euros		
		Investment	Accumulated depreciation	Net carrying amount of investment in projects
Waste treatment	2015 - 2038	514,332	(202,268)	312,064
Highways/roads	2024 - 2050	270,218	(18,567)	251,651
Parking lots	2040 - 2051	35,080	(5,520)	29,560
Water management	2028	33,539	(6,502)	27,037
Other infrastructures	-	2,676	(442)	2,234
Total		855,845	(233,299)	622,546

The concession assets identified as intangible given that the Group assumes the demand risk are as follows:

Type of Infrastructure	End date of operation	Thousands of Euros
		Concession Agreement Collection Right
Police stations	2024 - 2032	77,048
Water management	2032	14,075
Other infrastructures	-	4,572
Total		95,695

The breakdown of the financial assets financed by means of "project finance" not meeting the requirements for recognition in accordance with IFRIC 12, is as follows:

Type of Infrastructure	End date of operation	Thousands of Euros		
		Investment	Accumulated depreciation	Net carrying amount of investment in projects
Waste treatment	2017 - 2034	90,646	(24,592)	66,054
Security	2014	64,128	(44,702)	19,426
Wind powered facilities	-	12,645	(221)	12,424
Thermal solar power plants	-	8,764	-	8,764
Energy transport	2040	3,048	(6)	3,042
Other infrastructures	-	33	(23)	10
Total		179,264	(69,544)	109,720

In the first six months of 2012 and 2011 acquisitions of current assets in projects amounted to EUR 204,310 thousand and EUR 784,420 thousand, respectively.

The main project investments in 2012 were investments made by Industrial Services area in power lines amounting to EUR 25,024 thousand (EUR 152,323 thousand in the first half of 2011), investments in photovoltaic and solar thermal power plants amounting to EUR 200 thousand (EUR 227,600 thousand in 2011) and investments in wind powered facilities amounting to EUR 1,945 thousand (EUR 54,500 thousand in the first half of 2011). Additionally in 2012, most noteworthy of the investments made in the Construction area were investments in highway concessions amounting to EUR 32,652 thousand (EUR 246,285 thousand in the first half of 2011).

In the first half of 2011, disinvestments amounted to approximately EUR 495 million, and mainly related to the sale of the shares in renewable energy projects and transmission lines in Brazil. In the same period in 2012 there were no significant divestments.

There were no significant impairment losses in the income statement at 30 June 2012 and 2011.

At 30 June 2012 and 31 December 2011, the Group had entered into contractual commitments for the acquisition of non-current assets in projects amounting to EUR 371,965 thousand and EUR 244,990 thousand, respectively, which mainly relate to the Group's current concession agreements. The year-on-year increase relates mainly to the power lines and highway and road concessions.

The financing relating to non-current assets in projects is explained in Note 10.

The concession operator's obligations include, inter alia, the maintenance of restricted cash balances, known as reserve accounts and included under the heading "Other Current Financial Assets" (Note 6).

5.- Investments in companies accounted for using the equity method

The detail, by line of business, of the investments in companies accounted for using the equity method at 30 June 2012 and 31 December 2011 is as follows:

Line of Business	30/06/2012			31/12/2011		
	Share of net assets	Profit for the year	Total carrying amount	Share of net assets	Profit for the year	Total carrying amount
Construction	940,787	203,925	1,144,712	864,750	247,556	1,112,306
Industrial Services	127,528	2,544	130,072	105,954	18,702	124,656
Environment	358,171	14,649	372,820	84,054	12,343	96,397
Corporate Unit	(43,285)	44,387	1,102	196,684	39,868	236,552
Total	1,383,201	265,505	1,648,706	1,251,442	318,469	1,569,911

- Construction

At 30 June 2012 noteworthy in the Construction area were the ownership interests held by the Hochtief Group and accounted for using the equity method, regardless of whether they were associates or joint ventures, in accordance with the alternative provided

by IAS 31, which amounted to EUR 1,075,239 thousand (EUR 1,019,884 thousand at 31 December 2011). These ownership interests included, inter alia, the interest in Aurelis Real Estate amounting to EUR 252,169 thousand (EUR 249,664 thousand at 31 December 2011).

- *Environment*

In the Environment area the main change relates to the Clece Group which was accounted for using the equity method since the ACS Group now has joint control over this company together with certain funds managed by Mercapital. The carrying amount of this ownership interest at 30 June 2012 amounted to EUR 267,590 thousand.

- *Corporate Unit*

In April 2012, the ACS Group sold all of its ownership interest in Abertis Infraestructuras, S.A. held indirectly through Admirabilia, S.L., with a profit before tax of EUR 201,699 thousand, which up to that date was accounted for using the equity method. This was the main change in companies accounted for using the equity method in the Corporate Unit.

6.- Financial Assets

a) **Composition and breakdown**

The detail of the Group's financial assets at 30 June 2012 and 31 December 2011, presented by type and category for measurement purposes, is as follows:

	Thousands of Euros			
	30/06/2012		31/12/2011	
	Non-Current	Current	Non-Current	Current
Equity instruments	3,473,212	89,245	5,544,802	48,512
Loans to associates	934,947	115,498	957,488	95,175
Other loans	409,463	194,988	569,455	212,797
Debt securities	3,702	872,486	2,952	683,707
Other financial assets	290,493	1,728,617	276,825	1,966,031
Total	5,111,817	3,000,834	7,351,522	3,006,222

b) **Iberdrola**

The Group's most significant equity instrument relates to Iberdrola.

On 18 April 2012, ACS Actividades de Construcción y Servicios, S.A. carried out an accelerated bookbuilding process through UBS and Société Générale, between professional and qualified investors, residing both in Spain and abroad, for a package of 220,518,120 shares of Iberdrola, S.A., representing 3.69% of its share capital. The resulting bookbuilding price was EUR 3.62 per share. After the aforementioned sale the ACS Group held an ownership interest of 14.854% of the share capital of Iberdrola, S.A., which remained unchanged at 30 June 2012. As a result of this transaction the ACS Group incurred a loss before tax amounting to EUR 781,006 thousand, which was recognised under the heading "Impairment and gains or losses on the disposal of financial instruments" in the consolidated income statement (Note 16).

In accordance with IAS 39, this ownership interest was adjusted to market value at the end of the six-month period (EUR 3.719 per share) to take effect on the equity up to an amount of EUR 3,299,564 thousand (EUR 5,360,336 thousand at 31 December 2011).

At 30 June 2012, the ACS Group held 887,218,166 shares accounting for 14.854% of the share capital of Iberdrola, S.A. at that date (1,107,736,286 shares accounting for 18.83% of the share capital of Iberdrola at 31 December 2011). The decrease in the percentage of ownership interest in Iberdrola, S.A., in the first half of 2012 related to the aforementioned sale of 3.69% of the shares and the diluting effects of the flexible Iberdrola dividend. At 30 June 2012, the consolidated average cost net of adjustments in value, amounted to EUR 5.6 per share (EUR 7.1 per share at 31 December 2011) as a result of the adjustments made for the impairment of the investment.

In 2011 there were no purchases or disposals of shares of Iberdrola, S.A., the decrease in the percentage of ownership interest being a result of the diluting effects of corporate transactions and the flexible Iberdrola dividend.

At 30 June 2012, this investment was mostly financed through a syndicated loan and a credit facility arranged with different banks, which were secured by the shares of Iberdrola, S.A., subordinated debt of ACS, Actividades de Construcción y Servicios, S.A. and an "equity swap" (Note 10).

In relation to the potential impairment of the ownership interest in Iberdrola, the following should be highlighted:

The ACS Group analyses the existence of signs of impairment of all relevant equity instruments. If any such indications of impairment exist, the calculations and estimates considered to be necessary are made to determine whether there is a significant or prolonged decline in the fair value of an investment, and if necessary, recognise an impairment loss. Additionally, it should be indicated that as concluded by the IASB, the international agency responsible for the development of the international financial reporting standards, there is wide diversity in the market in terms of the practical application of the concepts of significant or prolonged decline, and, in any case, the interpretation of the meaning of these concepts requires the professional judgment of the company's management. In fact, and to eliminate such diversity in the practical application of these concepts the IASB issued International Financial Reporting Standard 9 on Financial Instruments, which amended the international standards relating to the calculation of impairment, and required all changes in the fair value of financial instruments that are classified as 'available for sale' to be recognized in the company's equity, without the possibility of recycling this adjustment in the consolidated income statement. Finally, as mentioned in Note 1.b) it should be indicated that this new standard is not yet in force in Spain since it has not yet been endorsed by the EU.

ACS has declared its investment in Iberdrola to be a strategic and long-term holding. In fact, to strengthen the strategic nature of this holding and as already indicated, significant purchases of shares of Iberdrola were made in 2010. However, temporarily and to date, it has not been possible to secure a position on the Board of Directors of Iberdrola, S.A., a circumstance which caused the ACS Group to challenge the resolutions adopted by the shareholders at the Annual General Meetings of Iberdrola, S.A. held in March 2010 and 2011 in court. However, the ACS Group aims to ultimately gain access to the Board of Directors of Iberdrola, which would lead the investment in Iberdrola to be recognised as an associate. This is a very unique and absolutely exceptional circumstance, and although a ruling had been handed down by the Courts of First and second Instance against the interests of the ACS Group at the date of the approval of these financial statements, the Group's Management has full confidence that the court will ultimately rule in the Company's favour.

Taking into account that the ownership interest is strategic in nature; the ACS Group is the largest shareholder of the company; the market value does not accurately reflect the value of such a significant block of shares of Iberdrola; and that the Group does not plan to recover its investment through stock market transactions, the sale of 3.69% of Iberdrola, S.A. through Corporate Funding, S.L. being a purely financial matter which does not change the ACS Group's commitment to its ownership interest in Iberdrola, S.A., this special situation requires that impairment be calculated taking into consideration the evolution of the future dividends and not merely the market price of the company on the stock exchange.

As in previous years, the ACS Group has conducted in-house an impairment test on their ownership interest in Iberdrola based on the discounting of future dividends and other information available on its investee Iberdrola, which allowed it to conclude that there was no impairment since the recoverable value of the investment is lower than the average consolidated cost.

The main assumptions of the impairment test are based on the latest information on dividends announced by the company, as well as the policy of shareholder compensation maintenance of Iberdrola (measured as a percentage of the recurring net profit). A perpetual growth rate of 3% was estimated (in this regard, it should be noted that the cumulative annual growth rate of dividends paid by Iberdrola in the period 1991-2011 was 6.1% and that the International Monetary Fund has estimated growth in Spain in terms of real GDP of 1.2% and inflation of 1.5% in 2017, according to its "World Economic Outlook" report of April 2012). The equity discount rate used was 9.5%.

Additionally, several valuations by independent experts have been requested which evidence that the value of the investment is higher than the consolidated average cost of the shares of Iberdrola, S.A. following their adjustment to market value after impairment.

As a conclusion of the impairment test, the recoverable value of the investment in Iberdrola was calculated to be EUR 5.6 per share, which has meant the recognition of a loss of EUR 1,374,598 thousand under the heading "Impairment and Loss on the Disposal of Financial Instruments" in the consolidated income statement (Note 16). This effect was a result of the recycling to the income

statement of the impacts included in the ACS Group's equity under the heading "Adjustments for Changes in Value - Available-for-Sale Financial Assets".

In addition to the aforementioned effect, and since the closing market price of Iberdrola at 30 June 2012 amounted to EUR 3.719 per share, the difference between the recoverable value of Iberdrola determined by this test and its market value is recognised under "Equity - Adjustments for Changes in Value - Financial Assets Held for Sale" in the statement of financial position and amounted to EUR 1,168,200 thousand net of tax.

c) Xfera Móviles (Yoigo)

At 30 June 2012 and 31 December 2011, the ACS Group had a 17% ownership interest in the share capital of Xfera Mobile, S.A. through ACS Telefonía Móvil, S.L.

The carrying value of the ownership interest in Xfera amounted to EUR 198,376 thousand at 30 June 2012 and 31 December 2011, which following write-downs in previous years, relates to the contributions made in the years 2006 and later, including the participation loans associated with the same included under the heading "Other non-current loans".

d) Loans to associates

The non-current balance of "Loans to Associates" includes mainly loans amounting to EUR 425,300 thousand (EUR 380,993 thousand at 31 December 2011) to Habtoor Leighton Group and EUR 139,512 thousand (EUR 142,010 thousand at 31 December 2011) in relation to the acquisition by Hochtief A.G. of aurelis Real Estate in 2007.

In relation to the loan to Habtoor Leighton Group, the investment in this company was fully provisioned in the accompanying financial statements, and other provisions were also recognised to cover other risks relating to this ownership interest.

e) Other loans

At 30 June 2012, the balance of non-current loans relates mainly to the debt refinanced to local corporations amounting to EUR 108,842 thousand (EUR 310,000 thousand at 31 December 2011), as well as the participating loans to Xfera Mobile, S.A. (the latter amounts to EUR 119,170 thousand, which is the same as at 31 December 2011).

f) Debt securities

At 30 June 2012 the balance of this heading included the investments in securities with a short-term maturity, relating primarily to Hochtief, Cobra, Dragados by Urbaser and amounting to EUR 500 million, EUR 181 million, EUR 73 million and EUR 102 million.

g) Other financial assets

At 30 June 2012, the balance of "Other Financial Assets" included short-term deposits amounting to EUR 1,426,730 thousand (EUR 1,696,131 thousand at 31 December 2011). Of this amount, noteworthy is the EUR 925,088 thousand (EUR 1,140,497 thousand at 31 December 2011), contributed by the ACS Group to meet the coverage ratio relating to the equity swap of Iberdrola, S.A. and to its ownership interest in this company through Residencial Montecarmelo. These amounts are remunerated at market rates and their availability depends on the meeting of coverage ratios. This amount is recognised under the current financial liabilities incurred to meet these commitments.

h) Reductions for impairment

In the first half of 2012 the impairment losses on financial assets amounted to EUR 1,375,722 thousand and related to the ownership interest of the ACS Group in Iberdrola (see paragraph (b) of this same Note and Note 16). In the first half of 2011 the impairment losses on financial assets amounted to EUR 1,394 thousand. There were no significant reversals due to the impairment of financial assets in either the first six months of 2012 or the first half of 2011.

7.- Inventories

The detail of "Inventories" is as follows:

	Thousands of Euros	
	30/06/2012	31/12/2011
Merchandise	220,835	220,864
Raw materials and other procurements	412,454	383,346
Products in progress	1,111,469	1,061,048
Finished goods	7,781	7,669
By-products, waste and recovered materials	134	312
Work in progress	110,599	101,475
Total	1,863,272	1,774,714

The impairment losses on inventories recognised and reversed in the consolidated income statement amounted to EUR 330 thousand and EUR 5,638 thousand in the six-month period ended 30 June 2012 (EUR 85 thousand and EUR 151 thousand, respectively in the same period of 2011), relating to the various ACS Group companies.

8.- Equity

8.01. Share capital

At 30 June 2012 the share capital of the Parent Company amounted to EUR 157,332 thousand Euros and was represented by 314,664,594 fully subscribed and paid shares with a par value of EUR 0.5 each, all with the same voting and dividend rights.

Expenses directly attributable to the issue or acquisition of new shares are recognised in equity as a deduction from the amount thereof.

The General Shareholders' Meeting held on 25 May 2009 authorised the Company's Board of Directors to increase capital by up to half the Company's share capital at the date of this resolution on one or more occasions, and at the date, in the amount and under the conditions freely agreed in each case, within five years following 25 May 2009, and without having previously submitted a proposal to the General Shareholders' Meeting. Accordingly, the Board of Directors may set the terms and conditions under which capital is increased as well as the features of the shares, investors and markets at which the increases are aimed and the issue procedure, freely offer the unsubscribed shares in the preferential subscription period; and in the event of incomplete subscription, cancel the capital increase or increase capital solely by the amount of the subscribed shares.

The capital increase or increases may be carried out through the issue of new shares, either ordinary, without voting rights, preference or recoverable. The new shares shall be payable by means of monetary contributions equal to the par value of the shares and any share premium which may be agreed.

The Board of Directors was expressly empowered to exclude preferential subscription rights in full or in part in relation to all or some of the issues agreed under the scope of this authorisation, where it is in the interest of the company and as long as the par value of the shares to be issued plus any share premium agreed is equal to the fair value of the Company's shares based on a report to be drawn up at the Board's request, by an independent auditor other than the Company's auditor, which is appointed for this purpose by the Spanish Mercantile Register on any occasion in which the power to exclude preferential subscription rights referred to above is exercised.

Additionally, the Company's Board of Directors is authorised to request the listing or delisting of any shares issued, in Spanish or foreign organised secondary markets.

Also, in accordance with applicable legislation, the General Shareholders' Meeting held on 25 May 2009 resolved to delegate to the Board of Directors the power to issue fixed income securities, either simple and exchangeable or convertible and warrants on the Company's newly issued shares or shares in circulation. Securities may be issued on one or more occasions within five years following the resolution date. The total amount of the issue or issues of securities, plus the total number of shares listed by the Company, plus the total number of shares listed by the Company and outstanding at the issue date may not exceed a maximum limit of eighty per cent of the equity of ACS Actividades de Construcción y Servicios, SA. according to the latest approved statement of financial position.

At the Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 31 May 2012, it was agreed, inter alia, that the share capital would be both increased and reduced.

In this regard, it was resolved that the share capital could be increased up to a maximum of EUR 646 million against the voluntary reserves of the company, and could not exceed EUR 362 million in the first run, or EUR 284 million in the second run. The execution of this capital increase was delegated upon the Executive Committee, the Chairman of the Board of Directors and the Secretary-Board Member for the execution of this agreement. The projected dates for the execution of the capital increase are, in the case of the first run, within two months following the date of the Annual General Meeting of Shareholders for 2011, and in the event of a second run, in the first quarter of 2013, coinciding with the dates on which the ACS Group has traditionally paid dividends and interim dividends.

Specifically under this delegation it was agreed that the capital increase was to be carried out in the first run at 28 June 2012 for a maximum amount of EUR 362 million. As in the case of many IBEX enterprises, this capital increase is intended to establish an alternative remuneration system allowing the shareholders to receive paid-in shares of ACS or cash through the sale of the corresponding free allocation rights which are traded on the stock exchange, or they can sell them to ACS at a price calculated on the basis of a formula approved by the shareholders.

In this connection, subsequent to the six-month period ending 30 June 2012, the Company increased its share capital by EUR 3,666,047.50 relating to 7,332,095 ordinary shares of a par value of EUR 0.5 euros per share.

In relation to the reduction in the share capital, it was resolved by the shareholders that share capital would be reduced through the redemption of treasury shares whose par value was the same as the amount of the capital increase explained in the preceding paragraphs. The execution of these resolutions was delegated to the Board of Directors, in one or two times, simultaneously to each of the capital increases.

In addition to the authorization of the capital reduction referred to in the preceding paragraph, at its meeting held on 31 May 2012, the Annual General Meeting of Shareholders resolved, inter alia, to expressly authorize that the treasury shares acquired by the company or its subsidiaries, to be used, in whole or in part, to disposal or redemption for delivery to the Company's or Group's employees or directors and to dividend reinvestment plans or similar instruments. The execution of this resolution was delegated to the Board of Directors.

In this connection, subsequent to 30 June 2012, the share capital was reduced by EUR 3,666,047.50 relating to 7,332,095 ordinary shares of a par value of EUR 0.5 per share by means of the redemption of treasury shares of the Parent.

The shares representative of the share capital of ACS, Actividades de Construcción y Servicios, S.A. are listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and traded through the Spanish computerised trading system.

8.02. Treasury shares

The changes in "Treasury shares" were as follows:

	First half of 2012		First half of 2011	
	Number of Shares	Thousands of Euros	Number of Shares	Thousands of Euros
At beginning of the year	23,608,833	760,651	19,542,383	683,491
Purchases	4,082,667	73,023	2,463,087	79,379
Sales	(1,055,496)	(33,123)	(5,887,650)	(202,093)
2011 Bonus pay	(287,700)	(9,269)	-	-
At end of the reporting period	26,348,304	791,282	16,226,820	560,777

On 4 February 2011 in completion of the takeover bid for Hochtief AG, the ACS Group handed over 5,050,085 shares of ACS as consideration for the shares held by the shareholders of Hochtief AG who accepted the bid.

Subsequent to 30 June 2012, 7,332,095 treasury shares were redeemed for EUR 220,195 thousand in compliance with the resolutions adopted by the Annual General Meeting of Shareholders held on 31 May 2012 (Note 8.01 and 1.i).

8.03. Adjustments for changes in value

The net changes in the balance of this heading were as follows:

	Thousands of Euros	
	First half of 2012	2011 annual reporting period
Beginning balance	(2,363,192)	(1,340,666)
Hedging Instruments	(41,722)	(312,850)
Available-for-sale financial assets	659,066	(639,056)
Exchange differences	22,339	(70,620)
Ending balance	(1,723,509)	(2,363,192)

The adjustments for hedging instruments relate to the reserve generated by changes in the fair value of the financial instruments designated and classified as cash flow hedges. These relate mainly to interest rate and to a lesser extent, exchange rate hedges, tied to statement of financial position asset and liability items, as well as the future transaction commitments to which the recording of hedges applies, due to the fulfilment of certain requirements of IAS 39- Hedge accounting.

Available-for-sale financial assets include the unrealised losses and gains arising from changes in fair value net of the related tax effect. The main changes arose from the ownership interest in Iberdrola, S.A. (Note 6.b).

9.- Non-current provisions

The changes in the balance of this heading were as follows:

	Thousands of Euros	
	30/06/2012	31/12/2011
Provisions for pensions and similar obligations	575,348	449,039
Provisions for taxes and third-party liability	1,364,819	1,568,196
Provisions for actions on infrastructure	16,508	16,228
Provisions	1,956,675	2,033,463

Note 20 to the consolidated financial statements for the year ended 31 December 2011 describe the main items, including disputes of a financial and legal nature which affected the Group at this date.

Additionally, and in accordance with the opinion of the external lawyers responsible for the legal aspects of this matter, the Group considers that there is no material economic risk relating to the lawsuit filed by Boliden-Apirsa in 2004. In relation to this case, the Supreme court finally dismissed the lawsuit filed by Boliden-Apirsa in accordance with its judgement handed down on 11 January 2012.

The changes in the provisions for taxes and third-party liability were mainly a result of losses incurred in certain projects of Hochtief, A.G. , which were estimated at the date of the full consolidation of Hochtief in the previous year and were only applied in the first six months of 2012. Also noteworthy were the provisions relating to the risks associated with Habtoor Leighton Group, Airport Link and concessions on the Greek motorways.

The total amount of the payments arising from lawsuits to which the ACS Group was a party in the first six months of 2012 and 2011 was not of significance in relation to the condensed consolidated financial statements.

10.- Financial liabilities

The detail of non-current financial liabilities of the ACS Group at 30 June 2010 and 31 December 2011, presented by type and category for measurement purposes, is as follows:

	Thousands of Euros			
	30/06/2012		31/12/2011	
	Non-Current	Current	Non-Current	Current
Debt instruments and other marketable securities	1,240,809	43,372	722,632	46,421
Bank borrowings	8,847,907	4,812,996	8,771,408	6,302,508
- limited recourse	3,885,217	115,265	5,888,061	77,432
- Other	4,962,690	4,697,731	2,883,347	6,225,076
Other financial liabilities	110,046	472,393	110,265	542,350
Total	10,198,762	5,328,761	9,604,305	6,891,279

At 30 June 2012 the ACS Group had a balance of non-current and current debt instruments and bonds amounting to EUR 1,240,809 thousand and EUR 43,372 thousand, respectively (EUR 722,632 thousand and EUR 46,421 thousand, respectively, at 31 December 2011) from Leighton Holdings and Hochtief, A.G. At 31 December 2011 the full balance related to its Australian subsidiary Leighton. The most significant change at 30 June 2012 with respect to December 31 of 2011, related to the issue of corporate bond by Hochtief, A.G. for a nominal amount of EUR 500 million, with a maturity of five years and with a fixed coupon of 5.5% per annum.

The heading "Project Finance with Limited Recourse" on the liability side of the statement of financial position includes the financing for the acquisition of Iberdrola, S.A. and Hochtief, A.G., as well as the financing associated with infrastructure projects. The detail of the balance of this heading, by type of financed asset at 30 June 2012 is as follows:

	Thousands of Euros		
	Current	Non-current	Total
Iberdrola, S.A.	44,711	2,994,347	3,039,058
Hochtief Aktiengesellschaft	33,546	480,798	514,344
Project financing			
Waste treatment	20,709	154,137	174,846
Highways	787	154,784	155,571
Police station	4,985	64,034	69,019
Water management	1,781	22,830	24,611
Security systems	8,738	4,192	12,930
Energy transport	-	9,564	9,564
Other infrastructures	8	531	539
	115,265	3,885,217	4,000,482

The detail of the balance of this heading, by type of financed asset at 31 December 2011 is as follows:

	Thousands of Euros		
	Current	Non-current	Total
Iberdrola, S.A.	20,959	4,940,600	4,961,559
Hochtief Aktiengesellschaft	15,752	593,029	608,781
Project financing			
Waste treatment	23,230	161,544	184,774
Highways	1,185	93,828	95,013
Police station	3,907	64,375	68,282
Water management	1,616	24,203	25,819
Security systems	8,968	8,446	17,414
Interchangers	1,812	1,515	3,327
Other infrastructures	3	521	524
	77,432	5,888,061	5,965,493

The limited recourse financing for the acquisition of shares of Iberdrola included the financing of Residential Montecarmelo, S.A. (which holds 7.96% of the shares of Iberdrola) amounted to EUR 1,599,223 thousand at 30 June 2012, and matures on 28 December 2014. The main characteristics of the financing arrangement include the maintenance of a hedging ratio over the market value of the shares of Iberdrola, S.A. If this ratio were not to be met, the pledge could be executed.

On 13 July 2012 this company entered into a financial transaction with Société Générale allowing it to repay the syndicated loan that it had arranged with a syndicate of banks in which the Banco Bilbao Vizcaya Argentaria, S.A. acted as an agent, which amounted to a gross EUR 1,599,223 thousand (Note 1.i).

As a result of the sale of this package of shares relating to 3.69% of its ownership interest in Iberdrola, the ACS Group has repaid the financing relating to Corporate Funding, S.L., which amounted to a nominal value of EUR 700 million.

On 14 June 2011, the Company extended the maturity of its "equity swap" over shares of Iberdrola, S.A. to March 2015, which amounted to EUR 1,432,418 thousand at 30 June 2012 (EUR 2,432,272 thousand at 31 December 2011) as a result of the repayment of EUR 1,000 million using the amounts provided as security for the coverage of hedging ratios. This loan is secured by shares amounting to 4.73% of the ownership interest in Iberdrola, S.A. and bears interest at a rate tied to Euribor. As in the case of the other loans described above, the ACS Group is required to meet a hedging ratio on this ownership interest. In connection with this financing, on 27 July 2012, ACS, Actividades de Construcción y Servicios, S.A. arranged a new modification in order to substantially reduce "margin calls" over the shares of Iberdrola, S.A., which forced them to give guarantees depending on market fluctuations (Note 1.i).

In relation to the acquisition in 2007 of an initial block of shares of Hochtief, A.G., on 27 October 2011, Cariátide, S.A., entered into a contract with a syndicate of banks for the refinancing of the nominal amount of EUR 602,000 thousand until 24 July 2015.

Both at 30 June 2012 and at the date of the preparation of these financial statements, the related hedging ratios were being met.

In relation to the other bank borrowings, noteworthy is the contract for the refinancing of the syndicated loan maturing in July 2015, which was arranged by ACS, Actividades de Construcción y Servicios, S.A. on 9 February 2012 with a syndicate of banks, composed of 32 Spanish and foreign entities. The loan amounted to EUR 1,430,300 thousand at 30 June 2012 and was classified as non-current. At 31 December 31 2011, it amounted to EUR 1,589,911 thousand and was recognised under the heading "Current Liabilities" in the consolidated statement of financial position. Additionally, in May 2012 the Group renewed the syndicated loan arranged with Urbaser, which amounted to EUR 506,300 thousand (EUR 750,000 thousand at 31 December 2011). Since this loan matures on 28 November 2014, it was reclassified as non-current.

Also noteworthy is the non-current financing obtained for the purchase of shares of Hochtief, A.G. for a nominal amount of EUR 200,000 thousand through the vehicle company Major Assets, S.L., which matures in June 2014, as well as the financing amounting to EUR 250,000 thousand and maturing in July 2014 which was arranged through the company Corporate Statement, S.L. Both are secured by shares of Hochtief deposited therein. Additionally, a loan of EUR 200,000 thousand maturing in February 2015 was arranged through the vehicle company Equity Share, S.L. and is secured by the shares of Iberdrola.

Also noteworthy was the non-current financing arranged with the investee Hochtief, A.G. amounting to EUR 1,632,363 thousand (EUR 1,578,917 thousand at 31 December 2011).

During the first half of 2012 and the year ended 31 December 2011 the ACS Group met all its financial debt payments at maturity. Additionally, up to the date of the preparation of these interim condensed consolidated financial statements, the Group had not failed to meet any of its financial obligations.

Note 21 of the 2011 consolidated financial statements details the major financial risks of the ACS Group (interest rate risk, currency risk, liquidity risk, credit risk and exposure risk relating to the market price of traded shares).

In the first half of 2012 the main changes in the financial risks faced by the Group with respect to those detailed in the above-mentioned financial statements were as follows:

- In relation to exposure to risk of changes in the price of shares of Abertis, Hochtief, Iberdrola and ACS, the exposure relating to Abertis disappeared due to its sale, and the exposure to Iberdrola diminished due to the partial divestment and refinancing subsequent to the end of the half-yearly reporting period indicated in Note 1.i, which significantly changed the "margin calls" relating to the financing of Iberdrola.
- In relation to liquidity risk, and despite the current environment marked by a liquidity crisis and widespread contraction of credit, the ACS Group, as has been indicated above, has refinanced its corporate syndicated loan and the syndicated loan of Urbaser in the first half of 2012, and has altered the terms of the financing of its investment in Iberdrola.

- Additionally, the Group has received fees amounting to EUR 1,224.6 million following the application of RDL 04/2012 on the financing of payments to suppliers.

The amount relating to "Other financial liabilities" basically includes the debts with associated companies.

11.- Derivative financial instruments

The detail of the financial instruments is as follows:

	Thousands of Euros			
	30/06/2012		31/12/2011	
	Asset	Liability	Asset	Liability
Hedge	7,322	295,359	5,633	285,441
Non-classified hedges	6,130	235,205	18,106	136,264
Non-Current	13,452	530,564	23,739	421,705
Hedge	5,963	18,698	2,382	21,001
Non-classified hedges	1,046	158,891	11,991	33,842
Current	7,009	177,589	14,373	54,843
Total	20,461	708,153	38,112	476,548

The adjustments for hedging instruments relate to the effective amount of the changes in the fair value of the financial instruments designated and classified as cash flow hedges. Principally they are hedges of interest rates (interest rate swaps) and exchange rates, linked to elements of the assets and liabilities of the balance, as well as to future commitments for transactions to which they are applied, to meet certain requirements of IAS 39, on hedge accounting.

The assets and liabilities relating to financial instruments not qualified as hedges include the fair value of the derivatives which do not meet hedging conditions. In this connection the most significant liability relates to the derivative included in the externalisation to a financial institution of the 2010 stock option plan amounting to EUR 126,446 thousand (EUR 80,249 thousand at 31 December 2011). The financial institution has acquired these shares on the market for delivery to the management who are beneficiaries of this Plan in accordance with the conditions therein, at the exercise price of the option. The change in fair value of this instrument is included under the heading "Changes in the Fair Value of Financial instruments".

In the agreement with the bank, it does not assume any risk relating to the drop in the market price of the share over the year. The price for exercising the 2010 share plan is EUR 34.155 per share. Therefore this risk in the drop of the share's market price is assumed by ACS, Actividades de Construcción y Servicios, S.A. and was not hedged by any other financial institution. This right in favour of the financial institution, called a put option, is recognised at fair value at the end of the reporting period, and therefore the Group recognises a liability in profit or loss with respect to the value of the option in the previous year, which in the case of the 2010 Plan is zero since it was newly created. The risk of an increase in the share price is not assumed by either the financial institution or the Group, since in this case, the management would exercise its call option and directly acquire the shares from the financial institution which agrees to sell them to the beneficiaries at exercise price. Consequently, upon completing the plan, if the shares have a higher market price than the value of the option, the derivative will have zero value at this date.

Furthermore, in accordance with the agreement, at the moment of the final maturity of the Plan, in the case that there exist options that have not been exercised by its directors (for example due to voluntarily leaving the ACS Group), the pending options will be sold off by differences, that is, the financial entity sells the pending options in the market and the result, positive as well as negative, of the selling off is received by ACS in cash (never in shares). Consequently, at the end of the Plan, the Company does not ever receive shares derived from the same, and therefore they are not considered treasury shares.

At 30 June 2012 the ACS Group had derivative instruments not qualified as hedges on shares of ACS, including the valuation of financial instruments at fair value, which are settled by differences and whose negative market value amounted to EUR 95,326 thousand (EUR 47,605 thousand at 31 December 2011).

At the end of December 2010, the ACS Group purchased a firm ownership interest of 1.9% in the shares of Iberdrola, S.A. which granted it with all the voting and dividend rights associated thereto. To finance this acquisition, the ACS Group structured the transaction through the signing of a prepaid forward share with a financial institution, maturing at 27 July 2012, which can only be settled in cash and can be partially or full settlement at any time. The related derivative is secured by the shares of Iberdrola as

underlying assets. The change in fair value of this instrument has led to a loss in the first half of 2012 of EUR 42,660 thousand included under the heading "Changes in the Fair Value of Financial Instruments" in the consolidated income statement

12.- Tax matters

- Assets and liabilities by deferred taxes

The main concept included in the deferred tax assets to 30 June 2012 corresponds to the fiscal impact that occurs by the valuation adjustments from Iberdrola, S.A., the rest of the balance coming from basically the overall consolidation of Hochtief, A.G., by both the assets and liabilities contributed by said group (EUR 591,142 thousand in assets and EUR 373,839 thousand in liabilities), such as those that are added as a result of adjustments in the net assets of the first global consolidation of Hochtief, A.G. (EUR 283,494 thousand in assets and EUR 485,538 thousand in liabilities at 30 June 2012).

- Changes in the income tax expense

The main areas which affect the calculation of the income tax expense are as follows:

	Thousands of Euros	
	30/06/2012	30/06/2011
Consolidated profit before tax	(1,723,701)	713,955
Profit (Loss) on investments accounted for using the equity method	(265,505)	(18,092)
	(1,989,206)	695,863
Tax at 30%	(596,762)	208,759
Deduction for double taxation of dividends of Iberdrola, S.A.	(50,572)	(61,812)
Net impact of other permanent differences, tax credits and relief, different standard tax rates in other countries or adjustments	24,501	(43,987)
Income tax revenue (expense)	(622,833)	102,960

13.- Business segments

In accordance with the ACS Group's internal organisation structure, and consequently, its internal reporting structure, the Group carries on its business activities through lines of business, which are the primary reporting segments as indicated in IAS 8. The Construction segment includes Hochtief A.G. and the concession activity carried out by Iridium. Note 25 to the consolidated financial statements of the ACS Group for the year ended 31 December 2011 details the criteria used by the Group to define its operating segments.

The reconciliation of the ordinary income by segments with the ordinary consolidated income as of 30 June 2012 and 2011 is as follows:

Segments	Thousands of Euros					
	30/06/2012			30/06/2011		
	External income	Inter-segment income	Total income	External income	Inter-segment income	Total income
Construction	14,344,544	3,931	14,348,475	5,002,152	6,649	5,008,801
Environment	858,668	143	858,811	852,281	2,414	854,695
Industrial Services	3,630,039	10,642	3,640,681	3,618,928	21,423	3,640,351
(-) Adjustments and eliminations of ordinary inter-segment income	-	(14,716)	(14,716)	-	(30,486)	(30,486)
Total	18,833,251	-	18,833,251	9,473,361	-	9,473,361

Inter-segment sales are made on an arm's length basis.

The reconciliation of consolidated income before tax by segments at 30 June 2012 and 2011 is as follows:

	Thousands of Euros	
	30/06/2012	30/06/2011
Segments		
Construction	310,117	135,423
Environment	195,686	73,431
Industrial Services	238,712	333,553
Total profit of the segments reported upon	744,515	542,407
(+/-) Unallocated profit	(1,737,929)	90,606
(+/-) Elimination of internal profit (between segments)	-	-
(+/-) Other profits (loss)	-	-
(+/-) Income tax and /or profit (loss) from discontinued operations	(730,287)	80,942
Profit before tax	(1,723,701)	713,955

Net revenue by geographical area at 30 June 2012 and 2011 was as follows:

Net amount of turnover by Geographical Area	Thousands of Euros	
	30/06/2012	30/06/2011
Domestic market	3,527,989	4,496,514
Foreign market	15,305,262	4,976,847
a) European Union	1,892,521	916,355
b) O.E.C.D countries	11,083,748	3,170,559
c) Rest of countries	2,328,993	889,933
Total	18,833,251	9,473,361

The details of international sales by principal countries is as follows:

Net Revenue by Geographical Area	Thousands of Euros	
	30/06/2012	30/06/2011
Australia	5,929,290	1,238,372
United States	3,898,851	1,080,812
Germany	856,902	202,913
Mexico	648,635	617,988
Indonesia	505,014	-
Canada	452,938	123,127
United Arab Emirates	349,116	51,159
Poland	270,872	208,672
Brazil	243,594	217,961
China	242,645	10,539
United Kingdom	217,762	74,406
Portugal	195,198	201,075
Other	1,494,445	949,823
Total	15,305,262	4,976,847

14.- Finance income

The balance of finance income includes, inter alia, dividends of Iberdrola, S.A., amounting to EUR 172,799 thousand (EUR 211,369 thousand at 30 June 2011).

15.- Average staff

The average number of employees, separated by men and women and by professional category is as follows:

	Average number of employees					
	30/06/2012			30/06/2011		
	Men	Women	TOTAL	Men	Women	TOTAL
University graduates	24,173	6,206	30,379	12,997	4,078	17,075
Junior college graduates	5,947	1,709	7,656	5,775	1,715	7,490
Non-graduate line personnel	10,644	1,426	12,070	18,127	3,326	21,453
Clerical personnel	3,496	6,478	9,974	6,829	6,076	12,905
Other staff	96,182	8,119	104,301	97,888	7,848	105,736
Total	140,442	23,938	164,380	141,615	23,043	164,658

In the calculation of the Group's average staff in the first six months of 2011 the average number of employees of the Hochtief group for the same period was taken into account, without any weighting whatsoever.

16.- Impairment and gains or losses on the disposal of financial instruments

Noteworthy in the consolidated income statement for the six-month period ended 30 June 2012, was the amount relating to the adjustments in value of the ownership interest in Iberdrola, S.A. amounting to EUR 1,374,598 thousand (Note 6).

Additionally, in the period ended 30 June 2012, noteworthy were the net capital losses arising from the sale of 3.69% of Iberdrola, S.A. amounting to EUR 855,869 thousand, as well as gains from the sale of 10.28% of Abertis Infraestructuras, S.A. amounting to EUR 201,699 thousand.

In the period ended 30 June 30 2011, noteworthy were the net capital gains on the sale of certain renewable energy assets, the sale of certain transmission lines in Brazil, as well as the gains on the sales of ownership interests in logistics and other assets.

17.- Changes in the fair value of financial instruments

This heading includes the effect on the income statement of derivative instruments which do not meet the efficiency criteria provided in IAS 39, or which are not hedging instruments. The most significant losses in the first half of 2012 related mainly to the effect of the derivative valuation of ACS Group's 2010 stock option plan and the market valuation of certain derivatives (Note 11) amounting to EUR 140,866 thousand (EUR 8,537 thousand in the first half of 2011).

18.- Related party balances and transactions

In relation to related party transactions, the information was disclosed following the criteria laid out in order EHA/3050/2004, of 15 September of the Ministry of Finance and Public Works, and its application through the National Securities Market Commission (CNMV).

Transactions between individuals, companies or Group entities related to Group shareholders or Board members

The transactions carried out at 30 June 2012 were as follows (in thousands of euros):

Related transactions June 2012	Significant shareholders		Directors and Management	Other related parties						Total	
	Grupo Iberostar	Total		Total	Fidalsar , S.L.	Rosán Inversiones, S.L.	Terratest Técnicas Especiales , S.A.	Indra	Zardoya Otis, S.A.		Unipsa, Correduría de Seguros, S.A.
Management or cooperation agreements	-	-	-	-	-	1,823	-	-	-	1,823	1,823
Leases	-	-	-	93	-	-	-	-	-	93	93
Reception of services	-	-	-	42	-	710	1,376	715	-	2,843	2,843
Purchase of goods (unfinished or finished)	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	15,156	15,156	15,156
Expenses	-	-	-	135	-	2,533	1,376	715	15,156	19,915	19,915
Provision of services	219	219	93	-	120	-	1,029	5	-	1,154	1,466
Revenue	219	219	93	-	120	-	1,029	5	-	1,154	1,466

Related transactions June 2012	Significant shareholders		Other related parties					Total
	Banca March	Total	Banco Sabadell Gulpuzcoano	Fidwel Inversiones, S.L.	Lynx Capital, S.A.	Fidalsar, S.L.	Total	
Financing agreements: loans and capital contributions (lender)	59,170	59,170	921,132	-	-	-	921,132	980,302
Guarantees given	42,420	42,420	-	-	-	-	-	42,420
Dividends and other distributed profit	-	-	-	378	308	450	1,136	1,136
Other transactions	80,639	80,639	-	-	-	-	-	80,639

The transactions carried out at 30 June 2011 were as follows (in thousands of euros):

Related transactions June 2011	Significant shareholders		Directors and management	Other related parties						Total		
	Grupo Iberostar	Total		Total	Fidalsar, S.L.	Rosán Inversiones, S.L.	Terratest Técnicas Especiales, S.A.	Indra	Zardoya Otis, S.A.		March- JLT, S.A.	Total
Management or cooperation agreements:	-	-	-	-	-	972	-	-	-	-	972	972
Leases	-	-	-	109	-	-	-	-	-	-	109	109
Reception of services	-	-	-	32	-	2,144	1,702	366	-	-	4,244	4,244
Purchase of goods (unfinished or finished)	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	12,722	-	12,722	12,722
Expenses	-	-	-	141	-	3,116	1,702	366	12,722	-	18,047	18,047
Provision of services	40	40	644	-	608	-	264	16	-	-	888	1,572
Revenue	40	40	644	-	608	-	264	16	-	-	888	1,572

Related transactions June 2011	Significant shareholders		Other related parties						Total
	Banca March	Total	Banco Sabadell Gulpuzcoano	Bankia	Fidwel Inversion es, S.L.	Lynx Capital, S.A.	Fidalsar, S.L.	Total	
Financing agreements: loans and capital contributions (lender)	83,380	83,380	1,454,730	19,070	-	-	-	1,473,800	1,557,180
Guarantees given	63,600	63,600	-	17,200	-	-	-	17,200	80,800
Dividends and other distributed profit	-	-	-	-	378	308	450	1,136	1,136
Other transactions	104,961	104,961	-	111,733	-	-	-	111,733	216,694

Banca March is considered to be a significant shareholder given that it is a shareholder of Corporación Financiera Alba, S.A, the main direct shareholder of ACS, Actividades de Construcción y Servicios, S.A. As a bank, Banca March has performed typical transactions relating to its ordinary course of business such as granting loans, providing guarantees for bid offers and/or the execution of works, confirming and non-recourse factoring to several ACS Group companies.

The Iberostar Group is disclosed due to its tie as a direct shareholder of ACS, Actividades de Construcción y Servicios, S.A. As a tourism and travel agency, this Group has provided services to the ACS Group entities as part of its business transactions. The ACS Group has also carried out air-conditioning activities in hotels owned by Iberostar.

Rosán Inversiones is listed due to its relation with its Chairman and CEO of the Company which holds a significant ownership interest through Inversiones Vesán, S.A., since it has received services by part of certain Group companies in relation to its construction contract, of which the Board was informed at the time it was contracted and subsequently amended.

The transactions with related parties are listed due to the relationship of certain Board members of ACS, Actividades de Construcción y Servicios, S.A. with companies in which they are either shareholders or they hold a senior management position. In this connection, the transactions with Fidalsar, S.L., Terratest Técnicas Especiales, S.A., Fidwel Inversiones, S.L. and Lynx Capital, S.A. are listed given the relationship of the Board Member Pedro López Jiménez with them. The transactions with Indra are listed due to its relationship with the Board Member Javier Monzón. Transactions with Geblasa are listed due to its relationship with the Board Member Julio Sacristán, the transactions with Zardoya Otis, S.A. are listed due its relationship with the Board Member José María Loizaga. The transactions with Banco Sabadell Guipuzcoano are detailed due to its relationship with the Board Member Javier Echenique. The transactions with March-JLT, S.A. are listed due to its relationship with Banca March, although in this case the figures listed are intermediate premiums paid by companies of the ACS Group and these amounts are not consideration for insurance brokerage services.

The heading "Other Transactions" includes all transactions not related to specific sections include in the periodic public information reported in accordance with the regulations published by the CNMV. In the first half of 2012, "Other Transactions" related exclusively to Banca March, to the extent that it is the main shareholder of Corporación Financiera Alba, S.A., which is a direct shareholder of the ACS Group. As a financial institution, Banca March provides different services to several ACS Group companies as part of its normal business operations amounting to EUR 80,639 thousand (EUR 104,961 thousand in the first half of 2011) in relation to "confirming" lines for suppliers.

All these commercial transactions were carried out on an arm's length basis in the ordinary course of business and relate to the normal operations of the Group companies.

The transactions performed between ACS consolidated group companies were eliminated in the consolidation process and form part of the normal business of the companies in terms of their company objects and conditions. The transactions are performed on an arm's length basis and the related information is not necessary to fairly present the equity, financial position and results of the Group's operations.

In accordance with the information available to ACS, Actividades de Construcción y Servicios, S.A. the members of the Board of Directors had no conflicts of interest in the first half of 2012 or in 2011, in the terms provided by Article 229 of the Consolidated Spanish Limited Liability Companies Law.

19.- Board of Directors and Senior Executives**Remuneration of the Board of Directors**

In the six-month periods ended 30 June 2012 and 2011, the members of the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. received the following remuneration for membership of the Board of Directors of the Parent or Group companies and/or for being senior executives of the Group companies.

	Thousands of Euros	
	30/06/2012	30/06/2011
Fixed remuneration	1,877	1,778
Variable remuneration	1,943	1,894
Bylaw-stipulated directors' emoluments	1,418	1,637
Total	5,238	5,309

Additionally, EUR 904 thousand were charged to income in relation to stock options granted to members of the Board of Directors with executive duties at 30 June 2012 and 2011. This amount corresponds to a proportion of the plan's value at its concession date.

The benefits relating to pension funds and plans, and life insurance premiums are as follows:

Other Benefits	Thousands of Euros	
	30/06/2012	30/06/2011
Pension funds and plans: contributions	886	1,099
Pension funds and plans: obligations assumed	886	1,099
Life insurance premiums	8	8

The amount recognised under "Pension Funds and Plans: Contributions" relates to disbursements by the Company during the year. The amount recognised under "Pension Funds and Plans: Obligations Assumed" relates, in addition to the foregoing, to obligations charged to income in the year in this connection, even if they had been disbursed prior to the related year.

The ACS Group has not granted any advances, loans or guarantees to any of the Board members.

Remuneration of Senior Executives

The remuneration of the Group's senior executives in the periods ended 30 June 2012 and 2011, excluding those who are simultaneously executive directors, was as follows:

	Thousands of Euros	
	30/06/2012	30/06/2011
Total remuneration	12,132	15,122

EUR 3,451 thousand were charged to income in relation to share options granted to the Group's senior executives at 30 June 2012 and 2011, and were not included in the aforementioned "Total Remuneration". Also, as discussed in the case of Board members, this amount corresponds to a proportion of the plan's value at its concession date.

Stock option plans

The stock options relating to the 2005 Plan (extension of 2004 Plan), have an exercise price of EUR 24.10 per share. In the first half of 2011, 3,918,525 stock options of the 2005 Plan were exercised with a weighted average market price for its beneficiaries of EUR 34.06 per share. Consequently, the 2005 plan options were fully exercised.

Additionally, at its meeting held on 27 May 2010 the Executive Committee agreed to set up a stock option plan, in keeping with the resolution adopted by the shareholders at the Annual General Meeting held on 25 May 2009, and at the request of the Remuneration Committee. The features of this Plan are as follows:

Number of shares: 6,203,454 shares.

Beneficiaries: 57 managers: 1 manager with 936,430 shares, 4 managers with between 752,320 and 351,160 shares; 8 managers with 92,940 shares; 16 managers with 69,708 shares and 28 managers with 46,472 shares.

Acquisition price: EUR 34.155 per share.

The options are exercisable in three half and equal parts and may be accumulated at the beneficiary's option in the fourth and fifth year after 1 May 2010, inclusively. However, in the case of the termination of an employee for causes other than just cause or the beneficiary's own will, the options will be exercisable six months following the event in question, in the cases of death, retirement, early retirement or permanent disability, and following 30 days in all other cases. Tax withholdings and taxes will be borne exclusively by the beneficiaries. The exercise method is settled by means of equity instruments. In the six-month period ended June 30, 2012 and 2011 no options relating to this plan had been exercised.

The commitments arising from this plan are hedged through a financial instrument (Note 11).

The stock market price of ACS shares at 30 June 2012 and 31 December 2011 was EUR 16.890 and EUR 22.900 per share, respectively.

Within the Hochtief group there are also share-based remuneration systems for the group's management. These plans were set up in 2004, following the sale of the ownership interest of RWE in Hochtief, and have continued up to the present year. All these stock option plans form part of the remuneration system for senior management of Hochtief, an in relation to long-term incentives. The amount provisioned for these plans at 30 June 2012 amounted to EUR 27,992 thousand (EUR 37,208 thousand at 31 December 2011), which is addition to EUR 2,250 thousand included as liabilities relating to assets held for sale. The expense recognised in the consolidated income statement for this item in the first half of 2012 and 2011 was not significant. To hedge the risk of exposure to changes in the market price of the Hochtief shares, it has a number of derivatives which are not considered to be accounting hedges.

20.- Explanation added for translation to English

These interim condensed consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group (see Note 1.a). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

APPENDIX I

CHANGES IN THE SCOPE OF CONSOLIDATION

The main companies included in the scope of consolidation are as follows:

Clece Seguridad, S.A.U.
 Funding Statement, S.L.
 HKG Holding AG
 HOCHTIEF COBRA Grid Solutions GmbH
 HOCHTIEF Offshore Development Solutions S. á r.l.
 Clark Builders Partnership Corporation
 CB Resources Corporation
 CB Finco Corporation
 Turner Canada Holdings, Inc.
 Turner Partnership Holdings, Inc.
 White-Turner JV (City of Detroit Public Safety)
 White/Turner Joint Venture Team (DPS Mumford High School)
 White/Turner Joint Venture (New Munger PK-8)
 O'Brien Edwards/Turner Joint Venture
 HOCHTIEF Engineering International GmbH
 HOMEART Sp.z o.o.
 Turner-Peter Scalandre & Sons JV
 Dragados-Swiber Offshore, S.A.P.I. de C.V.
 Electronic Trafic de Mexico, S.A. de C.V.
 FPS USA , Llc.
 ACS Neah Partner, Inc.
 Capital City Link General Partnership
 Semi Servicios de Energia Industrial y Comercio, S.L.
 Semi USA Corporation
 FPS Encon Precast, Llc.
 Cobra Georgia, Llc.
 Engemisa Engenharia Limitada
 Cobra Group Australia Pty, Ltd.
 Parque Eólico La Val, S.L.
 Parque Cortado Alto, S.L.
 DoubleOne 3 Pty Ltd
 DoubleOne 3 Unit Trust
 Leighton Engineering Joint Venture
 Leighton Middle East and Africa (Holding) Limited
 Lpwrap Pty Ltd
 Metronode (NSW) Pty Ltd
 Metronode New Zealand Limited
 Riverstone Rise Gladstone Pty Ltd
 Riverstone Rise Gladstone Unit Trust
 Copernicus B5 Sp.z o.o.
 HOCHTIEF B2L Partner Inc.
 HOCHTIEF Canada Holding 1 Inc.
 HOCHTIEF Canada Holding 2 Inc.
 HOCHTIEF NEAH Partner Inc.
 HOCHTIEF Presidio Holding LLC
 HOCHTIEF Shield Investment Inc.
 Project SP1 Sp. z o.o.
 Flatiron - Dragados - Aecon - LaFarge - Joint Venture
 Abigroup Contractors Pty Ltd & Coleman Rail Pty Ltd & John Holland Pty Ltd (Integrate Rail JV)
 Applemead Pty. Ltd.
 Barclay Mowlem Thiess Joint Venture
 Boulderstone Leighton Joint Venture
 EV LNG Australia Pty Ltd & Thiess Pty Ltd (EVT JV)

Garlanja Joint Venture
John Holland & Leed Engineering Joint Venture (NIAW)
Leighton/Ngarda Joint Venture
Mosaic Apartments Holdings Pty. Ltd.
Mosaic Apartments Pty. Ltd.
Mosaic Apartments Unit Trust
N.V Besix S.A & Thiess Pty Ltd (Best JV)
SA Health Partnership Pty. Ltd.
Thiess Barnard Joint Venture
Thiess MacDow Joint Venture
Wallan Project Pty. Ltd.
Wallan Project Trust
Wrap Southbank Unit Trust
Capital City Link General Partnership
Golden Link Concessionaire LLC (Presidio Parkway)

The main companies no longer included in the scope of consolidation are as follows:

Recuperación Crom Industrial, S.A. (RECRISA)
Limpieza Guía, Ltd.
Agrupación Offshore 60, S.A. de C.V.
Le Quartier Central Teilgebiet C Verwaltungs GmbH
Mc Kissack & Mc Kissack / Brailsford & Dunlavy / Turner LLC
Turner Smoot
Zachry American/ACS 69 Partners, Llc.
Abertis Infraestructuras, S.A.
Trebol International, B.V.
Logitren Ferroviaria, S.A.
ACS Colombia, S.A.
Semi Polska
Parque Eólico Valcaire, S.L.
Parque Eólico Bandelera, S.L.
Parque Eólico Roderia Alta, S.L.
Sociedad de Generación Eólica Manchega, S.L.
Parque Eólico Marmellar, S.L.
Parque Eólico La Boga, S.L.
Desarrollos Energéticos Riojanos, S.L.
Leighton International Mauritius Holdings Limited No. 3
Leighton International Mauritius Holdings Limited No. 5
Leighton International Mauritius Holdings Limited No. 6
Leighton International Mauritius Holdings Limited No. 7
Leighton Investments Mauritius Limited No. 5
Leighton Investments Mauritius Limited No. 6
Leighton Investments Mauritius Limited No. 7
Leighton Project Management Sdn Bhd3
Leighton Superannuation Pty Ltd
Swan Water Services Pty Ltd
Victorian Wave Partners Pty Ltd
Macmahon Leighton Joint Venture
New PBJV defects project
Ubique Finance Pty Ltd

NOTES
TO ABRIDGED INDIVIDUAL FINANCIAL INFORMATION OF
ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.
FOR THE SIX-MONTH PERIOD ENDED
30/06/2012

Individual financial statements

Basis of presentation of the abridged individual financial information

Accounting regulations applied

The Individual Abridged Financial Information (hereinafter, the selection financial information) has been drafted in accordance with commercial legislation in force and the General Accounting Plan passed by Spanish Royal Decree 1514/2007, of 16 November, modified by the Spanish Royal Decree 1159/2010 of 17 September, adapted to the summarised models set forth under article 13 of Spanish Royal Decree 1362/2007, pursuant to that set forth under article 12 of said Royal Decree, and in Circular 1/2008, of 30 January, of the National Securities Market Commission (CNMV).

This Individual Abridged Financial Information does not include all the information required by individual complete financial statements prepared according to generally accepted accounting principles and standards under Spanish regulations. Specifically, the attached Abridged Financial Information has been drafted with the necessary content for compliance with the requirements of individual abridged financial information, established in regulation two of the aforementioned Circular 1/2008 for instances in which such is required by the issuer, in application of the regulations in force, the drafting of consolidated summary financial statements in the submitted report. Consequently, the individual abridged financial information shall be read together with the financial statements of the corresponding Company for the year ending 31 December 2011 and together with the condensed consolidated Financial Statements for the period from 1 January 2012 to 30 June 2012.

In connection with the preparation of the Individual Abridged Financial Information, noteworthy is the consideration, according to the consultation by the IC.AC published in its Official Gazette number 79 of September 2009, the dividends received and of the interest accrued from the funding granted to investee companies as revenue.

The detail of individual revenue is as follows:

	30/06/2012	30/06/2011
Dividends from Group companies and associates	371,297	345,274
Dividends from non-current financial assets	63,039	76,822
Finance income from Group companies and associates	135,915	74,913
Total	570,251	497,009

This Individual Abridged Financial Information has been drafted in relation to the publication of the six month financial report required under article 35 of Act 24/1998, of 28 July, of the Securities Exchange Commission, from Royal Decree 1362/2007 of 19 October.