

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

Condensed Consolidated Financial Statements
for the year ended 31 December 2014

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 21). 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 31 DECEMBER 2014

ASSETS	Note	Thousands of Euros	
		31/12/2014	31/12/2013
		(*)	(**)
NON-CURRENT ASSETS		14,000,876	14,411,592
Intangible assets	2	4,620,123	4,491,505
Goodwill		2,894,222	2,726,108
Other intangible assets		1,725,901	1,765,397
Tangible assets - property, plant and equipment	3	2,499,928	2,434,559
Non-current assets in projects	4	753,143	757,470
Investment property		62,207	63,922
Investments accounted for using the equity method	5	1,231,256	1,366,466
Non-current financial assets	6	2,227,705	2,317,846
Long term cash collateral deposits	11	404,180	559,432
Derivative financial instruments	11	6,414	40,692
Deferred tax assets	12	2,195,920	2,379,700
CURRENT ASSETS		25,319,859	25,553,787
Inventories	7	1,522,355	1,827,001
Trade and other receivables		12,719,329	11,315,953
Trade receivables for sales and services		9,869,610	10,130,157
Other receivable		1,409,856	1,082,950
Receivables from the sale of discontinued operations	1.f)	1,108,112	-
Current tax assets		331,751	102,846
Other current financial assets	6	1,892,686	2,980,141
Derivative financial instruments	11	34,010	11,981
Other current assets		162,206	185,155
Cash and cash equivalents		5,167,139	3,923,960
Non-current assets held for sale and discontinued operations	1.f)	3,822,134	5,309,596
TOTAL ASSETS		39,320,735	39,965,379

The accompanying Notes 1 to 21 and Appendix I are an integral part of the consolidated statement of financial position at 31 December 2014.

(*) Unaudited

(**) Restated 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 21). 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 31 DECEMBER 2014

EQUITY AND LIABILITIES	Note	Thousands of Euros	
		31/12/2014	31/12/2013
		(*)	(**)
EQUITY	8	4,897,888	5,488,908
SHAREHOLDERS' EQUITY		3,451,843	3,802,827
Share capital		157,332	157,332
Share premium		897,294	897,294
Reserves		1,881,249	2,111,618
(Treasury shares and equity interests)		(201,122)	(64,958)
Profit for the period of the parent		717,090	701,541
ADJUSTMENTS FOR CHANGES IN VALUE		(418,331)	(534,914)
Available-for-sale financial assets		65,760	27,927
Hedging instruments		(532,015)	(442,697)
Exchange differences		47,924	(120,144)
EQUITY ATTRIBUTED TO THE PARENT		3,033,512	3,267,913
NON-CONTROLLING INTERESTS		1,864,376	2,220,995
NON-CURRENT LIABILITIES		9,534,953	11,323,513
Grants		59,745	49,748
Non-current provisions	9	1,763,509	1,794,809
Non-current financial liabilities	10	6,090,901	7,411,353
Bank borrowings, debt instruments and other marketing securities		5,386,591	6,171,352
Project finance with limited recourse		491,308	1,035,693
Other financial liabilities		213,002	204,308
Derivative financial instruments	11	196,758	497,868
Deferred tax liabilities	12	1,268,739	1,381,273
Other non-current liabilities		155,301	188,462
CURRENT LIABILITIES		24,887,894	23,152,958
Current provisions		1,342,220	1,107,675
Current financial liabilities	10	6,203,509	3,863,246
Bank borrowings, debt, and other held-for-trading liabilities		5,669,702	3,593,400
Project finance with limited recourse		491,389	221,447
Other financial liabilities		42,418	48,399
Derivative financial instruments	11	78,258	70,552
Trade and other payables		13,962,196	13,677,296
Suppliers		7,988,149	8,745,384
Other payables		5,725,181	4,602,275
Current tax liabilities		248,866	329,637
Other current liabilities		411,064	555,849
Liabilities relating to non-current assets held for sale and discontinued operations	1.f)	2,890,647	3,878,340
TOTAL EQUITY AND LIABILITIES		39,320,735	39,965,379

The accompanying Notes 1 to 21 and Appendix I are an integral part of the consolidated statement of financial position at 31 December 2014.

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

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Thousands of Euros	
		31/12/2014	31/12/2013
		(*)	(**)
REVENUE	13	34,880,860	35,177,951
Changes in inventories of finished goods and work in progress		(12,385)	(41,447)
Capitalised expenses of in-house work on assets		38,449	8,881
Procurements		(22,538,088)	(22,694,475)
Other operating income		622,740	570,851
Staff costs		(7,761,394)	(7,597,987)
Other operating expenses		(2,814,852)	(2,644,493)
Depreciation and amortisation charge		(824,005)	(1,144,551)
Allocation of grants relating to non-financial assets and others		6,490	5,014
Impairment and gains on the disposal of non-current assets		(3,900)	(199,240)
Other profit or loss	18	(634,274)	98,431
OPERATING INCOME		959,641	1,538,935
Finance income	14	353,613	362,340
Financial costs		(1,036,007)	(1,121,995)
Changes in the fair value of financial instruments	17	233,550	555,295
Exchange differences		(23,856)	(23,389)
Impairment and gains or losses on the disposal of financial instruments	16	163,441	101,426
FINANCIAL RESULT		(309,259)	(126,323)
Results of companies accounted for using the equity method	5	131,824	95,934
PROFIT BEFORE TAX		782,206	1,508,546
Income tax	12	(318,591)	(424,871)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		463,615	1,083,675
Profit after tax from discontinued operations	1.f) (***)	464,115	163,250
PROFIT FOR THE PERIOD		927,730	1,246,925
Profit attributed to non-controlling interests		58,666	(431,005)
Profit from discontinued operations attributable to non-controlling interests		(269,306)	(114,379)
PROFIT ATTRIBUTABLE TO THE PARENT		717,090	701,541

(***) Profit after tax from discontinued operations attributable to non-controlling interests	1.f)	194,809	48,871
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EARNINGS PER SHARE

		Euros per share	
		31/12/2014	31/12/2013
Basic earnings per share	1.m)	2.31	2.26
Diluted earnings per share	1.m)	2.31	2.26
Basic earnings per share from discontinued operations	1.m)	0.63	0.16
Basic earnings per share from continuing operations	1.m)	1.68	2.10
Diluted earnings per share from continuing operations	1.m)	1.68	2.10

The accompanying Notes 1 to 21 and Appendix I are an integral part of the consolidated income statement at 31 December 2014.

(*) Unaudited

(**) Restated 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 21). 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 YEAR ENDED 31 DECEMBER 2014

	Thousands of Euros					
	31/12/2014 (*)			31/12/2013 (**)		
	Of the Parent	Of non-controlling interests	Total	Of the Parent	Of non-controlling interests	Total
A) Total consolidated profit	717,090	210,640	927,730	701,541	545,384	1,246,925
Profit/(Loss) from continuing operations	522,281	(58,666)	463,615	652,670	431,005	1,083,675
Profit/(Loss) from discontinued operations	194,809	269,306	464,115	48,871	114,379	163,250
B) Income and expenses recognised directly in equity	24,148	114,340	138,488	118,375	(193,873)	(75,498)
Measurement of financial instruments	228,938	11,709	240,647	93,494	(2,107)	91,387
Cash flow hedges	(300,097)	(19,284)	(319,381)	335,745	63,251	398,996
Exchange differences	171,488	168,145	339,633	(219,214)	(238,838)	(458,052)
Arising from actuarial profit and loss and losses (***)	(95,044)	(62,729)	(157,773)	37,058	28,406	65,464
Tax effect	18,863	16,499	35,362	(128,708)	(44,585)	(173,293)
C) Transfers to profit or loss	28,108	17,968	46,076	94,873	(22,086)	72,787
Measurement of financial instruments	(175,673)	-	(175,673)	(39,241)	(106,669)	(145,910)
Cash flow hedges	215,445	30,292	245,737	119,133	63,631	182,764
Exchange differences	(3,420)	(3,921)	(7,341)	23,258	19,306	42,564
Tax effect	(8,244)	(8,403)	(16,647)	(8,277)	1,646	(6,631)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	769,346	342,948	1,112,294	914,789	329,425	1,244,214

The accompanying Notes 1 to 21 and Appendix I are an integral part of the consolidated statement of comprehensive income at 31 December 2014.

(*) Unaudited

(**) Restated unaudited

(***) The only item of income and expense recognised directly in equity which can not be subsequently subject to transfer to the income statement is the corresponding actuarial gains and losses.

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 21). 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 YEAR ENDED 31 DECEMBER 2014

	Thousands of Euros							
	Share capital	Share premium	Retained earnings and other reserves	Treasury shares	Valuation adjustments	Profit/(Loss) attributed to the Parent	Non-controlling interests	TOTAL
Balance at 31 December 2012	157,332	897,294	4,828,866	(574,696)	(725,840)	(1,926,438)	3,054,990	5,711,508
IAS 19 revised	-	-	1,495	-	-	(1,495)	-	-
Balance at 31 December 2012	157,332	897,294	4,830,361	(574,696)	(725,840)	(1,927,933)	3,054,990	5,711,508
Income/(expenses) recognised in equity	-	-	22,322	-	190,926	701,541	329,425	1,244,214
Capital increases/(reductions)	3,927	-	(3,927)	-	-	-	-	-
Stock options	-	-	5,391	-	-	-	-	5,391
Distribution of profit from the prior year	-	-	-	-	-	-	-	-
To reserves	-	-	(1,927,933)	-	-	1,927,933	-	-
2012 acquisition of bonus issue rights	-	-	(192,709)	-	-	-	-	(192,709)
To dividends	-	-	-	-	-	-	-	-
Treasury shares	(3,927)	-	(261,303)	509,738	-	-	-	244,508
Treasury shares through investees	-	-	(142,811)	-	-	-	(112,501)	(255,312)
Additional ownership interest in controlled entities	-	-	(70,035)	-	-	-	(147,448)	(217,483)
2013 bonus issue rights	-	-	(140,970)	-	-	-	-	(140,970)
Change in the scope of consolidation and other effects of a lesser amount	-	-	(6,768)	-	-	-	(520,298)	(527,066)
Balance at 31 December 2013 adjusted	157,332	897,294	2,111,618	(64,958)	(534,914)	701,541	2,220,995	5,488,908
Income/(expenses) recognised in equity	-	-	(64,327)	-	116,583	717,090	342,948	1,112,294
Capital increases/(reductions)	3,219	-	(3,219)	-	-	-	-	-
Stock options	-	-	5,153	-	-	-	-	5,153
Distribution of profit from the prior year	-	-	-	-	-	-	-	-
To reserves	-	-	701,541	-	-	(701,541)	-	-
2013 acquisition of bonus issue rights	-	-	(90,965)	-	-	-	-	(90,965)
Remaining allotment rights from 2013 accounts	-	-	71,497	-	-	-	-	71,497
To dividends	-	-	-	-	-	-	(114,838)	(114,838)
Treasury shares	(3,219)	-	(170,192)	(136,164)	-	-	-	(309,575)
Treasury shares through investees	-	-	(29,680)	-	-	-	(18,624)	(48,304)
Additional ownership interest in controlled entities	-	-	(466,369)	-	-	-	(490,216)	(956,585)
2014 bonus issue rights	-	-	(141,599)	-	-	-	-	(141,599)
Change in the scope of consolidation and other effects of a lesser amount	-	-	(42,209)	-	-	-	(75,889)	(118,098)
Balance at 31 December 2014	157,332	897,294	1,881,249	(201,122)	(418,331)	717,090	1,864,376	4,897,888

The accompanying Notes 1 to 21 and Appendix I are an integral part of the consolidated statement of changes in equity at 31 December 2014.

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

		Thousands of Euros	
		31/12/2014	31/12/2013
		(*)	(**)
A)	CASH FLOWS FROM OPERATING ACTIVITIES	824,023	1,085,885
1.	Profit/(Loss) before tax	782,206	1,508,546
2.	Adjustments for:	1,429,828	1,161,667
	Depreciation and amortisation charge	824,005	1,144,551
	Other adjustments to profit (net) (Note 1.j)	605,823	17,116
3.	Changes in working capital	(570,866)	(873,483)
4.	Other cash flows from operating activities:	(817,145)	(710,845)
	Interest payable	(1,060,604)	(1,112,011)
	Dividends received	256,971	384,776
	Interest received	247,612	235,062
	Income tax payment/proceeds	(261,124)	(218,672)
B)	CASH FLOWS FROM INVESTING ACTIVITIES	(190,666)	(115,699)
1.	Investment payables:	(1,419,881)	(2,118,945)
	Group companies, associates and business units	(376,553)	(534,687)
	Property, plant and equipment, intangible assets and property investments	(843,009)	(1,297,517)
	Other financial assets	(160,283)	(202,218)
	Other assets	(40,036)	(84,523)
2.	Divestment:	1,229,215	2,003,246
	Group companies, associates and business units	192,237	1,816,439
	Property, plant and equipment, intangible assets and investment property	171,132	150,111
	Other financial assets	865,384	33,663
	Other assets	462	3,033
C)	CASH FLOWS FROM FINANCING ACTIVITIES	416,224	(1,496,073)
1.	Equity instrument proceeds (and payment):	(1,195,235)	(476,556)
	Acquisition	(1,242,626)	(942,222)
	Disposal	47,391	465,666
2.	Liability instrument proceeds (and payment):	1,874,161	(1,251,044)
	Issue	5,339,790	2,685,747
	Refund and repayment	(3,465,629)	(3,936,791)
3.	Dividends paid and remuneration relating to other equity instruments:	(317,984)	(397,979)
4.	Other cash flows from financing activities:	55,282	629,506
	Other financing activity proceeds and payables:	55,282	629,506
D)	EFFECT OF CHANGES IN EXCHANGE RATES	193,598	(204,385)
E)	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,243,179	(730,272)
F)	CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	3,923,960	4,654,232
G)	CASH AND CASH EQUIVALENTS AT END OF THE YEAR	5,167,139	3,923,960

1. CASH FLOWS FROM OPERATING ACTIVITIES	(198,737)	(455,526)
2. CASH FLOWS FROM INVESTING ACTIVITIES	(27,576)	359,010
3. CASH FLOWS FROM FINANCING ACTIVITIES	(2,785)	(26,766)
CASH FLOWS FROM DISCONTINUED OPERATIONS	(229,098)	(123,282)

CASH AND CASH EQUIVALENTS AT YEAR END

Cash and banks	4,628,415	3,314,413
Other financial assets	538,724	609,547
TOTAL CASH AND CASH EQUIVALENTS AT YEAR END	5,167,139	3,923,960

The accompanying Notes 1 to 21 and Appendix I are an integral part of the consolidated statement of cash flows at 31 December 2014.

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

Explanatory Notes to the Condensed Consolidated Financial Statements for the financial year ended 31 December 2014

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

ACS, Actividades de Construcción y Servicios, S.A. is a company incorporated in Spain in accordance with the Spanish Public Limited Liability Companies Law, and its registered office is at Avenida de Pío XII, 102, 28036 Madrid.

ACS, Actividades de Construcción y Servicios, S.A. heads a group of companies engaging in a range of different activities, mainly construction, industrial services, environment, concessions and energy. For this reason it is under an obligation to prepare consolidated financial statements for the ACS Group, besides its own separate annual accounts, that take in subsidiaries, interests in joint ventures and investments in associates.

a) Basis of presentation and principles for consolidation

- Basis of presentation

The condensed consolidated financial statements of ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries (hereinafter, the ACS Group) for the financial year ended 31 December 2014 were approved by the directors of the Parent at its Board of Directors meeting held on 26 February 2015, and were prepared using the accounting records kept by the Parent and the other integrated entities within the ACS Group.

The directors approved the condensed consolidated financial statements on the presumption that anyone who reads them will also have access to the consolidated financial statements for the year ended 31 December 2013, prepared in accordance with International Financial Reporting Standards (IFRSs), which were authorised for issue on 26 March 2014 and approved by shareholders at the Annual General Shareholders' Meeting held on 29 May 2014. Consequently, and as they have been prepared using the accounting principles and standards employed in preparing the consolidated financial statements, it was not necessary to repeat or update the notes that are included in these condensed consolidated financial statements. Instead, the accompanying explanatory notes include an explanation of events and transactions that are significant to an understanding of the changes in the consolidated financial position and consolidated performance of the ACS Group since the date of the above-mentioned consolidated financial statements.

This consolidated interim financial information was prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, taking into account International Accounting Standard (IAS) 34, on Interim Financial Reporting, and all the mandatory accounting principles and rules and measurement bases and, accordingly, they present fairly the ACS Group's consolidated equity and financial position at 31 December 2014, 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 consolidated financial information for the ACS Group for the 2014 financial year may differ from those used by certain Group entities, the required adjustments and reclassifications were made on consolidation to unify such policies and bases and to make them compliant with International Financial Reporting Standards. In order to present uniformly the various items composing the consolidated financial information, the policies and measurement bases used by the Parent were applied to all the consolidated companies.

In preparing this consolidated financial statements of ACS Group for the financial year ended 31 December 2014, estimates were occasionally used that were made by the senior executives of the Group and of the consolidated entities, later ratified by the directors, in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates essentially refer to the same aspects detailed in the consolidated financial statements for the year ended 31 December 2013:

- The impairment losses on certain assets.
- The fair value of assets acquired in business combinations.
- The measurement of goodwill and the allocation of assets in acquisitions.
- The recognition of earnings in construction contracts.
- The amount for certain provisions.
- The assumptions used in calculating liabilities and commitments to employees.
- The market value of the derivatives (such as equity swaps, put spreads, etc.)
- The useful life of intangible assets and property, plant and equipment.
- The recoverability of deferred tax assets.
- Financial risk management.

Although these estimates were made using the best information available on the date when these condensed consolidated financial statements were approved with regard to the facts reviewed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming periods or years. Changes in accounting estimates would be applied prospectively, recognising the effects of the change in estimates in the related future consolidated financial statements.

- Bases of consolidation

Except for that indicated in the following paragraph, the bases of consolidation applied in the 2014 financial year are consistent with those applied in the consolidated financial statements for 2013.

On 1 January 2014, the ACS Group restated the consolidated financial statements for 2013 for comparison purposes as a result of the entry into force of IFRS 10 - Consolidated Financial Statements, IFRS 11 - Joint Arrangements, IFRS 12 - Disclosures of Interests in Other Entities, along with the revisions of IAS 27 - Separate Financial Statements, and IAS 28 - Investments in Associates and Joint Ventures, which are retroactively applied. The basic change addressed by IFRS 10, IFRS 11 and IFRS 12 with regard to the previous standard is the elimination of the option of proportional consolidation for entities that are jointly controlled, which would then be accounted for using the equity method. IFRS 10 modified the definition of control existing until its entry into force. The new definition of control sets out the following three elements of control: power over the investee; exposure, or rights, to variable returns from involvement with the investee; and the ability to use power over the investee to affect the amount of the investor's returns. Besides this noteworthy amendment, IFRS 11 also change the approach of analysing joint arrangement in certain contexts. Under the previous IAS 31 the conclusion depended to great extent on the legal structure of the agreement, whereas in IFRS 11, this is more of a secondary step, whereby the primary approach of the analysis is whether or not the joint arrangement is structured through a separate vehicle or whether it represents a distribution of net benefits or right or obligation of one party in proportion to its assets and liabilities, respectively. In this regard, the standard defines two unique types of joint arrangements which will be either a joint transaction or jointly controlled investees.

With regard to accounting for joint arrangements, the standard has not had any significant impact for the ACS Group. The first application of IFRS 11 in the ACS Group entails reclassifying jointly controlled entities using the equity method as jointly controlled operations within Leighton.

For this reason, and in accordance with IAS 1, comparative information for the previous year is restated. The effect on the ACS Group as a result of applying this standard is detailed in Note 1.e) "Comparative information".

b) Entry into force of new accounting standards

In 2014 the following standards and interpretations came into force and were adopted by the European Union and, where applicable, were used by the Group in the preparation of these half-yearly condensed consolidated financial statements:

- (1) ***New standards, amendments and interpretations whose application is mandatory in the year beginning 1 January 2014:***

New standards, amendments and interpretations:		Mandatory application in the years beginning on or after:
Approved for use in the European Union		
IFRS 10 - Consolidated financial statements (published in May 2011)	Replaces current consolidation requirements of IAS 27.	Annual periods beginning on or after 1 January 2014 (1)
IFRS 11 - Joint arrangements (published in May 2011)	Replaces the consolidation requirements of IAS 31.	Annual periods beginning on or after 1 January 2014 (1)
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 entities.	Annual periods beginning on or after 1 January 2014 (1)
IAS 27 (Revised) - Individual financial statements (published in May 2011)	The standard has been revised given that following its issue of IFRS 10, it will only comprise an entity's separate financial statements	Annual periods beginning on or after 1 January 2014 (1)
IAS 28 (Revised) - Investments in associates and joint ventures (published in May 2011)	Parallel revision in relation to the issue of IFRS 11 - Joint arrangements	Annual periods beginning on or after 1 January 2014 (1)
Transition rules: Amendment to IFRS 10, 11 and 12 (published in June 2012)	Clarification of the transition rules of these standards.	Annual periods beginning on or after 1 January 2014 (1)
Investment companies: Amendment to IFRS 10, IFRS 12 and IAS 27 (published in October 2012)	Exceptions in consolidation for parent companies that meet the definition of investment companies.	Annual periods beginning on or after 1 January 2014
Amendment to IAS 32 - Financial instruments: Presentation - Offsetting financial assets and financial liabilities (published in December 2011)	Further clarifications of the rules for offsetting financial assets and financial liabilities of IAS 32.	Annual periods beginning on or after 1 January 2014
Amendments to IAS 36 - Recoverable amount disclosures for non-financial assets (published in May 2013)	Clarifies certain disclosure requirements and requires additional information when the recoverable amount is based on fair value less costs to sell.	Annual periods beginning on or after 1 January 2014
Amendments to IAS 39 - Novation of derivatives and continuation of hedge accounting (published in June 2013)	The amendments determine in which cases and under what criteria the novation of a derivative does not make the interruption of hedge accounting necessary.	Annual periods beginning on or after 1 January 2014

(1) The European Union delayed the date of mandatory application by one year. The original date of application stipulated by the IASB was 1 January 2013.

(2) New standards, amendments and interpretations whose application is mandatory subsequent to the calendar year beginning 01 January 2014 (applicable from 2015 onwards):

At the date of approval of these condensed consolidated financial statements, the following standards and interpretations had been published by the IASB but had not yet come into force, either because their effective date is subsequent to the date of the condensed consolidated financial statements or because they had not yet been adopted by the European Union:

New standards, amendments and interpretations:		Mandatory application in the years beginning on or after:
Approved for use in the European Union		
IFRIC 21 - Levies (published in May 2013)	Guidance on when to recognise a liability for levies charged for participation by the entity in an activity market on a specified date.	17 June 2014 (2)
Amendment to IAS 19 - Employee contributions to defined benefit plans (published November 2013)	The amendment is issued in order to allow employee contributions to be deducted from the cost of the service in the same period that they were paid, if certain requirements are met.	1 July 2014
Improvements to the IFRSs 2010-2012 Cycle and the 2011-2013 Cycle (published in December 2013)	Minor amendments to certain standards.	1 July 2014
Not approved for use in the European Union		

New standards, amendments and interpretations:		Mandatory application in the years beginning on or after:
IFRS 9 - Financial instruments (last phase published in July 2014)	Replaces the requirements for classification, valuation, recognition, and derecognition of financial assets and liabilities, hedge accounting, and impairment from IAS 30.	1 January 2016
IFRS 15 - Revenue from contracts with customers (published in May 2014)	New standard for recognising revenue (Replaces IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31)	1 January 2016
Amendment to IAS 16 and IAS 38 - Acceptable methods of depreciation and amortisation (published in May 2014)	Clarifies the acceptable methods of amortisation and depreciation of property, plant and equipment and intangible assets	1 January 2016
Amendment to IFRS 11 - Accounting for acquisitions of interests in joint operations (published in May 2014)	Specifies the accounting treatment for the acquisition of an interest in a joint operation that constitutes a business	1 January 2016
Improvements to the IFRS 2012-2014 Cycle (published in September 2014)	Minor amendments to certain standards.	1 January 2016
Amendment to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture (published in September 2014)	Clarification of profits from these transactions in the case of revenue or assets.	1 January 2016
Amendment to IAS 27 - Equity Method of separate financial statements (published in August 2014)	The equity method will be allowed for individual financial statements of an investor.	1 January 2016
Amendment to IAS 16 and IAS 41 - Bearer Plants (published in June 2014)	Bearer plants will be accounted for at cost, rather than at fair value.	1 January 2016

(2) The European Union endorsed IFRIC 21 (EU Journal 14 June 2014), changing the original date of entry into force established by the IASB from 1 January 2014 to 17 June 2014.

The Group is in the process of analysing the impact of these standards, however they are not expected to have a significant impact. The IFRS 9 replaces IAS 39 which has gone through several stages. The IASB published the first part of the IFRS 9 in 2009 with a new model of classification and measurement for financial assets, to which were added financial liabilities requirements and derecognition requirements in 2010. Subsequently, IFRS 9 was expanded in 2013 with the section concerning hedge accounting. On 24 July 2014, the IASB issued the remaining part, concerning the new impairment model and certain modifications limited to classification and measurement. Thus, the IFRS 9 is already complete.

c) Contingent assets and liabilities

There were no significant changes in the Group's main contingent assets or liabilities in the 2014 financial year.

d) Correction of errors

No significant error was corrected in the condensed consolidated financial statements for financial year ended 31 December 2014.

e) Comparative information

The information contained in these condensed consolidated financial statements for the financial year ended 31 December 2013 is presented solely for the purposes of comparison with the information for the period ended 31 December 2014. This comparative information is affected by:

- The entry into force of IFRS 10 - Consolidated Financial Statements, IFRS 11 - Joint Arrangements, IFRS 12 - Disclosures of Interests in Other Entities, along with the revisions of IAS 27 - Separate Financial Statements, and IAS 28 - Investments in Associates and Joint Ventures, as explained in Note 1.a.
- The consideration as a discontinued operation of the sale of the John Holland business and Thiess Services & Leighton Contractors ("Services") belonging to Leighton, subsidiary of the Hochtief group, as explained in Note 1.f. This has implied the application of IFRS 5, "Non-current assets held for sale and discontinued operations". Given that these are important lines of business (approximately 10% of net revenue) located in the geographical area of Australia, the Group has considered that these operations would most appropriately be recognised as discontinued operations.

Pursuant to IFRS 5, the following actions have been carried out:

- a) All items from the income statement are reclassified and all contributions to net profits – after taxes and minority interests – are presented in a single line, “Profit after tax from discontinued operations”.
- b) For the statement of cash flows, the effect from the discontinued operation for both the 2014 financial year and the 2013 financial year must be broken down in the statement of cash flows or in the notes.

Due to the considerations presented in the above paragraphs, the effect of these reclassifications on the income statement is detailed in the note on discontinued operations. However, in the statement of financial position, the assets and liabilities associated with this activity do not imply a restatement from the previous financial year, as per IFRS 5.

The explanatory notes include events or changes that are significant in explaining the changes in the ACS Group's financial position or consolidated income from the date of the Group's Consolidated Financial Statements.

The effect on the statement of financial position at 31 December 2013, as a result of the entry into force of IFRSs 10, 11 and 12, is as follows:

ASSETS	Thousands of Euros		
	31/12/2013 Restated	Effect IFRS 11	31/12/2013
NON-CURRENT ASSETS	14,411,592	21,078	14,390,514
Intangible assets	4,491,505	260	4,491,245
Goodwill	2,726,108	260	2,725,848
Other intangible assets	1,765,397	-	1,765,397
Tangible assets-property, plant and equipment / Property investments	2,498,481	20,818	2,477,663
Non-current assets in projects	757,470	-	757,470
Non-current financial assets	4,243,744	-	4,243,744
Other current assets	2,420,392	-	2,420,392
CURRENT ASSETS	25,553,787	173,144	25,380,643
Inventories	1,827,001	9,802	1,817,199
Trade and other receivables	11,315,953	(54)	11,316,007
Other current financial assets	2,980,141	-	2,980,141
Derivative financial instruments	11,981	-	11,981
Other current assets	185,155	8,514	176,641
Cash and cash equivalents	3,923,960	154,882	3,769,078
Non-current assets held for sale	5,309,596	-	5,309,596
TOTAL ASSETS	39,965,379	194,222	39,771,157

EQUITY AND LIABILITIES	Thousands of Euros		
	31/12/2013 Restated	Effect IFRS 11	31/12/2013
EQUITY	5,488,908	-	5,488,908
Equity attributed to the Parent	3,267,913	-	3,267,913
Non-controlling interests	2,220,995	-	2,220,995
NON-CURRENT LIABILITIES	11,323,513	58	11,323,455
Grants	49,748	-	49,748
Non-current financial liabilities	7,411,353	-	7,411,353
Bank borrowings, debt instruments and other marketable securities	6,171,352	-	6,171,352
Limited recourse project financing	1,035,693	-	1,035,693
Other financial liabilities	204,308	-	204,308
Derivative financial instruments	497,868	-	497,868
Other non-current liabilities	3,364,544	58	3,364,486
CURRENT LIABILITIES	23,152,958	194,164	22,958,794
Current financial liabilities	3,863,246	(268,731)	4,131,977
Bank borrowings, debt instruments and other marketable securities	3,593,400	-	3,593,400
Limited recourse project financing and debt	221,447	-	221,447
Other financial liabilities	48,399	(268,731)	317,130
Derivative financial instruments	70,552	-	70,552
Trade and other payables	13,677,296	457,631	13,219,665
Other current liabilities	1,663,524	5,264	1,658,260
Liabilities relating to non-current assets held for sale	3,878,340	-	3,878,340
TOTAL EQUITY AND LIABILITIES	39,965,379	194,222	39,771,157

The effect on the consolidated income statement at 31 December 2013, as a result of the entrance into force of IFRS 10, 11 and 12 and the consideration of the sale of the John Holland business and Thies Services & Leighton Contractors ("Services") as a discontinued operation, is as follows:

	Thousands of Euros			
	31/12/2013 Restated	Effect IFRS 11	Discontinued operations (John Holland and the Service Business)	31/12/2013
REVENUE	35,177,951	1,328,941	(4,523,511)	38,372,521
Changes in inventories of finished goods and work in progress	(41,447)	-	-	(41,447)
Capitalised expenses of in-house work on assets	8,881	-	-	8,881
Procurements	(22,694,475)	(1,049,089)	3,188,724	(24,834,110)
Other operating income	570,851	-	-	570,851
Staff costs	(7,597,987)	(242,667)	984,574	(8,339,894)
Other operating expenses	(2,644,493)	(41,088)	184,752	(2,788,157)
Depreciation and amortisation charge	(1,144,551)	(739)	64,096	(1,207,908)
Allocation of grants relating to non-financial assets and other	5,014	-	-	5,014
Impairment and gains on the disposal of non-current assets	(199,240)	279	-	(199,519)
Other profit or loss	98,431	-	-	98,431
OPERATING INCOME	1,538,935	(4,363)	(101,365)	1,644,663
Finance income	362,340	3,218	(1,622)	360,744
Finance costs	(1,121,995)	-	1,681	(1,123,676)
Changes in the fair value of financial instruments	555,295	1	-	555,294
Exchange differences	(23,389)	1,756	(46)	(25,099)
Impairment and gains on the disposal of non-current assets	101,426	-	(154,281)	255,707
FINANCIAL PROFIT /LOSS	(126,323)	4,975	(154,268)	22,970
Results of companies accounted for using the equity method	95,934	785	(833)	95,982
PROFIT BEFORE TAX	1,508,546	1,397	(256,466)	1,763,615
Corporate income tax	(424,871)	(1,397)	93,216	(516,690)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	1,083,675	-	(163,250)	1,246,925
Profit after tax from discontinued operations	163,250	-	163,250	-
PROFIT FOR THE YEAR	1,246,925	-	-	1,246,925
Profit attributed to non-controlling interests	(431,005)	-	114,379	(545,384)
Profit from discontinued operations attributed to non-controlling interests	(114,379)	-	(114,379)	-
PROFIT ATTRIBUTABLE TO THE PARENT	701,541	-	-	701,541

The effect on the statement of cash flows at 31 December 2013 is as follows:

		Thousands of Euros			
		31/12/2013 Restated	Effect IFRS 11	Discontinued operations (John Holland and the Service Business)	31/12/2013
A)	CASH FLOWS FROM OPERATING ACTIVITIES	1,085,885	74,072	-	1,011,813
1.	Profit/(Loss) before tax	1,508,546	1,397	(256,466)	1,763,615
2.	Adjustments for:	1,161,667	(3,542)	248,065	917,144
	Depreciation and amortisation charge	1,144,551	740	(64,097)	1,207,908
	Other adjustments to profit (net)	17,116	(4,282)	312,162	(290,764)
3.	Changes in working capital	(873,483)	74,941	(786)	(947,638)
4.	Other cash flows from operating activities:	(710,845)	1,276	9,187	(721,308)
	Interest payable	(1,112,011)	-	1,681	(1,113,692)
	Dividends received	384,776	-	9,128	375,648
	Interest received	235,062	3,219	(1,622)	233,465
	Income tax payment/proceeds	(218,672)	(1,943)	-	(216,729)
B)	CASH FLOWS FROM INVESTING ACTIVITIES	(115,699)	(17,955)	-	(97,744)
1.	Investment payables:	(2,118,945)	(18,234)	-	(2,100,711)
	Group companies, associates and business units	(534,687)	-	-	(534,687)
	Property, plant and equipment, intangible assets and property investments	(1,297,517)	(18,234)	-	(1,279,283)
	Other financial assets	(202,218)	-	-	(202,218)
	Other assets	(84,523)	-	-	(84,523)
2.	Divestment:	2,003,246	279	-	2,002,967
	Group companies, associates and business units	1,816,439	-	-	1,816,439
	Property, plant and equipment, intangible assets and investment property	150,111	279	-	149,832
	Other financial assets	33,663	-	-	33,663
	Other assets	3,033	-	-	3,033
C)	CASH FLOWS FROM FINANCING ACTIVITIES	(1,496,073)	-	-	(1,496,073)
1.	Equity instrument proceeds (and payment):	(476,556)	-	-	(476,556)
	Acquisition	(942,222)	-	-	(942,222)
	Disposal	465,666	-	-	465,666
2.	Liability instrument proceeds (and payment):	(1,251,044)	-	-	(1,251,044)
	Issue	2,685,747	-	-	2,685,747
	Refund and repayment	(3,936,791)	-	-	(3,936,791)
3.	Dividends paid and remuneration relating to other equity instruments:	(397,979)	-	-	(397,979)
4.	Other cash flows from financing activities:	629,506	-	-	629,506
	Other financing activity proceeds and payables:	629,506	-	-	629,506
D)	EFFECT OF CHANGES IN EXCHANGE RATES	(204,385)	(27,631)	-	(176,754)
E)	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(730,272)	28,486	-	(758,758)
F)	CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	4,654,232	126,396	-	4,527,836
G)	CASH AND CASH EQUIVALENTS AT END OF THE YEAR	3,923,960	154,882	-	3,769,078

CASH AND CASH EQUIVALENTS AT YEAR END

Cash and banks	3,314,413	154,882	-	3,159,531
Other financial assets	609,547	-	-	609,547
TOTAL CASH AND CASH EQUIVALENTS AT YEAR END	3,923,960	154,882	-	3,769,078

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

At 31 December 2014, non-current assets held for sale relate mainly to renewable energy activities (wind farms and solar thermal plants) and Hochtief's activities as they are certain assets of PT Thiess Contractors in Indonesia. In all the above cases a formal decision was made by the Group to sell these assets, and a plan for their sale was initiated. These assets are currently available for sale 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, as occurred after the end of the financial year for the assets related to renewable energy as a result of the flotation of Saeta Yield, S.A. (see more below in Note 1.f).

The main changes in the 2014 financial year were due to:

- The sale in December 2014 of the ownership interest in John Holland and Thiess Services & Leighton Contractors ("Services"), both affiliates of Leighton, subsidiary of Hochtief, which has been included in the consolidated income statement as a discontinued operation.
- An agreement was reached in August 2014 with the Dutch fund manager DIF Infrastructure III for the sale of 80% of the ACS' ownership interest in the following projects: Intercambiadores de Transporte de Madrid (Madrid Transportation Hubs) (via the company Desarrollo de Estacionamientos Públicos, S.L.), Hospital de Majadahonda, S.A., Hospital de Majadahonda Sociedad Explotadora, S.L., and Línea 9 Tramo IV, S.A. (Line 9 Section IV) (Barcelona Underground). This agreement was subject to the fulfilment of certain conditions precedent fundamentally related to obtaining the relevant administrative authorisations and authorisations by the entities financing the projects. Having fulfilled these conditions for the Intercambiadores de Transporte de Madrid and Línea 9 Tramo IV, S.A. assets, in December the sale transaction was completed. This produced a total gain of 47,085 thousand euros under "Impairment and gains or losses on disposal of financial instruments" in the attached consolidated income statement. This gain includes the effect of the revaluation of ACS' remaining ownership interest in these projects, as set forth in IAS 28, paragraphs 9 and 22. Based on the shareholders' resolutions, the structure of the governing bodies, and the minority position of ACS in these bodies, the loss of influence in the management of Intercambiadores de Transporte de Madrid and Línea 9 Tramo IV was considered to be significant.

In addition, on the same dates mentioned above, a Call Option & Co-Management Agreement was reached with the same investor regarding the companies Autovía de la Mancha, S.A. Concesionaria JCC Castilla La Mancha, Inversora de la Autovía de la Mancha, S.A., Autovía del Pirineo, S.A., Concesionaria Santiago Brión, S.A., Eix Diagonal Concessionària de la Generalitat de Catalunya, S.A., Reus-Alcover Concesionaria de la Generalitat de Catalunya, S.A., and Autovía de los Pinares, S.A. The effective date of this agreement was conditioned on concluding the sale of at least one of the three concession assets listed in the above paragraph. The agreement grants DIF Infrastructure III the option of purchasing 50% of the aforementioned companies during a period of five years. The price would be set at the time of exercising the option at the higher of these two figures: the net carrying value of the investment in the concession companies, and the market value of these companies as assessed by an independent third party. Furthermore, the agreement grants DIF Infrastructure III a veto right over any decision affecting the operations of the concession companies listed above, during the period in which the call option remains in effect. Below, we list the primary mechanisms through which this right is exercised:

With regard to the management of Autovía de La Mancha, S.A. Concesionaria JCC Castilla La Mancha, Inversora de la Autovía de la Mancha, S.A., Autovía del Pirineo, S.A., Concesionaria Santiago Brión, S.A., Eix Diagonal Concesionària de la Generalitat de Catalunya, S.A., Reus-Alcover Concesionaria de la Generalitat de Catalunya, S.A., and Autovía de los Pinares, S.A., DIF is empowered to veto any decision concerning the following: (i) Appointment, reappointment or replacement of the CEO, CFO, and COO; (ii) approval of the distribution of dividends and reserves not approved in the business plan; (iii) any change in the business activity; (iv) approval of the business plan and approval of the budget (in the event of a lack of agreement between the parties, the business plan and budget from the previous year will be adopted, with an increase of 3%); (v) refinancing, or restructuring or rebalancing agreements; (vi) changes in financial policies (hedges, leverage ...); etc.

Based on the provisions of IFRS 10, paragraph 7 and subsequent paragraphs, ACS considers that although the signature of the Call Option & Co-Management Agreement has not implied a change in ACS' exposure to yields from the affiliates, it does imply that ACS has lost its capacity to direct the relevant activities of the concession companies, primarily due to DIF's veto right over activities significantly affecting the affiliates' yields. In the specific case of the concession companies, the activities most affecting yields are those involving changes in the financing agreements or derivative instruments related to the financing agreements, and changes in the concession agreements (rebalancing); the investor has veto right over both of these.

Therefore, this agreement implies joint control of these projects by the investor and ACS. For that reason, since the agreement came into effect the ACS Group has recognised these ownership interests in consolidated accounts using the equity method. In those cases in which there has been a change in the consolidation method, the cumulative effects on equity resulting from the fair valuation of the hedging instruments have been recycled in the income statement. The aggregate amount of this recycling is 73,341 thousand euros.

- Escal UGS, S.L., as a result of the waiver of the concession approved by Royal Decree-Law 13/2014, of 3 October, whereby urgent measures were adopted regarding the gas system and ownership of nuclear power plants.
- The sale of the ownership interest in aurelis Real Estate at the end of January 2014 by Hochtief.

The main changes in 2013 were as follows:

- On 28 June 2013, Leighton Holding completed the sale to the Ontario Teachers' Pension Plan of approximately 70% of its telecommunication assets, which include the following companies: Nextgen Networks, Metronode and Infoplex. The sale price entailed valuing 100% of these assets at 590 million euros for a profit before tax of 154,282 thousand euros (see Note 16).
- The sale of all airports managed by Hochtief, A.G. to a subsidiary of the Canadian pension fund, Public Sector Pension Investment Board, for 1,083 million euros completed in September 2013 for a profit before tax of 122,701 thousand euros.
- In addition, in June 2013 the Facility Management business was included under assets held for sale, which was sold to Spie, S.A. in September 2013, effective for accounting purposes from 1 January 2013, for a price of 236 million euros and profit before tax of 157,755 thousand euros.
- At the end of 2013, aurelis Real Estate was also included which was sold in January 2014, as well as certain assets of PT Thiess Contractors in Indonesia, from the subsidiary, Hochtief, A.G., which are held at 31 December 2014.

It should be noted that the renewable assets, which were classified as held for sale at 31 December 2014, were held in this category for more than twelve months. However, they were not sold due to certain circumstances, which at the time of their classification were not likely, mainly relating to regulatory uncertainties in the electricity sector and the situation of the financial markets. Paragraph B1 (c) of appendix B of IFRS 5 exempts a company from using a one-year period as the maximum period for classifying an asset as held for sale if, during the aforementioned period, circumstances arise which were previously considered unlikely (such as is the case with the aforementioned regulatory changes), the assets were actively sold at a reasonable price, they fulfil the requirements undertaken by management and there is a high probability that the sale will occur within one year from the reporting date.

The commitment of the ACS Group in this regard was demonstrated, after the end of the financial year, by the flotation of 51% of Saeta Yield, S.A. (a company in the ACS Group holding a series of renewable energy assets), as well as the agreement reached with funds managed by the infrastructure investment fund Global Infrastructure Partners (GIP), which will purchase up to an additional 24.40% of Saeta Yield, S.A. Furthermore, by virtue of that agreement, GIP will have a 49% ownership interest in a company which will develop renewable energy assets and which will include renewable energy assets from the Industrial business of the ACS Group, to which Saeta Yield, S.A. will hold right of first offer. The economic conditions of this ownership interest will be set based on the price at which the Saeta Yield, S.A. shares are offered on the market, and based on the specific assets acquired by the development company, respectively. This process demonstrates the ACS Group's commitment to selling the renewable assets. After the regulatory uncertainties were dispelled to levels acceptable to investors, with the approval of the most recent royal decrees during the 2014 financial year, the process concluded with the effective sale of the assets registered as held for sale.

Discontinued operations

During the 2014 financial year, the sale of John Holland and of Thiess Services & Leighton Contractors ("Services"), affiliates of Leighton, were classified as discontinued operations. As a result of this discontinued operation, the 2013 financial year income statement was reclassified on a comparative basis, in accordance with IFRS 5. During the 2013 financial year, no discontinued operation was conducted.

a) *John Holland*

On 12 December 2014, Leighton sold 100% of its ownership interest in John Holland to CCCC International Holding Limited. Given that Leighton no longer controls John Holland, the transaction has been registered as disposal of a fully consolidated entity, pursuant to the requirements of IFRS 10, as follows: the amount of the total consideration to be paid is 491,665 thousand euros in cash (723.9 million Australian dollars which have not been received at the date of this report), minus the carrying value of the net assets of John Holland amounting to 204,749 thousand euros (301.5 million Australian dollars) and the recycling of the valuation adjustments in the amount of 726 thousand euros, which results in a profit before taxes of 287,642 thousand euros. From 1 January 2014 to 12 December 2014, John Holland's contribution to the ACS Group's revenue, amounting to 2,168,544 thousand euros, and 24,798 thousand euros of the Group's net profits after tax, are recorded as a discontinued operation.

	Thousands of Euros
	31/12/2014
Gain on disposal	
Cash consideration net of transaction costs	491,665
Carrying amount on disposal	(204,749)
Recycling of reserves	726
Net gain on disposal of controlled entities before tax	287,642
Carrying value of assets and liabilities of entities and businesses disposed	
Cash and cash equivalents	224,959
Trade and other receivables	572,421
Current tax assets	204
Inventories: consumables	4,958
Assets held for sale	1,494
Investments accounted for using the equity method	8,897
Deferred tax assets	18,746
Property, plant and equipment	151,391
Intangibles	24,587
Trade and other payables	(743,276)
Provisions	(59,633)
Net assets disposed	204,748
Cash flows resulting from sale	
Cash consideration (not received at the reporting date)	-
Cash disposed	(224,959)
Net cash outflow	(224,959)

b) *Sale of Services of Thiess Services & Leighton Contractors ("Services")*

On 17 December 2014, Leighton sold 50% of its ownership interest in the services to the funds managed by the subsidiaries of Apollo Global Management, LLC, and entered into a joint venture agreement with Apollo. Because Leighton no longer controls the services, the transaction was recorded as a sale of fully consolidated entities and the purchase of an ownership interest in a joint venture that has been consolidated through the equity method. The transaction has been recorded in accordance with the requirements of IFRS 10, as follows: the total amount of the consideration was 584,493 thousand euros (860.6 million Australian dollars), which includes: the amount in cash of 430,120 thousand euros (633.3 million Australian dollars which have not been received at the date of approval of this report) and the fair value of the 50% that is still held at 154,373 thousand euros (227.3 million Australian dollars), minus the net carrying value of the net services assets of 216,218 thousand euros, and the recycling of the valuation adjustments in the amount of 5,072 thousand euros, which results in profits before taxes of 373,347 thousand euros. The part of the profit attributable to the recognition at fair value of the investment still held is 186,673 thousand euros; the part of the

profit attributable to the investment which has been sold is 186,674 thousand euros. The contribution of Services from 1 January 2014 to 17 December 2014 to the ACS Group's revenue was 1,520,223 thousand euros and 104,423 thousand euros of the Group's net profits after taxes, which is accounted for as a discontinued operation.

	Thousands of Euros
	31/12/2014
Gain on disposal	
Cash consideration net of transaction costs	430,120
Non-cash consideration	154,373
Carrying amount on disposal	(216,218)
Recycling of reserves	5,072
Net gain on disposal of controlled entities before tax	373,347
Carrying value of assets and liabilities of entities and businesses disposed	
Cash and cash equivalents	60,658
Trade and other receivables	352,491
Current tax assets	272
Inventories: consumables	31,446
Investments accounted for using the equity method	9,237
Deferred tax assets	14,127
Property, plant and equipment	30,291
Intangibles	41,294
Trade and other payables	(267,905)
Provisions	(54,130)
Interest bearing liabilities	(272)
Non controlling interests	(1,290)
Net assets disposed	216,219
Cash flows resulting from sale	
Cash consideration (not received at the reporting date)	-
Cash disposed	(60,658)
Net cash outflow	(60,658)

The breakdown in the periods ended 31 December 2014 and 2013 of the income from discontinued operations, including the amortization effect of the assets allocated to the businesses which were sold, is as follows:

	Thousands of Euros	
	31/12/2014	31/12/2013
	JH and the Service Business	JH and the Service Business
Revenue	3,688,767	4,523,511
Operating expenses	(3,543,510)	(4,422,146)
Operating income	145,257	101,365
Profit before tax	155,715	256,466
Income tax	(35,919)	(93,216)
Profit after tax from discontinued operations	119,796	163,250
Profit attributed to non-controlling interests	(72,254)	(114,379)
Profit after tax and non-controlling interests	47,542	48,871
Profit before tax from the disposal of discontinued operations	569,240	-
Tax on the disposal of discontinued operations	(224,921)	-
Profit after tax from the disposal of discontinued operations	344,319	-
Profit attributed to non-controlling interests	(197,052)	-
Net profit from the disposal of discontinued operations	147,267	-
Profit after tax and non-controlling interests from discontinued operations	194,809	48,871

This entire sale transaction is outstanding as of 31 December 2014 for the amount of 1,108,112 thousand euros, included under the "Other receivables" in the attached Consolidated Statement of Financial Position. At the date of preparation of these financial statements, the amount was outstanding.

The companies that have been derecognised as a result of this transaction are listed in Appendix I.

Non-current assets held for sale

2014

At 31 December 2014, the lines of business relating to renewable energy assets and power transmission lines are included under the Industrial business segment and the assets of PT Thiess Contractors are included in the Construction business segment. In addition to the aforementioned assets and liabilities, certain less significant assets and liabilities held for sale from among the ACS Group companies are also included as non-current assets and liabilities relating to non-current assets.

The detail of the main assets and liabilities held for sale at 31 December 2014 is as follows:

	Thousands of Euros			
	31/12/2014			
	Renewable energy	PT Thiess Contractors Indonesia	Other	Total
Tangible assets - property, plant and equipment	20,136	150,994	30,807	201,937
Intangible assets	18,643	-	593	19,236
Non-current assets in projects	2,434,293	-	-	2,434,293
Financial Assets	(87,158)	-	18,771	(68,387)
Deferred tax assets	166,105	-	11,617	177,722
Other non-current assets	-	-	204,157	204,157
Current assets	784,699	20,584	47,893	853,176
Financial assets held for sale	3,336,718	171,578	313,838	3,822,134
Non-current liabilities	2,409,815	-	155,957	2,565,772
Current liabilities	225,675	63,263	35,937	324,875
Liabilities relating to assets held for sale	2,635,490	63,263	191,894	2,890,647
Non-controlling interests held for sale	7,041	-	(2,291)	4,750

With regard to the renewable assets, since the 2013 financial year various urgent measures have been adopted to ensure the financial stability of the electricity system that affected the remuneration framework for renewable energy to which most of the ACS Group's power plants in Spain were subject. The ACS Group made a preliminary estimate of the impact that these urgent measures would have on the Group's wind farms and solar thermal plants and recognised such impact in the 2013 financial statements.

The ACS Group prepared the impairment test using internal projections, estimated based on this new regulation, discounting the cash flows at a weighted average cost of capital (WACC) of 7%, considering the remuneration established in the draft ministerial order, the only regulatory reference to date, based on the age of the assets and the remuneration for operating and maintenance costs. On this basis, at the end of the 2013 financial year the ACS Group recognised an impairment loss of 199,256 thousand euros added to the existing impairment loss of 300,000 thousand euros recognised in the previous financial year. Consequently, assets related to renewable energy decreased by 499,256 thousand euros at 31 December 2013. During the 2014 financial year, after the definitive authorisation of the remuneration parameters of facilities held by the Group (Order IET/1045/2014, of 16 June), a new calculation was made of the impact of this newly-published regulation and there were no significant differences with the valuation as a whole made based on the aforementioned draft ministerial order.

In this context, with regard to their classification as held for sale, in prior financial years the Group believed that the exceptional requirements established in IFRS 5 for maintaining their classification were fulfilled. This was based on the fact that circumstances which were not likely at the time of their classification impeded their sale, namely those circumstances concerning the regulatory uncertainty in the electric sector and the situation of financial markets. However, the Group continued to be firmly committed to continuing the process once the previous uncertainties had been dispelled.

These aspects progressed favourably in 2014, with the definitive publication in June of Order IET/1045/2014, of 16 June. This has made it possible to dispel the previous uncertainties to levels acceptable to investors, which, together with the Group's firm commitment to the sale of these assets, made it possible to complete the sale of these assets in February 2015. At 31 December 2014, these assets are still recognised as held for sale, given that the formal conditions for their sale had not been fulfilled. The aforementioned sale transaction affects 1,827,454 thousand euros of non-current assets held for sale and 1,412,852 thousand euros of liabilities associated with these assets; their realizable value was greater than the cost recognised at year-end 2014.

Therefore, the total value of non-current assets held for sale, if the transaction had been conducted prior to year-end 2014, would be 1,509,268 thousand euros, and that of the liabilities associated with these assets would be 1,222,634 thousand euros.

On 16 February 2015, the ACS Group went forward with the sale of 51% (and potentially an additional 5%, depending on the exercise of the greenshoe option) of shares in its subsidiary Saeta Yield, S.A., with the resulting registration of the CNMV trading prospectus. Saeta Yield currently manages 689 MW in operation at 16 different wind farms and three solar thermal plants, all in Spain, which are recognised as assets held for sale at 31 December 2014. In addition, the ACS Group has granted Saeta a right of first offer to certain assets; in the future, Saeta will develop these assets in the area of energy infrastructure through its industrial business. Saeta has been granted a purchase option and joint control over three of these assets, three solar thermal plants in Spain which are also recognised as assets held for sale at 31 December 2014.

At 31 December 2014, the ownership interest in the "Castor" underground gas storage facility held by Escal UGS, S.A. was no longer accounted for under "Non-current assets held for sale". Rather, this ownership interest was then accounted for using the full consolidation method, as a result of the waiver of the concession authorised by Royal Decree-Law 13/2014, of 3 October, whereby urgent measures were adopted regarding the gas system and the ownership of nuclear power plants, which meant that there was no longer any reason to account for it with the equity method. This situation is the result of the resolution adopted on 25 June 2014, through which Escal UGS waived the concession for the operation of the "Castor" underground natural gas storage facility, granted by Royal Decree 855/2008, of 16 May. This was due to certain events in the final months of the 2013 financial year which led the Ministry of Industry, Energy and Tourism to suspend the plant's injection and extraction activities, thus preventing the plant's commercial entry into service and its connection to the gas system.

For such purpose and in accordance with that set forth in the documents entered into on 30 July 2013 regarding the issue of the bond programme financing the Castor storage facility, the process of obtaining prior authorisation from the European Investment Bank began; this authorisation was granted on 18 July 2014. In accordance with the provisions of Ministerial Order 3995/2006, of 29 December, amended by Order 2805/2012, of 27 December, the company Escal UGS, an affiliate of the ACS Group, submitted the waiver of the concession to operate the "Castor" underground natural gas storage facility, granted by Royal Decree 855/2008, of 16 May; this waiver was approved by Royal Decree-Law 13/2014, of 3 October.

Pursuant to the aforementioned Royal Decree-Law, the facilities are left dormant, the concession for the operation of the underground natural gas storage facility is discontinued, and the administration of these facilities is assigned to the company ENAGÁS TRANSPORT, S.A.U. The net value of the investment referred to in Article 5.3 of Order ITC/3995/2006, of 29 December, whereby the remuneration is established for underground natural gas storage facilities included in the core network, is recognised as 1,350,729 thousand euros. This amount was paid in a single payment to ESCAL UGS, S.L. This payment was for the cancellation of the "Project Bond" of the Castor Project, issued with the guarantee of the PBCE (Project Bond Credit Enhancement) programme of the European Investment Bank. This repayment has led to the recycling in the income statement of the interest rate hedges held by the company in its financing of 105,702 thousand euros before tax and minority interests. In addition, there are outstanding payments: remuneration rights accrued by ESCAL UGS S.L. in the period between the provisional commissioning and the date of entry into force of this Royal Decree-Law, which will include a financial remuneration; and the payment of operating and maintenance expenses incurred, including maintenance expenses since the suspension of operations, under the terms established in Order ITC/3995/2006, of 29 December, and other applicable regulations.

The amount relating to net debt included under assets held for sale and liabilities associated with these assets at 31 December 2014 totalled 2,001,417 thousand euros (2,073,186 thousand euros at 31 December 2013) in renewable energies, 43,477 thousand euros (57,633 thousand euros at 31 December 2013) in transmission lines, and 168,389 thousand euros (248,849 thousand euros at 31 December 2013) in other assets. Net debt is calculated using the arithmetic sum of the current and non-current financial liabilities, less long-term deposits, other current financial assets and cash and cash equivalents.

If the flotation of 51% of Saeta Yield, S.A. had been carried out before the end of the year, the net debt associated with these renewable assets would have been reduced by 1,435.8 million euros at 31 December 2014.

2013

The breakdown of the main assets and liabilities held for sale at 31 December 2013 was as follows:

	Thousands of Euros					
	31/12/2013					
	Renewable energy	Concessions	aurelis Real Estate	PT Thiess Constructors Indonesia	Other	Total
Tangible assets - property, plant and equipment	20,266	591	-	130,896	97,074	248,827
Intangible assets	8	576	-	-	37,326	37,910
Non-current assets in projects	2,678,715	787,482	-	-	-	3,466,197
Financial Assets	116,629	52,349	132,307	-	21,342	322,627
Deferred tax assets	96,042	39,244	-	-	7,427	142,713
Other non-current assets	-	-	38,458	-	594,230	632,688
Current assets	249,804	63,584	14,281	17,830	113,135	458,634
Financial assets held for sale	3,161,464	943,826	185,046	148,726	870,534	5,309,596
Non-current liabilities	2,341,450	757,889	-	68,116	323,179	3,490,634
Current liabilities	284,566	27,639	-	-	75,501	387,706
Liabilities relating to assets held for sale	2,626,016	785,528	-	68,116	398,680	3,878,340
Non-controlling interests held for sale	1,163	(3,317)	-	-	19,817	17,663

At 31 December 2013, "Non-current assets held for sale" included the investment in the Castor underground gas storage facility made by Escal UGS, S.A., accounted for using the equity method, amounting to 228,486 thousand euros. This included the participating loan for 235,469 thousand euros at that date, granted by ACS, Servicios, Comunicaciones y Energía, S.L.

The ACS Group's ownership interest in this company amounts to 66.67%. However, the directors considered that it did not have control over the business based on the following circumstances:

- The activity and the control mechanisms of Escal UGS, S.L. are regulated by the protocol agreement between ACS Servicios Comunicaciones y Energía, S.L., Castor UGS, L.P. (owners of 33.33% of the shares) and Enagás, S.A. entered into in 2007. Pursuant to this agreement, ACS undertook to sell to Enagás and Enagás undertook to purchase from ACS 50% of its ownership interest once the condition regarding the inclusion of the facilities into the gas system is met (entry into commercial service of the plant and start of operations and access to the system's remuneration). The agreement included the possibility that Enagás could be included in the shareholder structure prior to the facilities being admitted into the system.
- The sale price of the aforementioned ownership interest was set as the present value of the cash flows of the Escal UGS, S.L. business plan discounted to the financing rate for remuneration established by the applicable regulation. The price floor (minimum value) will be the nominal value of the funds contributed by ACS to the project, i.e., ACS was not exposing itself to any "risk" in a literal sense.
- The business of Escal UGS, S.L. consisted of developing an integrated product which included the design, construction, financing, operation and maintenance of the financed project. All decisions relating to the significant activities to be carried out were basically grouped in the following two differentiated phases: the construction phase and the operating phase.

IFRS 10 modified the definition of control existing until its entry into force, whereby the new definition sets out the following three elements of control: power over the investee; exposure, or rights, to variable returns from involvement with the investee; and the ability to use this power over the investee to affect the amount of the investor's returns. Although the conclusion is similarly, IAS 27 established that control over a business, considered as a whole, is the power to manage a company's financial and operating policies in order to benefit from its activities. The concept of "financial and operating policies" is not defined as such therein, although it should be understood that they are comprised of the policies which guide the Company's main activities, such as sales, human resources or the manufacturing process itself.

Taking into account the company object of Escal UGS, S.L., it must be understood that the operating policies begin to be implemented effectively from the time the facility enters into service, at which point, in accordance with the agreements entered into by the parties, ACS had no control over them whatsoever. In other words, taking into account the unique characteristics of the operations and the importance of the transaction, the directors considered that the ACS Group did not have control over the business' significant activities which, logically, was focused mainly on the operation phase of gas storage, which did not take place due to the waiver, with the construction activity consisting only of performing the activities necessary for the business' entry into service. This was an integral part of the obligatory planning and consequently was considered basic storage for the purposes of Article 59.2 of Hydrocarbon Law 34/1998, of 7 October. Because this facility is considered unique and part of national strategy, forming part of a highly regulated sector, the directors consider, based on the required performance of the commitment to exit upon the entry into service of the main business, that the Group does not have control over the main business' significant activities during the construction phase or the operation phase. ACS' substantive exercise of its voting rights is therefore, in practice, limited during the construction phase.

In 2013 the company cancelled the initial financing for the project and successfully placed the Project Bond of the Castor Project, the first of these characteristics issued with the guarantee of the PBCE (Project Bond Credit Enhancement) programme of the European Investment Bank. The issue amounted to 1,400 million euros, with a term of 21.5 years and a final rate of 5.756% (BBB+ rating from Fitch and a BBB rating from S&P).

The income and expenses recognised under "Valuation adjustments" in the consolidated statement of changes in equity, which relate to operations considered to be held for sale at 31 December 2014 and 2013, are as follows:

	Thousands of Euros		
	31/12/2014		
	Renewable energy	Other	Total
Exchange differences	5,507	(6,726)	(1,219)
Cash flow hedges	(218,363)	(15,046)	(233,409)
Adjustments for changes in value	(212,856)	(21,772)	(234,628)

	Thousands of Euros				
	31/12/2013				
	Renewable energy	Concessions	aurelis Real Estate	Other	Total
Exchange differences	(1,639)	(43,186)	-	(13,850)	(58,675)
Cash flow hedges	(153,719)	-	(1,914)	(61,347)	(216,980)
Adjustments for changes in value	(155,358)	(43,186)	(1,914)	(75,197)	(275,655)

g) Materiality

In accordance with IAS 34, in deciding the information to be disclosed on the various items in the financial statements or other matters in the explanatory notes to the financial statements, the Group took into account their materiality in relation to the condensed consolidated financial statements.

h) Events after the reporting period

The following subsequent events took place prior to the date of approval of these condensed consolidated financial statements and are noteworthy of mention:

On 15 January 2015, ACS, Actividades de Construcción y Servicios, S.A., in exercise of the authority conferred by resolution of the 29 May 2014 General Shareholders' Meeting of the company, and pursuant to the 18 December 2014 authorisation by the Board of Directors, resolved to carry out the second capital increase with a charge to reserves for a maximum of 142 million euros (equivalent to 0.45 euros per share). This was approved at the aforementioned General Shareholders' Meeting, in order for the shareholders to be able to choose whether they wish to be compensated in cash or in the Company's shares. After the period for negotiating the free allotment rights relating to the second scrip, the irrevocable commitment to purchase rights assumed by ACS was accepted by holders of 40.46% of the free allotment rights, which has determined the acquisition by ACS of 127,325,048 rights

for a total gross amount of 57,296,271 euros. The definitive number of ordinary shares, of 0.5 euros each par value, to be issued is 2,616,408, and the nominal value of the related capital increase is 1,308,204 euros (see Note 8.02).

On 17 February 2015, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the second capital increase with a charge to reserves, approved at the Ordinary General Shareholders' Meeting held on 29 May 2014. The definitive number of ordinary shares, of 0.5 euros each par value, to be issued is 2,616,408, and the nominal value of the related capital increase is 1,308,204 euros. On the same date, ACS, Actividades de Construcción y Servicios, S.A. reduced share capital by 1,308,204 euros through the retirement of 2,616,408 treasury shares. The same amount as the nominal value of the retired shares, 1,308,204 euros, was allocated to the reserve provided for in Article 335.c of the Spanish Limited Liability Companies Law (see Note 8.02).

On 15 January 2015, plans were announced to list on the stock exchange Saeta Yield, S.A., with shares representing 51% of its share capital. This company invests in energy infrastructure assets that are expected to generate highly stable and predictable cash flows, financed by long-term regulatory or contracted revenues. Initially, the Company's assets are wind farms and solar thermal plants in Spain, which were part of ACS' renewable energy backlog. In the future, the Company plans to expand its presence both in Spain and abroad, by acquiring other renewable or conventional electricity generation assets and electricity distribution and transmission assets, as well as any other infrastructure related to energy, in all cases with contracted or regulated revenues. These acquisitions will be conducted based on a Right of First Offer and Call Option Agreement.

With regard to the aforementioned event subsequent to year-end, the ACS Group has entered into an agreement with funds managed by the infrastructure investment fund Global Infrastructure Partners (GIP), under which these funds will acquire up to 24.40% of the company Saeta Yield, S.A. Furthermore, based on that agreement, GIP will have a 49% ownership interest in a company which will develop renewable energy assets and which will include renewable energy assets from the Industrial business of the ACS Group, to which Saeta Yield, S.A. will hold right of first offer. The economic conditions of these ownership interests will be set, respectively, based on the price at which Saeta Yield, S.A. shares are offered on the market, the specific assets acquired by the development company, and when these acquisitions take place. The transaction is conditional upon the admission to trading of the shares of Saeta Yield, S.A. and the competition authorisation.

Following the execution of the sale by the ACS Group of 51% of Saeta Yield, S.A. and in the event that the granted greenshoe option is fully exercised, and upon performance of the agreement reached with the funds managed by the infrastructure investment fund Global Infrastructure Partners (GIP) regarding the acquisition of a percentage in the company Saeta Yield, S.A. equal to that held by the ACS Group, the total net debt of the ACS Group will be reduced by approximately 1,412.9 million euros. Of this amount, the net cash inflow will be 361.2 million euros.

On 13 February 2015, ACS, Actividades de Construcción y Servicios, S.A. entered into a financing contract for a total of 2,350 million euros with a syndicate of banks, comprising forty-three Spanish and foreign entities. This contract is divided into two tranches (tranche A for a loan of 1,650 million euros and tranche B for a liquidity facility amounting to 700 million euros), maturing on 13 February 2020. It is intended, for the relevant amount, to repay the currently existing syndicated loan, signed on 9 February 2012, with a principal amount of 1,430.3 million euros, as well as three loans provided to finance the acquisition of shares of Hochtief, A.G., for a total current principal of 694.5 million euros (see Note 10).

i) Consolidated Statements 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 are the acquisition and disposal of long-term 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 taken by the entity.

In preparing the consolidated statement of cash flows, cash and cash equivalents were considered to be cash on hand, demand deposits at banks and short-term, highly liquid investments that are easily convertible into cash and are subject to an insignificant risk of changes in value.

For comparison purposes, it should also be noted that in preparing the consolidated statement of cash flows for the 2014 financial year, the cash flows from investment activities in group companies, associates and business units have included as divestment the cash and cash equivalent amounts that are derecognised as a result of the sale of John Holland and Leighton Services business, amounting to 285,617 thousand euros (420.5 million Australian dollars). This will reduce, upon receipt of payment, the value of the outstanding divestment, which amounts to 1,108,112 thousand euros at 31 December 2014. This divestment is recorded under "Receivables from the sale of discontinued operations" in the attached Consolidated Statement of Financial Position.

The detail of "Other adjustments to profit (net)" is as follows:

	Thousands of Euros	
	31/12/2014	31/12/2013 (*)
Financial income	(353,613)	(362,340)
Financial costs	1,036,007	1,121,995
Impairment and gains or losses on disposals of non-current assets	3,900	199,240
Results of companies accounted for using the equity method	(131,824)	(95,934)
Adjustments related to the assignment of net assets of Hochtief	(100,921)	(222,002)
Impairment Leighton accounts receivable	458,467	-
Impairment and gains or losses on disposal of financial instruments	(163,441)	(101,426)
Adjustments related to the restructuring of Iberdrola and other effects	(233,550)	(555,295)
Other effects	90,798	32,878
Total	605,823	17,116

(*) Restated unaudited

Payments for equity instruments recognised under cash flows from financing activities include not only the acquisitions of ACS treasury shares but also, mainly, the increase in the ownership interest of Hochtief and Leighton (the latter of which was the result of the launch in March 2014 by Hochtief, A.G. of a proportional takeover bid as described in Note 1.k) carried out in the 2014 and 2013 financial years.

The amount recorded in "Other cash flows from financing activities" primarily includes monetisation of the Iberdrola call spread and put spread carried out in 2013, referred to in Note 6.b.

j) Changes in the scope of consolidation

The main variations in the consolidation scope of the ACS Group (consisting of ACS, Actividades de Construcción y Servicios, S.A. and its subsidiaries) in the financial year ended 31 December 2014 are detailed in Appendix I.

Acquisitions, sales, and other corporate transactions

In the 2014 and 2013 financial years, the inclusion of companies into the scope of consolidation occurred mainly due to the incorporation thereof.

As a result of the launch in March 2014 by Hochtief, A.G. of a proportional takeover bid over the Australian company Leighton Holdings Ltd in order to increase its current ownership interest from the current 58.77% to a maximum of 73.82%, at an ex-dividend price per share of 22.50 Australian dollars, payable in cash, on 9 May 2014, once the offer period had ended, Hochtief, A.G. reached a 69.62% holding in Leighton, which represents a 10.85% increase on the ownership interest at 31 March 2014 and a disbursement of 617 million euros, which impacted the ACS Group's equity as it was previously fully consolidated.

It is important to note the purchase in the second half of 2014 of a 25% ownership interest in Clece, S.A. from various funds managed by Mercapital Private Equity, thus voiding all previous contracts and agreements entered into with these funds concerning the management of the Clece Group, as well as the call option held by these funds on the ACS Group's ownership interest in Clece, S.A. The ACS Group, following this transaction, recovered control of the group and now holds 100% of Clece, S.A.'s share capital. This has produced the resulting change in the method of consolidation, which has changed from the equity method to the full consolidation method. Therefore, for the comparison of the information, it must be taken into account that the consolidated income statement for the 2014 financial year, unlike the 2013 statement, records the Clece Group's profits from the first half of the year under "Results of companies accounted for using the equity method". On the other hand, the income and expenses for the last six months of 2014 are recorded, according to the nature of these items, under the various headings of the consolidated income statement.

Pursuant to accounting standards (IFRS 3.42), the ACS Group assessed the fair value of the previous ownership interest upon full consolidation of the Clece Group. Regarding the fair value at the moment that control was obtained, the ACS Group does not consider that the price paid for the 25% purchased from the funds managed by Mercapital Private Equity represent the fair value of the ownership interest, given that the price paid for the purchased ownership interest includes the cost of cancelation of the aforementioned call option held by the funds to 75% of Clece, as well as a premium for recovering control over the Clece Group. In addition, as part of the "Purchase Price Allocation" process, ACS has produced a valuation of the Clece Group based on an assessment of the fair value.

At that time, in accordance with IFRS 3, it was necessary to conduct a valuation to separately recognise the goodwill, the fair value of the identifiable assets, and the liabilities assumed from Clece ("Purchase Price Allocation" or PPA) at the date of acquisition. Pursuant to this standard a provisional allocation was conducted, with a twelve-month period set forth therein, in order to conduct the definitive allocation of the purchase of the assets. The provisional allocation of the identified assets and the liabilities assumed from the acquisition of Clece is as follows:

	Thousands of Euros		
	Carrying Amount	Allocation of net assets	Fair value of net assets
Tangible assets - property, plant and equipment	65,351	-	65,351
Investment property	662	-	662
Intangible assets	1,796	141,490	143,286
Other non-current assets	25,009	-	25,009
Current assets	339,541	-	339,541
Non-current liabilities	(14,794)	(42,447)	(57,241)
Current liabilities	(276,216)	-	(276,216)
Total net assets	141,349	99,043	240,392
Non-controlling interests	(4,923)	-	(4,923)
Fair value of the fully acquired net assets (100%)	136,426	99,043	235,469
Fair value of assets relating to non-controlling interests			(1,942)
Fair value of the net assets of the acquirer			237,411
Fair value at the time of the takeover			353,313
Goodwill (Note 2.01)			115,902

- The main assets to which a higher value has been attributed are from customer relations. The balances of these assets are amortisable based on their estimated useful life; their effect on amortisation in the six month period ended 31 December 2014 amounted to 4,698 thousand euros.
- Clece's sales in the 2014 financial year amounted to 1,304,285 thousand euros and net profit attributable to the Parent was 32,871 thousand euros. Similarly, Clece's sales in the 2013 financial year amounted to 1,218,941 thousand euros and net profit attributable to the Parent in that year was 31,761 thousand euros.

The most notable sales in the 2014 financial year include: the sale of the ownership interest in the Seville Underground for 60,149 thousand euros with a profit before tax of 12,708 thousand euros (see Note 5); the sale in the second half of 2014 of 80% of its ownership interest in various concession assets, such as the Madrid Transportation Hubs and Line 9 in Barcelona, with a profit after tax of 47,085 thousand euros; the sale by Hochtief, A.G. on 31 January 2014 of 50% of its ownership interest in aurelis Real Estate at a price approaching its carrying amount at 31 December 2013; and the sale in December 2014 of 100% of John Holland and 50% of the Leighton Services business for the sum of 1,108,112 thousand euros (see Note 1.f), which was outstanding at year-end and is included under "Receivables from the sale of discontinued operations" in the attached State of Financial Position.

The most notable acquisition in 2013 related to the purchase of Leighton Welspun Contractors (a company accounted for using the equity method) for 78,935 thousand euros, thereby increasing its ownership interest in this company by 39.90% to reach 100% at 27 December 2013. The fair value of this ownership interest prior to the purchase was 119,021 thousand euros and, therefore, the fair value of the acquisition amounted to 197,956 thousand euros. This acquisition entailed the recognition of goodwill amounting to 155,752 thousand euros and a loss of 56,199 thousand euros in the last quarter of 2013 because the translation differences were taken to loss. The acquisition included 31,472 thousand euros in non-current assets, 191,021 euros in current assets and 180,936 thousand euros in liabilities. In 2013 annual sales amounted to 310,071 thousand euros and the annual net loss amounted to 6,171 thousand euros.

In 2013 the most relevant disposals of ownership interest in the share capital of subsidiaries, joint ventures or associates relate to the sale of 70% of Leighton's telecommunication assets for a profit before tax and non-controlling interests of Hochtief and ACS of 154,282 thousand euros in June 2013, the sale of all of the airports managed by Hochtief to a subsidiary of the Canadian pension fund, Public Sector Pension Investment Board, for 1,083 million euros completed in September 2013, and the sale of the facility management business of Hochtief, which was sold to Spie, S.A. in September 2013, effective for accounting purposes from 1 January 2013, for a price of 236 million euros (see Note 1.f).

k) Functional currency

These half-yearly condensed consolidated financial statements are presented in euros, since this is the functional currency in the area in which the Group operates. Details of sales in the main countries in which the Group operates are set out in Note 13.

l) Dividends paid by the Parent

In the 2014 financial year, as a result of the resolution adopted by the shareholders at the Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 10 May 2013, the Company, at its Board of Directors meeting held on 12 December 2013, resolved to carry out the second capital increase, establishing the maximum reference value at 142 million euros with a charge to the Company's reserves in order for shareholders to be able to choose whether they wish to be compensated in cash or in the Company's shares. On 13 February 2014, after the decision period granted to the shareholders, the following events took place:

- The dividend was determined to be a total gross amount of 69,472,569.48 euros (0.446 euros per share) and was paid on 18 February 2014.
- The number of final shares subject to the capital increase was 2,562,846 for a nominal amount of 1,281,423 euros.

However, in accordance with the instructions given by the ESMA through the EECS (European Enforcers Coordination Sessions), the ACS Group recognised the maximum amount of the possible liability at this date under "Other current liabilities" in the accompanying statement of financial position at 31 December 2013 for the entire fair value of the approved dividend, which amounted to 140,970 thousand euros, however the final amount was 69,473 thousand euros. Therefore, 71,497 thousand euros were reversed to the ACS Group's equity in the 2014 financial year.

In addition, as a result of the resolution adopted by the shareholders at the Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 29 May 2014, on 18 June 2014 the Company resolved to carry out the first capital increase, establishing the maximum reference value at 224 million euros with a charge to the Company's reserves in order for the shareholders to be able to choose whether they wish to be compensated in cash or in the Company's shares. After the decision-making period granted to the shareholders, on 17 July 2014 the dividend was determined at a total gross amount of 90,965,191.36 euros and was paid on 22 July.

On 15 January, ACS, Actividades de Construcción y Servicios, S.A., in exercise of the authority conferred by resolution of the 29 May 2014 General Shareholders' Meeting of the company, and pursuant to the 18 December 2014 authorisation by the Board of Directors, resolved to carry out the second capital increase with a charge to reserves for a maximum of 142 million euros (equivalent to 0.45 euros per share). This was approved at the aforementioned General Shareholders' Meeting, in order for shareholders to be able to choose whether they wish to be compensated in cash or in the Company's shares. After the period for negotiating the free allotment rights relating to the second scrip, the irrevocable commitment to purchase rights assumed by ACS was accepted by holders of 40.46% of the free allotment rights. After the decision-making period granted to the shareholders had elapsed, on 12 February 2015 the following events took place:

- The dividend was determined to be a total gross amount of 57,296,272 euros (0.45 euros per share), which was paid on 17 February 2015.
- The definitive number of shares subject to the capital increase was 2,616,408, for a nominal value of 1,308,204 euros.

However, in accordance with the instructions given by the ESMA through the EECS (European Enforcers Coordination Sessions), the ACS Group recognised the maximum amount of the possible liability at this date under "Other current liabilities" in the accompanying statement of position at 31 December 2014 for the entire fair value of the approved dividend, which amounted to 141,599 thousand euros, though the final amount was 57,296 thousand euros. For this reason, for the 2015 financial year 84,303 thousand euros were reversed to the ACS Group's equity.

In 2013, as a result of the resolution adopted by the shareholders at the Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 10 May 2013, on 20 June 2013 the Company resolved to carry out the first capital increase, establishing the maximum reference value at 362 million euros with a charge to the Company's reserves in order for shareholders to be able to choose whether they wish to be compensated in cash or in the Company's shares. In this regard, on 28 June 2013 the matters that are summarised below, in relation to the first increase capital mentioned above, were determined:

- a) The maximum number of new shares to be issued in the first capital increase was 17,481,366 shares.
- b) The number of free allotment rights necessary to receive a new share was eighteen.
- c) The maximum nominal amount of the first capital increase amounted to 8,740,683 euros.
- d) The acquisition price of each bonus issue right, by virtue of the purchasing commitment assumed by ACS, was 1.112 euros.

Lastly, after the decision-making period granted to the shareholders, on 18 July 2013 the dividend was determined at a total gross amount of 192,708,608.96 euros and was paid on 23 July 2013.

m) Earnings per share from ordinary activities and discontinued operations

- Basic earnings per share

Basic earnings per share are calculated by dividing the net profit attributable 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:

	31/12/2014	31/12/2013	Change (%)
Net profit for the period (thousands of Euros)	717,090	701,541	2.22
Weighted average number of shares outstanding	310,969,083	310,211,964	0.24
Basic earnings per share (Euros)	2.31	2.26	2.21
Diluted earnings per share (Euros)	2.31	2.26	2.21
Profit after tax and non-controlling interests from discontinued operations (Thousands of Euros)	194,809	48,871	n/a
Basic earnings per share from discontinued operations (Euros)	0.63	0.16	n/a
Basic earnings per share from continuing operations (Euros)	1.68	2.10	(20.00)
Diluted earnings per share from discontinued operations (Euros)	0.63	0.16	n/a
Diluted earnings per share from continuing operations (Euros)	1.68	2.10	(20.00)

- Diluted earnings per share

In calculating diluted earnings per share, the amount of profit attributable to ordinary shareholders and the weighted average number of shares outstanding, net of treasury shares, are adjusted to take into account all the dilutive effects inherent to potential ordinary shares (share options, warrants and convertible debt instruments). For these purposes, it is considered that the shares are 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. At 31 December 2014, as a result of the capital increase and reduction of February 2015 by the same number of shares, the basic and diluted earnings per share of continuing operations for the 2014 financial year are the same.

2.- Intangible assets

2.01. Goodwill

The breakdown of goodwill, based on the companies giving rise thereto, is as follows:

	Thousands of Euros	
	31/12/2014	31/12/2013
Parent	780,939	780,939
Construction	1,797,656	1,778,890
Industrial Services	76,888	76,603
Environment	238,739	89,676
Total	2,894,222	2,726,108

In accordance with the table above, the most significant goodwill is the result of the full consolidation of Hochtief, A.G., amounting to 1,388,901 thousand euros, and the result of the merger of the Parent with Grupo Dragados, S.A., which amounted to 780,939 thousand euros.

The most relevant addition to goodwill during the year occurred through the acquisition of 25% of Clece, amounting to 115,902 thousand euros (see Note 1.j). Also noteworthy is the sale of John Holland and 50% of the Leighton Services business, which has led to a decrease of 44,900 thousand euros of goodwill associated with the purchase of Hochtief, in addition to the assets allocated as the value of the construction backlog and associated customer relations under "Other intangible assets" in the attached statement of financial position, for the amount of 195,182 thousand euros.

For goodwill, the ACS Group annually compares the carrying value of the company or cash generating unit (CGU) with the value-in-use obtained by the discounted cash flow valuation method.

Regarding the goodwill generated by the purchase of Hochtief, A.G. in 2011, in accordance with IAS 36.80, this goodwill has been allocated to the main cash-generating units, Hochtief Asia Pacific and Hochtief Americas. The amount of goodwill allocated to the Cash Generating Unit (CGU) Hochtief Asia Pacific amounts to 1,102 million euros, while the Hochtief Americas CGU was allocated 287 million euros. During the 2014 financial year, the ACS Group evaluated the recoverability of this goodwill.

For the Hochtief goodwill allocated to the business conducted in the Asia Pacific region, the ACS Group based its preparation of the impairment test on internal projections under the Hochtief business plan for this division, as well as estimates for the 2018 to 2019 period; it discounted free cash flows at a weighted average cost of capital (WACC) of 8.4% and a perpetual growth rate of 2.5%. The weighted average cost of capital (WACC) entails a premium on the profitability of the long-term interest rate (Australian Bond 10-year rate) published by Factset on 30 September 2014, at 490 basis points. In addition, the growth rate used corresponds to the estimated CPI for Australia in the 2019 financial year, published by the IMF in its World Economic Outlook report of October 2014.

The internal business projections for the Asia Pacific business are based on historical data and internal forecasts by Hochtief for Asia Pacific up to December 2017; for the 2018 to 2019 period, estimates in line with forecasts for previous years are used.

In terms of the sensitivity analysis of the impairment test for the goodwill allocated to Hochtief's Asia Pacific business, the most relevant aspects are that the goodwill test would bear a discount rate up to approximately 13.5%, representing a range of 510 basis points, as well as a perpetual growth rate of minus 5%. Furthermore, it would bear an annual drop in cash flows of approximately 40% compared to projected cash flows.

Additionally, this figure has been compared with that obtained by discounting average free cash flows based on forecasts by analysts at Leighton, using the same WACC and the same rate of perpetual growth, with the conclusion that there is no impairment of this value in any of the scenarios analysed.

In the case of the Hochtief Americas CGU, the following basic assumptions were used:

- Projections used for five years, until 2017 according to the Hochtief Business Plan for the division and estimates for the 2018-2019 period.
- Perpetual growth rate of 2%, according to IMF estimates of the 2019 U.S. CPI, according to the World Economic Outlook report published by the IMF in October 2014.
- Discount rate of 7.4%.

In terms of the sensitivity analysis of the impairment test for the goodwill allocated to Hochtief's Americas business, the most relevant aspects are that the goodwill test, even assuming a cash position of zero euros, would bear a discount rate of approximately 14.5%, representing a range of 710 basis points, as well as a perpetual growth rate of minus 4.5%. Furthermore, it would bear an annual drop in cash flows of more than 40% compared to projected cash flows.

Moreover, this figure has been compared with valuations by analysts at this division of Hochtief, with the conclusion that there is no impairment of this value in any of the scenarios analysed.

Along with the goodwill generated by the full consolidation of Hochtief, A.G. mentioned above, the most relevant goodwill was that resulting from the merger with Dragados Group in 2003 for 780,939 thousand euros. This goodwill was based on the excess amount paid compared to the value of the assets at the date of acquisition, and is mainly allocated to cash generating units in the Construction and Industrial Services businesses, as follows:

Cash Generating Unit	Goodwill assigned (Thousands of Euros)
Construction	554,420
Industrial Services	188,720
Environment	37,799
Total Goodwill	780,939

For the valuation of the various business generating units, in the case of Dragados Construcción, Industrial Services, and the Environment business, the valuation was conducted with the discounted cash flow method. For ACS Syc, valuation was conducted by applying an EV/EBITDA multiple; Concessions was assessed conservatively at its book value at September 2014.

The discount rate used in each business unit is its weighted average cost of capital. The following are used to calculate the discount rate for each business unit: the Spanish 10-year bond yield; the unlevered beta of the sector according to Damodaran, re-levered by the objective debt of each business unit; the market risk premium according to Damodaran. The cost of gross debt is the consolidated effective real cost of the debt for each business unit at September 2014 and the tax rate used is the Spanish theoretical rate. The perpetual growth rate (g) used is the increase in the 2019 CPI for Spain according to the IMF's October 2014 report.

The key assumptions used in the valuation of the most relevant cash generating units are as follows:

- Dragados Construcción:
 - Sales: compound annual growth rate of 1.4% in the period from 2013 (the last approved financial year) to 2019.
 - EBITDA margins: 2014-2019 average margin of 7.1% and terminal margin of 7%.
 - Amortisations / Operating investments: convergence to a sales ratio of up to 1% in the last projected year.
 - Working capital: maintenance of the days of working capital for the period, calculated based on the end of September 2014.
 - Perpetual growth rate of 1.3%.
 - Discount rate of 6.2%.

– Industrial Services:

- Sales: compound annual growth rate in the period from 2013 (the last approved financial year) to 2019 of 0.2%.
- EBITDA margins: 2014-2019 average margin of 12.6% and terminal margin of 11.5%.
- Amortisations / Operating Investments: convergence to a sales ratio of up to 1.7% in the last projected year.
- Working capital: maintenance of the days of working capital for the period, calculated based on the end of September 2014.
- Perpetual growth rate of 1.3%.
- Discount rate of 5.8%.

Upon performing the impairment tests of each of the cash generating units with goodwill resulting from the merger with Dragados Group in 2003, based on the above assumptions, it has been determined that in none of the cases the cash generating unit's estimated recoverable amount is less than its carrying amount; therefore, there is no evidence of impairment of the carrying value.

Furthermore, for all divisions a sensitivity analysis was performed considering different scenarios for the two key parameters in determining value by discounting cash flows: the perpetual growth rate (g) and the discount rate used (weighted average cost of capital) for each of the cash generating units. No need to recognise an impairment was demonstrated in any reasonable scenario. As just one example, the impairment test of the main Cash Generating Units, such as Dragados Construction and Industrial Services, bear increases in the discount rates of 800 and 1000 basis points, respectively, without producing impairment.

The remaining goodwill, excluding that resulting from the merger between ACS and Dragados Group and the goodwill resulting from the full consolidation of Hochtief, A.G., is very fragmented. Thus, in the case of Industrial, the total goodwill accounted for is 90,507 thousand euros (76,603 thousand euros at 31 December 2013), from 20 companies in this business area. The most significant goodwill is that resulting from the acquisition of Midasco, Llc. for 14,273 thousand euros (14,273 thousand euros at 31 December 2013).

In the Environment business, the total amount is 238,739 thousand euros (89,676 thousand euros at 31 December 2013), from over fifty different companies. The largest part is that resulting from the purchase of 25% of Clece, mentioned above, for 115,902 thousand euros, followed by the part from the share of the minority interests in Tecmed, now integrated into Urbaser, amounting to 38,215 thousand euros.

In the Construction business, in addition to the goodwill mentioned arising from the full consolidation of Hochtief, A.G., noteworthy goodwills are those related to the acquisitions of Pol-Aqua for 14,572 thousand euros (25,182 thousand euros at 31 December 2013); Pulice for 51,125 thousand euros (44,995 thousand euros at 31 December 2013); John P. Picone for 44,694 thousand euros (39,335 thousand euros at 31 December 2013); Schiavone for 49,360 thousand euros (43,442 thousand euros at 31 December 2013); and J.F. White for 19,645 thousand euros at 31 December 2014 from the acquisition made in the year. With the exception of the Pol Aqua goodwill, which was partially impaired in 2014 for 10,000 thousand euros and in 2013 for 12,776 thousand euros, the differences in goodwill are produced by the translation difference with the U.S. dollar.

In these businesses, the impairment tests are calculated based on similar assumptions to those described for each business; or, in the case of the Dragados Group goodwill, taking into account the necessary clarifications based on the particularities, geographic markets, and specific circumstances of the companies concerned.

Based on the estimates and forecasts available to the Directors of the Group and of each of the companies concerned, based on the forecasts of cash flows attributable to these cash generating units or groups of cash generating units to which goodwill is assigned, it is possible to recover the carrying value of each goodwill recognised at 31 December 2014 and 2013.

The most important change during the 2013 financial year corresponded to the goodwill from acquisitions made by Hochtief, A.G. for 181,639 thousand euros, which included the acquisition of 39.9% of Welspun Constructors Private Limited.

The impairment losses in relation to goodwill for the ACS Group during the 2014 financial year amounted to 19,366 thousand euros (12,776 thousand euros during the 2013 financial year).

2.02. Other intangible assets

The additions in the 2014 financial year amounted to 36,595 thousand euros (96,334 thousand euros in the 2013 financial year) relating mainly to Hochtief for 25,714 thousand euros (41,648 thousand euros in the 2013 financial year), and Environment for 7,285 thousand euros (11,367 thousand euros in the 2013 financial year).

The allocation at fair value of intangible assets of Clece amounting to 141,490 thousand euros is noteworthy in the heading "Other intangible assets" (see Note 1.j). Business combinations have been concentrated in businesses characterised by a significant client backlog, inter alia, in this way establishing ongoing relations with their most significant clients. In these cases, the ACS Group considers that, pursuant to IFRS 3, part of the gain paid should be allocated to contractual relations with clients. This valuation entails the creation of an intangible asset, which must be amortised over the period in which it is deemed that this contractual relation will be maintained, proportionally to the estimated cash flows.

In connection with the sale of John Holland and Thiess Services & Leighton Contractors ("Services"), belonging to Leighton, the assets primarily related to the value of the construction backlog and relations with associated customers have been derecognised. These were identified and allocated as a result of the Price Purchase Allocation (PPA) made when goodwill resulted from the process of the first full consolidation of Hochtief. The amount of derecognised assets in this regard amounts to 195,182 thousand euros.

In the 2014 financial year, losses were produced on the value of items classified under "Other intangible assets" amounting to 560 thousand euros relating mainly to the Construction business (5,027 thousand euros at 31 December 2013), recognised under "Impairment and gains or losses on disposals of non-current assets" in the accompanying consolidated income statement. Losses in value have not been carried forward into the income statement 2014 or 2013.

3.- Tangible assets – property, plant and equipment

In the 2014 and 2013 financial years items of property, plant and equipment were acquired for 798,520 and 1,060,728 thousand euros, respectively.

The most noteworthy additions in the 2014 financial year relate to the Construction business amounting to 609,653 thousand euros, mainly from Hochtief as the result of acquiring equipment for the Leighton mining operations in Leighton for 565,243 thousand euros, to the Environment business for 127,990 thousand euros, primarily due to the incorporation of Clece and the acquisition and renovation of machinery and equipment, and the Industrial Services business for 60,860 thousand euros for the acquisition of machinery and equipment to carry out new projects.

In the 2013 financial year, the most significant additions related to the Construction business amounting to 941,084 thousand euros, mainly from Hochtief amounting to 871,908 thousand euros for the acquisition of equipment for the Leighton mining operations, to the Industrial Services business for 42,713 thousand euros for the acquisition of machinery and equipment to carry out new projects, and to the Environmental business for 76,921 thousand euros mainly for the incorporation of its activities in Chile.

Similarly, assets were also sold in the 2014 and 2013 financial years for a total carrying amount of 199,126 thousand euros and 445,802 thousand euros, respectively, which did not give rise to significant profit or loss as a result of the disposals. Accordingly, the most significant disposal in the 2014 financial year relates to the sale of Streif Baulogistik assets (Hochtief Europa).

At 31 December 2013, the Group had entered into contractual commitments for the future acquisition of property, plant and equipment amounting to 145,935 thousand euros, including most notably 137,395 thousand euros relating mainly to mining operations in Leighton. The commitments entered into at 31 December 2014 amount to 29,633 thousand euros.

The impairment losses recognised in the consolidated income statement at 31 December 2014 amount to 2,355 thousand euros and mainly relate to the sale and impairment of Dragados machinery (1,909 thousand euros at 31 December 2013 relating mainly to the sale and impairment of Dragados machinery). No impairment losses were reversed or recognised in the income statement in the 2014 or 2013 financial years.

4.- Non-current assets in projects

The balance of "Non-current assets in projects" in the consolidated statement of financial position at 31 December 2014, includes the costs incurred by the fully consolidated companies in the construction of transport infrastructure, services and power generation centres whose operation forms the subject matter of their respective concessions. These amounts relate to property, plant and equipment associated with projects financed under a project finance arrangement if they are identified as intangible assets or as financial assets according to the criteria discussed in Note 03.04 to the consolidated financial statements at 31 December 2013. To better understand its activities relating to infrastructure projects, the Group considers it more appropriate to present its infrastructure projects in a grouped manner, 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 31 December 2014 are as follows:

Type of infrastructure	End date of operation	Thousands of Euros		
		Investment	Accumulated depreciation	Carrying amount of non-current assets in projects
Waste treatment	2019 - 2040	561,416	(127,669)	433,747
Highways/roads	2024 - 2038	187,616	(33,784)	153,832
Police stations	2024 - 2032	67,990	-	67,990
Wind farms	-	44,268	(8,645)	35,623
Water management	2028 - 2033	35,837	(10,742)	25,095
Energy transmission	2040 - 2044	23,427	-	23,427
Other infrastructures	-	22,917	(9,488)	13,429
Total		943,471	(190,328)	753,143

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

The concession assets identified as intangible assets as a result of the Group assuming the demand risk are as follow:

Type of infrastructure	End date of operation	Thousands of Euros		
		Investment	Accumulated depreciation	Carrying amount of non-current assets in projects
Waste treatment	2020 - 2040	322,767	(86,285)	236,482
Highways/roads	2026	187,585	(33,761)	153,824
Water management	2028	33,571	(10,742)	22,829
Total		543,923	(130,788)	413,135

The concession assets identified as financial given that the Group does not assume the demand risk were as follow:

Type of infrastructure	End date of operation	Thousands of Euros
		Collection rights arising from concession arrangements
Waste treatment	2040	130,926
Police stations	2024 - 2032	67,990
Energy transmission	2040 - 2044	23,427
Water management	2032 - 2033	2,266
Other infrastructures	-	10,160
Total		234,769

The detail of the financial assets financed under a project finance arrangement that do not meet the requirements for recognition in accordance with IFRIC 12 are as follows:

Type of infrastructure	End date of operation	Thousands of Euros		
		Investment	Accumulated depreciation	Carrying amount of non-current assets in projects
Waste treatment	2019 - 2032	107,723	(41,384)	66,339
Wind farms	-	44,268	(8,645)	35,623
Highways/roads	2026	31	(23)	8
Energy transmission	-	8,924	(8,924)	-
Other infrastructures	-	3,833	(564)	3,269
Total		164,779	(59,540)	105,239

Simultaneously, there are concession assets that are not financed by project finance amounting to 307,834 thousand euros (279,567 thousand euros at 31 December 2013) which are recognised as "Other intangible assets".

In the 2014 and 2013 financial years, investments were made in assets in projects were for 101,359 thousand euros and 143,468 thousand euros, respectively. The main acquisitions of assets in projects in 2014 correspond to the Industrial Services business for 61,268 thousand euros, primarily in wind farms (29,364 thousand euros in 2013), and to the Environment business in waste treatment amounting to 44,125 thousand euros (115,220 thousand euros in 2013). In addition to the above investments, the entrance of Ecoparc del Besós into the scope of consolidation implies an addition of 97,722 thousand euros in 2014 to this heading of the statement of financial position.

There were no significant divestments during the 2014 or 2013 financial years.

Impairment losses in the consolidated income statement at 31 December 2014 amounted to 12,555 thousand euros (1,432 thousand euros at 31 December 2013).

At 31 December 2014 and 31 December 2013, the Group had entered into contractual commitments for the acquisition of non-current assets in projects amounting to 17,010 and 36,645 thousand euros, respectively, which mainly relate to the Group's current concession agreements.

The financing relating to non-current assets in projects is explained in Note 10. The concession operators are also obliged to hold restricted cash reserves, known as reserve accounts, included under "Other current financial assets" (see 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 by the equity method at 31 December 2014 and 2013 is as follows:

Line of Business	Thousands of Euros					
	31/12/2014			31/12/2013		
	Share of net assets	Profit/Loss for the year	Total carrying amount	Share of net assets	Profit/Loss for the year	Total carrying amount
Construction	755,621	106,069	861,690	732,854	74,005	806,859
Industrial Services	263,965	6,805	270,770	201,903	3,110	205,013
Environment	80,022	18,950	98,972	335,951	18,819	354,770
Corporate Unit	(176)	-	(176)	(176)	-	(176)
Total	1,099,432	131,824	1,231,256	1,270,532	95,934	1,366,466

- *Construction*

The investments from the Hochtief Group accounted for using the equity method for 747,633 thousand euros (545,909 thousand at 31 December 2013) are the most notable in the Construction business at 31 December 2014 and 2013.

The ownership interest in the Seville Underground was sold in the 2014 financial year for 60,149 thousand euros with a profit before tax of 12,708 thousand euros. In addition, in the 2014 financial year the method of consolidation changed for the companies Autovía de la Mancha, S.A. Concesionaria JCC Castilla La Mancha, Inversora de la Autovía de la Mancha, S.A., Autovía del Pirineo, S.A., Concesionaria Santiago Brion, S.A., Eix Diagonal Concesionaria de la Generalitat de Catalunya, S.A., and Reus-Alcover Concesionaria de la Generalitat de Catalunya, S.A. After the end of the co-management agreement described in Note 1.f, these companies were consolidated with the equity method.

- *Environment*

The most relevant change took place in the second half of 2014 following the purchase by the ACS Group of an ownership interest of approximately 25% of Clece, S.A. from various funds managed by Mercapital Private Equity; all previous contracts and agreements entered into regarding Clece with these funds have been voided. The ACS Group, following this transaction, holds 100% of Clece's share capital; thus, the method of consolidation used for this company in the ACS Group will change from the equity method to the full consolidation method. The total value of the company recognised for this transaction was 542 million euros. The carrying amount was 285,608 thousand at 31 December 2013.

Profits contributed to the ACS Group by Clece under the equity method during the first half of 2014 amounted to 9,188 thousand euros.

6.- Financial Assets

a) **Composition and breakdown**

The breakdown of the Group's financial assets at 31 December 2014 and 31 December 2013, by nature and category for valuation purposes, is as follows:

	Thousands of Euros			
	31/12/2014		31/12/2013	
	Non-Current	Current	Non-Current	Current
Equity instruments	785,220	86,254	1,097,535	81,982
Loans to associates	1,009,517	112,599	773,191	87,391
Other loans	318,971	86,560	323,597	127,647
Debt securities	1,565	983,584	1,857	1,369,409
Other financial assets	112,432	623,689	121,666	1,313,712
Total	2,227,705	1,892,686	2,317,846	2,980,141

b) **Iberdrola**

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

At 31 December 2014, the ACS Group held 88,921,671 shares representing 1.4% of the share capital of Iberdrola, S.A. at that date (188,188,889 shares representing 3.02% of the share capital of Iberdrola, S.A. at 31 December 2013). The average consolidated cost amounts to 4.147 and 4.134 euros per share at these dates at 31 December 2014 and 31 December 2013, respectively.

The ownership interest in Iberdrola is recognised at its market price at the end of each year (5.597 euros per share at 31 December 2014 and 4.635 euros per share at 31 December 2013) amounting to 497,695 thousand euros (872,256 thousand euros at 31 December 2013). At 31 December 2014 and 31 December 2013, a positive valuation adjustment of 90,254 thousand euros and 65,999 thousand euros, respectively and net of the related tax effect, was recognised in equity under "Valuation adjustments - Available-for-sale financial assets".

During the 2014 financial year, the most relevant transaction in relation to the ownership interest in Iberdrola took place on 13 March 2014, whereby ACS, Actividades Finance 2 B.V. (a Dutch wholly-owned subsidiary of ACS, Actividades de Construcción y Servicios, S.A.) announced that upon completion of the accelerated bookbuilding process, the amount, the interest rate and the conversion price as well as other definitive conditions of the bond issue exchangeable for Iberdrola shares have been set, as follows:

- The final amount of the issue totalled 405.6 million euros.
- The bonds which were issued at par, will mature on 27 March 2019, unless they are exchanged or redeemed in advance. The redemption price on maturity of the bonds will be 100% of the nominal amount, unless they are exchanged.
- The bonds will accrue interest at an annual nominal fixed rate of 1.625%, payable quarterly in arrears.
- The bonds will be exchangeable, at the choice of the bondholders, for 63,187,412 ordinary shares of Iberdrola, representing approximately 0.9914% of its share capital. However, in accordance with the terms and conditions of the bonds, the issuer may opt to deliver the corresponding number of Iberdrola shares, cash or a combination thereof when the bondholders exercise their exchange right.
- The conversion price of the bonds is 6.419 euros per Iberdrola share, representing a premium of 32.5% over the weighted average of the quoted price of these shares from the announcement of the issue until the time it was set. As of 17 April 2017 (3 years and 21 days from the closing date), the Company will have the option of redeeming the bonds early at par if the value of the Iberdrola shares exceeds 130% of the exchange price applicable during at least 20 trading days in any period of 30 consecutive trading days.
- The bondholders have a put option in the third year or in the event that there is any change of control of ACS.
- The bonds are listed on the regulated market Freiverkehr on the Frankfurt Stock Exchange.

In December 2014, the ACS Group made an offer for early exchange of the bond issues exchangeable for shares of Iberdrola, S.A., for both the bond issue of ACS Actividades Finance B.V. for 721,100 thousand euros and for the bonds exchangeable for shares of Iberdrola, S.A. ACS Actividades Finance 2 B.V. for 405,600 thousand euros. As a result of that offer, for the bond issue by ACS Actividades Finance B.V. bonds amounting to 423,500 thousand euros were exchanged, with 297,600 thousand euros outstanding after the exchange. This redemption has implied an incentive payment for a fixed and variable amount of 55,498 thousand euros. For the bond issue by ACS Actividades Finance 2 B.V, bonds amounting to 170,300 thousand euros were exchanged, with the amount of 235,300 thousand euros outstanding following the exchange. This redemption has implied an incentive payment for a fixed and variable amount of 30,741 thousand euros. For this redemption bondholders have received 100,906,096 shares of Iberdrola, which has implied a net profit from the incentives of 79,570 thousand euros recorded under "Impairment and gains or losses on disposal of financial instruments" in the attached condensed consolidated income statement.

The most relevant transactions in 2013 in relation to the ownership interest in Iberdrola were as follows:

On 22 October 2013, ACS, Actividades Finance, B.V. (a Dutch subsidiary wholly owned by ACS, Actividades de Construcción y Servicios, S.A.) issued bonds that are exchangeable for Iberdrola shares for a nominal amount of 721,100 thousand (see Note 10), with the following characteristics:

- A term of five years maturing on 22 October 2018, unless they are exchanged or redeemed in advance. The redemption price on maturity of the bonds will be 100% of the nominal amount, unless they are exchanged.
- Annual nominal fixed interest of 2.625%, payable quarterly in arrears.
- The exchange price is 5.7688 euros per Iberdrola share, which represents a premium of 35% on the reference quoted price of the session in which the issue was launched. As of 12 November 2016, ACS will have the option of redeeming the bonds early if the value of the Iberdrola shares exceeds 130% of the exchange price applicable during at least 20 trading days in any period of 30 consecutive trading days.
- The bondholders will have the option of redeeming the bonds in the third year or if there is any change of control of ACS.
- The bonds are listed in the open market Freiverkehr on the Frankfurt Stock Exchange.

As a result of the foregoing, ACS, Actividades de Construcción y Servicios, S.A. partially cancelled the equity swap agreement signed with Natixis for 113,619,098 Iberdrola shares, whereby 164,352,702 Iberdrola, S.A. shares are outstanding, with the resulting change in the fixed guarantee of 247,670 thousand euros. This partial cancellation led to the recognition of 8,885 thousand euros in profit under "Changes in fair value of financial instruments" in the accompanying consolidated income statement.

The ACS Group had several financial derivative contracts with various financial institutions over Iberdrola (call spreads), which offered an exposure on an underlying asset of 597,286,512 Iberdrola shares. As a result of the increase in the quoted price of the

aforementioned underlying asset, on 20 December 2013 the parties agreed to replace the previous structure with a new one (a put spread), which has the same exposure profile and maturity periods, however the strike price and the price of the 595,601,946 Iberdrola shares of the underlying asset were slightly adjusted as a result of the changes in Iberdrola's dividend policy. This change enabled the ACS Group to monetise the value of these derivatives for a total of 856.5 million euros included in the consolidated statement of financial position at year-end 2013. The market value at 31 December 2014, whereby the quoted price of Iberdrola exceeded the maximum exercise value of the put spread by more than 15%, means that a liability was not recognised in this connection, whereas at 31 December 2013 this amounted to 62,896 thousand euros (see Note 11).

Following these transactions, at 31 December 2014, the ACS Group only held the aforementioned 1.4% ownership interest in Iberdrola, relating to 88,921,671 shares which are pledged in two exchangeable bonds and the following derivative financial instruments, which were measured at fair value through profit or loss at the end of the year:

- A group of financial derivatives which, as a result of the changes in Iberdrola's dividend policy, amounted to 452,568,115 Iberdrola, S.A. shares that limit the ACS Group's exposure to fluctuations in the market of the aforementioned company's shares (see Note 11).
- An equity swap signed with Natixis on 164,352,702 Iberdrola, S.A. shares (see Note 11), in which the ACS Group continues holding the usufruct rights on these shares, the maturity of which has been extended to 31 March 2018.

In relation to the impairment of the investment in Iberdrola, given that at 31 December 2014 and 31 December 2013, the quoted price was significantly above the carrying amount, the ACS Group did not consider that any signs of impairment existed and, therefore, did not perform any tests aimed at verifying such possibility.

c) Xfera Móviles (Yoigo)

At 31 December 2014 and 2013, the ACS Group had a 17% ownership interest in the share capital of Xfera Móviles, S.A. through ACS Telefonía Móvil, S.L.

The carrying amount of the ownership interest in Xfera amounted to 198,376 thousand euros at 31 December 2014 and 2013, which, following write-downs carried out in previous years prior to the sale in 2006 to the Telia Sonera Group, relates to the contributions made in 2006 onwards, including the participating loans related thereto included under "Other loans", whereby in prior years the Group recognised very significant provisions in relation to this ownership interest. In relation to the aforementioned sale transaction, there is an unrecognised contingent price and, in certain scenarios, call and put options on the ownership interest of ACS, the terms of exercise of which are not likely to be met.

In the last quarter of 2014, the ACS Group calculated the recoverable value of this investment using the discounted cash flow method, on the basis of the company's internal projections until 2019, using the weighted average cost of capital (WACC) of 7.5% as the discount rate and a perpetual growth rate of 1.3% in accordance with the 2019 Spanish CPI made by the IMF. A sensitivity analysis was also performed taking into consideration different discount rates, a perpetual growth rate and deviations of up to minus 10% in the business plan estimates for the company. The impairment test is sensitive to variations its key assumptions, but both in the baseline and in the rest of the scenarios considered with a reasonable degree of sensitivity, the recoverable value of this investment would be above its carrying value.

d) Loans to associates

"Non-current loans to associates" relates mainly to the loans granted to Habtoor Leighton Group amounting to 399,981 thousand euros (373,990 thousand euros at 31 December 2013).

Likewise, at 31 December 2014 non-current loans granted in euros (net of the associated provisions) were granted to Eix Diagonal for 150,843 thousand euros, Línea Nueve (Tranches Two and Four) for 47,836 thousand euros (68,501 thousand euros at 31 December 2013), Celtic Road Group (Waterford and Portlaoise) for 45,566 thousand euros (45,566 thousand euros at 31 December 2013), Autovía del Pirineo for 39,186 thousand euros, Circunvalación de Alicante, S.A. for 15,888 thousand euros (15,888 thousand euros at 31 December 2013), Infraestructuras y Radiales, S.A. for 29,629 thousand euros (29,577 thousand euros at 31 December 2013), and TP Ferro Concesionaria, S.A. for 14,450 thousand euros (33,427 thousand euros at 31 December 2013).

Regarding the loan and investment in the Habtoor Leighton Group, provisions were made that for the most part cover the ACS Group's exposure in the accompanying condensed financial statements, given that the assumptions and considerations used at 31 December 2013 were not significantly changed.

e) Other loans

Non-current loans include mainly the debt that continues to be refinanced to local corporations amounting to 55,380 thousand euros at 31 December 2014 (62,806 thousand euros at 31 December 2013) and the participating loans to Xfera Móviles, S.A., amounting to 119,170 thousand euros, the same as at 31 December 2013.

f) Debt securities

At 31 December 2014, this heading included the investments in securities maturing in the short term relating mainly to investments in securities, investment funds and fixed-interest securities maturing at more than three months and which it does not intend to hold until maturity arising from Hochtief for 658,082 thousand (1,041,278 thousand euros at 31 December 2013). Other amounts that are noteworthy of mention include those held by Cobra amounting to 84,964 thousand euros (101,843 thousand euros at 31 December 2013) and Urbaser amounting to 206,632 thousand euros (179,037 thousand euros at 31 December 2013).

g) Other financial assets

At 31 December 2014, "Other financial assets" included short-term deposits amounting to 398,756 thousand euros (1,178,777 thousand euros at 31 December 2013). This heading includes the amounts contributed to meet the coverage ratios of certain financing for the ownership interest in Hochtief amounting to 16 thousand euros (359 thousand euros at 31 December 2013) (see Note 10) and certain derivatives arranged by the Group amounting to 139,812 thousand euros (306,380 thousand euros at 31 December 2013) (see Note 11). These amounts earn interest at market rates and their availability depends on compliance with coverage ratios.

h) Impairment losses

In the 2014 financial year there were no significant impairment losses. In the first half of 2013 impairment losses on financial assets amounted to 20,498 thousand euros (see Note 16).

There were no significant reversals of impairment losses on financial assets in the 2014 financial year or in the 2013 financial year.

7.- Inventories

The detail of "Inventories" is as follows:

	Thousands of Euros	
	31/12/2014	31/12/2013
Merchandise	217,586	218,531
Raw materials and other supplies	305,815	365,563
Work in progress	800,770	981,577
Finished goods	18,228	13,024
By-products, waste and recovered materials	268	276
Advances to suppliers and subcontractors	179,688	248,030
Total	1,522,355	1,827,001

Impairment losses on inventories recognised and reversed in the consolidated income statement, relating to the various ACS Group companies, amounted to 3,159 thousand euros and 197 thousand euros, respectively, in the 2014 financial year (236 thousand euros and 7,552 thousand euros, respectively, for the 2013 financial year).

8.- Equity**8.01. Share capital**

At 31 December 2014 and 31 December 2013, the share capital of the Parent amounted to 157,332 thousand euros and was represented by 314,664,594 fully subscribed and paid shares with a par value of 0.5 euros 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.

At the Annual General Meeting held on 29 May 2014, and in accordance with Article 297 of the Consolidated Spanish Limited Liability Companies Law, the shareholders authorised the Company's Board of Directors to increase share capital by up to 50% at the date of this resolution on one or several occasions, and at the date, in the amount and under the conditions freely agreed in each case, within five years following 29 May 2014, and without previously consulting shareholders at the General Meeting. Accordingly, the Board of Directors may set all 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 new unsubscribed shares within the pre-emption rights period; and in the event the issue is not fully subscribed, render the capital increase null and void or increase capital only by the amount subscribed.

The share capital increase or increases may be carried out by issuing new shares, either ordinary, without voting rights, preference or redeemable shares. 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.

In accordance with the provisions of Article 506 of the Consolidated Spanish Limited Liability Companies Law, the Board of Directors was expressly empowered to disapply pre-emption 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 Mercantile Registry on any occasion in which the power to disapply pre-emption rights 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.

Similarly, at the Annual General Meeting held on 29 May 2014, the shareholders resolved to delegate to the Board of Directors the power to issue non-convertible, exchangeable or convertible fixed-income securities, as well as warrants on the newly issued shares or outstanding shares of the Company or other companies in accordance with the following summary:

1. The securities that the Board of Directors is authorised to issue may be debentures, bonds, promissory notes and other similar fixed-income securities, which may be non-convertible, in the case of debentures and bonds, exchangeable for shares of the Company or any other Group company or other companies, and/or convertible into shares of the Company or other companies, as well as warrants on newly issued shares or outstanding shares of the Company or other companies.
2. Securities may be issued on one or more occasions at any time within five years from the date on which this resolution was adopted.
3. The total amount of the issue or issues of securities agreed under this delegation of authority, regardless of their nature, plus the total number of shares listed by the Company and outstanding at the issue date may not exceed a maximum limit of 3,000 million euros.
4. Based on this authorisation granted, the Board of Directors must determine for each issue, including but not limited to, the following: the amount within the aforementioned maximum limit; the location, date and currency of the issue, further establishing the equivalent amount in euros, where applicable; the type of security, whether bonds or debentures, subordinate or not, warrants or any other security permitted under the law; the interest rate and payment dates and procedures; in the case of warrants, the amount and method used, where applicable to calculate the premium and exercise price; whether the securities are non-redeemable or redeemable and, in the case of the latter, the redemption period and the expiration dates; the type of repayment, premiums and lots; any related guarantees; how the securities are represented, whether as certificates or book entries; pre-emption rights, if applicable, and the subscription scheme; the applicable legislation; request for permission to trade the securities issued on official or unofficial, organised or unorganised, national or foreign secondary markets; the designation, if applicable, of the delegate and approval of the regulations that govern the legal relationships between the Company and the union of holders of the issued securities.

These authorisations are similar to those granted by shareholders at the Annual General Meeting on 25 May 2009, based on which in 2013 ACS, Actividades de Construcción y Servicios, S.A. formally executed a Euro Commercial Paper programme for a maximum amount of 500 million euros, which was renewed upon maturity by another Euro Commercial Paper programme for a maximum of 750 million euros, whereby the total balance of the two programmes was 529,820 thousand euros at 31 December 2014 (see Note 10). Likewise, based on the aforementioned delegation of powers, the Board of Directors took into consideration and provided guarantees in relation to the issue of bonds exchangeable for Iberdrola shares carried out by ACS, Actividades Finance B.V. amounting to 721,100 thousand euros and carried out by ACS Actividades Finance 2 B.V. amounting to 405,600 thousand euros in the first quarter of 2014 (see Notes 6.b and 10).

The shareholders, at the Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 29 May 2014, resolved, among other matters, to a share capital increase and reduction.

In this regard, the Company resolved to increase share capital to a maximum of 366 million euros with a charge to voluntary reserves, whereby the first capital increase may not exceed 224 million euros and the second increase may not exceed 142 million euros, thereby equally granting the Executive Commission, the Chairman of the Board of Directors and the Director Secretary the power to execute the resolution. The capital increase was expected to take place, in the case of the first increase, within the three months following the date of the General Shareholders' Meeting held in 2014 and, in the case of the second increase, within the first quarter of 2015, thereby coinciding with the dates on which the ACS Group has traditionally distributed the final dividend and the interim dividend.

With regard to the capital reduction, the resolution adopted by the Board consists of reducing share capital through the retirement of the Company's treasury shares for a nominal amount equal to the nominal amount for which the aforementioned capital increase was effectively carried out. The Board of Directors is granted the power to execute these resolutions, on one or two occasions, simultaneously with each of the share capital increases.

In addition to the aforementioned authorisation to reduce capital, at the General Shareholders' Meeting held on 29 May 2014, the shareholders resolved, among other matters, to expressly allow the treasury shares acquired by the Company or its subsidiaries to be earmarked, in full or in part, for sale or retirement, for delivery to the employees or directors of the Company or the Group and for reinvestment plans for dividends or similar instruments. The Board of Directors is granted the power for its execution.

Specifically, and by virtue of this delegation, on 18 June 2014 the Company resolved to carry out the first capital increase for a maximum amount of 224 million euros. This capital increase was aimed at establishing an alternative remuneration system, as in many Ibex companies, that would allow shareholders to receive bonus shares from ACS or cash through the sale of the related free allotment rights which are traded on the stock market, or that may be sold to ACS at a certain price based on a formula approved by the Board.

In this regard, on 22 July 2014 ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the first capital increase with a charge to reserves, approved by the 29 May 2014 Ordinary General Shareholders' Meeting. The definitive number of ordinary shares, of 0.5 euros par value, to be issued was 3,875,019, and the nominal value of the related capital increase was 1,937,509.50 euros.

After the end of the financial year, ACS, Actividades de Construcción y Servicios, S.A., in exercise of the authority conferred by resolution of the 29 May 2014 General Shareholders' Meeting of the company, and pursuant to the 18 December 2014 authorisation by the Board of Directors, resolved to carry out the second capital increase with a charge to reserves for a maximum of 142 million euros (equivalent to 0.45 euros per share). This was approved at the aforementioned General Shareholders' Meeting, in order for shareholders to be able to choose whether they wish to be compensated in cash or in the of Company's shares. After the period for negotiating the free allotment rights relating to the second scrip, the irrevocable commitment to purchase rights assumed by ACS was accepted by holders of 40.46% of the free allotment rights. This determined the acquisition by ACS of rights for a total gross amount of 57,296 thousand euros. The definitive number of ordinary shares, of 0.5 euros par value, to be issued was 2,616,408, and the nominal value of the related capital increase was 1,308,204 euros.

On 18 March 2014 ACS, Actividades de Construcción y Servicios S.A. reduced share capital by 1,281,423 euros through the retirement of 2,562,846 treasury shares, and 1,281,423 euros was allocated to the reserve provided for in Article 335.c of the Spanish Limited Liability Companies Law (see Note 8.02).

On 10 September 2014 ACS, Actividades de Construcción y Servicios S.A. reduced share capital by 1,937,509.50 euros through the retirement of 3,875,019 treasury shares, and the same amount as the nominal value of the retired shares, 1,937,509.50 euros, was allocated to the reserve provided for in Article 335.c of the Spanish Limited Liability Companies Law (see Note 8.02).

After the end of the financial year, on 17 February 2015, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the second capital increase with a charge to reserves, approved at the Ordinary General Shareholders' Meeting held on 29 May 2014. The definitive number of ordinary shares, of 0.5 euros each par value, to be issued is 2,616,408, and the nominal value of the related capital increase is 1,308,204 euros. On the same date, ACS, Actividades de Construcción y Servicios, S.A. reduced share capital by 1,308,204 euros through the retirement of 2,616,408 treasury shares. The same amount as the nominal value of the retired shares, 1,308,204 euros, was allocated to the reserve provided for in Article 335.c of the Spanish Limited Liability Companies Law (see Note 8.02).

The shareholders, at the Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 10 May 2013, resolved, among other matters, to a share capital increase and reduction.

In this regard, the Company resolved to increase share capital to a maximum of 504 million euros with a charge to voluntary reserves, whereby the first capital increase may not exceed 362 million euros and the second increase may not exceed 142 million euros, thereby equally granting the Executive Commission, the Chairman of the Board of Directors and the Director Secretary the power to execute the resolution. The capital increase is expected to take place, in the case of the first increase, within the two months following the date of the General Shareholders' Meeting held in 2013 and, in the case of the second increase, within the first quarter of 2014, thereby coinciding with the dates on which the ACS Group has traditionally distributed the final dividend and the interim dividend.

With regard to the capital reduction, the resolution adopted by the Board consists of reducing share capital through the retirement of the Company's treasury shares for a nominal amount equal to the nominal amount for which the aforementioned capital increase was effectively carried out. The Board of Directors is granted the power to execute these resolutions, on one or two occasions, simultaneously with each of the share capital increases.

In addition to the aforementioned authorisation to reduce capital, at the General Shareholders' Meeting held on 10 May 2013, the shareholders resolved, among other matters, to expressly allow the treasury shares acquired by the Company or its subsidiaries to be earmarked, in full or in part, for sale or retirement, for delivery to the employees or directors of the Company or the Group and for reinvestment plans for dividends or similar instruments. The Board of Directors is granted the power for its execution.

Specifically, and by virtue of this delegation, on 20 June 2013 the Company resolved to carry out the first capital increase for a maximum amount of 362 million euros. This capital increase was aimed at establishing an alternative remuneration system, as in many Ibex companies, that would allow shareholders to receive bonus shares from ACS or cash through the sale of the related free allotment rights which are traded on the stock market, or that may be sold to ACS at a certain price based on a formula approved by the Board.

In relation to the foregoing, in 2013 the Parent increased its share capital by 3,926,818.50 euros relating to 7,853,637 ordinary shares of 0.5 euros par value each. Subsequent to this capital increase and in the same year, share capital was reduced by 3,926,818.50 euros relating to 7,853,637 ordinary shares of 0.5 euros par value each through the retirement of the Parent's treasury shares (see Note 8.02).

In addition, by virtue of this delegation, on 12 December 2013 the Company resolved to carry out a second share capital increase for a maximum amount of 142 million euros for the same purpose as that of the first increase mentioned above. After a period of negotiating the free allotment rights relating to this second increase, 2,562,846 ordinary shares of 0.5 euros par value each were issued in February 2014 for a nominal amount of 1,281,423 euros. On 18 March 2014, share capital was reduced by the same amount at which it was increased in February 2014, in other words, 1,281,423 euros relating to 2,562,846 ordinary shares of 0.5 euros par value each through the retirement of the Parent's treasury shares.

The shares 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.

In addition to Parent, the companies included in the scope of consolidation whose shares are listed on securities markets are Hochtief A.G. on the Frankfurt Stock Exchange (Germany), Dragados y Construcciones Argentina, S.A.I.C.I. on the Buenos Aires Stock Exchange (Argentina), Leighton Holdings Ltd., Macmahon Holdings Limited, and Sedgman Limited on the Australia Stock Exchange. After the end of the financial year, the shares of its affiliate Saeta Yield, S.A. are listed in the Spanish stock markets.

8.02. Treasury shares

The changes in "Treasury shares" were as follows:

	2014		2013	
	Number of Shares	Thousands of Euros	Number of Shares	Thousands of Euros
At beginning of the year	2,766,973	64,958	21,368,766	574,696
Purchases	12,093,722	356,965	15,112,383	306,280
Scrip dividend	114,543	-	251,471	-
Sales	(1,458,074)	(40,738)	(25,903,481)	(659,616)
Bonus payments 2014-2013	(159,919)	(3,862)	(208,529)	(3,874)
Depreciation	(6,437,865)	(176,201)	(7,853,637)	(152,528)
At end of the reporting period	6,919,380	201,122	2,766,973	64,958

On 22 July 2014 ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the first share capital increase with a charge to reserves, approved by the 29 May 2014 Ordinary General Shareholders' Meeting. The definitive number of ordinary shares, of 0.5 euros par value, to be issued was 3,875,019, and the nominal value of the related capital increase was 1,937,509.50 euros.

On 18 March 2014 ACS, Actividades de Construcción y Servicios, S.A. reduced share capital by 1,281,423 euros through the retirement of 2,562,846 treasury shares for a carrying value of 61,898 thousand euros, with a charge to unrestricted reserves, and the same amount as the nominal value of the retired shares, 1,281,423 euros, was allocated to the reserve provided for in Article 335.c of the Spanish Limited Liability Companies Law (see Note 8.01).

On 10 September 2014 ACS, Actividades de Construcción y Servicios, S.A. reduced share capital by 1,937,509.50 euros through the retirement of 3,875,019 treasury shares, with a carrying value of 114,303 thousand euros, with a charge to unrestricted reserves, and the same amount as the nominal value of the retired shares, 1,937,509.50 euros, was allocated to the reserve provided for in Article 335.c of the Spanish Limited Liability Companies Law (see Note 8.01).

On 17 February 2015, ACS, Actividades de Construcción y Servicios, S.A. reduced share capital by 1,308,204 euros through the retirement of 2,616,408 treasury shares. The same amount as the nominal value of the retired shares was allocated to the reserve provided for in Article 335.c of the Spanish Limited Liability Companies Law (see Note 8.01).

As a result of the resolution adopted by the shareholders at the General Shareholders' Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 10 May 2013, on 12 December 2013 the Company resolved to carry out the second capital increase, establishing the maximum reference value at 142 million euros with a charge to the Company's reserves in order for the shareholders to be able to choose whether they wish to be compensated in cash or in the Company's shares. After the decision-making period granted to the shareholders had elapsed, on 13 February 2014 share capital increased by 2,562,846 shares for a nominal value of 1,281,423 euros.

On 24 January 2013, the ACS Group sold a total of 20,200,000 treasury shares amounting to 360,166,000 euros to three entities, which gave rise to a negative effect on equity of 170,698 thousand euros. In addition, the Group entered into certain derivative contracts for the same number of ACS shares, payable only in cash and within a period of two years that may be extended for a further year (see Note 11).

At 31 December 2014, the Group held 6,919,380 treasury shares of the Parent, of 0.5 euros par value each, representing 2.2% of the share capital, with a consolidated carrying amount of 201,122 thousand euros which is recognised in equity under "Treasury shares" in the consolidated statement of financial position. At 31 December 2013, the Group held 2,766,973 treasury shares of the Parent, with a par value of 0.5 euros each, representing 0.88% of the share capital, with a consolidated carrying amount of 64,958 thousand euros which was recognised in equity under "Treasury shares" in the consolidated statement of financial position.

8.03. Valuation adjustments

The changes in "Valuation adjustments" are as follows:

	Thousands of Euros	
	2014	2013
Beginning balance	(534,914)	(725,840)
Hedging Instruments	(89,319)	359,109
Available-for-sale financial assets	37,833	27,773
Exchange differences	168,069	(195,956)
Ending balance	(418,331)	(534,914)

The adjustments for hedging instruments relate to the reserve set up for the effective portion of changes in the fair value of the financial instruments designated and effective as cash flow hedges. They relate mainly to interest rate hedges and, to a lesser extent, foreign exchange rate hedges, tied to asset and liability items in the consolidated statement of financial position, and to future transaction commitments qualifying for hedge accounting because they meet the requirements provided for in IAS 39 on hedge accounting and, to a lesser extent, due to the pension commitments of the Hochtief subgroup.

The changes relating to available-for-sale financial assets include the unrealised gains or losses arising from changes in their fair value net of the related tax effect. The change arose mainly as a result of the transactions carried out in relation to the ownership interest in Iberdrola, S.A. (see Note 6.b).

9.- Non-current provisions

The breakdown of the balance of this heading is as follows:

	Thousands of Euros	
	31/12/2014	31/12/2013
Funds for pensions and similar obligations	566,046	427,179
Provisions for taxes and third-party liability	1,188,642	1,345,835
Provisions for actions on infrastructure	8,821	21,795
Provisions	1,763,509	1,794,809

Note 20 to the ACS Group's consolidated financial statements for the year ended 31 December 2013 describes the main disputes, including the main litigation of a tax and legal nature affecting the Group at that date. The total amount of payments arising from lawsuits involving the ACS Group during the 2014 and 2013 financial years is not significant in relation to these consolidated condensed financial statements, except with regard to the claim affecting Alazor Inversiones, S.A. (Alazor), the sole shareholder of Accesos de Madrid, C.E.S.A. and the company awarded the Radial 3 and Radial 5 (R3 and R5) concessions, due to the fact that in February 2014 it received a notice stating that enforcement proceedings would be initiated against ACS, Actividades de Construcción y Servicios, S.A. for 73,350 thousand euros (which includes both the principal and interest) which was reported, although the Company maintains claims open in this connection, in relation to which the Company believes they will be resolved favourably, in accordance with that indicated in Note 36 to the ACS Group's consolidated financial statements for the year ended 31 December 2013.

On 15 January 2015 the Comisión Nacional de Mercados y de la Competencia (the National Commission of Markets and Competition – CNMC) informed of a resolution imposing a fine of 23,289 thousand euros on certain ACS Group companies, Urbaser and Sertego, due to the CNMC's understanding that there were anti-competitive practices in the fields of waste management (urban solid waste, industrial waste, and recovery of paper and cardboard) and Urban Sanitation. The ACS Groups Group and its legal advisors consider that no anti-competitive practices have been conducted; therefore, it will appeal this resolution to the competent court, which is why no liability is recognised in this regard.

10.- Financial liabilities

The detail of the ACS Group's non-current financial liabilities at 31 December 2014 and 2013, by nature and category, for valuation purposes, is as follows:

	Thousands of Euros			
	31/12/2014		31/12/2013	
	Non-Current	Current	Non-Current	Current
Debt instruments and other marketable securities	2,928,519	760,847	2,619,916	600,462
Bank borrowings	2,949,380	5,400,244	4,587,129	3,214,385
- with limited recourse	491,308	491,389	1,035,693	221,447
- Other	2,458,072	4,908,855	3,551,436	2,992,938
Other financial liabilities	213,002	42,418	204,308	48,399
Total	6,090,901	6,203,509	7,411,353	3,863,246

At 31 December 2014, the ACS Group had non-current debentures and bonds issued amounting to 2,928,519 thousand euros and 760,847 thousand euros in current issues (2,619,916 thousand euros in non-current and 600,462 thousand euros in current, respectively, at 31 December 2013) mainly from Leighton, Hochtief and ACS. The change at 31 December 2014 with regard to 31 December 2013 is the result of two issues, one carried out by ACS Actividades Finance 2 B.V. for 405.6 million euros and the other by Hochtief for 500 million euros, and the early redemption of exchangeable bonds for Iberdrola shares, for a nominal value of 593,800 thousand euros (see Note 6.b above).

The transaction carried out by ACS Actividades Finance 2 B.V. (a Dutch subsidiary wholly owned by ACS, Actividades de Construcción y Servicios, S.A.) took place in March 2014 and consisted of a bond issue exchangeable for Iberdrola shares, with the features indicated in Note 6.b above.

The transaction carried out by Hochtief took place in May 2014 and consisted of an unrated bond issue for 500 million euros, maturing in 2019 and with an annual coupon of 2.625%. This issue is listed on the Luxembourg stock exchange and on all German stock exchanges.

In using the authorisation granted by the shareholders at the Annual General Meeting held on 25 May 2009 and in executing the resolution of the Board of Directors of 27 February 2014, on 20 March 2014 ACS, Actividades de Construcción y Servicios, S.A. formally executed the Euro Commercial Paper (ECP) programme for a maximum of 750 million euros, which has been subscribed by the Irish Stock Exchange. Santander Global Banking & Markets is the programme implementation coordinator (arranger), the entity which also acts as designated intermediary (dealer). By means of this programme, ACS will be able to issue promissory notes maturing between 1 and 364 days, thereby enabling it to diversify its means of obtaining financing on capital markets. This programme renewed that issued in March 2013 for a maximum of 500 million euros and which was in force until 19 March 2014.

At 31 December 2014, the issues outstanding under the aforementioned programmes amounted to 529,820 thousand euros (310,194 thousand euros at 31 December 2013).

At 31 December 2013, the most significant issues were as follows:

- On 14 March 2013, Hochtief, A.G. issued a corporate bond for a nominal amount of 750 million euros, maturing in March 2020 and with an annual coupon of 3.875%. (In March 2012, Hochtief, A.G. issued a corporate bond for a nominal amount of 500 million euros, maturing in March 2017 and with an annual coupon of 5.5%).
- On 22 October 2013, ACS, Actividades Finance, B.V. (a Dutch subsidiary wholly owned by ACS, Actividades de Construcción y Servicios, S.A.) issued bonds that are exchangeable for Iberdrola shares for a nominal amount of 721,100 thousand euros.

"Project finance and limited recourse borrowings" on the liability side of the consolidated statement of financial position mainly includes, in addition to part of the financing for the acquisition of Hochtief, A.G., the amount of the financing related to infrastructure projects. The detail of this heading, by type of financed asset, at 31 December 2014 is as follows:

	Thousands of Euros		
	Current	Non-current	Total
Hochtief Aktiengesellschaft	389,515	-	389,515
Project financing			
Waste treatment	39,435	273,262	312,697
Property assets (Inventories)	48,602	17,728	66,330
Highways	5,600	85,393	90,993
Police station	5,027	49,841	54,868
Wind farm	1,163	39,604	40,767
Water management	2,047	17,321	19,368
Security	-	7,702	7,702
Photovoltaic plants	-	457	457
	491,389	491,308	982,697

The detail of this heading, by type of financial asset, at 31 December 2013 was as follows:

	Thousands of Euros		
	Current	Non-current	Total
Hochtief Aktiengesellschaft	13,479	558,929	572,408
Project financing			
Waste treatment	12,030	243,546	255,576
Property assets (Inventories)	181,711	23,072	204,783
Highways	7,932	124,113	132,045
Police station	4,277	55,461	59,738
Water management	2,009	19,164	21,173
Security	-	10,902	10,902
Photovoltaic plants	9	506	515
	221,447	1,035,693	1,257,140

In relation to the initial package of Hochtief, A.G. shares acquired in 2007, on 27 October 2011 Cariátide, S.A. entered into a refinancing agreement with a bank syndicate for a nominal amount of 602,000 thousand euros until 24 July 2015. The main characteristics of the financing agreement include maintaining a coverage ratio over the market value of the shares of Hochtief, A.G. If this ratio were not met, the pledge on the acquired shares could be enforced. In the event that the aforementioned coverage ratio is not maintained, ACS, Actividades de Construcción y Servicios, S.A. would be obligated to contribute additional funds. During 2014, the Group had repaid 182,000 thousand euros of this financing. This financing was repaid on February 20, 2015 by the renewal of the syndicated loan described below; as a result, the existing security was released, as well as the aforementioned coverage ratios on Hochtief shares.

At 31 December 2014 and at the date of approval of these condensed financial statements, the coverage ratios stipulated in this agreement had been met.

Other non-current bank borrowings most notably include the syndicated loan maturing in July 2015 and entered into by ACS, Actividades de Construcción y Servicios, S.A. with a syndicate of banks, made up of 32 Spanish and international entities. The amount contracted totalled 1,430,300 thousand euros at 31 December 2014 (1,430,300 thousand euros at 31 December 2013). On 13 February 2015, ACS, Actividades de Construcción y Servicios, S.A. entered into a financing contract for a total of 2,350 million euros with a syndicate of banks comprising forty-three Spanish and foreign entities. This contract is divided into two tranches (tranche A for a loan of 1,650 million euros and tranche B for a liquidity facility amounting to 700 million euros), maturing on 13 February 2020. It is intended, for the relevant amount, to repay the currently existing syndicated loan, signed on 9 February 2012, with a principal amount of 1,430.3 million euros, as well as three loans provided to finance the acquisition of shares of Hochtief, A.G., for a total current principal of 694.5 million euros.

In addition, on 8 May 2014 the Group renewed the syndicated loan with Urbaser for 600,000 thousand (506,300 thousand euros at 31 December 2013) maturing on 28 May 2017, which was therefore classified as non-current at 31 December 2014.

Also noteworthy under other bank borrowings is the long-timer financing obtained (and renewed before 31 December 2013) for the acquisition of Hochtief, A.G. shares for a nominal amount of 200,000 thousand euros maturing on 24 July 2015 and 250,000 thousand euros maturing on 30 March 2015 through the SPV Major Assets, S.L., both with an in rem guarantee secured by Hochtief, A.G. shares deposited therein, which at 31 December 2014, amounted to 13,948,778 shares. Of this financing, 140,000 thousand euros had been repaid in 2014. This financing was renewed on 20 February 2015 by the above-mentioned financing contract. In addition, 200,000 thousand euros maturing in February 2014 through the SPV Equity Share, S.L. with an in rem guarantee secured by Iberdrola shares were cancelled upon maturity and the aforementioned guarantee was released.

The long-term financing from the investee Hochtief for 619,614 euros thousand (708,375 thousand euros at 31 December 2013) is also noteworthy of mention. In 2013, Leighton agreed to receive syndicated bank financing amounting to 689,180 thousand euros (1,000,000 thousand Australian dollars) maturing on 21 June 2016 (on 8 December 2014 the maturity date was extended to 8 December 2017), which replaces the previous syndicated bank financing of AUD 600,000 thousand that matured in December 2013. At 31 December 2014, the amount paid totalled 600,000 thousand Australian dollars (at 31 December 2013 no payment had been made in relation to this financing).

In the 2014 and 2013 financial years, the ACS Group satisfactorily met its bank borrowing payment obligations upon maturity. At the date of preparation of the condensed consolidated financial statements, the Group had also complied with all its financial obligations.

Note 21 to the financial statements for 2013 details the main financial risks to which the ACS Group is exposed (interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk of listed shares). The most significant changes in the 2014 financial year regarding the financial risks of the ACS Group detailed in these financial statements are as follows:

- The renewal in February 2015 of the syndicated loan to ACS, Actividades de Construcción y Servicios, S.A. for 2,350 million euros until 2020, which guarantees both the existing financing from the syndicated loan and the bank financing of the ownership interest in Hochtief via Cariátide and Major Assets.
- The issue of a bond exchangeable for Iberdrola shares for 405.6 million euros and maturing on 27 March 2019.
- The issue of an unrated bond by Hochtief amounting to 500 million euros and maturing in May 2019.
- The renewal of the Euro Commercial Paper (ECP) programme for 750 million euros.
- The renewal of the syndicated loan with Urbaser for 600 million euros until 2017.
- The maturity of the combined credit line and guarantee for 2,000,000 thousand euros (the tranche relating to the guarantees amounts to 1,500,000 thousand euros and the tranche in cash is 500,000 thousand euros) that Hochtief A.G. held with an international syndicated of banks at 31 December 2013 and that had a five-year term until 13 December 2016, was extended until April 2019 and its conditions were improved to current market levels, which are therefore much more favourable for Hochtief.
- The redemption of exchangeable bonds for shares of Iberdrola amounting to 593.8 million euros.
- Strengthening the financial position due to the sale of the businesses John Holland and Thiess Services & Leighton Contractors ("Services"), owned by Leighton, as well as the flotation in February 2015 of Saeta Yield.

The amount relating to "Other financial liabilities" includes mainly payables to associates.

11.- Derivative financial instruments

The detail of the financial instruments is as follows:

	Thousands of Euros			
	31/12/2014		31/12/2013	
	Assets	Liabilities	Assets	Liabilities
Hedges	22	94,811	7,741	65,762
Non-qualified hedges	6,392	101,947	32,951	432,106
Non-current	6,414	196,758	40,692	497,868
Hedges	1,858	11,880	7,906	16,860
Non-qualified hedges	32,152	66,378	4,075	53,692
Current	34,010	78,258	11,981	70,552
Total	40,424	275,016	52,673	568,420

The assets and liabilities designated as hedging instruments include the amount corresponding to the effective part of the changes in fair value of these instruments designated and classified as cash flow hedges. They relate mainly to interest rate hedges (interest rate swaps) and foreign exchange rate hedges, tied to asset and liability items in the statement of financial position, and to future transaction commitments qualifying for hedge accounting because they meet the requirements provided for in 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.

With regard to liabilities arising from financial instruments, the most significant at 31 December 2014 and 31 December 2013 relates to the fair value of the equity swap on Iberdrola, S.A. shares, the fair value of which at 31 December 2014 amounts to 62,537 thousand euros (217,466 thousand euros at 31 December 2013). In addition, other liabilities relate to the derivative included in the outsourcing to a financial institution of the 2010 stock option plan amounting to 32,599 thousand euros (57,458 thousand euros at 31 December 2013). The financial institution acquired these shares on the market for delivery to management who are beneficiaries of this Plan in accordance with the conditions included therein, at the exercise price of the option. The change in fair value of this instrument is included under "Changes in fair value of financial instruments" (see Note 17).

In the contract with the financial institution, the latter does not assume any risk relating to the drop in the market price of the share below the exercise price. The exercise price of the option for the 2010 plan is 34.155 euros per share. Therefore, this risk relating to the drop in the market price below the option price is assumed by ACS, Actividades de Construcción y Servicios, S.A., and was not subject to any hedging with another financial institution. This put option in favour of the financial institution 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. The risk of an increase in the market price of the share is not assumed by either the financial institution or the Group, since, in this case, management would exercise its call option and directly acquire the shares from the financial institution, which agrees to sell them to the beneficiaries at the 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.

In addition and according to the contract, at the time of final maturity of the Plan, in the event that there are options that have not been exercised by their directors (i.e. due to voluntary resignation in the ACS Group), the pending options are settled by differences. In other words, the financial institution sells the pending options on the market and the result of the settlement, whether positive or negative, is received by ACS in cash (never in shares). Consequently, the Company never receives the shares arising from the Plan upon completion and, therefore, they are not considered treasury shares.

At 31 December 2014 and 31 December 2013, the ACS Group held other derivatives that did not qualify for hedge accounting, which included the measurement at fair value of financial instruments that are settled by differences and whose negative market value amounted to 31,021 thousand euros (55,879 thousand euros at 31 December 2013), as well as the put spread on 452,568,115 Iberdrola shares (595,601,946 shares at 31 December 2013). The market value at year end did not give rise to the recognition of an liability, whereas 62,896 thousand euros were recognised at 31 December 2013. The amounts provided as security for the aforementioned derivatives arranged by the Group total 538,498 thousand euros at 31 December 2014 (554,337 thousand euros at 31 December 2013) and are included under "Long-term deposits" in the accompanying statement of financial position. These amounts earn interest at market rates. The current portion is detailed in Note 6.g.

In accordance with that indicated in Note 8.02, in January 2013 the ACS Group sold a total of 20,200,000 treasury shares to three entities and entered into certain derivative contracts for the same number of ACS shares, payable only in cash and within a period of two years that could be extended for a further year, and which were settled in 2013.

With regard to this transaction, the Group settled the transaction in the second half of 2013 with a profit of 58,400 thousand euros, whereby only a limited risk was maintained at 31 December 2014 and 31 December 2013 for 14.1 million shares at 50% of the drop in the quoted price between 23.90 euros and 17.83 euros per share, and for 3.4 million shares at 50% of the drop between 23.90 euros and 18.38 euros per share.

The Group has recognised both its own credit risk and that of the counterparty based on each derivative for all derivative instruments measured at fair value through profit or loss, in accordance with the new IFRS 13 that entered into force on 1 January 2013.

In relation to the issue of bonds exchangeable for Iberdrola shares amounting to 532,900 thousand euros (see Note 10), it is worth noting that there are derivatives embedded in the financing, the fair value of which at 31 December 2014 amounts to 38,654 thousand euros (49,714 thousand euros at 31 December 2013), included under "Non-current financial instruments receivable" on the accompanying consolidated statement of financial position.

With regard to the assets and liabilities measured at fair value, the ACS Group followed the hierarchy set out in IFRS 7:

Level 1: Quoted prices (unadjusted) on active markets for identical assets or liabilities.

Level 2: Inputs other than prices quoted included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

	Thousands of Euros			
	Value at 31/12/2014	Level 1	Level 2	Level 3
Assets	1,886,405	1,157,325	607,667	121,413
Equity instruments	860,832	584,990	154,429	121,413
Debt securities	985,149	572,335	412,814	-
Financial instrument receivables				
Non-current	6,414	-	6,414	-
Current	34,010	-	34,010	-
Liabilities	275,016	-	275,016	-
Financial instrument receivables				
Non-current	196,758	-	196,758	-
Current	78,258	-	78,258	-

	Thousands of Euros			
	Value at 31/12/2013	Level 1	Level 2	Level 3
Assets	2,588,557	1,920,898	608,561	59,098
Equity instruments	1,164,618	954,286	151,234	59,098
Debt securities	1,371,266	966,612	404,654	-
Financial instrument receivables				
Non-current	40,692	-	40,692	-
Current	11,981	-	11,981	-
Liabilities	568,420	-	562,475	5,945
Financial instrument receivables				
Non-current	497,868	-	497,868	-
Current	70,552	-	64,607	5,945

The changes in financial instruments included under Level 3 during the 2014 financial year are as follows:

	Thousands of Euros				
	01/01/2014	Adjustments for changes in value	Level 2 transfer	Others	31/12/2014
Assets – Equity instruments	59,098	6,508	46,723	9,084	121,413
Liabilities – Derivative financial instruments	5,945	-	-	(5,945)	-

No derivative instruments measured at fair value were transferred between levels 1 and 2 of the fair value hierarchy during the 2014 and 2013 financial years. The derivative instruments measured at fair value that were transferred between Level 2 and Level 3, amounting to 46,723 thousand euros, were primarily for ownership interests in Central Greece Motorway Concession, S.A. and Nea Odos Concession, S.A.; these were no longer consolidated as of December 2013.

The increase in the fair value of Level 3 was recognised directly in equity.

12.- Tax matters

- *Deferred tax assets and liabilities*

The detail of the deferred tax assets at 31 December 2014 is as follows:

	Thousands of Euros					
	31/12/2014			31/12/2013		
	Tax Group in Spain	Other companies	Total	Tax Group in Spain	Other companies	Total
Credit for tax loss	525,497	186,572	712,069	683,551	169,330	852,881
Other temporary differences	404,229	819,093	1,223,322	453,504	723,298	1,176,802
Tax credits and tax relief	257,057	3,472	260,529	343,451	6,566	350,017
Total	1,186,783	1,009,137	2,195,920	1,480,506	899,194	2,379,700

Tax loss carry forwards of the ACS Tax Group in Spain arose from the estimated consolidated tax loss for 2012, arising mainly from impairment and unrealised losses related to the investment in Iberdrola, S.A. Under the new Corporate Tax Law, this tax credit does not have a period of limitation.

The temporary differences of the companies not included in the Spanish Tax Group arose mainly from the companies of the Hochtief group.

The deferred tax assets indicated above were recognised in the consolidated statement of financial position because the Group's directors considered that, based on their best estimate of the Group's future earnings and as no extraordinary losses are expected such as those that were incurred in 2012, it is probable that these assets will be recovered.

The deferred tax liabilities amounting to 1,268,739 thousand euros (1,381,273 thousand euros at 31 December 2013) have not substantially changed with respect to 31 December 2013.

As a result of the new Corporate Income Tax Law in Spain, the Group has assessed the impact of the changes included in this new regulation on its financial statements with regard to tax assets and liabilities; an expense of 126,917 thousand euros was included under "Income Tax" in the attached Consolidated Income Statement for the 2014 financial year.

- Change in income tax expense

The main items affecting the quantification of income tax expense are as follows:

	Thousands of Euros	
	31/12/2014	31/12/2013 (*)
Consolidated profit/(loss) before tax	782,206	1,508,546
Profit or loss of companies accounted for using the equity method	(131,824)	(95,934)
	650,382	1,412,612
Tax charge at 30%	195,115	423,784
Tax credit for double taxation of dividends of Iberdrola, S.A.	(28,728)	(30,234)
Effect of the reduction of the nominal rate of the Corporate Income Tax in Spain	126,917	-
Net impact of other permanent differences, tax credits, national tax rate spreads and adjustments	25,287	31,321
Income tax expense/(income)	318,591	424,871

(*) Restated unaudited

The most significant item included at 31 December 2014 and 31 December 2013 under "Net impact of other permanent differences, tax credits, national tax rate spreads and adjustments" relates mainly to the existence of subsidiaries not included in Tax Group 30/99, which does not include the tax effect related to their accounting losses.

13.- Business segments

In accordance with the ACS Group's internal organisational structure, and consequently, its internal reporting structure, the Group carries on its business activities through lines of business, which are the operating reporting segments as indicated in IFRS 8. The Construction segments include Hochtief, A.G. and the concession business carried out through Iridium. Note 25 to the consolidated financial statements of the ACS Group for the year ended 31 December 2013 details the bases used by the Group to define its operating segments.

The reconciliation of revenue, by segment, to consolidated revenue at 31 December 2014 and 2013 is as follows:

Segments	Thousands of Euros					
	31/12/2014			31/12/2013 (*)		
	External income	Inter-segment income	Total income	External income	Inter-segment income	Total income
Construction	25,812,669	6,893	25,819,562	26,349,651	15,049	26,364,700
Environment	2,335,886	2,333	2,338,219	1,781,009	197	1,781,206
Industrial Services	6,732,305	17,710	6,750,015	7,047,291	19,774	7,067,065
(-) Adjustments and eliminations of ordinary inter-segment income	-	(26,936)	(26,936)	-	(35,020)	(35,020)
Total	34,880,860	-	34,880,860	35,177,951	-	35,177,951

(*) Restated unaudited

Inter-segment sales are made at market prices.

The reconciliation of the Profit/Loss, by business, with consolidated Profit/Loss before taxes at 31 December 2014 and 2013 is as follows:

	Thousands of Euros	
	31/12/2014	31/12/2013 (*)
Segments		
Construction	438,065	676,903
Environment	80,171	64,060
Industrial Services	406,955	468,563
Total profit of the segments reported upon	925,191	1,209,526
(+/-) Non-assigned profit	(266,767)	(76,980)
(+/-) Elimination of internal profit (between segments)	-	-
(+/-) Other profits (loss)	-	-
(+/-) Income tax and /or profit (loss) from discontinued operations	123,782	376,000
Profit/(Loss) before tax	782,206	1,508,546

(*) Restated unaudited

Revenue, by geographical area, at 31 December 2014 and 2013 is as follows:

Net amount of turnover by Geographical Area	Thousands of Euros	
	31/12/2014	31/12/2013 (*)
Domestic market	5,581,401	5,245,344
Foreign market	29,299,459	29,932,607
a) European Union	3,347,634	4,380,771
b) O.E.C.D countries	20,787,347	20,191,150
c) Rest of countries	5,164,478	5,360,686
Total	34,880,860	35,177,951

(*) Restated unaudited

The detail of sales by principal countries is as follows:

Net Revenue by Geographical Area	Thousands of Euros	
	31/12/2014	31/12/2013 (*)
United States	9,192,530	8,523,739
Australia	8,568,374	8,671,932
Spain	5,581,401	5,245,344
México	1,571,154	1,276,568
China	1,461,110	1,055,232
Germany	1,270,010	2,046,306
Canada	1,050,198	1,260,428
Indonesia	739,630	900,533
Poland	620,387	697,417
United Kingdom	593,990	645,214
Brazil	245,432	305,868
Portugal	220,834	217,673
United Arab Emirates	24,420	786,539
Other	3,741,390	3,545,158
Total	34,880,860	35,177,951

(*) Restated unaudited

14.- Finance income

At 31 December 2014, finance income included, among other items, the dividends from Iberdrola, S.A. which amounted to 97,522 thousand euros (102,540 thousand euros at 31 December 2013).

15.- Average workforce

The detail of the average number of employees, by professional category and gender, is as follows:

Category	Average number of employees					
	2014			2013		
	Men	Women	Total	Men	Women	Total
University graduates	20,726	5,976	26,702	23,718	6,248	29,966
Junior college graduates	6,323	3,117	9,440	6,078	1,622	7,700
Non-graduate line personnel	11,420	4,317	15,737	11,424	1,489	12,913
Clerical personnel	2,830	5,997	8,827	3,367	6,357	9,724
Other employees	97,979	59,223	157,202	95,353	9,094	104,447
Total	139,278	78,630	217,908	139,940	24,810	164,750

The calculation of the average workforce in the 2014 financial year considered the average number of workers in the Clece business without applying any weighting.

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

In the 2014 financial year, this heading of the accompanying consolidated income statement includes mainly the profit from the sale of the Seville Underground, amounting to 12,708 thousand euros, as well as the profit from the delivery to bondholders of 100,906,096 shares of Iberdrola as a result of the partial early exchange of exchangeable Iberdrola bonds amounting to 79,570 thousand euros (see Note 6.b).

This heading also includes 47,085 thousand euros of profit from the sale to the Dutch fund manager DIF Infrastructure III of 80% of ACS' ownership interest in the projects: Intercambiadores de Transporte de Madrid (Madrid Transportation Hubs) and Línea 9 (Line 9) of the Barcelona Underground. This includes the effect of the revaluation of ACS' remaining ownership interest in these projects, to the fair value which was established in the transaction. Based on the shareholders' resolutions and the minority position of ACS in these entities, the loss of influence in their management was considered to be significant.

In the 2013 financial year, this heading in the attached consolidated income statement primarily includes the profit from the sale of Leighton's telecommunications business amounting to 154,282 thousand euros. This profit includes the effect of recognising the 30% ownership interest that it still holds at fair value, as well as the profit from the sale of the Hochtief airports and Hochtief's services business ("Facility Management") to SPIE, S.A. It also recognises the effect of the impairment in the first quarter on the ownership interest in Iberdrola amounting to 20,498 thousand euros was also recognised, as well as the loss of 56,199 thousand euros from the recycling in the income statement of the translation difference at the time of the purchase of Leighton Welspun Contractors, mentioned in Note 1.j.

17.- Changes in 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 and therefore are recycled to the income statement. The most significant effect in the 2014 financial year relates to the market value of the derivative financial instruments held at year end in relation to Iberdrola, S.A. shares and to the profit generated from the derivatives on ACS shares, as described in Note 11, and the cancellation of the financing of Escal upon its waiver of the concession.

For the 2013 financial year, the most significant effect related to the valuation at market value of the derivative financial instruments held on Iberdrola, S.A. a shares at year-end, which has led to a profit of 404,050 thousand euros and, the profit arising from the derivatives on ACS shares.

18.- Other profit or loss

This heading includes the effect on the income statement in the 2014 financial year of the provision of 458,457 thousand euros regarding Leighton. As part of the year-end review of the recoverability of trade and other receivables, the Group considered the need for a provision amounting to 458,457 thousand euros (675,000 thousand Australian dollars). This amount has been calculated based on the client backlog and takes into account the residual value of the risks by assessing their exposure due to possible non-recovery of outstanding receivables. The Group continues to maintain its right to collect for each project, taken individually, and undertakes to pursue the recovery of all outstanding amounts. This amount is included in the statement of financial position at 31 December 2014, reducing the amount in "Trade receivables for sales and services".

19.- Related party balances and transactions

The following information relating to transactions with related parties is disclosed in accordance with the Spanish Ministry of Economy and Finance Order EHA/3050/2004, of 15 September, and applied through the Spanish National Securities Market Commission.

Transactions between individuals, companies or Group entities related to Group shareholders or directors

The transactions performed during the 2014 financial year were as follows (in thousands of euros):

Related transactions 2014	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.	
Management or cooperation agreements	-	-	-	-	-	202	-	-	-	202	202
Leases	-	-	-	175	-	-	-	-	-	175	175
Reception of services	63	63	-	59	-	337	2,255	824	-	3,475	3,538
Other expenses	-	-	-	-	-	-	-	-	37,973	37,973	37,973
Expenses	63	63	-	234	-	539	2,255	824	37,973	41,825	41,888
Provision of services	1,743	1,743	3,056	-	246	-	3,292	-	-	3,538	8,337
Revenue	1,743	1,743	3,056	-	246	-	3,292	-	-	3,538	8,337

Related transactions 2014	Significant shareholders			Other related parties				Total
	Banca March	Grupo Iberostar	Total	Banco Sabadell	Lynx Capital, S.A.	Fidalsar, S.L.	Total	
Financing agreements: loans and capital contributions (lender)	36,180	-	36,180	765,135	-	-	765,135	801,315
Guarantees given	19,050	-	19,050	-	-	-	-	19,050
Dividends and other distributed profit	-	12,474	12,474	-	109	751	860	13,334
Other transactions	24,726	-	24,726	-	-	-	-	24,726

The transactions performed during the 2013 financial year were as follows (in thousands of euros):

Related transactions 2013	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	-	-	-	-	-	1,046	-	-	-	-	1,046	1,046
Leases	-	-	-	177	-	-	-	-	-	-	177	177
Reception of services	-	-	-	125	-	548	1,678	1,496	-	-	3,847	3,847
Other expenses	-	-	-	-	-	-	-	-	38,110	-	38,110	38,110
Expenses	-	-	-	302	-	1,594	1,678	1,496	38,110	-	43,180	43,180
Provision of services	553	553	257	-	384	-	2,362	-	-	-	2,746	3,556
Revenue	553	553	257	-	384	-	2,362	-	-	-	2,746	3,556

Related transactions 2013	Significant shareholders		Other related parties				
	Banca March	Total	Banco Sabadell	Lynx Capital, S.A.	Fidalsar, S.L.	Total	Total
Financing agreements: loans and capital contributions (lender)	52,630	52,630	750,534	-	-	750,534	803,164
Guarantees given	30,820	30,820	-	-	-	-	30,820
Dividends and other distributed profit	-	-	-	326	679	1,005	1,005
Other transactions	23,813	23,813	-	-	-	-	23,813

At 31 December 2014, the outstanding balance payable to Banca March for credit facilities and loans granted to ACS Group companies amounted to 31,397 thousand euros (47,812 thousand euros at 31 December 2013). The transactions being maintained at 31 December 2014, in accordance with the information available regarding ACS Group companies, amounted to 18,056 thousand euros (35,988 thousand euros at 31 December 2013) in guarantees, 24,042 thousand euros (14,079 thousand euros at 31 December 2013) in reverse factoring transactions to suppliers.

At 31 December 2014, the balance payable to Banco Sabadell amounted to 183,274 thousand euros (205,393 thousand euros at 31 December 2013) for loans and credit facilities granted to ACS Group companies. Accordingly, the transactions maintained by this bank at 31 December 2014, in accordance with the information available regarding ACS Group companies, amounted to 314,220 thousand euros (415,600 thousand euros at 31 December 2013) in guarantees and sureties, 23,451 thousand euros (16,858 thousand euros at 31 December 2013) in reverse factoring transactions to suppliers.

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. Banca March, as a financial entity, has carried out transactions which are normal in its business, such as the conceding of loans, the provision of guarantees and sureties for the tenders and execution of public works, and non-recourse factoring and confirming to the various companies of the ACS Group.

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 ACS Group companies as part of its business transactions. The ACS Group has also carried out air-conditioning activities in main hotels owned by Iberostar.

Rosán Inversiones, S.L. is disclosed as a result of its relationship with the Chairman and CEO of the Company, which holds a significant ownership interest through Inversiones Vesán, S.A.

The transactions with other 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 senior executives. In this regard, the transactions with Fidalsar, S.L., Terratest Técnicas Especiales, S.A., Fidwei Inversiones, S.L. and Lynx Capital, S.A. are listed due to the relationship of the director, Pedro Lopez Jimenez, with these companies. Transactions with Indra are listed due to its relationship with the director Javier Monzón. The transactions performed with the Zardoya Otis, S.A. are indicated due to its relationship with the director José María Loizaga. The transactions with Banco Sabadell are listed due the bank's relationship with the director Javier Echenique. The transactions with the insurance broker, March-JLT, S.A., are listed due to the company's

relationship with Banca March, although in this case the figures listed are intermediate premiums paid by ACS Group companies, rather than considerations for insurance brokerage services.

"Other transactions" includes all transactions not related to the specific sections included in the periodic public information reported in accordance with the regulations published by the CNMV. In the 2014 financial year, "Other transactions" relates exclusively to Banca March, since it is the main shareholder of Corporación Financiera Alba, S.A., which is a direct shareholder of the ACS Group. Banca March, as a financial institution, provides various financial services to ACS Group companies in the ordinary course of business amounting to a total 24,726 thousand euros (23,813 thousand euros in the 2013 financial year), and in this case they relate to the reverse factoring lines of credit for suppliers.

Directors and Management includes a housing construction contract between Dragados, S.A. and director Joan David Grimà Terré, signed in 2013, for which 3,055 thousand euros were paid in the 2014 financial year.

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 activities of the companies in terms of their company object and conditions. The transactions were carried out on an arm's length basis and they do not have to be disclosed to present fairly the equity, financial position and results of the operations of the Group.

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 2014 or 2013 financial years, in accordance with that indicated in Article 229 of the Spanish Limited Liability Companies Law.

20.- Board of Directors and senior executives

Remuneration of Directors

In the 2014 and 2013 financial years, the Board members of ACS, Actividades de Construcción y Servicios, S.A. received the following remuneration either as members of the boards of directors of the Parent and the Group companies or as senior executives of Group companies.

	Thousands of Euros	
	2014	2013
Fixed remuneration	3,972	3,961
Variable remuneration	4,019	4,006
By-law stipulated director's emoluments	3,404	2,825
Other	1	1
Total	11,396	10,793

In addition, in 2014 1,205 thousand (1,119 thousand euros in 2013) were charged to income as a result of the share options granted to members of the Board of Directors with executive posts. This amount relates to the proportion of the value of the plan at the date on which it was granted.

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

Other Benefits	Thousands of Euros	
	2014	2013
Pension funds and plans: contributions	1,798	1,805
Life insurance premiums	18	16

The amount recognised under "Pension funds and plans: Contributions" includes the portion relating to the payments made by the Company in the financial 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 2014 and 2013 financial years, excluding those who are simultaneously executive directors, was as follows:

	Thousands of Euros	
	2014	2013
Salaries (fixed and variable)	26,153	24,638
Pension Plans	1,628	1,599
Life insurance	34	29

The increase in remuneration between the periods is due to the increased number of executives in the Group. 6,157 thousand euros at 31 December 2014 (4,272 thousand euros at 31 December 2013) were charged to income as a result of the share options granted to the Group's senior executives, and were not recognised under "Total remuneration". Similarly, as indicated in the case of directors, the amounts relate to the proportion of the value of the plan on the date it was granted.

Stock option plans

At the request of the Appointments and Remuneration Committee in July 2014, the ACS Group agreed, in executing the resolution adopted by the shareholders at the Ordinary General Shareholders' Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 15 April 2010, to set up a share option plan for ACS, Actividades de Construcción y Servicios, S.A. shares (2014 Option Plan). The Plan is governed as follows:

- a. The number of shares subject to the Option Plan will be a maximum of 6,293,291 shares, of 0.50 euro par value each.
- b. The beneficiaries are 62 executives with options from 540,950 to 46,472.
- c. The acquisition price will be 33.8992 euros per share. In the event that a dilution takes place, said price will be modified accordingly.
- d. The options may be exercised in two equal parts, cumulative if the beneficiary so wishes, during the second and third years after 1 May 2014, inclusive. However, in the event that an employee is terminated without just cause or if it is the beneficiary's own will, the options may be exercised six months following the event in question in the cases of death, retirement, early retirement or permanent disability, and after 30 days in all other cases.
- e. Tax withholdings and taxes to be paid as a result of exercising the share option will be borne exclusively by the beneficiary.
- f. The commitments arising from this plan are hedged through a financial institution.

At its meeting held on 27 May 2010, the Executive Committee agreed to set up a share option plan, in keeping with the resolution adopted by the shareholders at the General Shareholders' Meeting held on 25 May 2009, and at the request of the Appointments and 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 with shares between 752,320 y 351,160; 8 managers with 92,940 shares; 16 managers with 69,708 shares and 28 managers with 46,472 shares
- Acquisition price: 34.155 euros per share

The options may be exercised in two equal parts, cumulative if the beneficiary so wishes, during the fourth and fifth years after 1 May 2010, inclusive. However, in the event that an employee is terminated without just cause or if it is the beneficiary's own will, the options may be exercised six months following the event in question in the cases of death, retirement, early retirement or permanent disability, and after 30 days in all other cases. Tax withholdings and the taxes to be paid as a result of exercising the share options will be borne exclusively by the beneficiaries. The method for exercising the option is settled through equity instruments. No option was exercised with regard to this Plan during the 2014 or 2013 financial years.

The commitments arising from these plans are hedged through financial institutions (see Note 11).

The market price of ACS shares at 31 December 2014 and 31 December 2013 was 28.97 euros and 25.020 euros per share, respectively.

Within the Hochtief Group there are also share-based payment 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 of these share option plans form part of the remuneration system for senior executives of Hochtief, and long-term incentive plans. The total amount provisioned for these share-based payment plans at 31 December 2014 is 11,766 thousand euros (20,095 thousand euros at 31 December 2013). The effect on the consolidated income statement in this connection for the 2014 and 2013 financial years 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.

21.- Explanation added for translation to English

These condensed consolidated financial statements are presented on the basis of IFRSs as adopted by the European Union. Certain accounting practices applied by the Group that conform with IFRSs may not conform with other generally accepted accounting principles.

APPENDIX I

CHANGES IN THE SCOPE OF CONSOLIDATION

Main companies included in the scope of consolidation are as follows:

Sertego, C.A.
 Semi Procoin
 ACS Actividades Finance 2 B.V.
 Binding Statement, S.A.
 Consorcio Constructor Piques y Túneles Línea 6 Metro, S.A.
 Grupo Cobra South Africa Proprietary Limited
 Conyblox Proprietary Limited
 Dankocom Pty, Ltd
 Drazigystix Pty, Ltd
 Turner/Top Grade/Flatiron
 Topgrade/Flatiron
 Topgrade/Flatiron/Gallagher
 Leighton Joint Venture
 Victoria Point Docklands Pty. Ltd.
 Fleetco Rentals No.1 Pty Ltd.
 Bachus Marsh JV
 Casey Fields JV
 Deer Park JV
 Henry Road Pakenham JV
 Leighton - Chun Wo JV
 Turramurra JV
 Leighton Abigroup Consortium (Epping to Thornleigh)
 Leighton OSE JV
 HTP Projekt 1 Verwaltungs GmbH
 Metro de Lima Línea 2, S.A.
 ACS Infrastructure Australia PTY LTD
 Serveis Educatius Cavall de Cartró, S.L.
 Sermicro do Brasil Servicos e Informática, Ltda.
 Ipar Imesapi, S.A.
 Maetel Japan KK
 Prince Contracting, LLC.
 Cobra Operaciones, S.A. de C.V.
 Cobra Recursos Administrativos, S.A. de C.V.
 Concesionaria Desaladora del Sur, S.A.
 Etra Eurasia Entegre Teknoloji Hizmetleri Ve Insaat Anonim Sirketi
 Consorcio Tempo Real Rio
 All Care (GB) Limited
 Flatiron-Blythe Development Company
 Turner-Kiewit JV
 Turner-SG Contracting
 Turner/Ozanne/VAA
 TMA JV III
 Turner-Acura-Lindahl
 Imatis Australia Pty. Ltd.
 Thiess - Ngarda JV
 Thiess Southbase JV
 Coleman Rail Pty. Ltd. & John Holland Pty. Ltd. (Activate)
 Colin Joss & Co Pty. Ltd. & John Holland Pty. Ltd.
 Edenbrook Estate
 John Holland Pty. Ltd. and Kellogg Brown & Root Pty. Ltd.
 Leighton Boral Amey NSW Pty. Ltd.
 Leighton Boral Amey QLD Pty. Ltd.
 Devine Building Management Services Pty Ltd

DoubleOne 3 Building Management Services Pty Ltd
 Lei Shun Employment Limited
 Leighton Africa Mozambique Limitada
 Emrail-Leighton Joint Venture
 Leighton Gbs Sdn. Bhd.
 Leighton Superannuation Pty. Ltd.
 Leighton Engineering Sdn Bhd
 Leighton Equity Incentive Plan Trust
 J.F. White Contracting Company
 ACS Infraestructuras Perú SAC
 Avio Soluciones Integradas, S.A.
 Divum Soluciones de Catering, S.A.
 Clever Airport Services, S.A.
 Koala Soluciones Educativas, S.A.
 Lirecan Servicios Integrales, S.A.
 ASON Electrónica Aeronautica, S.A.
 Petrointegral S.A.P.I. de C.V.
 Oilserv S.A.P.I. de C.V.
 Concesionaria Vial del Pacífico, S.A.S
 Ecisa Sice Spa
 ACSA
 Tecneira Solar
 OKS, Lda.
 CME Africa
 Procme Southern Africa do Sul
 CME Southern Africa do Sul
 Optic1
 Flatiron Constructors, Inc.-Blythe Development Company
 Flatiron-Zachry
 ZOB Beteiligungs GmbH
 HTP Projekt 9 (neun) GmbH & Co. KG
 HTP Projekt 10 (zehn) GmbH & Co. KG
 Copernicus B4 Sp.z o.o.
 Copernicus D3 Sp.z.o.o.
 Copernicus Roads Sp.z.o.o.
 Via Solutions Nord GmbH & Co. KG
 HOCHTIEF PPP Operations GmbH
 BAB A7 Neumünster-Hamburg Betriebsverwaltungsgesellschaft mbH
 Via Solutions Nord Service GmbH & Co. KG
 Consorcio Constructor ICIL - ICAFAL - DRAGADOS S.A.
 Consorcio CVV Ingetal Puerto Natales S.A.
 Tratamiento Integral de Residuos Zonzamas, S.A.U.
 Integra Mantenimiento, Gestión y Servicios Integrados Extremadura CEE, S.L.U.
 Heath Lodge Care Services, LTD
 Consorcio Tunel del Mar
 Avanzia S.A de C.V.
 Energia y Recursos Ambientales de Perú, S.A.
 Servicios Transportes Equipamientos Públicos, S.L.
 Esperanza Transmissora de Energia, S.A.
 Odoyá Transmissora de Energia, S.A.
 Masa Maroc s.a.r.l.
 Global Borealis, S.L.U.
 Portsmouth Gateway Group Holdco, L.L.C.
 Avanzia Ingenieria, S. A. de C. V.
 Comercial y Servicios Larco Bogota S.A.
 Comercial y Servicios Larco S.A.
 Comercial y Servicios Larco Bolivar S.A.S.
 Project SP sp.z o.o.
 Copernicus 5B Sp. z o.o.
 Copernicus B1 Sp. z o.o.

Copernicus D Sp. z o.o.
Copernicus Development Sp. z o.o.
Independent (Re)insurance Services S.A.
Contractors Reinsurance S.A.
Sukut/Flatiron JV
Turner Regency
The Provident Group, STV-Turner JV
A.C.N. 601 639 810 Pty Ltd
Leighton PPP Services NZ Limited
LNWR Pty Limited
LS NewCo Pty Ltd
LS Midco Pty Ltd
Pacific Partnerships Holdings Pty Ltd
Pacific Partnerships Investments Pty Ltd
Pacific Partnerships Pty Ltd
Sustaining Works Pty Limited
Thiess Contractors Canada Ltd
Leighton Group Property Services No.1 Pty Ltd
Queens Square Pty Ltd
Devine Projects (VIC) Pty Ltd
Devine SA Land Pty Ltd
Devine Woodforde Pty Ltd
Trafalgar EB Pty Ltd
Tribune SB Pty Ltd
Woodforde JV Pty Ltd
NRT - Infrastructure Joint Venture
Wellington Gateway General Partner No.1 Limited
Wellington Gateway Partnership No 1 Limited partnership
Wellington Gateway General Partner No.2 Limited
Wellington Gateway Partnership No 2 Limited partnership
Imatis Australia Pty. Ltd.
Thiess - Ngarda JV
LS HoldCo Pty. Ltd.
RTL JV
CHT Joint Venture
Leighton/HEB Joint Venture
Thiess Black and Veatch Joint Venture
Turramurra JV

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

Tecmed Environment, S.A.S.
Entaban Biocombustibles del Pirineo
Corfica 1, S.L.
Servicios Dinsa, S.A. de C.V.
Metro de Sevilla Sdad Conces Junta Andalucia, S.A.
HPAL Freehold Pty. Ltd.
Menette Pty. Limited
John Holland Veolia Water Australia Joint Venture (Hong Kong Sludge)
Leighton OSE Joint Venture - Indore
Leighton OSE Joint Venture - Agra
Aurelis Real Estate GmbH & Co. KG
Streif Baulogistik Österreich GmbH
HOCHTIEF PPP Schulpartner Köln P 1 GmbH & Co. KG
HOCHTIEF PPP Schulpartner Köln Rodenkirchen GmbH & Co. KG
HOCHTIEF PPP Schulpartner Frankfurt am Main GmbH & Co. KG
HOCHTIEF PPP Bundeswehrpartner FWK München GmbH & Co. KG
HOCHTIEF PPP 1. Holding GmbH & Co. KG
HOCHTIEF PPP 1. Holding Verwaltungsgesellschaft mbH

HOCHTIEF PPP Verwaltungs GmbH
HOCHTIEF PPP Schulpartner Köln Rodenkirchen Verwaltungs GmbH
HOCHTIEF PPP Schulpartner Frankfurt am Main Verwaltungs GmbH
HOCHTIEF PPP Bundeswehrpartner FWK München Verwaltungs GmbH
Dravo, S.A.
Beijing Citic Xinlong Contracting Co., Ltd.
HTP Projekt 1 (eins) GmbH & Co KG
BAB A7 Neumünster-Hamburg Autobahnverwaltungsgesellschaft mbH
HTP Projekt 1 Verwaltungs GmbH
North Parramatta No. 1 Pty. Ltd.
North Parramatta No. 1 Unit Trust
BGC & John Holland & Macmahon Joint Venture (Roy Hill Rail JV)
Leighton Kumagai JV (Route 9 - Eagle's Nest Tunnel)
Leighton Kumagai JV (Wanchai East & North Point Trunk Sewerage)
Inspire Schools Finance Pty Limited
Leighton Offshore Arabia Co. Ltd.
TMA JV III
Projektverwaltungsgesellschaft Mönchengladbach - Area of Sports mbH
Projektentwicklungsgesellschaft acht bis elf mbH i.L.
CONTUR Wohnbauentwicklung GmbH
CONTUR Wohnbauentwicklung und Projektsteuerung GmbH & Co. KG
Projektverwaltungsgesellschaft SEVERINS WOHNEN mbH
SEVERINS WOHNEN GmbH & Co. KG
RheinauArtOffice GmbH & Co. KG
ArtOffice GmbH
Uferpalais Verwaltungsgesellschaft mbH
Area of Sports mbH & Co. KG
Uferpalais Projektgesellschaft mbH & Co. KG
formart Beteiligungsverwaltungsgesellschaft mbH
Wohnpark Gießener Straße GmbH & Co. KG
formart Wilma Verwaltungsgesellschaft mbH
Projektentwicklungsgesellschaft Holbeinviertel mbH & Co. KG
The View Elbphilharmonie GmbH
formart Immobilien GmbH
HOCHTIEF Hamburg GmbH
ABG BEIVivo GmbH & Co. KG
Warenhaus Flensburg Verwaltungsgesellschaft mbH
WTS GmbH
Wohnentwicklung Theresienstraße GmbH & Co. KG
Objekt Hilde und Tom München GmbH & Co. KG
Flensburg Kaufhaus GmbH & Co. KG
Flensburg Parkhaus GmbH & Co. KG
Entreprise Générale de Construction HOCHTIEF-LUXEMBOURG
DURST-BAU GmbH
Immobilière de Hamm S.A.
HOCHTIEF Kirchberg Services S.A.
formart GmbH & Co. KG
formart Management GmbH
IMMOBILIENGESELLSCHAFT CSC (KIRCHBERG) S.A.
HOCHTIEF Property Management GmbH
CORUS Centermanagement GmbH
HOCHTIEF Asset Services GmbH
HOCHTIEF Global One GmbH
HOCHTIEF AirPort Athens Holding GmbH
Gestion Medioambiental de L'Anoia
Somec
Dragados Offshore de México KU-A2, S.A. DE C.V.
Sidetel S.A.

Empresa Mixta de Limpieza S.A.
 Servicios Selun S.A.
 Sice Do Brasil
 Consorcio Tempo Real Rio
 Itumbiara Marimbondo Ltda.
 Cachoeira Montages e Serviços, Ltda.
 Inotec
 Cobra-Udisport Conde de Guadalupe S.L.
 Via Solutions Thüringen GmbH & Co. KG
 Leighton Properties Resorts Pty Limited
 Leighton Property Development Pty Limited
 Kingscliff Resort Trust
 Chargepoint Pty Ltd
 Delron Cleaning Pty Ltd
 Delron Group Facility Services Pty Limited
 Leighton Services Australia Pty Limited
 Vision Hold Pty Limited
 Visionstream Australia Pty Limited
 Visionstream Pty Limited
 Visionstream Services Pty Limited
 Vytel Pty Limited
 Silcar New Caledonia SAS
 Silcar Pty Ltd
 Thiess Services Limited
 Thiess Services Pty Ltd
 JHG Mutual Limited
 John Holland (NZ) Ltd
 John Holland Group Pty Ltd
 John Holland Melbourne Rail Franchise Pty Ltd
 John Holland Pty Ltd
 John Holland Queensland Pty Ltd
 John Holland Rail Pty Ltd
 Fleetco Rentals No.1 Pty Ltd.
 Wellington Gateway General Partner No.2 Limited
 Wellington Gateway Partnership No 2 Limited partnership
 Vizag General Cargo Berth Ltd Private Limited2
 Aurum Partnership Pty Limited1
 Metro Trains Melbourne Pty Limited1
 Roche Thiess Linfox Joint Venture
 Hassall Street Pty. Ltd.
 Hassall Street Trust
 Green Square Consortium Pty. Ltd.
 Folkestone/Leighton JV Pty Ltd
 Brisbane Motorway Services Pty Limited
 Gateway Motorway Services Pty. Ltd.
 Infocus Infrastructure Management Pty. Ltd.
 Westlink (Services) Pty. Ltd.
 TSDI Pty. Ltd.
 Coleman Rail Pty. Ltd. & John Holland Pty. Ltd. & York Civil Pty. Ltd. JV (Trackworks Upgrade Adelaide)
 Coleman Rail Pty. Ltd. & John Holland Pty. Ltd. JV (Rail Revitalisation Project, SA)
 Conneq Infrastructure Services (Australia) Pty Ltd and John Holland Pty Ltd
 Cotter Googong Bulk Transfer JV
 Hazell Brothers John Holland JV
 Holland York JV
 JM JV
 JM JV SIA JV
 John Holland Abigroup Contractors JV (Coffs Infrastructure)

John Holland BRW JV
John Holland Coleman Rail JV
John Holland Colin Joss JV
John Holland Downer EDI Engineering Power Joint Venture
John Holland Downer EDI JV
John Holland Macmahon Joint Venture (Bell Bay)
John Holland MacMahon JV (Roe and Tonkin Highways)
John Holland Macmahon JV (Ross River Dam)
John Holland McConnell Dowell JV
John Holland Thames Water JV
John Holland United Group Infrastructure Joint Venture
Rail Link Joint Venture
BJB JV
Leighton Monnis Infrastructure JV LLC
Leighton Boral Amey NSW Pty Limited¹
Leighton Boral Amey QLD Pty Limited¹
Abigroup Contractors Pty Ltd & Coleman Rail Pty Ltd & John Holland Pty Ltd (Integrate Rail JV)
Coleman Rail Pty Ltd & John Holland Pty Ltd & York Civil Pty Ltd Joint Venture (Tracksure Rail Upgrade)¹
Coleman Rail Pty Ltd & John Holland Pty Ltd (Activate)¹
Colin Joss & Co Pty Ltd & John Holland Pty Ltd¹
Degremont Thiess Services Joint Venture
GHD & John Holland Joint Venture (Perth City Link Rail Alliance)¹
John Holland & Leed & Macmahon Joint Venture (Urban Superway) ¹
John Holland & Leed Engineering Joint Venture (NIAW) ¹
John Holland & UGL Joint Venture (Murrumbidgee Irrigation) ¹
John Holland Abigroup Contractors Joint Venture (Bulk Water) ¹
John Holland Fairbrother Joint Venture¹
John Holland Fulton Hogan Joint Venture¹
John Holland Laing O'Rourke & NRW Joint Venture¹
John Holland Laing O'Rourke Joint Venture¹
John Holland Pty Ltd & Bouygues Travaux Publics (Glenfield Junction Alliance) ¹
John Holland Pty Ltd & Bouygues Travaux Publics (North Strathfield Rail Underpass Alliance) ¹
John Holland Pty Ltd & Lend Lease Project Management & Construction (Australia) Pty Limited
John Holland Pty Ltd & Pindan Contracting Pty Ltd
John Holland Pty Ltd And Kellogg Brown & Root Pty Ltd
John Holland Tenix Alliance Joint Venture¹
John Holland Veolia Water Australia Joint Venture (Blue Water)¹
John Holland Veolia Water Australia Joint Venture (Gold Coast Desalination Plant) ¹
Leighton Boral Amey NSW Joint Venture
Leighton Boral Amey QLD Joint Venture
Thiess Services and South Eastern Water