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

Interim Condensed Consolidated Financial Statements and Interim Consolidated Directors' Report for the six-month period ended 30 June 2015, together with Report on Limited Review

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

Deloitte.

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REPORT ON LIMITED REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

Report on the interim condensed consolidated financial statements

Introduction

We have performed a limited review of the accompanying interim condensed consolidated financial statements ("the interim financial statements") of ACS, Actividades de Construcción y Servicios, S.A. ("the Parent") and Subsidiaries ("the Group"), which comprise the condensed consolidated statement of financial position at 30 June 2015, the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and explanatory notes thereto for the six-month period then ended. The Parent's directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial information, in conformity with Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of the review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of the persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with the audit regulations in force in Spain and, consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

As a result of our limited review, which under no circumstances may be considered an audit of financial statements, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2015 were not prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, in conformity with Article 12 of Royal Decree 1362/2007, for the preparation of condensed interim financial statements.

Emphasis of matter paragraph

We draw attention to Note 1-a to the accompanying interim financial statements, which indicates that the aforementioned accompanying interim financial statements do not include all the information that would be required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and, therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2014. This matter does not qualify our conclusion.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Report on other legal and regulatory requirements

The accompanying interim consolidated directors' report for the six-month period ended 30 June 2015 contains the explanations which the Parent's directors consider appropriate about the significant events which took place in this period and their effect on the interim financial statements presented, of which it does not form part, and about the information required pursuant to Article 15 of Royal Decree 1362/2007. We have checked that the accounting information in the interim consolidated directors' report is consistent with that contained in the interim financial statements for the six-month period ended 30 June 2015. Our work was confined to checking the interim directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries.

Other matters paragraph

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

DELOITTE, S.L.

Ignacio Alcaraz Elorrieta
31 July 2015

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

Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2015

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 30 JUNE 2015

ASSETS	Note	Thousands of Euros	
		30/06/2015	31/12/2014
		(*)	
NON-CURRENT ASSETS		**13,788,802**	**14,000,876**
Intangible assets	2	**4,588,001**	**4,620,123**
Goodwill		2,922,654	2,894,222
Other intangible assets		1,665,347	1,725,901
Tangible assets - property, plant and equipment	3	**2,522,567**	**2,499,928**
Non-current assets in projects	4	**746,678**	**753,143**
Investment property		**62,228**	**62,207**
Investments accounted for using the equity method	5	**1,652,418**	**1,231,256**
Non-current financial assets	6	**1,838,539**	**2,227,705**
Long term cash collateral deposits	11	**85,922**	**404,180**
Derivative financial instruments	11	**17,364**	**6,414**
Deferred tax assets	12	**2,275,085**	**2,195,920**
CURRENT ASSETS		**22,622,296**	**25,319,859**
Inventories	7	**1,578,706**	**1,522,355**
Trade and other receivables		**11,949,783**	**12,719,329**
Trade receivables for sales and services		10,036,718	9,869,610
Other receivable		1,520,237	1,409,856
Receivables from the sale of discontinued operations		-	1,108,112
Current tax assets		392,828	331,751
Other current financial assets	6	**2,156,836**	**1,892,686**
Derivative financial instruments	11	**3,907**	**34,010**
Other current assets		**193,188**	**162,206**
Cash and cash equivalents		**5,545,907**	**5,167,139**
Non-current assets held for sale and discontinued operations	1.f)	**1,193,969**	**3,822,134**
TOTAL ASSETS		**36,411,098**	**39,320,735**

(*) Unaudited

The accompanying notes 1 to 21 and Appendice I are an integral part of the consolidated statement of financial position at 30 june 2015.

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 Nctes 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 30 JUNE 2015

EQUITY AND LIABILITIES	Note	Thousands of Euros	
		30/06/2015	31/12/2014
		(*)	
EQUITY	8	**5,530,404**	**4,897,888**
SHAREHOLDERS' EQUITY		**3,616,454**	**3,451,843**
Share capital		**157,332**	**157,332**
Share premium		**897,294**	**897,294**
Reserves		**2,363,200**	**1,881,249**
(Treasury shares and equity interests)		**(208,394)**	**(201,122)**
Profit for the period of the parent		**407,022**	**717,090**
ADJUSTMENTS FOR CHANGES IN VALUE		**(26,119)**	**(418,331)**
Available-for-sale financial assets		**104,735**	**65,760**
Hedging instruments		**(312,914)**	**(532,015)**
Exchange differences		**182,060**	**47,924**
EQUITY ATTRIBUTED TO THE PARENT		**3,590,335**	**3,033,512**
NON-CONTROLLING INTERESTS		**1,940,069**	**1,864,376**
NON-CURRENT LIABILITIES		**11,069,870**	**9,534,953**
Grants		**58,936**	**59,745**
Non- current provisions	9	**1,600,698**	**1,763,509**
Non-current financial liabilities	10	**7,741,539**	**6,090,901**
Bank borrowings, debt instruments and other marketing securities		7,031,970	5,386,591
Project finance with limited recourse		485,411	491,308
Other financial liabilities		224,158	213,002
Derivative financial instruments	11	**84,906**	**196,758**
Deferred tax liabilities	12	**1,424,690**	**1,268,739**
Other non-current liabilities		**159,101**	**155,301**
CURRENT LIABILITIES		**19,810,824**	**24,887,894**
Current provisions		**1,051,304**	**1,342,220**
Current financial liabilities	10	**3,555,490**	**6,203,509**
Bank borrowings, debt , and other held-for-trading liabilities		3,430,756	5,669,702
Project finance with limited recourse		73,447	491,389
Other financial liabilities		51,287	42,418
Derivative financial instruments	11	**126,726**	**78,258**
Trade and other payables		**13,759,699**	**13,962,196**
Suppliers		8,351,762	7,988,149
Other payables		5,097,895	5,725,181
Current tax liabilities		310,042	248,866
Other current liabilities		**538,612**	**411,064**
Liabilities relating to non-current assets held for sale and discontinued operations	1.f)	**778,993**	**2,890,647**
TOTAL EQUITY AND LIABILITIES		**36,411,098**	**39,320,735**

(*) Unaudited

The accompanying notes 1 to 21 and Appendice I are an integral part of the consolidated statement of financial position at 30 june 2015.

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 INCOME STATEMENT
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015

	Note	Thousands of Euros	
		30/06/2015	30/06/2014
		(*)	(**)
REVENUE	13	**17,860,385**	**16,971,910**
Changes in inventories of finished goods and work in progress		23,138	33,258
Capitalised expenses of in-house work on assets		6,888	4,443
Procurements		(11,197,667)	(11,224,519)
Other operating income		200,722	227,566
Staff costs		(4,108,915)	(3,563,242)
Other operating expenses		(1,545,979)	(1,289,794)
Depreciation and amortisation charge		(387,461)	(403,479)
Allocation of grants relating to non-financial assets and others		3,179	2,805
Impairment and gains on the disposal of non-current assets		(10,273)	14,379
Other profit or loss	18	(49,233)	2,123
OPERATING INCOME		**794,784**	**775,450**
Finance income	14	127,234	174,153
Financial costs		(434,964)	(529,363)
Changes in the fair value of financial instruments	17	39,829	110,404
Exchange differences		20,458	15,840
Impairment and gains or losses on the disposal of financial instruments	16	182,606	36,676
FINANCIAL RESULT		**(64,837)**	**(192,290)**
Results of companies accounted for using the equity method	5	34,742	52,397
PROFIT BEFORE TAX		**764,689**	**635,557**
Income tax	12	(249,166)	(194,069)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**515,523**	**441,488**
Profit after tax from discontinued operations	1.f) (***)	-	54,833
PROFIT FOR THE PERIOD		**515,523**	**496,321**
Profit attributed to non-controlling interests		(108,501)	(66,777)
Profit from discontinued operations attributable to non-controlling interests		-	(34,617)
PROFIT ATTRIBUTABLE TO THE PARENT		**407,022**	**394,927**

(***) Profit after tax from discontinued operations attributable to non-controlling interests	1.f)	-	20,216

EARNINGS PER SHARE		Euros per share	
		30/06/2015	30/06/2014
Basic earnings per share	1.n)	1.32	1.27
Diluted earnings per share	1.n)	1.30	1.25
Basic earnings per share from discontinued operations	1.n)	-	0
Basic earnings per share from continuing operations	1.n)	1.32	1.20
Diluted earnings per share from discontinued operations	1.n)	-	0
Diluted earnings per share from continuing operations	1.n)	1.30	1.19

(*) Unaudited

(**) Restated unaudited

The accompanying notes 1 to 21 and Appendix I are an integral part of the consolidated statement of financial position at 30 June 2015.

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 SIX-MONTH PERIOD ENDED 30 JUNE 2015

	Thousands of Euros					
	30/06/2015 (*)			30/06/2014 (**)		
	Of the Parent	Of non-controlling Interests	Total	Of the Parent	Of non-controlling interests	Total
A) Total consolidated profit	**407,022**	**108,501**	**515,523**	**394,927**	**101,394**	**496,321**
Profit/(Loss) from continuing operations	407,022	108,501	515,523	374,711	66,777	441,488
Profit/(Loss) from discontinued operations	-	-	-	20,216	34,617	54,833
B) Income and expenses recognised directly in equity	**161,931**	**97,763**	**259,694**	**32,780**	**58,857**	**91,637**
Measurement of financial instruments	54,864	9,553	64,417	191,711	8,551	200,262
Cash flow hedges	(24,727)	2,232	(22,495)	(171,608)	(11,543)	(183,151)
Exchange differences	134,470	82,712	217,182	52,903	72,394	125,297
Arising from actuarial profit and loss and losses (***)	16,020	9,543	25,563	(21,088)	(15,515)	(36,603)
Tax effect	(18,696)	(6,277)	(24,973)	(19,138)	4,970	(14,168)
C) Transfers to profit or loss	**241,818**	**3,533**	**245,351**	**17,967**	**842**	**18,809**
Measurement of financial instruments	-	-	-	-	-	-
Cash flow hedges	332,820	3,737	336,557	22,783	842	23,625
Exchange differences	(334)	(204)	(538)	-	-	-
Tax effect	(90,668)	-	(90,668)	(4,816)	-	(4,816)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**810,771**	**209,797**	**1,020,568**	**445,674**	**161,093**	**606,767**

(*) Unaudited

(**) Restated unaudited

(***) The only item of income and expense recognized directly in equity which cannot be subsequently subject to transfer to the income statement is the one corresponding to actuarial profit and losses.

The accompanying notes 1 to 21 and Appendix I are an integral part of the consolidated statement of comprehensive income at 30 June 2015.

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 SIX-MONTH PERIOD ENDED 30 JUNE 2015

	Thousands of Euros								
	Share capital	Share premium	Retained earnings and other reserves	Treasury shares	Valuation adjustments	Profit/(Loss) attributed to the Parent	Interim dividend	Non-controlling interests	TOTAL
Balance at 31 December 2013	**157,332**	**897,294**	**2,111,618**	**(64,958)**	**(534,914)**	**701,541**	**-**	**2,220,995**	**5,488,908**
Income/(expenses) recognised in equity	-	-	(15,428)	-	66,175	394,927	-	161,093	**606,767**
Capital increases/(reductions)									
Stock options	-	-	1,244	-	-	-	-	-	**1,244**
Distribution of profit from the prior year	-	-	(222,468)	-	-	-	-	-	**(222,468)**
To reserves	-	-	701,541	-	-	(701,541)	-	-	**-**
2013 acquisition of bonus issue rights	-	-	(222,468)	-	-	-	-	-	**(222,468)**
Remaining allotment rights from 2013 accounts									
To dividends	-	-	-	-	-	-	-	(61,297)	**(61,297)**
Treasury shares	(1,281)	-	(58,532)	(27,042)	-	-	-	-	**(86,855)**
Change in listed investees as a result of actuarial and other gains	-	-	2,478	-	-	-	-	-	**2,478**
Additional ownership interest in controlled entities									
Change in the scope of consolidation and other effects of a lesser amount	-	-	(5,265)	-	-	-	-	(43,345)	**(48,610)**
Balance at 30 June 2014	**157,332**	**897,294**	**2,307,415**	**(92,000)**	**(468,739)**	**394,927**	**-**	**1,813,665**	**5,009,894**

	Thousands of Euros (*)								
	Share capital	Share premium	Retained earnings and other reserves	Treasury shares	Valuation adjustments	Profit/(Loss) attributed to the Parent	Interim dividend	Non-controlling interests	TOTAL
Balance at 31 December 2014	**157,332**	**897,294**	**1,881,249**	**(201,122)**	**(418,331)**	**717,090**	**-**	**1,864,376**	**4,897,888**
Income/(expenses) recognised in equity	-	-	11,538	-	392,212	407,022	-	209,796	**1,020,568**
Capital increases/(reductions)	1,308	-	(1,308)	-	-	-	-	-	**-**
Stock options	-	-	4,588	-	-	-	-	-	**4,588**
Distribution of profit from the prior year	-	-	-	-	-	-	-	-	**-**
To reserves	-	-	717,090	-	-	(717,090)	-	-	**-**
2014 acquisition of bonus issue rights	-	-	(221,209)	-	-	-	-	-	**(221,209)**
Remaining allotment rights from 2014 accounts	-	-	84,303	-	-	-	-	-	**84,303**
Treasury shares	-	-	-	-	-	-	-	(104,402)	**(104,402)**
Change in listed investees as a result of actuarial and other gains	(1,308)	-	(73,593)	(7,272)	-	-	-	-	**(82,173)**
Additional ownership interest in controlled entities	-	-	(30,342)	-	-	-	-	(18,489)	**(48,831)**
Additional ownership interest in controlled entities	-	-	(9,116)	-	-	-	-	(11,212)	**(20,328)**
Balance at 30 June 2015	**157,332**	**897,294**	**2,363,200**	**(208,394)**	**(26,119)**	**407,022**	**-**	**1,940,069**	**5,530,404**

The accompanying notes 1 to 21 and Appendice I are an integral part of the statement of changes in consolidated equity at 30 June 2015.

(*) 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 CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015

		Thousands of Euros	
		30/06/2015	31/12/2014
		(*)	(**)
A)	**CASH FLOWS FROM OPERATING ACTIVITIES**	**42,780**	**(687,680)**
1.	**Profit/(Loss) before tax**	**764,689**	**635,557**
2.	**Adjustments for:**	**392,300**	**658,185**
	Depreciation and amortisation charge	387,461	403,479
	Other adjustments to profit (net) (Note 1.j)	4,839	254,706
3.	**Changes in working capital**	**(576,981)**	**(1,559,465)**
4.	**Other cash flows from operating activities:**	**(537,228)**	**(421,957)**
	Interest payable	(466,428)	(525,524)
	Dividends received	80,270	93,882
	Interest received	99,013	103,927
	Income tax payment/proceeds	(250,083)	(94,242)
B)	**CASH FLOWS FROM INVESTING ACTIVITIES**	**866,189**	**(274,626)**
1.	**Investment payables:**	**(930,344)**	**(630,113)**
	Group companies, associates and business units	(424,782)	(74,440)
	Property, plant and equipment, intangible assets and property investments	(384,427)	(450,379)
	Other financial assets	(79,012)	(87,177)
	Other assets	(42,123)	(18,117)
2.	**Divestment:**	**1,796,533**	**355,487**
	Group companies, associates and business units	1,040,085	246,444
	Property, plant and equipment, intangible assets and investment property	746,146	101,434
	Other financial assets	9,874	7,592
	Other assets	428	17
C)	**CASH FLOWS FROM FINANCING ACTIVITIES**	**(646,645)**	**729,645**
1.	**Equity instrument proceeds (and payment):**	**(128,711)**	**(831,868)**
	Acquisition	(144,580)	(848,213)
	Disposal	15,869	16,345
2.	**Liability instrument proceeds (and payment):**	**(361,671)**	**1,683,305**
	Issue	4,056,170	3,190,272
	Refund and repayment	(4,417,841)	(1,506,967)
3.	**Dividends paid and remuneration relating to other equity instruments:**	**(158,372)**	**(173,476)**
4.	**Other cash flows from financing activities:**	**2,109**	**51,684**
	Other financing activity proceeds and payables:	2,109	51,684
D)	**EFFECT OF CHANGES IN EXCHANGE RATES**	**116,444**	**65,723**
E)	**NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**	**378,768**	**(166,938)**
F)	**CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR**	**5,167,139**	**3,923,960**
G)	**CASH AND CASH EQUIVALENTS AT END OF THE YEAR**	**5,545,907**	**3,757,022**

1. CASH FLOWS FROM OPERATING ACTIVITIES	-	(186,860)
2. CASH FLOWS FROM INVESTING ACTIVITIES	-	(13,278)
3. CASH FLOWS FROM FINANCING ACTIVITIES	-	(2,628)
CASH FLOWS FROM DISCONTINUED OPERATIONS	-	**(202,766)**

CASH AND CASH EQUIVALENTS AT YEAR END

Cash and banks	4,982,854	3,238,665
Other financial assets	563,053	518,357
TOTAL CASH AND CASH EQUIVALENTS AT YEAR END	**5,545,907**	**3,757,022**

(*) Unaudited

(**) Restated unaudited

The accompanying notes 1 to 21 and Appendix I are an integral part of the consolidated statement of cash flows at 30 June 2015.

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

Explanatory Notes to the Six-Monthly Condensed Consolidated Financial Statements for the Six-Month Period Ended 30 June 2015

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 Corporations Law (*Ley de sociedades de capital*), and its registered office is at Avda. 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, the environment, concessions and energy. The Company is therefore obliged to prepare, in addition to its own separate financial statements, the consolidated financial statements for the ACS Group, which include the subsidiaries, interests in joint ventures and investments in associates.

a) Basis of presentation and principles for consolidation

- *Basis of presentation*

The six-monthly condensed consolidated financial statements of ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries (hereinafter, the ACS Group) for the six-month period ended 30 June 2015 were approved by the directors of the Parent at its Board of Directors meeting held on 31 July 2015, and were prepared using the accounting records kept by the Parent and the other companies within the ACS Group.

The directors approved the six-monthly condensed consolidated financial statements based on the presumption that anyone who reads them will also have access to the consolidated financial statements for the year ended 31 December 2014 prepared in accordance with International Financial Reporting Standards (IFRSs), which were authorised for issue on 24 March 2015 and approved by the shareholders at the General Shareholders' Meeting held on 28 April 2015. 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 profit or loss statement 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 profit or loss statement and financial position at 30 June 2015, 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 six-month period ended 30 June 2015 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 the preparation of the ACS Group's consolidated financial statements for the six-month period ended 30 June 2015 estimates were occasionally 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 annual period ended 31 December 2014:

- 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 fair value of the derivatives (such as equity swaps, put spreads, etc.)
- The useful life of intangible assets and property, plant and equipment.
- The recovery of deferred tax assets.
- The financial risk management.
- The income tax expense which, in accordance with IAS 34, is recognised in interim periods based on the best estimate of the weighted average tax rate expected by the Group for the annual period.

Although these estimates were made using the best information available on the date when these six-monthly 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*

The bases of consolidation applied in the first quarter of 2015 are consistent with those applied in the consolidated financial statements for 2014.

b) Entry into force of new accounting standards

In 2015 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 six-monthly condensed consolidated financial statements:

(1) ***New standards, amendments and interpretations whose application is mandatory in the year beginning 1 January 2015:***

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)	Interpretation regarding when to recognise a liability for a levy imposed by a government.	17 June 2014 (1)
Improvements to IFRSs, 2011-2013 Cycle (published in December 2013)	Amendment to IFRS 3 - Business Combinations: Scope exceptions for joint ventures, amendment to IFRS 13 - Fair Value Measurement: Scope of paragraph 52 (portfolio exception) and amendment to IAS 40 Clarifying the interrelationship of IFRS 3 Business Combinations and IAS 40 Investment Property.	1 January 2015 (2)

(1) The European Union endorsed IFRIC 21 (Official Journal of the EU of 14 June 2014), amending the original effective date established by the IASB (1 January 2014) to 17 June 2014.

(2) The IASB effective date for this standard was 1 July 2014.

Application of the aforementioned new standard did not have a significant impact on the ACS Group.

(2) ***New standards, amendments and interpretations whose application is mandatory subsequent to the calendar year beginning 1 January 2015 (applicable from 2016 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 entered into force, either because the date they were to enter into force was 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		
Amendment to IAS 19 – Employee contributions to defined benefit plans (published in November 2013)	The amendment was issued to facilitate the possibility of deducting these contributions from the cost of the service in the same period in which they are paid if they meet certain requirements.	1 February 2015 (1)
Improvements to IFRSs, 2010-2012 Cycle (published in December 2013)	Minor amendments to certain standards.	
Not approved for use in the European Union		
IFRS 15 Revenue from contracts with customers (published in May 2014)	New revenue recognition standard (replacing IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31)	1 January 2017 (2)
IFRS 9 - Financial instruments (final phase published in July 2014)	Replaces the classification, measurement, recognition and derecognition requirements for financial assets and financial liabilities, hedge accounting and impairment of IAS 30.	1 January 2018
Amendments to IAS 16 and IAS 38 – Acceptable methods of depreciation and amortisation (published in May 2014)	Clarification of acceptable methods of depreciation and amortisation of property, plant and equipment and intangible assets, not including those based on revenue.	1 January 2016
Amendment to IFRS 11 – Accounting for acquisitions of interests in joint operations (published in May 2014)	Specifies how to account for acquisitions of interests in a joint operation that is a business.	1 January 2016
Improvements to IFRSs, 2012-2014 Cycle (published in September 2014)	Minor amendments to certain standards.	1 January 2016
Amendments to IFRS 10 and IAS 28 – Sales or contributions of assets between an investor and its associate/joint venture (published in September 2014)	Clarification regarding whether the gain or loss resulting from these transactions are businesses or assets.	1 January 2016
Amendment to IAS 27 – Equity method in separate financial statements (published in August 2014)	Will allow entities to use the equity method to account in the separate financial statements of an investor.	1 January 2016
Amendments to IAS 16 and IAS 41: Bearer plants (published in June 2014)	Bearer plants will be measured at cost, rather than fair value.	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28: Investment entities (December 2014)	Clarifications regarding the exemption from consolidation for investment entities.	1 January 2016
Amendments to IAS 1: Disclosure initiative (December 2014)	Various clarifications regarding disclosures (materiality, aggregation, order of notes, etc.)	1 January 2016

(1) The IASB effective date for this standard was 1 July 2014.
(2) In May 2015 the IASB issued a proposal to defer the effective date of IFRS 15 for one year until 1 January 2018 It has yet to be formally approved.

The Group is in the process of analysing the impact of these standards, however they are not expected to be significant.

c) Contingent assets and liabilities

In the first six months of 2015 there were no significant changes in the Group's main assets and contingent liabilities.

d) Correction of errors

No correction of any significant error has been made in the six-monthly condensed consolidated financial statements for the six-month period ended 30 June 2015.

e) Comparative Information

The information contained in these condensed consolidated financial statements for the first six months of 2014 and/or at 31 December 2014 is presented solely for the purposes of comparison with the information for the six-month period ended 30 June 2015. This comparative information is affected by the consideration as a discontinued operation of the business of John Holland and of Thiess Services & Leighton Contractors ("Services"), both investees as of 30 June 2014 of Cimic (formerly, Leighton and a subsidiary of Hochtief), sold in December 2014, as explained in section f) of this Note, which resulted in the application of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. Given that they were significant business lines (approximately 10%

of the Group's net revenue) located in Australia, the Group deemed it appropriate to recognise the aforementioned operations as discontinued in said year.

In accordance with IFRS 5 the following actions were taken:

a) All of the items in the profit or loss statement were reclassified and are presented as a single line item "Profit/(loss) after tax and non-controlling interests from discontinued operations", the entire contribution to net profit after tax and non-controlling interests.
b) The impact of the discontinued operation on the six-month period ended 30 June 2014 is broken down in the consolidated cash flow statement and the notes.

As a result of that explained in the preceding paragraphs, the impact of the aforementioned reclassifications is detailed in the note on the discontinued operations. However, this situation had no effect on the statement of financial position at 31 December 2014.

The explanatory notes include an account of events or changes that might appear significant in explaining changes in the financial position and profit or loss statement of the ACS Group since the date of the above-mentioned consolidated financial statements.

The effect of the sale of the business of John Holland and of Thiess Services & Leighton Contractor (Services) being considered a discontinued operation on the consolidated profit or loss statement at 30 June 2014 in the first six months of 2014 is as follows:

	Thousands of Euros		
	30/06/2014 Restated	Discontinued operations (John Holland and the Service Business)	30/06/2014
REVENUE	**16,971,910**	**(1,786,964)**	**18,758,874**
Changes in inventories of finished goods and work in progress	33,258	-	33,258
Capitalised expenses of in-house work on assets	4,443	-	4,443
Procurements	(11,224,519)	1,208,743	(12,433,262)
Other operating income	227,566	-	227,566
Staff costs	(3,563,242)	405,164	(3,968,406)
Other operating expenses	(1,289,794)	64,840	(1,354,634)
Depreciation and amortisation charge	(403,479)	28,715	(432,194)
Allocation of grants relating to non-financial assets and other	2,805	-	2,805
Impairment and gains on the disposal of non-current assets	14,379	(289)	14,668
Other profit or loss	2,123	-	2,123
OPERATING INCOME	**775,450**	**(79,791)**	**855,241**
Finance income	174,153	(175)	174,328
Finance costs	(529,363)	350	(529,713)
Changes in the fair value of financial instruments	110,404	-	110,404
Exchange differences	15,840	-	15,840
Impairment and gains on the disposal of non-current assets	36,676	-	36,676
FINANCIAL PROFIT /LOSS	**(192,290)**	**175**	**(192,465)**
Results of companies accounted for using the equity method	52,397	(3,968)	56,365
PROFIT BEFORE TAX	**635,557**	**(83,584)**	**719,141**
Corporate income tax	(194,069)	28,751	(222,820)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**441,488**	**(54,833)**	**496,321**
Profit after tax from discontinued operations	54,833	54,833	-
PROFIT FOR THE YEAR	**496,321**	**-**	**496,321**
Profit attributed to non-controlling interests	(66,777)	34,617	(101,394)
Profit from discontinued operations attributed to non-controlling interests	(34,617)	(34,617)	-
PROFIT ATTRIBUTABLE TO THE PARENT	**394,927**	**-**	**394,927**

The effect of the discontinued operations on the consolidated statement of cash flows at 30 June 2014 is as follows:

		Thousands of Euros		
		30/06/2014 Restated	Discontinued operations (John Holland and the Service Business)	30/06/2014
A)	**CASH FLOWS FROM OPERATING ACTIVITIES**	**(687,680)**	-	**(687,680)**
1.	**Profit/(Loss) before tax**	**635,557**	**(83,584)**	**719,141**
2.	**Adjustments for:**	**658,185**	**87,376**	**570,809**
	Depreciation and amortisation charge	403,479	(28,715)	432,194
	Other adjustments to profit (net)	254,706	116,091	138,615
3.	**Changes in working capital**	**(1,559,465)**	**(3,966)**	**(1,555,499)**
4.	**Other cash flows from operating activities:**	**(421,957)**	**174**	**(422,131)**
	Interest payable	(525,524)	350	(525,874)
	Dividends received	93,882	-	93,882
	Interest received	103,927	(175)	104,102
	Income tax payment/proceeds	(94,242)	(1)	(94,241)
B)	**CASH FLOWS FROM INVESTING ACTIVITIES**	**(274,626)**	-	**(274,626)**
1.	**Investment payables:**	**(630,113)**	-	**(630,113)**
	Group companies, associates and business units	(74,440)	-	(74,440)
	Property, plant and equipment, intangible assets and property investments	(450,379)	-	(450,379)
	Other financial assets	(87,177)	-	(87,177)
	Other assets	(18,117)	-	(18,117)
2.	**Divestment:**	**355,487**	-	**355,487**
	Group companies, associates and business units	246,444	-	246,444
	Property, plant and equipment, intangible assets and investment property	101,434	-	101,434
	Other financial assets	7,592	-	7,592
	Other assets	17	-	17
C)	**CASH FLOWS FROM FINANCING ACTIVITIES**	**729,645**	-	**729,645**
1.	**Equity instrument proceeds (and payment):**	**(831,868)**	-	**(831,868)**
	Acquisition	(848,213)	-	(848,213)
	Disposal	16,345	-	16,345
2.	**Liability instrument proceeds (and payment):**	**1,683,305**	-	**1,683,305**
	Issue	3,190,272	-	3,190,272
	Refund and repayment	(1,506,967)	-	(1,506,967)
3.	**Dividends paid and remuneration relating to other equity instruments:**	**(173,476)**	-	**(173,476)**
4.	**Other cash flows from financing activities:**	**51,684**	-	**51,684**
	Other financing activity proceeds and payables:	51,684	-	51,684
D)	**EFFECT OF CHANGES IN EXCHANGE RATES**	**65,723**	-	**65,723**
E)	**NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**	**(166,938)**	-	**(166,938)**
F)	**CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR**	**3,923,960**	-	**3,923,960**
G)	**CASH AND CASH EQUIVALENTS AT END OF THE YEAR**	**3,757,022**	-	**3,757,022**

CASH AND CASH EQUIVALENTS AT YEAR END

Cash and banks	3,238,665	-	3,238,665
Other financial assets	518,357	-	518,357
TOTAL CASH AND CASH EQUIVALENTS AT YEAR END	**3,757,022**	-	**3,757,022**

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

Non-current assets held for sale

30 June 2015

At 30 June 2015 the non-current assets held for sale relate mainly to certain assets corresponding to the renewable energies and transmission lines business which are included under the Industrial Services business segment and the assets of PT Thiess Contractors in Indonesia which originated from Hochtief which are included under the Construction business segment. In addition to the aforementioned assets and liabilities, certain immaterial assets and liabilities held for sale from among those of the ACS Group companies are also included as non-current assets and liabilities relating to non-current assets held for sale.

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. It is worth noting that the renewable assets, which were classified as held for sale at 30 June 2015, were held in this category for a period of over twelve months. However, they were not sold due to certain circumstances, which at the time of their classification were not likely, mainly related 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 applying the one-year period as the maximum period for classifying an asset as held for sale if during said period circumstances arise which were previously considered unlikely (as is the case with the aforementioned regulatory changes), the non-current assets are being actively marketed at a price that is reasonable, the requirements related to management commitment are met and it is highly probable that the sale will occur within one year from the balance sheet date.

The breakdown of the main assets and liabilities held for sale at 30 June 2015 is as follows:

	Thousands of Euros			
	30/06/2015			
	Renewable energy	PT Thiess Constractors Indonesia	Other	Total
Tangible assets - property, plant and equipment	34	59,043	29,224	88,301
Intangible assets	19,630	-	592	20,222
Non-current assets in projects	626,677	-	15,249	641,926
Financial Assets	950	-	6,064	7,014
Deferred tax assets	4,692	-	10,997	15,689
Other non-current assets	-	-	254,651	254,651
Current assets	105,488	-	60,678	166,166
Financial assets held for sale	**757,471**	**59,043**	**377,455**	**1,193,969**
Non-current liabilities	462,891	-	181,064	643,955
Current liabilities	38,268	35,305	61,465	135,038
Liabilities relating to assets held for sale	**501,159**	**35,305**	**242,529**	**778,993**
Non-controlling interests held for sale	**7,589**	**-**	**(2,270)**	**5,319**

In the six-month period ended 30 June 2015, the main change with respect to the assets recognised in the balance sheet at 31 December 2014, was due to the admission to listing of Saeta Yield, S.A. (a ACS Group Company owner of a group of renewable energy assets, currently amounting to 689 MW in operation divided among 16 wind farms and 3 solar thermal plants, all in Spain) and the agreement reached in this period with funds managed by the infrastructure investment fund, Global Infrastructure Partners (GIP), which also acquired 24.0% of Saeta Yield, S.A. With this transaction, the ACS Group's ownership interest in Saeta Yield stands at 24.21%. Similarly, and pursuant to the same agreement, GIP acquired an ownership interest of 49% in a joint venture (Bow Power, S.L.) which at 30 June 2015 included three solar thermal plants in Spain which were also recognised at 31 December 2014 as renewable energy assets held for sale of the Industrial area of the ACS Group over which Saeta Yield, S.A. will have a right of first offer. The financial terms and conditions of these shares were set, respectively, according to the price at which the shares of Saeta Yield, S.A., were offered on the market and in accordance with the specific assets acquired by the development company. This process demonstrated the ACS Group's commitment to the sale of the renewable energy assets which, once the regulatory uncertainties dropped to acceptable levels for investors with the approval of the most recent royal decrees in 2014, it effectively sold.

Therefore, the reduction during the first six months of 2015 for the total value of the non-current asset held for sale amounted to EUR 2,628,165 thousand and the reduction of the related liabilities amounted to EUR 2,111,654 thousand and relate mainly to the transaction described in the above paragraph.

The net debt recognised under assets and liabilities held for sale at 30 June 2015 amounted to EUR 391,328 thousand (EUR 2,001,417 thousand at 31 December 2014) in renewable energies, EUR 83,001 thousand (EUR 43,477 thousand at 31 December 2014) in transmission lines and EUR 134,808 thousand (EUR 168,389 thousand at 31 December 2014) in other assets. Net debt is calculated by taking the sum of the current and non current financial liabilities, less non-current takes, other current financial assets and cash and cash equivalents.

In relation to divestiture transactions, the effect of the sale of the ownership interest in Saeta Yield on the results for the period in accordance with the quoted price resulted in a gain of EUR 13,649 thousand. Linked to this transaction, the remaining ownership interest (24.21%) was recognised at fair value, resulting in a gain of EUR 6,993 thousand. Likewise, the various sale transactions and contributions to Bow Power resulted in a loss of EUR 35,731 thousand.

With regard to the carrying amount of the remaining assets associated with renewable energies, the Group evaluated their recoverable amount in accordance with the evolution of the main factors which influence their measurement and based on the conclusions related to the analyses carried out at the end of the period, as well as taking into account the purchase options granted to Saeta Yield and Bow Power, where applicable.

In relation to the assets and liabilities held for sale of PT Theiss Contractors, the change is a result of the reclassification of these assets from held for sale to property, plant and equipment.

The main change in the first six months of 2014 was the sale of the ownership interest in aurelis Real Estate at the end of January 2014 by Hochtief.

31 December 2014

At 31 December 2014, the businesses related to the renewable energy and transmission line assets were included within the Industrial business segment and the assets of PT Theiss Contractors were included within the Construction business segment. In addition to the aforementioned assets and liabilities, certain immaterial assets and liabilities held for sale from among the ACS Group companies were also included as non-current assets and liabilities relating to non-current assets.

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

	Thousands of Euros			
	31/12/2014			
	Renewable energy	PT Thiess Constractors 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**

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 30 June 2015 and 31 December 2014, are as follows:

	Thousands of Euros		
	30/06/2015		
	Renewable energy	Other	Total
Exchange differences	8,761	(8,638)	123
Cash flow hedges	(3,135)	-	(3,135)
Adjustments for changes in value	**5,626**	**(8,638)**	**(3,012)**

	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)**

Discontinued operations

In December 2014 the ownership interests in John Holland and Thiess Services & Leighton Contractors ("Services"), both investees of Cimic (a subsidiary of Hochtief formerly known as Leighton), were sold and their sale was recognised in the profit or loss statement at 31 December 2014 as a discontinued operation. As a result of this discontinued operation, the profit or loss statement for the first six months of 2014 was also reclassified in accordance with IFRS 5 for comparison purposes.

The breakdown of the profit from the discontinued operations, including the effect of the depreciation and amortisation of the assets assigned to the businesses sold, in the period ended 30 June 2014 is as follows:

	Miles de Euros
	30/06/2014
	JH y Servicios
Revenue	1,786,964
Operating expenses	(1,707,173)
Operating income	**79,791**
Profit before tax	**83,584**
Income tax	(28,751)
Profit after tax from discontinued operations	**54,833**
Profit attributed to non-controlling interests	(34,617)
Profit after tax and non-controlling interests	**20,216**
Profit after tax and non-controlling interests from discontinued operations	**20,216**

This sale transaction, for which collection was pending at 31 December 2014 amounting to EUR 1,108,112 thousand, recognised in the accompanying consolidated statement of financial position under "Other receivables", was collected during the first six months of 2015.

g) Seasonality of the Group's transactions

In view of the business activities in which the Group companies engage and their geographic diversity, their transactions are not significantly cyclical or seasonal. Therefore, no specific disclosures are included in these explanatory notes to the condensed consolidated financial statements for the six-month period ended 30 June 2015.

h) 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.

i) Events after the reporting period

The following events between the reporting period and the date of approval of these six-monthly condensed consolidated financial statements were significant:

On 18 June 2015, 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 shareholders at the Ordinary General Shareholders' Meeting held on 28 April 2015. The purpose of the transaction is to implement a flexible method of remunerating shareholders ("optional dividend"), so that they may opt to continue receiving a cash payment or receive new shares in the Company. On 16 July 2015, the period ended for negotiating the bonus issue rights corresponding to the first share capital increase approved by the shareholders at the General Shareholders' Meeting held on 28 April 2015. The irrevocable commitment to purchase rights undertaken by ACS was accepted by holders of 44.22% of the bonus share rights, which resulted in the acquisition by ACS of 139,136,284 rights for a total gross amount of EUR 97,812,807.65. The definitive number of ordinary shares of EUR 0.5 par value each issued is 4,179,245, and the nominal value of the corresponding share capital increase is EUR 2,089,622.50 (see Note 8.02).

j) 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.

Additionally, for comparison purposes, it must be highlighted that in preparing the consolidated statement of cash flows for the first six months of 2015, the amounts effectively collected net of the taxes paid in relation to the disposal of John Holland and of the Services business of Cimic amounting to EUR 934,017 thousand (AUD 1,325.9 million), which were recognised at 31 December 2014 in the accompanying consolidated statement of financial position under "Receivables from the sale of discontinued operations" were included as gains on disposals.

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

	Thousands of Euros	
	30/06/2015	30/06/2014 (*)
Financial income	(127,234)	(174,153)
Financial costs	434,964	529,363
Impairment and gains or losses on disposals of non-current assets	10,273	(14,379)
Results of companies accounted for using the equity method	(34,742)	(52,397)
Impairment and gains or losses on disposal of financial instruments	(182,606)	(36,676)
Adjustments related to the restructuring of Iberdrola and other effects	(39,829)	(110,404)
Other effects	(55,987)	113,352
Total	**4,839**	**254,706**

(*) Data restated not audited

Payments relating to equity instruments included under cash flows from financing actives include, not only the acquisition of ACS treasury shares but also, mainly, the increase in the ownership interest in Hochtief and Cimic (the latter mainly as a result of the launch in March 2014 by Hochtief, A.G. of a proportional takeover bid as described in Note 1.k).

k) Changes in the scope of consolidation

The main changes in the scope of consolidation of the ACS Group (consisting of ACS, Actividades de Construcción y Servicios, S.A. and its subsidiaries) in the six-month period ended 30 June 2015 are detailed in Appendix I.

Acquisitions, sales, and other corporate transactions

In the first six months of 2015 and in 2014 the following transactions are worthy of note:

In the first six months of 2015 the shares of Saeta Yield, S.A. were admitted to listing on the stock markets. The ACS Group has a 24.21% ownership interest in Saeta Yield, S.A., a company which invests in energy infrastructure assets and which is expected to generate highly stable and predictable cash flows supported by revenue which is regulated or from long-term contracts. Initially, the assets of Saeta Yield, S.A. are wind farms and solar thermal plants located in Spain which formed part of ACS's renewable energy assets portfolio (see Note 1.f). In the future, the company intends to expand its presence in Spain and internationally through the acquisition of other renewable or conventional electricity generation assets and electricity transmission and distribution assets, as well as any other infrastructure related to energy, in each case with revenue which is contracted or regulated at long-term. These acquisition will be made pursuant to a Right of First Offer and Call Option Agreement.

In addition, the A has reached an agreement with funds managed by the infrastructure investment fund GIP pursuant to which, in addition to acquiring 24.0% of Saeta Yield, S.A., it has acquired an ownership interest of 49% in Bow Power, S.L. which includes renewable energy assets from the Industrial area of the ACS Group over which Saeta Yield, S.A. will have a right of first offer (see Note 1.f).

As a result of the launch in March 2014 by Hochtief, A.G. of a proportional takeover bid over the Australian company Cimic Holdings Ltd., in order to increase its ownership interest from 58.77% to a maximum of 73.82% at a price per share of AUD 22.50 ex dividend to be paid in cash, on 9 May 2014, once the offer period expired, Hochtief, A.G. had an ownership interest of 69.62% in Cimic, representing an increase of 10.85% over its ownership interest at 31 March 2014 and a cost of EUR 617 million, the impact of which, because it was previously fully consolidated, was recognised in the equity of the ACS Group.

In the second half of 2014, the acquisition of 25% of Clece, S.A. by various funds managed by Mercapital Private Equity was of note. As a result, all of the contracts and agreements previously signed with them in relation to the management of the Clece Group were voided, as well as the purchase option that the aforementioned funds had over the ACS Group's ownership interest in Clece, S.A. After this transaction, the ACS Group recovered control of the group as owner of all of the share capital of Clece, S.A. Consequently, the group changed from being accounted for using the equity method to being fully consolidated. Thus, for comparative information purposes, it must be taken into account that the consolidated income statement for the first six months of 2014, unlike what occurred in the first six months of 2015, recognised the result under "Results of companies accounted for using the equity method", while the income and expenses for the first six months of 2015 are recognised based on their nature in the various line items of the profit or loss statement.

In accordance with accounting regulations (IFRS 3.42), the ACS Group assessed the fair value of its ownership interest in the Clece Group at the date of its full consolidation. In relation to the fair value when control was assumed, the ACS Group did not consider that the price paid for the 25% acquired from the funds managed by Mercapital Private Equity represented the fair value of the ownership interest since the price paid for the percentage acquired included the cost of cancelling the aforementioned purchase option that the funds held over 75% of Clece, as well as the premium to recover control of the Clece Group. In addition, and as part of the Purchase Price Allocation process, ACS prepared a valuation of the Clece Group in relation to the estimated fair value.

At that date, in accordance with IFRS 3, it was necessary to make an assessment so as to recognise the fair value of identifiable assets and liabilities acquired from Hochtief, A.G. separately from goodwill, the fair value of the identifiable assets and liabilities assumed from the Clece Group ("Purchase Price Allocation" or PPA) at the acquisition date. In accordance with the aforementioned standard, a provisional allocation was made, which established a 12-month period to make the definitive allocation of the acquisition of the assets. The allocation of the assets identified and the liabilities assumed as a result of acquiring Clece was 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
Real estate investments	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 was attributed relate to the services backlog and the relationships with customers, whose balances are amortised based on the useful life taken into account and whose effect on depreciation in the six-month period ended 30 June 2015 amounted to EUR 4,716 thousand (with no impact on the first six-months of 2014).

- No change was made to the PPA. In the first six months of 2015 the sale of revalued assets in the PPA had no effect on profit or loss.

- The Clece Group's sales in 2014 amounted to EUR 1,304,285 thousand and the net profit attributable to the Parent was EUR 32,871 thousand. Similarly, Clece's sales in the first six months of 2014 amounted to EUR 654,346 thousand and the net profit attributable to the Parent was EUR 15,854 thousand.

Noteworthy disposals of companies in the first six months of 2014 included the sale of its ownership interest in the Seville metro amounting to EUR 60,149 thousand with profit before tax of EUR 12,708 thousand, as well as the sale by Hochtief, A.G. on 31 January 2014 of 50% of its ownership interest in aurelis Real Estate for a price close to its carrying amount. Additional noteworthy sales were the sale in the second half of 2014 of 80% of its ownership interest in various concession assets such as the Madrid Interchange station and Section IV of Line 9 of the Barcelona metro for profit after tax of EUR 47,085 thousand and the sale in December 2014 of 100% of John Holland and 50% of the Services business of Cimic for EUR 1,108,112 thousand (see Note 1.f).

l) Functional currency

These six-monthly 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.

m) Dividends paid by the Parent

On 15 January, ACS, Actividades de Construcción y Servicios, S.A., using the authorisation granted to it by resolution of the shareholders at the Company's General Shareholders' Meeting held on 29 May 2014 and in accordance with the approval of the Board of Directors in its meeting held on 18 December 2014, resolved to carry out the second share capital increase with a charge to reserves for a maximum of EUR 142 million (equal to EUR 0.45 per share) which was approved by the shareholders at the aforementioned General Shareholders' Meeting so that the shareholders may opt to continue receiving remuneration in cash or in Company shares. After the period for negotiating the bonus issue rights corresponding to the second share capital increase had elapsed, the irrevocable commitment to purchase rights undertaken by ACS was accepted by the owners of 40.46% of the bonus issue rights. After the decision period granted to the shareholders had elapsed, on 12 February 2015 the following events occurred:

- The total gross amount of the dividend was set at EUR 57,296,272 (EUR 0.45 per share) and was paid on 17 February 2015.
- The number of definitive shares object of the share capital increase was 2,616,408 for a nominal value of EUR 1,308,204.

However, the ACS Group, following the instructions of the ESMA through the EECS (European Enforcers Coordination Sessions) recognised in the accompanying consolidated statement of financial position as of 31 December 2014 under "Other current liabilities" the maximum amount of the potential liability at the aforementioned date for 100% of the fair value of the dividend approved which amounted to EUR 141,599 thousand, although the final amount was EUR 57,296 thousand. For this reason, in 2015 EUR 84,303 thousand were reversed in the ACS Group's equity.

In addition, subsequent to the end of the six-month period (see Note 1 i), 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 28 April 2015, on 18 June 2015 the Company resolved to carry out the first share capital increase, establishing the maximum reference value at EUR 224 million with a charge to reserves of the Company in order for the shareholders to be able to choose whether they wish to be compensated in cash or in the Company's shares. In this regard, on 26 June 2015 certain matters summarised below were established in relation to the execution of the first share capital increase mentioned above:

a) The maximum number of new shares to be issued in the first share capital increase would be 7,492,014 shares.
b) The number of bonus issue rights necessary to receive a new share is 42.
c) The maximum nominal value of the first share capital increase amounts to EUR 3,746,007.
d) The acquisition price for each bonus issue right pursuant to the purchase commitment undertaken by ACS is EUR 0.703.

Finally, after the decision period granted the shareholders had elapsed, on 17 July 2015 the total gross amount of the dividend was set at EUR 97,812,807.65 and was paid on 21 July. However, the ACS Group, following the instructions of the ESMA through the EECS recognised in the accompanying consolidated statement of financial position at 30 June 2015 under "Other current liabilities" the maximum amount of the potential liability at the aforementioned date for 100% of the fair value of the dividend approved which amounted to EUR 221,209 thousand, although the final amount was EUR 97,813 thousand.

In 2014 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, the Company's Board of Directors resolved in its meeting held on 12 December 2013 to carry out the second share capital increase, establishing the maximum reference value at EUR 142 million with a charge to reserves of the Company 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 period granted to the shareholders had elapsed, on 13 February 2014 the following events occurred:

- The total gross dividend was set at EUR 69,472,569.48 (EUR 0.446 per share) and was paid on 18 February 2014.
- The number of definitive shares object of the share capital increase was 2,562,846 for a nominal value of EUR 1,281,423.

However, the ACS Group, following the instructions of the ESMA through the EECS (European Enforcers Coordination Sessions) recognised in the accompanying consolidated statement of financial position at 31 December 2013 under "Other current liabilities" the maximum amount of the potential liability at the aforementioned date for 100% of the fair value of the dividend approved which amounted to EUR 140,970 thousand, although the final amount was EUR 69,473 thousand. For this reason, in 2014 EUR 71,497 thousand were reversed in the ACS Group's equity.

In addition, 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 29 May 2014, on 18 June 2014 the Company resolved to carry out the first share capital increase, establishing the maximum reference value at EUR 224 million with a charge to reserves of the Company 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 period granted the shareholders had elapsed, on 17 July 2014 the total gross amount of the dividend was set at EUR 90,965,191.36 and was paid on 22 July.

n) 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:

	30/06/2015 (*)	30/06/2014 (**)	Change (%)
Net profit for the period (thousands of Euros)	407,022	394,927	3.06
Weighted average number of shares outstanding	309,238,538	311,994,238	(0.88)
Basic earnings per share (Euros)	**1.32**	**1.27**	**3.94**
Diluted earnings per share (Euros)	**1.30**	**1.25**	**4.00**
Profit after tax and non-controlling interests from discontinued operations (Thousands of Euros)	-	20,216	n/a
Basic earnings per share from discontinued operations (Euros)	-	0.06	n/a
Basic earnings per share from continuing operations (Euros)	**1.32**	**1.20**	**10.00**
Diluted earnings per share from discontinued operations (Euros)	-	0.06	n/a
Diluted earnings per share from continuing operations (Euros)	**1.30**	**1.19**	**9.24**

(*) Unaudited

(**) Restated unaudited

- *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 30 June 2015, as a result of the share capital increase in July 2015, in calculating the diluted earnings per share and the diluted earnings per share of the continuing activities corresponding to the first six months of 2015 which amounted to EUR 1.30 per share was taken into account.

2.- Intangible assets

2.01. Goodwill

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

	Thousands of Euros	
	30/06/2015	31/12/2014
Parent	780,939	780,939
Construction	1,814,327	1,797,656
Industrial Services	82,846	76,888
Environment	244,542	238,739
Total	**2,922,654**	**2,894,222**

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

The most significant addition to Goodwill in 2014 related to the acquisition of 25% of Clece amounting to EUR 115,902 thousand (see Note 1.k) In addition, also noteworthy was the sale of John Holland and 50% of the Services business of Cimic which resulted in the derecognition of EUR 44,900 thousand of the Goodwill associated with the purchase of Hochtief, in addition to the assets assigned as the value of the construction backlog and the relationships with customers associated with them under "Other intangible assets" in the accompanying consolidated statement of financial position amounting to EUR 195,182 thousand (see Note 2.02).

There were no significant changes in the six-month period ended 30 June 2015.

According to that set out in IAS 36, the Group has not found any evidence as of 30 June 2015 of any relevant indications of impairment in goodwill or in the rest of the assets subject to the impairment test. There are no significant changes in the assumptions used to test the Group's goodwill for impairment which could give rise to a significant risk of an impairment loss being recognised in the future. In this regard, it is worth noting that the quoted price of the ownership interest in Hochtief is higher than its carrying amount.

In the first six months of 2015 the goodwill of the ACS Group did not suffer any impairment losses. In the same period in 2014, impairment losses were recognised on the ACS Group's Goodwill amounting to EUR 2,000 thousand.

2.02. Other intangible assets

The additions and changes to the scope of consolidation in the first six months of 2015 amounted to EUR 24,603 thousand (EUR 21,480 thousand in the first six months of 2014) and related mainly to the Environment area amounting to EUR 12,302 thousand (EUR 2,167 thousand in the first six months of 2014), Dragados amounting to EUR 5,137 thousand (EUR 712 thousand in the first six months of 2014), Hochtief amounting to EUR 3,538 thousand (EUR 17,445 thousand in the first six months of 2014) and Services amounting to EUR 1,638 thousand (EUR 801 thousand in the first six months of 2014).

Noteworthy in this heading at 31 December 2014 was the allocation at fair value of intangible assets of Clece amounting to EUR 141,490 thousand which are included under "Other intangible assets" (see Note 1.k). The business combinations focused on businesses characterised by having, among others, a significant customer portfolio, thereby establishing an ongoing relationship with its most significant customers. In these cases, the ACS Group considers that, according to IFRS 3, part of the gain must be allocated to the contractual relationships with customers. This assessment gives rise to the generation of an intangible asset, which must be amortised over the term the aforementioned contractual relationship is expected to remain in force, proportionally to the estimated cash flows.

In relation to the sale of John Holland and of Thiess Services & Leighton Contractors ("Services"), both investees of Cimic described in Notes 1.e) and 1.f), at 31 December 2014, the assets related mainly to the value of the construction backlog and the relationships with customers associated with them and which were identified and assigned as a result of the PPA which was carried out due to the goodwill which arose in the first process of fully consolidating Hochtief were derecognised. The assets derecognised in this connection amounted to EUR 195,182 thousand.

No impairment losses were recognised with respect to items classified as "Other intangible assets" in the first six months of 2015. During the same period in 2014 losses were recognised on items classified as "Other intangible assets" amounting to EUR 270 thousand relating mainly to the Construction area and recognised under "Impairment and profit or loss on disposals of non-current assets" in the accompanying profit or loss statement. No impairment losses were reversed in the profit or loss statements for the first six months of 2015 and 2014.

3.- Property, plant and equipment

In the first six months of 2015 and 2014 items of property, plant and equipment were acquired for EUR 270,023 thousand and EUR 432,841 thousand, respectively.

In the first six months of 2015, the most significant acquisitions by division related mainly to the Construction area amounting to EUR 165,661 thousand, mainly from Hochtief amounting to EUR 138,140 thousand for the acquisition of machinery for Cimic's mining business, to the Environment area amounting to EUR 76,169 thousand, mainly for the acquisition of machinery and tools and to the Industrial Services area amounting to EUR 27,147 thousand for the acquisition of machinery and equipment for carrying out new projects.

In the first six months of 2014, the most noteworthy additions related to the Construction area amounting to EUR 348,685 thousand, mainly from Hochtief for the acquisition of equipment for Cimic's mining business amounting to EUR 303,915 thousand, to the Environment area amounting to EUR 47,109 thousand primarily for the acquisition and renovation of machinery and tools and to the Industrial Services area amounting to EUR 18,150 thousand for the acquisition of machinery and equipment for carrying out new projects.

In addition, "Plant and machinery" increased by EUR 91,951 thousand in the first six months of 2015 when the assets of PT Thiess Contractors Indonesia were no longer considered held for sale.

Likewise, in the first six months of 2015 and 2014 non-current assets were disposed of with carrying amounts of EUR 115,870 and EUR 74,523 thousand, respectively, and did not give rise to significant profit or losses on disposals. The most significant derecognition in the first six months of 2015 relates to Hochtief due to the divestitures in various companies. In the first six months of 2014 it related to the impact of the sale of assets of Streif Baulogistik (Hochtief Europa).

At 31 December 2014, the Group had entered into contractual commitments for the future acquisition of property, plant and equipment amounting to EUR 29,633 thousand. The commitments entered into at 30 June 2015 amounted to EUR 10,258 thousand.

The impairment losses recognised in the profit or loss statement at 30 June 2015 amounted to EUR 153 thousand corresponding mainly to the sale and impairment of transport items of Industrial Services (EUR 1,444 thousand at 30 June 2014 corresponding mainly to the sale and impairment of machinery of Dragados). No significant impairment losses were reversed or recognised in the profit or loss statement in the first six months of 2015 and 2014.

4.- Non-current assets in projects

The balance of "Non-current assets in projects" in the consolidated statement of financial position at 30 June 2015, includes the costs incurred by the fully consolidated companies in the construction of transport, services and power generation centres whose operation forms the subject matter of their respective concessions. The aforementioned amounts relate to the property, plant and equipment related to projects financed under a project finance arrangement, whether they are identified as intangible assets or as a financial asset in accordance with the criteria indicated in Note 03.04 of the consolidated financial statements at 31 December 2014. 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 (intangible or financial) in this note.

All the project investments made by the ACS Group at 30 June 2015 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	589,342	(136,942)	**452,400**
Highways / Roads	2015 - 2026	186,603	(39,573)	**147,030**
Police stations	2024 - 2032	62,911	-	**62,911**
Wind farms	2030	37,317	(8,688)	**28,629**
Water management	2028 - 2033	35,956	(11,590)	**24,366**
Energy transmission	2040	18,059	-	**18,059**
Other infrastructures	-	22,897	(9,614)	**13,283**
Total		**953,085**	**(206,407)**	**746,678**

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	327,762	(93,784)	**233,978**
Highways / Roads	2015 -2026	186,573	(39,548)	**147,025**
Water management	2028	33,582	(11,590)	**21,992**
Other infrastructures	-	2,000	-	**2,000**
Total		**549,917**	**(144,922)**	**404,995**

The concession assets identified as financial given that the Group does not assume the demand risk and the changes in the balance of this heading in 2012 were as follow:

Type of infrastructure	End date of operation	Thousands of Euros
		Collection rights arising from concession arrangements
Waste treatment	2040	154,498
Police stations	2024 - 2032	62,911
Energy transmission	2040	18,059
Water management	2033	2,374
Wind farms	-	1,528
Other infrastructures	-	5,330
Total		**244,700**

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	107,081	(43,157)	63,924
Wind farms	2030	35,789	(8,688)	27,101
Highways / Roads	2026	30	(25)	5
Other infrastructures	-	15,568	(9,615)	5,953
Total		**158,468**	**(61,485)**	**96,983**

At the same time, there are concession assets which are not financed under a project finance arrangement amounting to EUR 306,495 thousand (EUR 307,834 thousand at 31 December 2014) which are recognised under "Other intangible assets".

In the first six months of 2015 and 2014 non-current assets in projects were acquired for EUR 159,561 thousand and EUR 23,111 thousand, respectively.

The main investments in projects carried out in the first six months of 2015 relate to the Industrial Services area amounting to EUR 151,019 thousand–of note are those carried out in wind farms amounting to EUR 143,912 thousand–and to the projects carried out in waste treatment in the Environment area amounting to EUR 13,412 thousand (EUR 21,924 thousand at 30 June 2014). In the first six months of 2015 the above investments did not give rise to significant changes in the scope of consolidation. The inclusion within the scope of consolidation of Ecoparc del Besós in the first six months of 2014 gave rise to an addition of EUR 97,722 thousand under this heading in the statement of financial position

In the first six months of 2015 and 2014 there were no significant divestitures.

The impairment losses recognised in the profit or loss statement at 30 June 2015 amounted to EUR 11,485 thousand (EUR 17,553 thousand at 30 June 2014). Likewise, reversals of impairment losses were recognised in the profit or loss statement for the first six months of 2015 amounting to EUR 3,175 thousand. There were no reversals of impairment losses in the same period in 2014.

At 30 June 2015 and 31 December 2014, the Group had entered into contractual commitments for the acquisition of non-current assets in projects amounting to EUR 17,010 thousand 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 30 June 2015 and 31 December 2014 is as follows:

Line of Business	Thousands of Euros					
	30/06/2015			31/12/2014		
	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	896,773	25,461	**922,234**	755,621	106,069	**861,690**
Industrial Services	637,733	2,410	**640,143**	263,965	6,805	**270,770**
Environment	83,876	6,341	**90,217**	80,022	18,950	**98,972**
Corporate Unit	(706)	530	**(176)**	(176)	-	**(176)**
Total	**1,617,676**	**34,742**	**1,652,418**	**1,099,432**	**131,824**	**1,231,256**

- *Construction*

At 30 June 2015 and 31 December 2014 of note in the Construction area are the investees from the Hochtief Group accounted for by the equity method amounting to EUR 837,900 thousand (EUR 722,425 thousand at 31 December 2014). The increase is due mainly to the investments made in joint ventures by Hochtief in America and Australia.

During the six-month period ended 30 June 2014 the ownership interest in the Seville metro was sold for EUR 60,149 thousand for a profit before tax of EUR 12,708 thousand.

- *Industrial services*

In the first six months of 2015, as a result of the agreements with GIP described in Note 1.f), Saeta was admitted to listing and a joint management company (Bow Power, S.L.) was incorporated and, therefore, the assets that were recognised as held for sale in these companies were consolidated using the equity method.

- *Environment*

There were no significant changes in the first six months of 2015 after the purchase in the second half of 2014 by the ACS Group of an ownership interest of, approximately, 25% of Clece, S.A. from various funds managed by Mercapital Private Equity and all of the contracts and agreements previously signed with them in relation to Clece were voided.

6.- Financial assets

a) Composition and breakdown

A detail of the Group's financial assets at 30 June 2015 and 31 December 2014, by nature and category, is as follows:

	Thousands of Euros			
	30/06/2015		31/12/2014	
	Non-Current	Current	Non-Current	Current
Equity instruments	311,961	603,982	785,220	86,254
Loans to associates	1,043,177	134,319	1,009,517	112,599
Other loans	321,466	129,841	318,971	86,560
Debt securities	1,594	775,828	1,565	983,584
Other financial assets	160,341	512,866	112,432	623,689
Total	**1,838,539**	**2,156,836**	**2,227,705**	**1,892,686**

b) **Iberdrola**

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

At 30 June 2015, the ACS Group held 88,981,058 shares representing 1.4% of the share capital of Iberdrola, S.A. at that date (88,921,671 shares representing 1.4% of the share capital of Iberdrola, S.A. at 31 December 2014). The average consolidated cost amounted to EUR 4.148 per share and EUR 4.147 per share at 30 June 2015 and 31 December 2014, respectively

The ownership interest in Iberdrola is recognised at its quoted price at the end of each year (EUR 6.042 per share at 30 June 2015 and EUR 5.597 per share at 31 December 2014) amounting to EUR 537,624 thousand (EUR 497,695 thousand at 31 December 2014). At 30 June 2015 and 31 December 2014, positive valuation adjustments of EUR 118,746 thousand and EUR 90,254 thousand, respectively, net of the related tax effects, were recognised under "Equity - Valuation adjustments - Available-for-sale financial assets".

These shares which are recognised as current equity instruments in the accompanying consolidated statement of financial position at 30 June 2015 are pledged as security for the issue of bonds exchangeable for shares of Iberdrola carried out through Actividades Finance B.V. and ACS Actividades Finance 2 B.V. at 30 June 2015 and 31 December 2014 (see Note 10) maturing in October 2018 for EUR 297,600 thousand and in March 2019 for EUR 235,300 thousand.

In the six-month period ended 30 June 2015, the most significant transaction in relation to the ownership interest in Iberdrola was the cancellation of the equity swap signed with Natixis over 164,352,702 shares of Iberdrola, S.A. (see Note 11) in which the ACS Group held the rights to the beneficial use of the aforementioned shares. Therefore, at 30 June 2015, the ACS Group only maintained a put spread with an underlying security related to 305,788,273 shares of Iberdrola S.A., limiting the ACS Group's exposure to the market fluctuations of the shares of the aforementioned company which at the balance sheet date are measured at their fair value through profit or loss. The measurement of the Iberdrola share at fair value at 30 June 2015 exceeded by more than 25% the maximum execution value of the put spread and, therefore, as was the case at 31 December 2014 (see Note 11), no liability is recognised in this connection.

In the first six months of 2014, the most significant transaction in relation to the ownership interest in Iberdrola was the issue of bonds amounting to EUR 405,600 thousand maturing on 27 March 2019 with an annual fixed interest rate of 1.625% exchangeable for Iberdrola shares. Subsequently, in December 2014 the ACS Group made an early exchange proposal for the issues of bonds exchangeable for Iberdrola, S.A. shares, both for the issues of ACS Actividades Finance B.V. of EUR 721,100 thousand and the issue of ACS Actividades Finance 2 B.V. of EUR 405,600 thousand. As a result of the aforementioned proposal, for the issue carried out by ACS Actividades Finance B.V., bonds were exchanged amounting to EUR 423,500 thousand, and after the exchange EUR 297,600 thousand remained outstanding. For the issue carried out by ACS Actividades Finance 2 B.V. bonds were exchanged amounting to EUR 170,300 thousand and after the exchange EUR 235,300 thousand remained outstanding. For these cancellations, 100,906,096 shares were delivered to the bondholders.

In relation to the impairment of the investment in Iberdrola, since at 30 June 2015 and 31 December 2014 the quoted price was slightly above the carrying amount, the ACS Group did not consider that any signs of impairment existed, accordingly, it did not perform any tests aimed at verifying such possibility.

c) **Xfera Móviles (Yoigo)**

At 30 June 2015 and 31 December 2014, the ACS Group had 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 EUR 198,376 thousand at 30 June 2015 and 31 December 2014, 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" and the Group recognised very relevant provisions in relation to the aforementioned ownership interest in prior years. In relation to this sale transaction, there is an unrecognised contingent price and in certain scenarios, call and put options on the ownership interest of ACS, the conditions of which are not likely to be met.

In the fourth quarter of 2014, the ACS Group calculated the recoverable value of this investment using the discounted cashflow 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 CPI estimate made by the IMF for 2019 in Spain. A sensitivity analysis was also performed taking into consideration different discount rates, a perpetual growth rate and deviations of minus 10% in the business plan estimates for the company. The impairment test is sensitive to variations in its key assumptions, however in the base case, as well as the other scenarios considered with a reasonable degree of sensibility, the recoverable amount of this investment was, in any case, greater than its carrying amount. At 30 June 2015, the company had not made a new business plan and, therefore, it did not consider it necessary to perform a new impairment test on its investment in Xfera.

d) Loans to associates

Of note within the balance of "Non-current loans to associates" are, mainly, the loans amounting to EUR 466,962 thousand (EUR 436,679 thousand at 31 December 2014) to the Habtoor Leighton Group.

Likewise, at 30 June 2015 of the non-current loans granted in euros (net of the related provisions) of note due to their importance are the loans granted to Eix Diagonal for EUR 158,634 thousand (EUR 150,843 thousand at 31 December 2014), to Línea Nueve Tramo Dos for EUR 42,356 thousand (EUR 40,957 thousand at 31 December 2014, to Celtic Road Group (Waterford and Portlaoise) for EUR 45,566 thousand (EUR 45,566 thousand at 31 December 2014), to Autovía del Pirineo for EUR 54,582 thousand (EUR 39,186 thousand at 31 December 2014), to Circunvalación de Alicante, S.A. for EUR 15,888 thousand (EUR 15,888 thousand at 31 December 2014), to Infraestructuras y Radiales, S.A. for EUR 29,629 thousand (EUR 29,629 thousand at 31 December 2014), as well as to Concesionaria Vial del Pacífico, S.A.S. for EUR 7,335 thousand.

In relation to the loan and the investment in the Habtoor Leighton Group, in the accompanying condensed financial statements there are provisions which cover a portion of the ACS Group's exposure, although the assumptions and considerations used at 31 December 2014 have not changed significantly.

e) Other loans

Non-current loans include mainly the debt that continues to be refinanced to local corporations amounting to EUR 85,789 thousand at 30 June 2015 (EUR 55,380 thousand at 31 December 2014), and the participating loans to Xfera Móviles, S.A., amounting to EUR 119,170 thousand as they did at 31 December 2014.

f) Debt securities

At 30 June 2015, "Debt securities" includes investments in securities which mature at short term, which relate mainly to investments in securities, investment funds and fixed-income securities which mature in more than three months and which it does not intend to maintain until maturity from Hochtief amounting to EUR 584,013 thousand and (EUR 658,082 miles thousand at 31 December 2014). Of the other amounts, of note are those held by Urbaser amounting to EUR 129,227 thousand (EUR 206,632 thousand at 31 December 2014) and by Cobra amounting to EUR 23,838 thousand (EUR 84,964 thousand at 31 December 2014).

g) Other financial assets

At 30 June 2015, "Other financial assets" includes short-term deposits amounting to EUR 290,027 thousand (EUR 398,756 thousand at 31 December 2014). The aforementioned amount includes the amounts contributed to cover certain derivatives contracted by the Group amounting to EUR 183,117 thousand (EUR 222,566 thousand at 31 December 2014) (see Note 11). These amounts earn interest at market rates and their availability depends on the compliance with the coverage ratios.

h) Impairment losses

Impairment losses amounted to EUR 19,552 thousand in the first six months of 2015. In the same period in 2014 impairment losses on financial assets amounted to EUR 3,490 thousand (see Note 16).

There were no significant reversals of impairment losses on financial assets in the first six months of 2015 or the first six months of 2014.

7.- Inventories

The detail of "Inventories" is as follows:

	Thousands of Euros	
	30/06/2015	31/12/2014
Merchandise	218,932	217,586
Raw materials and other supplies	353,271	305,815
Work in progress	776,291	800,770
Finished goods	15,354	18,228
By-products, waste and recovered materials	206	268
Advances to suppliers and subcontractors	214,652	179,688
Total	**1,578,706**	**1,522,355**

Impairment losses on inventories recognised and reversed in the profit or loss statement for the six-month period ended 30 June 2015 relating to the various ACS Group companies, amounted to EUR 94 thousand and EUR 2,674 thousand, respectively (EUR 43 thousand and EUR 1,667 thousand in the same period in 2014).

8.- Equity

8.01. Share capital

At 30 June 2015 and 31 December 2014, the share capital of the Parent amounted to EUR 157,332 thousand and was represented by 314,664,594 fully subscribed and paid shares of EUR 0.5 par value 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.

In accordance with article 297 of the Consolidated Text of the Spanish Corporations Law, the shareholders at the General Shareholders' Meeting held on 29 May 2014 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 having previously submitted a proposal to the General Shareholders' Meeting. Accordingly, the Board of Directors may set all of the terms and conditions under which capital is increased, as well as the features of the shares, investors and markets at which the increases are aimed and the issue procedure, freely offer the unsubscribed shares in the preferential subscription period; and in the event of incomplete subscription, cancel the share capital increase or increase capital solely by the amount of the subscribed shares.

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 that set forth in article 506 of the Consolidated Text of the Spanish Corporations Law, the Board of Directors was expressly empowered to exclude preferential subscription rights in full or in part in relation to all or some of the issues agreed under the scope of this authorisation, where it is in the interest of the company and as long as the par value of the shares to be issued plus any share premium agreed is equal to the fair value of the Company's shares based on a report to be drawn up at the Board's request, by an independent auditor other than the Company's auditor, which is appointed for this purpose by the Spanish Mercantile Registry on any occasion in which the power to exclude preferential subscription 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 General Shareholders' Meeting held on 29 May 2014, the shareholders resolved to delegate to the Board of Directors the power to issue fixed-income securities, either simple and exchangeable or convertible, and warrants on the Company's or other companies' newly issued shares or shares in circulation, under the following, summarised terms:

1. The securities that the Board of Directors is authorised to issue may be debentures, bonds, promissory notes or other similar fixed-income securities, both simple and, in the case of debentures and bonds, exchangeable for shares of the Company or any other company in the Group or other companies and/or convertible in shares of the Company or other

companies, as well as warrants on newly issued shares or shares of the Company or other companies currently in circulation.
2. Securities may be issued at one or several times, and at any time within five years of the date of adoption of this agreement.
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 EUR 3 million.
4. In order for the Board of Directors to use the authorisation hereby granted to it, for each issue it will be required to determine the following information (although the list is not exhaustive): the amount within the aforementioned maximum; 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 price of exercise; whether the securities are non-redeemable or redeemable and, in the case of the later, 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; the right of first refusal, if any, and the subscription scheme; the applicable legislation; request for permission to trade the securities issued in official or unofficial, organised or unorganised, national or foreign secondary markets; the designation, if applicable, of the delegate and approval of the regulations that will govern the legal relationships between the Company and the union of holders of the issued securities.

Based on these authorisations granted by the shareholders at the General Shareholders' Meeting held on 29 May 2014, in 2015 pursuant to its debt emission programme called the Euro Medium Term Note Programme (EMTN Programme) which was approved by the Central Bank of Ireland and the most recent draft of which was approved on 11 March 2015, ACS, Actividades de Construcción y Servicios, S.A. formalised the issue of notes to the Euromarket amounting to EUR 500 million with a total demand of EUR 1,337 million. This issue, which matures in five years and was paid on 1 April 2015 has an annual coupon of 2.875% and an issue price of 99.428%. The Notes are admitted to listing on the Irish Stock Exchange (see Note 10).

These authorisations are similar to those granted by the shareholders at the General Shareholders' Meeting held on 25 May 2009, based on which in 2013 ACS, Actividades de Construcción y Servicios, S.A. formalised a Euro Commercial Paper programme amounting to EUR 500 million which was renewed upon maturity by means of a new Euro Commercial Paper programme amounting to a maximum of EUR 750 million, and the total balance of the two programmes at 30 June 2015 amounted to EUR 456,304 thousand (see Note 10). Likewise, based on the aforementioned delegation of powers, the Board of Directors took into consideration and granted guarantees in relation to the issue of debentures which can be exchanged for Iberdrola shares carried out by ACS Actividades Finance B.V. amounting to EUR 721,100 thousand, as well as the issue carried out by ACS Actividades Finance 2 B.V. amounting to EUR 405,600 thousand in the first quarter of 2014 which at December 2014 had been partially exchanged early (see Notes 6.b) and 10).

After the 2014 reporting date, on 17 February 2015, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out a second capital increase with a charge to reserves which was approved by the shareholders at the Ordinary General Shareholders' Meeting held on 29 May 2014, the final number of ordinary shares of EUR 0.5 par value each issued stood at 2,616,408 and the nominal amount of the corresponding capital increase was EUR 1,308,204. On the same date a reduction in the share capital of ACS Actividades de Construcción y Servicios S.A. amounting to EUR 1,308,204 was carried out by means of the retirement of 2,616,408 treasury shares, through the allocation for the same amount as the nominal value of the retired shares: EUR 1,308,204, to the reserve provided for in section c) of article 335 of the Spanish Corporations Law (see Note 8.02).

At the Ordinary General Shareholders' Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 28 April 2015, the shareholders resolved, among other matters, to carry out a share capital increase and reduction. In this regard, the Company resolved to increase share capital to a maximum of EUR 366 million with a charge to voluntary reserves, whereby the first share capital increase may not exceed EUR 224 million and the second increase may not exceed EUR 142 million, indistinctly granting the Executive Commission, the Chairman of the Board of Directors and the Director Secretary the power to execute the resolution. The share 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 for 2015 and, in the case of the second increase, within the first quarter of 2016, 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 share 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 28 April 2015, 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 2015 the Company resolved to carry out the first share capital increase for a maximum amount of EUR 224 million. This share capital increase is 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 bonus issue 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 17 July 2015, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the first capital increase with a charge to reserves which was approved by the shareholders at the Ordinary General Shareholders' Meeting held on 28 April 2015, the final number of ordinary shares of EUR 0.5 par value each issued stood at 4,719,245 and the nominal amount of the corresponding capital increase was EUR 2,089,622.50.

At the Ordinary General Shareholders' Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 29 May 2014, the shareholders resolved, among other matters, to carry out a share capital increase and reduction.

In this regard, the Company resolved to increase share capital to a maximum of EUR 366 million with a charge to voluntary reserves, whereby the first share capital increase may not exceed EUR 224 million and the second increase may not exceed EUR 142 million, indistinctly granting the Executive Commission, the Chairman of the Board of Directors and the Director Secretary the power to execute the resolution. The share 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 for 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 share 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, by virtue of this delegation, on 18 June 2014 the Company resolved to carry out the first share capital increase for a maximum amount of EUR 224 million. This share capital increase is aimed at establishing an alternative remuneration system, as in many Ibex 35 companies, that would allow shareholders to receive bonus shares from ACS or cash through the sale of the related bonus issue 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.

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 which was approved by the shareholders at the Ordinary General Shareholders' Meeting held on 29 May 2014, the final number of ordinary shares of EUR 0.5 par value each issued stood at 3,875,019 and the nominal amount of the corresponding capital increase was EUR 1,937,509.50.

After the 2014 reporting date, ACS, Actividades de Construcción y Servicios, S.A., using the authorisation granted to it by resolution of the shareholders at the Company's General Shareholders' Meeting held on 29 May 2014 and in accordance with the approval of the Board of Directors in its meeting held on 18 December 2014, resolved to carry out the second share capital increase with a charge to reserves for a maximum of EUR 142 million (equal to EUR 0.45 per share) which was approved by the shareholders at the aforementioned General Shareholders' Meeting so that the shareholders may opt to continue receiving remuneration in cash or in Company shares. After the period for negotiating the bonus issue rights corresponding to the second share capital increase had elapsed, the irrevocable commitment to purchase rights undertaken by ACS was accepted by the owners of 40.46% of the bonus issue rights resulting in the acquisition by ACS of rights amounting to EUR 57,296 thousand. The definitive number of ordinary shares of EUR 0.5 par value each issued is 2,616,408, and the nominal value of the corresponding share capital increase is EUR 1,308,204.

On 18 March 2014 a reduction in the share capital of ACS Actividades de Construcción y Servicios S.A. amounting to EUR 1,281,423 was carried out by means of the retirement of 2,562,846 treasury shares, through the allocation for the same amount as the nominal value of the retired shares: EUR 1,281,423, to the reserve provided for in section c) of article 335 of the Spanish Corporations Law (see Note 8.02).

On 10 September 2014 a reduction in the share capital of ACS Actividades de Construcción y Servicios S.A. amounting to EUR 1,937,509.50 was carried out by means of the retirement of 3,875,019 treasury shares, through the allocation for the same amount as the nominal value of the retired shares: EUR 1,937,509.50, to the reserve provided for in section c) of article 335 of the Spanish Corporations Law (see Note 8.02).

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) and Cimic Group Limited, Macmahon Holdings Limited and Sedgman Limited on the Australia Stock Exchange. As of 16 February 2015 the shares of its investee, Saeta Yield, S.A., are listed on the Spanish stock exchanges.

8.02. Treasury shares

The changes in "Treasury shares" are as follows:

	First half of 2015		First half of 2014	
	Number of Shares	Thousands of Euros	Number of Shares	Thousands of Euros
At beginning of the year	**6,919,380**	**201,122**	**2,766,973**	**64,958**
Purchases	3,363,222	98,042	3,604,272	103,200
Scrip dividend	-	-	45,810	-
Sales	(509,936)	(14,805)	(422,532)	(10,399)
Bonus payments 2015-2014	-	-	(159,919)	(3,861)
Depreciation	(2,616,408)	(75,965)	(2,562,846)	(61,898)
At end of the reporting period	**7,156,258**	**208,394**	**3,271,758**	**92,000**

On 17 February 2015, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the first capital increase with a charge to reserves which was approved by the shareholders at the Ordinary General Shareholders' Meeting held on 29 May 2014, the final number of ordinary shares of EUR 0.5 par value each issued stood at 2,616,408 and the nominal amount of the corresponding capital increase was EUR 1,308,204. On the same date a reduction in the share capital of ACS Actividades de Construcción y Servicios S.A. amounting to EUR 1,308,204 was carried out by means of the retirement of 2,616,408 treasury shares, through the allocation for the same amount as the nominal value of the retired shares: EUR 1,308,204, to the reserve provided for in section c) of article 335 of the Spanish Corporations Law (see Note 8.01).

On 17 July 2015, ACS, Actividades de Construcción y Servicios, S.A. resolved to carry out the first capital increase with a charge to reserves which was approved by the shareholders at the Ordinary General Shareholders' Meeting held on 28 April 2015, the final number of ordinary shares of EUR 0.5 par value each issued stood at 4,719,245 and the nominal amount of the corresponding capital increase was EUR 2,089,622.50 (see Note 8.01).

On 18 March 2014 a reduction in the share capital of ACS Actividades de Construcción y Servicios S.A. amounting to EUR 1,281,423 was carried out with a carrying amount of EUR 61,898 thousand by means of the retirement of 2,562,846 treasury shares, with a charge to unrestricted reserves and through the allocation for the same amount as the nominal value of the retired shares: EUR 1,281,423, to the reserve provided for in section c) of article 335 of the Spanish Corporations Law (see Note 8.01).

On 10 September 2014 a reduction in the share capital of ACS Actividades de Construcción y Servicios S.A. amounting to EUR 1,937,509.50 was carried out with a carrying amount of EUR 114,303 thousand by means of the retirement of 3,875,019 treasury shares, with a charge to unrestricted reserves and through the allocation for the same amount as the nominal value of the retired shares: EUR 1,937,509.50, to the reserve provided for in section c) of article 335 of the Spanish Corporations Law (see Note 8.01).

At 30 June 2015, the Group held 7,156,258 treasury shares of the Parent of EUR 0.5 par value each, representing 2.3% of the share capital, with a consolidated carrying amount of EUR 208,394 thousand which is recorded under "Treasury shares" in equity in the accompanying consolidated statement of financial position. At 31 December 2014, the Group held 6,919,380 treasury shares of the Parent of EUR 0.5 par value each, representing 2.2% of the share capital, with a carrying value per consolidated books of EUR 201,122 thousand which is recorded under "Treasury shares and equity interests" in the accompanying consolidated statement of financial position.

8.03. Adjustments for changes in value

The changes in "Adjustments for changes in value" are as follows:

	Thousands of Euros	
	First half of 2015	2014 annual reporting period
Beginning balance	**(418,331)**	**(534,914)**
Hedging instruments	219,101	(89,318)
Available-for-sale financial assets	38,975	37,833
Exchange differences	134,136	168,068
Ending balance	**(26,119)**	**(418,331)**

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 balance sheet 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.

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 fluctuations in the quoted price 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	
	30/06/2015	31/12/2014
Funds for pensions and similar obligations	546,896	566,046
Provisions for taxes and third-party liability	1,022,093	1,188,642
Provisions for actions on infrastructure	31,709	8,821
Provisions	**1,600,698**	**1,763,509**

Note 20 to the ACS Group's consolidated financial statements for the year ended 31 December 2014 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 made by the ACS Group arising from litigation in the first six months of 2015 and 2014 is not significant in relation to these condensed consolidated financial statements, except with regard to the lawsuit concerning Alazor Inversiones, S.A. (Alazor), the sole shareholder of Accesos de Madrid, C.E.S.A. which was awarded the Radial 3 and Radial 5 (R3 and R5) concessions. In this connection, in February 2014 notification was received of enforcement actions regarding guarantees to ACS, Actividades de Construcción y Servicios, S.A., amounting to EUR 73,350 thousand (including both the principal and the interest) which has been allocated, however claims remain open in this respect in accordance with that set forth in Note 36 of the consolidated financial statements of the ACS Group for the year ended 31 December 2014. In addition, the appeal to have the arbitration award which dismissed the claim filed against ACS and others for exercising sale options over shares of Alazor Inversiones, S.A.–the sole shareholder of Accesos de Madrid, S.A., the R3 and R5 concession operator–set aside is still pending resolution. Their resolution is not expected to have a significant impact on the accompanying interim financial statements.

On 15 January 2015, the Spanish National Securities Market and Competition Commission (CNMC) handed down its resolution imposing a fine of EUR 23,289 thousand on certain group companies of ACS, Urbaser and Sertego, due to the CNMC's understanding that anti-competitive practices exist in the waste management (urban solid waste, industrial waste and paper and cardboard recovery) and urban water treatment sectors. The ACS Group and its legal advisers believe that no any anti-competitive practices were violated and, therefore, has appealed the aforementioned resolution before the competent court body, thus, no liability has been recognised in this connection. Once the appeal was filed before the National Appellate Court of Madrid, the court upheld Urbaser's application for injunctive relief of the fine and did not require the provision of any guarantee.

On 17 July 2015, TP Ferro, 50%-owned by the ACS Group, filed a petition for voluntary insolvency with the Mercantile Court of Gerona after having been notified by the aforementioned court on 18 March 2015 that refinancing negotiations (pre-insolvency proceedings) were to commence during which, ultimately, no agreement was reached regarding the restructuring of its debt. At the present time, the Group's management considers that Iridium has recorded sufficient provisions to settle the liabilities arising from the potential solution scenarios which would result in the company being unable to recover the funds invested in the project and does not believe it is necessary to recognise provisions additional to those which already exist, since it does not anticipate contingent obligations for the Group which would increase its exposure in the project.

10.- Financial liabilities

The detail of the ACS Group's non-current financial liabilities at 30 June 2015 and 31 December 2014, by nature and category, for valuation purposes, is as follows:

	Thousands of Euros			
	30/06/2015		31/12/2014	
	Non-Current	Current	Non-Current	Current
Debt instruments and other marketable securities	2,709,758	1,146,296	2,928,519	760,847
Bank borrowings	4,807,623	2,357,907	2,949,380	5,400,244
- with limited recourse	485,411	73,447	491,308	491,389
- Other	4,322,212	2,284,460	2,458,072	4,908,855
Other financial liabilities	224,158	51,287	213,002	42,418
Total	**7,741,539**	**3,555,490**	**6,090,901**	**6,203,509**

- *Debentures and bonds*

At 30 June 2015, the ACS Group had non-current debentures and bonds issued amounting to EUR 2,709,758 thousand and EUR 1,146,296 thousand in current issues (EUR 2,928,519 thousand in non-current and EUR 760,847 thousand in current, respectively, at 31 December 2014), mainly from Cimic, Hochtief and ACS.

The most significant change at 30 June 2015 with respect to 31 December 2014 was due to the issue carried out on 16 March 2015 by ACS, Actividades de Construcción y Servicios, S.A. pursuant to its debt emission programme called the Euro Medium Term Note Programme (EMTN Programme) which was approved by the Central Bank of Ireland and the most recent draft of which was approved on 11 March 2015, ACS, Actividades de Construcción y Servicios, S.A. formalised the issue of notes to the Euromarket amounting to EUR 500 million with a total demand of EUR 1,337 million. This issue, which matures in five years and was paid on 1 April 2015 has an annual coupon of 2.875% and an issue price of 99.428%. The Notes are admitted to listing on the Irish Stock Exchange.

Also noteworthy with respect Cimic's issue of ten-year guaranteed senior notes for a nominal amount of USD 500 (maturing in November 2022) at a fixed annual interest rate of 5.95%, was the early repayment of EUR 267 million (USD 299 million) resulting in a carrying amount at 30 June 2015 of EUR 180 million (EUR 416 million at 31 December 2014).

In the first six months of 2015, Actividades de Construcción y Servicios, S.A. has renewed the Euro Commercial Paper Programme (ECP) for a maximum amount of EUR 750 million which was registered in the Irish Stock Exchange. Santander Global Banking & Markets is the programme implementation coordinator (arranger), the entity who 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. At 30 June 2015, the outstanding issues under the aforementioned programmes amounted to EUR 456,304 thousand (EUR 529,820 thousand at 31 December 2014).

- *Bank borrowings*

"Project finance and limited recourse borrowings" on the liability side of the consolidated statement of financial position includes the amount of financing associated with infrastructure projects. The detail of the balance of this heading, by type of financed asset at 30 June 2015, is as follows:

	Thousands of Euros		
	Current	Non-current	Total
Waste treatment	11,337	291,794	**303,131**
Highways	5,736	82,675	**88,411**
Property assets (Inventories)	47,281	19,087	**66,368**
Police station	5,830	49,421	**55,251**
Wind farm	1,296	18,057	**19,353**
Water management	1,967	16,480	**18,447**
Energy transmission	-	7,440	**7,440**
Photovoltaic plants	-	457	**457**
	73,447	**485,411**	**558,858**

The detail of this heading, by type of financial assets, at 31 December 2014 was 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 main change with respect to "Project finance and limited recourse borrowings" was due to the repayment through the renewal of the syndicated loan from ACS, Actividades de Construcción y Servicios, S.A. mentioned below on 20 February 2015 of the financing received by Cariátide, S.A. in relation to the acquisition it made in 2007 of the initial package of Hochtief, A.G. shares. Consequently, the existing guarantees and the coverage ratios over the Hochtief, A.G. shares in relation to the financing repaid were released. In 2014 the Group had already repaid EUR 182,000 thousand of the aforementioned financing.

On 13 February 2015, ACS Actividades de Construcción y Servicios, S.A. signed a loan with a syndicate of banks comprised of 43 Spanish and foreign entities for a total of EUR 2,350 million, divided into two tranches (loan Tranche A amounting to EUR 1,650 million and liquidity facility tranche B amounting to EUR 700 million) maturing on 13 February 2020. It allocated the same amount to cancel the current syndicated loan signed on 9 February 2012 with a principal of EUR 1,430.3 million and three loans granted to finance the acquisition of Hochtief, A.G. shares with a total principal amount at that date of EUR 694.5 million.

Likewise, of the remaining bank borrowings at 31 December 2014, of note were the borrowings obtained to finance the acquisition of Hochtief, A.G. shares for a nominal amount of EUR 450,000 thousand through the special purpose vehicle Major Assets, S.L., with a security interest in the shares of Hochtief, A.G. deposited therein, which at 31 December 2014 amounted to 13,948,778 shares and which was repaid on 20 February 2015 by means of the aforementioned syndicated loan and the security interest has been released.

In addition, as it did at 31 December 2014, the Group has extended by two years the maturity of Urbaser's syndicated loan amounting to EUR 600,000 thousand, and it now matures on 28 May 2019.

The long-term financing from the investee Hochtief, A.G. amounting to EUR 546,676 thousand (EUR 619,614 thousand at 31 December 2014) is noteworthy.

In 2013 Cimic entered into a syndicated loan amounting to EUR 689,180 thousand (AUD 1,000,000 thousand) maturing on 21 June 2016. On 8 December 2014 the maturity date was extended to 8 December 2017. At 30 June 2015 the amount disbursed was AUD 525,000 thousand (at 31 December 2014 the amount disbursed was AUD 600,000 thousand).

In the six-month period ended 30 June 2015 and in 2014 the ACS Group satisfactorily met its bank borrowing payment obligations on maturity. At the date of preparation of the condensed consolidated financial statements, the Group had also complied with all its financial obligations.

Note 21 of the financial statements for 2014 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 financial risks of the ACS Group in the first six months of 2015 detailed in the 2014 financial statements are:

- In February 2015 the renewal until 2020 of the syndicated loan of ACS, Actividades de Construcción y Servicios, S.A. amounting to EUR 2,350 million which secures the existing financing of the syndicate loan, as well as the repayment of the bank borrowings for the ownership interest in Hochtief through Cariátide and Major Assets.
- The two year extension of the syndicated loan of Urbaser.
- The renewal of the issue of the Euro Commercial Paper programme (ECP) for EUR 750 million.
- The issue of notes to the Euromarket for EUR 500 million maturing in five years and paid on 1 April 2015.
- The strengthening of the financial situation through the effective collection of the sale of the business of John Holland and of Thiess Services & Leighton Contractors ("Services"), from Cimic, as well as the admission to listing of Saeta Yield in February 2015.

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			
	30/06/2015		31/12/2014	
	Assets	Liabilities	Assets	Liabilities
Hedges	10,109	84,017	22	94,811
Non-qualified hedges	7,255	889	6,392	101,947
Non-current	**17,364**	**84,906**	**6,414**	**196,758**
Hedges	3,225	9,500	1,858	11,880
Non-qualified hedges	682	117,226	32,152	66,378
Current	**3,907**	**126,726**	**34,010**	**78,258**
Total	**21,271**	**211,632**	**40,424**	**275,016**

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 balance sheet, 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.

In relation to the financial instruments not qualified as hedges, of note was the cancellation in the first six months of 2015 of that corresponding to the equity swap over 164,352,702 shares of Iberdrola, S.A., the fair value of which at 31 December 2014 amounted to a liability of EUR 62,537 thousand and the corresponding result amounting to EUR 75,490 thousand was recognised in the income statement for the period (see Note 17). However, a put spread remains over 305,788,273 shares of Iberdrola, S.A. (452,568,115 shares at 31 December 2014). As was the case at 31 December 2014, the measurement at fair value at the end of the period did not give rise to the recognition of a liability. The amounts contributed to secure the derivatives contracted by the Group mentioned above, amounted to EUR 264,422 thousand at 30 June 2015 (EUR 621,252 thousand at 31 December 2014). The non-current portion amounting to EUR 81,306 thousand (EUR 398,686 thousand at 31 December 2014) is recognised under "Long term cash collateral deposits" in the accompanying consolidated statement of financial position. The amounts are earn interest at market rates. The current portion is recognised in Note 6.g).

In relation to the issue of bonds exchangeable for shares of Iberdrola amounting to EUR 532,900 thousand (see Note 10), of note are the embedded derivatives in the financing, the fair value of which at 30 June 2015 amounted to EUR 77,251 miles (EUR 38,654 thousand at 31 December 2014), recognised under current financial instruments payable in the accompanying consolidated statement of financial position. The aforementioned instruments gave rise to the recognition of a loss of EUR 38,597 thousand (see Note 17).

At 30 June 2015 and 31 December 2014, the ACS Group has derivatives on ACS shares not qualified as hedges which include the measurement at fair value of financial instruments which are settled by differences and the negative market value of which amounts to EUR 35,492 thousand (EUR 31,021 thousand at 31 December 2014). These amounts include the shares held by the financial institution 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 the fair value of these instruments is recognised under "Changes in fair value of financial instruments" in the accompanying profit or loss statement (see Note 17). In the contract with the financial institution, the latter does not assume any risk relating to the drop in the quoted price of the share below the exercise price. The exercise price of the option for the 2014 plan is EUR 33.8992 per share. Therefore, this risk relating to the drop in the quoted 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 quoted 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 quoted price than the value of the option, the derivative will have zero value at this date.

Additionally, 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, at the end of the Plan, the Company does not ever receive shares derived from the same, and therefore it is not considered treasury shares. As a result of the maturity of the 2010 stock options plan, in the first six months of 2015 the associated derivative which was recognised for EUR 32,599 thousand at 31 December 2014 was cancelled. The change in the fair value of these instruments due to the cancellation thereof is recognised under "Changes in fair value of financial instruments" (see Note 17) for EUR 2,071 thousand.

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

In relation to the assets and liabilities measured at fair value, the ACS Group has followed the hierarchy defined in IFRS 7:

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

Level 2: Inputs other than quoted prices 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.

	Miles de Euros			
	Value at 30/06/2015	Level 1	Level 2	Level 3
Assets	**1,703,904**	**1,096,728**	**482,366**	**124,810**
Equity instruments	905,211	605,051	175,350	124,810
Debt securities	777,422	491,677	285,745	-
Financial instrument receivables				
Non-current	17,364	-	17,364	-
Current	3,907	-	3,907	-
Liabilities	**211,632**	-	**211,632**	-
Financial instrument receivables				
Non-current	84,906	-	84,906	-
Current	126,726	-	126,726	-

	Thousands of Euros			
	Value at 31/12/2013	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	-

The change in financial instruments recognised in the level 3 hierarchy in the six-month period ended 30 June 2015 was as follows:

	Thousands of Euros				
	01/01/2015	Comprehensive income	Transfer Level 2	Others	30/06/2015
Assets – Equity instruments	**121,413**	1,645	-	1,879	**124,937**
Liabilities – Derivative financial instruments	-	-	-	-	-

The change in financial instruments recognised in the level 3 hierarchy in 2014 was as follows:

	Thousands of Euros				
	01/01/2014	Comprehensive income	Transfer Level 2	Others	01/01/2014
Assets - Equity instruments	**59,098**	6,508	46,723	9,084	**121,413**
Liabilities - Financial instrument receivables	**5,945**	-	-	(5,945)	-

There were no transfers between levels 1 and 2 of the fair value hierarchy of derivative instruments measured at fair value in the six-month period ended 30 June 2015.

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 30 June 2015 is as follows:

	Thousands of Euros					
	30/06/2015			31/12/2014		
	Tax Group in Spain	Other companies	Total	Tax Group in Spain	Other companies	Total
Credit for tax loss	525,917	204,474	730,391	525,497	186,572	712,069
Other temporary differences	426,072	877,789	1,303,861	404,229	819,093	1,223,322
Tax credits and tax relief	238,379	2,454	240,833	257,057	3,472	260,529
Total	**1,190,368**	**1,084,717**	**2,275,085**	**1,186,783**	**1,009,137**	**2,195,920**

The ACS Tax Group's tax loss carryforwards in Spain is a result of the 2012 consolidated tax loss which arose mainly from the impairment and losses related to the investment in Iberdrola, S.A., a tax asset which, in accordance with the new Spanish Income Tax Law (*Ley de impuesto sobre sociedades*) does not expire.

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 profit or loss, which does not anticipate extraordinary negative items as occurred in 2012, it is probable that these assets will be recovered.

With regard to the deferred tax liabilities amounting to EUR 1,424,690 thousand (EUR 1,268,739 thousand at 31 December 2014), the related concepts and amounts have not changed substantially with respect to 31 December 2014.

- *Change in income tax expense*

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

	Thousands of Euros	
	30/06/2015	30/06/2014 (*)
Consolidated profit/(loss) before tax	764,689	635,557
Profit or loss of companies accounted for using the equity method	(34,742)	(52,397)
	729,947	**583,160**
Tax charge at 28% / 30%	204,385	174,948
Tax credit for double taxation of dividends of Iberdrola, S.A.	(3,560)	(15,230)
Net impact of other permanent differences, tax credits, national tax rate spreads and adjustments	48,341	34,351
Income tax expense/(income)	**249,166**	**194,069**

(*) Restated unaudited

The most significant item at 30 June 2015 and 30 June 2014 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 the Tax Group 30/99, which do not recognise the tax effect associated with their accounting losses. Likewise, at 30 June 2015 the impact of tax rate spreads which differ from that of Spain increased due to the reduction of the latter's.

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 segment includes Hochtief, A.G., as well as the concession business carried out through Iridium. Note 25 to the consolidated financial statements of the ACS Group for the year ended 31 December 2014 details the bases used by the Group to define its operating segments.

The reconciliation of revenue, by segment, to consolidated revenue at 30 June 2015 and 2014 is as follows:

Segments	Thousands of Euros					
	30/06/2015			30/06/2014 (*)		
	External income	Inter-segment income	**Total income**	External income	Inter-segment income	**Total income**
Construction	12,752,690	2,923	**12,755,613**	12,486,145	4,320	**12,490,465**
Environment	1,571,109	1,074	**1,572,183**	851,661	43	**851,704**
Industrial Services	3,536,586	7,324	**3,543,910**	3,634,104	8,392	**3,642,496**
(-) Adjustments and eliminations of ordinary inter-segment income	-	(11,321)	**(11,321)**	-	(12,755)	**(12,755)**
Total	**17,860,385**	-	**17,860,385**	**16,971,910**	-	**16,971,910**

(*) 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 30 June 2015 and 2014 is as follows:

	Thousands of Euros	
	30/06/2015	30/06/2014 (*)
Segments		
Construction	213,162	194,323
Environment	52,083	50,226
Industrial Services	222,252	249,013
Total profit of the segments reported upon	**487,497**	**493,562**
(+/-) Non-assigned profit	28,026	(31,858)
(+/-) Elimination of internal profit (between segments)	-	-
(+/-) Other profits (loss)	-	-
(+/-) Income tax and /or profit (loss) from discontinued operations	249,166	173,853
Profit/(Loss) before tax	**764,689**	**635,557**

(*) Restated unaudited

Net revenue, by geographical area, at 30 June 2015 and 2014 is as follows:

Net amount of turnover by Geographical Area	Thousands of Euros	
	30/06/2015	30/06/2014 (*)
Domestic market	3,294,984	3,037,578
Foreign market	14,565,401	13,934,332
a) European Union	1,381,030	1,682,733
b) O.E.C.D countries	10,335,927	9,824,447
c) Rest of countries	2,848,444	2,427,152
Total	**17,860,385**	**16,971,910**

(*) Restated unaudited

The detail of sales by principal countries is as follows:

Net Revenue by Geographical Area	Thousands of Euros	
	30/06/2015	30/06/2014 (*)
United States	5,334,115	4,323,511
Australia	3,466,767	4,157,807
Spain	3,294,984	3,037,579
China	981,686	543,882
México	791,564	704,696
Canada	499,103	451,967
Indonesia	390,388	349,312
Germany	373,001	629,426
United Kingdom	259,859	333,233
Poland	257,889	315,297
Argentina	224,397	138,077
Saudi Arabia	202,205	138,884
Peru	201,913	150,045
Chile	201,842	175,663
France	150,361	115,481
Portugal	112,409	104,163
Other	1,117,902	1,302,887
Total	**17,860,385**	**16,971,910**

14.- Finance income

At 30 June 2015, finance income included, among other items, the dividends from Iberdrola, S.A. which amounted to EUR 12,716 thousand (EUR 52,529 thousand at 30 June 2014).

15.- Average workforce

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

Category	Average number of employees					
	30/06/2015			30/06/2014		
	Men	Women	Total	Men	Women	Total
University graduates	16,552	4,980	**21,532**	21,592	5,779	**27,371**
Junior college graduates	5,968	3,198	**9,166**	6,268	1,822	**8,090**
Non-graduate line personnel	15,924	4,779	**20,703**	11,394	1,649	**13,043**
Clerical personnel	4,078	4,822	**8,900**	2,858	5,590	**8,448**
Other employees	80,631	60,052	**140,683**	87,160	11,179	**98,339**
Total	**123,153**	**77,831**	**200,984**	**129,272**	**26,019**	**155,291**

The average workforce increased in the first six months of 2015 due to the incorporation of workers from Clece which was fully consolidated in the second half of 2014.

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

In the first six months of 2015, this heading in the accompanying profit or loss statement includes, mainly, the gains related to the sale of substantially all of the ownership interest in the Majadahonda Hospital amounting to EUR 36,978 thousand, as well as Saeta Yield's admission to listing (see note 1.f) and certain investments in concession assets from Hochtief Europa. In the first six months of 2014, it included mainly the profit from the sale of the Seville metro amounting to EUR 12,708 thousand.

17.- Changes in fair value of financial instruments

This heading includes the effect on the profit or loss statement of derivative instruments which do not meet the efficiency criteria provided in IAS 39, or which are not hedging instruments. The most significant impact in the first six months of 2015 and 2014 relates to the cancellation of the derivative financial instruments in relation to the Iberdrola, S.A. equity swap, as well as the gains from the derivatives over ACS shares, as described in Note 11.

18.- Other profit or loss

The most significant impact in the first six months of 2015 relates to the costs incurred due to the restructuring of international investees, as well as projects carried out abroad.

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 at 30 June 2015 were as follows (in thousands of euros):

Related transactions June 2015	Significant shareholders		Directors and Management	Other related parties							Total
Expenses and revenue	Grupo Iberostar	Total	Total	Fidalser, 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	-	-	-	-	-	247	-	-	-	247	247
Leases	-	-	-	89	-	-	-	-	-	89	89
Reception of services	41	41	-	23	-	447	218	438	-	1,126	1,167
Other expenses	-	-	-	-	-	-	-	-	17,765	17,765	17.765
Expenses	41	41	-	112	-	694	218	438	17,765	19,227	19,268
Provision of services	941	941	809	-	114	-	368	30	-	512	2,262
Revenue	941	941	809	-	114	-	368	30	-	512	2,262

Related transactions June 2015	Significant shareholders		Other related parties				Total
Other transactions	Banca March	Total	Banco Sabadell	Fapin Mobi, S.L.	Fidalser, S.L.	Total	
Financing agreements: loans and capital contributions (lender)	19,730	19,730	530,732	-	-	530,732	550,462
Guarantees given	17,610	17,610	-	-	-	-	17,610
Financing agreements: loans and capital contributions (lender)	-	-	-	113	98	211	211
Other transactions	18,245	18,245	-	-	-	-	18,245

The transactions performed at 30 June 2014 were as follows (in thousands of euros):

Related transactions June 2014	Significant shareholders		Directors and Management	Other related parties							Total
Expenses and revenue	Grupo Iberostar	Total	Total	Fidalser, 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	-	-	-	-	-	82	-	-	-	82	82
Leases	-	-	-	89	-	-	-	-	-	89	89
Reception of services	-	-	-	36	-	149	679	414	-	1,278	1,278
Other expenses	-	-	-	-	-	-	-	-	17,324	17,324	17,324
Expenses	-	-	-	125	-	231	679	414	17,324	18,773	18,773
Provision of services	1,245	1,245	1,373	-	111	-	995	-	-	1,106	3,724
Revenue	1,245	1,245	1,373	-	111	-	999	-	-	1,106	3,724

Related transactions June 2014	Significant shareholders		Other related parties				Total
Other transactions	Banca March	Total	Banco Sabadell	Lynx Capital, S.A.	Fidalser, S.L.	Total	
Financing agreements: loans and capital contributions (lender)	48,590	48,590	687,227	-	-	687,227	735,817
Guarantees given	24,930	24,930	-	-	-	-	24,930
Financing agreements: loans and capital contributions (lender)	-	-	-	109	288	397	397
Other transactions	21,375	21,375	-	-	-	-	21,375

At 30 June 2015, the outstanding balance payable to Banca March for credit facilities and loans granted to ACS Group companies amounted to EUR 14,944 thousands (EUR 31,397 thousand at 31 December 2014). The transactions being maintained at 30 June 2015, in accordance with the information available regarding ACS Group companies, amounted to EUR 16,461 thousand (EUR 18,056 thousand at 31 December 2014) in guarantees, EUR 25,675 thousand (EUR 24,042 thousand at 31 December 2014) in reverse factoring transactions to suppliers.

At 30 June 2015, the balance payable to Banco Sabadell amounted to EUR 186,572 thousand (EUR 183,274 thousand at 31 December 2014) for loans and credit facilities granted to ACS Group companies. Accordingly, the transactions maintained by this bank at 30 June 2015, in accordance with the information available regarding ACS Group companies, amounted to EUR 366,188 thousand (EUR 314,220 thousand at 31 December 2014) in guarantees and sureties, EUR 43,310 thousand (EUR 23,451 thousand at 31 December 2014) 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 has performed typical transactions relating to its ordinary course of business such as granting loans, providing guarantees for bid offers and/or the execution of works, reverse factoring and non-recourse factoring to several ACS Group companies.

The Iberostar Group is listed 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 mainly air-conditioning activities in hotels owned by Iberostar.

Rosán Inversiones, S.L. is listed due to its ties with the Chairman and CEO of the Company who has 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 Fidalser, S.L., Terratest Tecnicas Especiales, S.A., Fapin Mobi, 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 Monzon had with this company. The transactions performed with the Zardoya Otis, S.A. are listed 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. The "Other transactions" recognised in the first six months of 2015 exclusively impact Banca March. Banca March, as a financial institution, provides various financial services to ACS Group companies in the ordinary course of business amounting to a total EUR 18,245 thousand (EUR 21,375 thousand in the first six months of 2014) which relate to the reverse factoring lines of credit for suppliers.

"Directors and executives" includes a housing construction agreement between Dragados, S.A. and the Board Member Joan David Grimà Terré, signed in 2013 for which EUR 809 thousand were paid in the first six months of 2015 (EUR 3,055 thousand in 2014).

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 profit or loss statement of the Group's operations

20.- Board of Directors and senior executives

Remuneration of Directors

In the six-month periods ended 30 June 2015 and 2014, 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 or as member of the Board of Directors or as senior executives of Group companies.

	Thousands of Euros	
	30/06/2015	30/06/2014
Fixed remuneration	1,986	1,986
Variable remuneration	2,509	2,009
By-law stipulated director's emoluments	1,829	1,693
Total	**6,324**	**5,688**

In addition, EUR 710 thousand were charged to profit or loss statement at 30 June 2015 (EUR 258 thousand at 30 June 2014) 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	
	30/06/2015	30/06/2014
Pension funds and plans: contributions	856	850
Life insurance premiums	10	8

The amount recognised under "Pension funds and plans: Contributions" relates to the portion corresponding to the payments made by the Company in each six-month period.

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

Remuneration of senior executives

The remuneration of the Group's senior executives in the periods ended 30 June 2015 and 2014, excluding those who are simultaneously executive directors, was as follows:

	Thousands of Euros	
	30/06/2015	30/06/2014
Total remuneration	14,341	12,433

The increase in the remuneration between periods is a result of the increase in the number of members composing the Group's senior executives. EUR 3,878 thousand were charged to profit or loss statement in 30 June 2015 (EUR 986 thousand at 30 June 2014) as a result of the share options granted to the Group's senior executives, and were not recognised under the aforementioned remuneration. Similarly, as indicated in the case of directors, the aforementioned amounts relate to the proportion of the value of the plan on the date it was granted. In addition, EUR 790 thousand (EUR 810 thousand at 30 June 2014) related to pension plans and EUR 18 thousand (EUR 15 thousand at 30 June 2014) related to life insurance premiums.

Share option plans

The ACS Group resolved, at the proposal of the Appointments and Remuneration Committee held in July 2014, and in execution of the agreement adopted by the shareholders at the Ordinary General Shareholders' Meeting of ACS Actividades de Construcción y Servicios, S.A. held on 15 April 2010, the establishment of an Option Plan on shares of ACS Actividades de Construcción y Servicios, S.A. (2014 Option Plan) regulated as follows:

a. The number of shares object of the Option Plan will be a maximum of 6,293,291 shares, of EUR 0.50 par value each.
b. The beneficiaries are 62 executives with options from 540,950 to 46,472.
c. The acquisition price will be EUR 33.8992 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 case of 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 the taxes to be paid as a result of exercising the share option will be borne exclusively by the beneficiary.

The ACS Group's 2010 Share Option Plan matured in the first six months of 2015. No share corresponding to these plans was exercised in 2014 or in 2015. The commitments arising from the current plan are hedged through a financial institution (see Note 11).

The quoted price of ACS shares at 30 June 2015 and 31 December 2014 was EUR 28.855 and EUR 28.970 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 amounted to EUR11,318 thousand at 30 June 2015 (EUR 11,766 thousand at 31 December 2014). The impact recognised in the profit or loss statement in this connection in the six-month period ended 30 June 2015 and in 2014 is not significant. To hedge the risk of exposure to changes in the quoted 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 interim condensed consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group (see Note 1.a). Certain accounting practices applied by the Group that conform to that regulatory framework may not conform to other generally accepted accounting principles and rules.

APPENDIX I

CHANGES IN THE SCOPE OF CONSOLIDATION

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

Valoram, S.A.S.
Suma Tratamiento, S.A.
INBISA Servicios y Medioambiente, S.A.U.
Concesionaria Nueva Vía al Mar, S.A.
Nuevo Hospital de Toledo, S.A.
Valveni Soluciones para el Desarrollo Sostenible, S.L.
Flatiron-Skanska-Stacy and Witbec
Dicentra sp.z.o.o.
Hunaser, Servicios Energeticos, A.I.E.
Saco 3 Escombros, S.L.
Concesiones de Infraestructuras Chile Uno S.A.
Dracena I Parque Solar, S.A.
Dracena II Parque Solar, S.A.
Dracena III Parque Solar, S.A.
Dracena IV Parque Solar, S.A.
Guaimbe I Parque Solar, S.A.
Guaimbe II Parque Solar, S.A.
Guaimbe III Parque Solar, S.A.
Guaimbe IV Parque Solar, S.A.
Guaimbe V Parque Solar, S.A.
CIS-WRC, LLC
Humiclima USA Inc
O&M Plantas Fotovoltaicas Lesedi y Letsatsi, S.L.
Karoshoek Solar One
Sarl Ofiteco Argelia
Transmissora José Maria de Macedo de Electricidade, S.A.
SEMI Saudi
Geotecnia y Cimientos del Perú, S.A.C.
Dragados Infraestructuras Colombia, SAS
Goodfellow Top Grade/Flatiron JV
HOCHTIEF Canada Holding 4 Inc.
HOCHTIEF SSLG Partner Inc.
Signature on the Saint Lawrence Construction G.P.
Signature on the Saint-Laurent Group G.P.
Boggo Road Lots 6 and 7 Pty. Ltd.
Canberra Metro Finance Pty. Ltd.
Fleetco Rentals CT. Pty. Ltd.
Fleetco Rentals GE. Pty. Ltd.
Fleetco Rentals HD. Pty. Ltd.
Fleetco Rentals LB. Pty. Ltd
Fleetco Rentals OO. Pty. Ltd.
Fleetco Rentals RR. Pty. Ltd.
Leighton Commercial Properties Pty. Ltd.
LNWR Trust
Pacific Partnerships Investments Trust
Thiess Chile SPA
Akudjura Facilities Management
Leighton Samsung John Holland Joint Venture
S.A.N.T. (MGT-HOLDING) PTY LTD
S.A.N.T. (TERM-HOLDING) PTY LTD
Leighton - China State Joint Venture

Rizzani Leighton Joint Venture

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

Tirmadrid, S.A.
Green Canal Golf, S.A.
Mantenimientos Integrales Senax, S.A.
Weneda Sp.z o.o.
Systelec Quebec, Inc.
Systelec S.E.C
Blas Moreno, S.L.
Gridcomm Pty. Ltd.
John Holland Development & Investment Pty. Ltd.
John Holland Engineering Pty. Ltd.
HOCHTIEF A5 Holding GmbH
TERRA CZ s.r.o.
Valentinka a.s.
BAB A7 Neumünster-Hamburg Betriebsverwaltungsgesellschaft mbH
Neva Traverse GmbH i.L.
Copperstring Pty. Ltd.
Shield Infrastructure Partnership
CLECE INC
SEMI Colombia S.A.S.
Projektgesellschaft Marieninsel Ost GmbH & Co. KG
Projektgesellschaft Marieninsel West GmbH & Co. KG
HOCHTIEF Canada Holding 1 Inc.
HOCHTIEF Shield Investment Inc.
Marieninsel Ost Verwaltungs GmbH
Marieninsel West Verwaltungs GmbH
Neva Traverse GmbH i.L.
Sociedad Concesionaria Túnel San Cristóbal S.A.
Sociedad Concesionaria Túnel San Cristóbal S.A.
HIP Philipp-Loewenfeld Straße Verwaltungs GmbH
HGO InfraSea Solutions GmbH & Co. KG
Wellington Gateway Partnership No 1 Ltd. partnership
Wellington Gateway Partnership No 2 Ltd. partnership
VR Pakenham Pty. Ltd.
VR Pakenham Trust
ACN 112 829 624 Pty Ltd
Emrail-Leighton Joint Venture
Leighton Fabrication and Modularization Ltd.
Leighton Motorway Investments No. 2 Pty. Ltd.
Mode Apartments Pty. Ltd.
Mode Apartments Unit Trust
Nestdeen Pyt. Ltd.
PT Ngawi Kertosono Jaya
PT Solo Ngawi Jaya
River Links Developments Pty. Ltd.
LS Midco Pty Ltd
LS NewCo Pty Ltd
Henry Road Pakenham JV
Taiwan Track Partners Joint Venture