

Annual
Report of
ACS Group

2010



ACS

ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS



www.grupoacs.com

Cover photo: Castor Project, underground natural gas storage (Castellón, Spain).



Activity Report of ACS Group

2010



Main Figures of the ACS Group

| Financial and operating data | 2005 | 2006 | 2007 ⁽¹⁾ | 2008 ⁽²⁾ | 2009 ⁽³⁾ | 2010 |
|---------------------------------|----------|----------|---------------------|---------------------|---------------------|----------|
| Million of euros | | | | | | |
| Turnover | 12,113.9 | 14,067.2 | 15,344.9 | 15,275.6 | 15,387.4 | 15,379.7 |
| Gross operating profit (EBITDA) | 1,095.5 | 1,270.3 | 1,379.8 | 1,382.5 | 1,429.3 | 1,505.2 |
| Net operating profit (EBIT) | 817.4 | 971.6 | 1,056.7 | 1,042.7 | 1,073.9 | 1,099.3 |
| Attributable net profit | 608.7 | 1,250.1 | 1,551.1 | 1,805.0 | 1,946.2 | 1,312.6 |
| Cash-flow ^(*) | 886.8 | 1,548.8 | 1,874.1 | 2,144.8 | 2,301.5 | 1,718.5 |
| Dividends paid | 137.6 | 211.7 | 441.1 | 600.2 | 653.2 | 618.2 |
| Net investments/(Divestments) | 4,216.4 | 5,407.1 | 2,475.0 | 170.5 | (1,327.2) | 2,324.4 |
| Total assets | 17,712.5 | 25,182.7 | 49,593.4 | 51,398.4 | 31,361.2 | 34,184.5 |
| Equity | 2,635.5 | 3,256.4 | 10,441.0 | 9,913.0 | 4,507.9 | 4,442.4 |
| Shareholders' equity | 2,480.9 | 3,115.7 | 4,653.8 | 3,402.4 | 4,219.6 | 4,178.5 |
| Total net debt | 4,264.6 | 8,746.3 | 7,938.7 | 9,355.8 | 9,089.3 | 8,003.1 |
| Net debt with recourse | 1,909.4 | 1,753.4 | 1,871.4 | 2,933.7 | 8,870.0 | 7,046.5 |
| Non recourse financing | 2,355.2 | 6,992.9 | 6,067.3 | 6,422.1 | 219.4 | 956.6 |
| Order book | 26,868.1 | 29,918.3 | 32,322.8 | 27,679.0 | 28,581.0 | 28,777.0 |
| Number of employees | 113,273 | 123,652 | 132,048 | 138,117 | 137,015 | 138,542 |

(*) Net profit + Depreciation + Change in provisions.

| Data per share | 2005 | 2006 | 2007 ⁽¹⁾ | 2008 ⁽²⁾ | 2009 ⁽³⁾ | 2010 |
|----------------------|------|------|---------------------|---------------------|---------------------|-------|
| Euros | | | | | | |
| Earnings | 1.74 | 3.58 | 4.51 | 5.43 | 6.26 | 4.38 |
| Gross dividend | 0.60 | 1.25 | 1.75 | 2.05 | 2.05 | 2.05 |
| Cash-flow | 2.51 | 4.39 | 5.44 | 6.45 | 7.40 | 5.74 |
| Shareholders' equity | 7.03 | 8.83 | 13.52 | 10.23 | 16.80 | 18.44 |

| Stock market data | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Listed shares ⁽⁴⁾ | 352,873,134 | 352,873,134 | 352,873,134 | 335,390,427 | 314,664,594 | 314,664,594 |
| Market capitalization (€ Million) | 9,601.7 | 15,071.2 | 14,344.3 | 10,950.5 | 10,953.3 | 11,036.7 |
| Year-end closing price | 27.21 € | 42.71 € | 40.65 € | 32.65 € | 34.81 € | 35.08 € |
| Annual revaluation | 61.96% | 56.96% | -4.82% | -19.68% | 6.62% | 0.76% |

| Key ratios | 2005 | 2006 | 2007 ⁽¹⁾ | 2008 ⁽²⁾ | 2009 ⁽³⁾ | 2010 |
|------------------------|--------|--------|---------------------|---------------------|---------------------|--------|
| Operating margin | 6.7% | 6.9% | 6.9% | 6.8% | 7.0% | 7.1% |
| Net margin | 5.0% | 8.9% | 10.1% | 11.8% | 12.6% | 8.5% |
| ROE | 27.5% | 45.5% | 36.9% | 41.2% | 50.0% | 32.5% |
| Gearing ⁽⁵⁾ | 161.8% | 268.6% | 76.0% | 94.4% | 201.6% | 180.2% |
| Dividend yield | 2.2% | 2.9% | 4.3% | 6.3% | 5.9% | 5.8% |

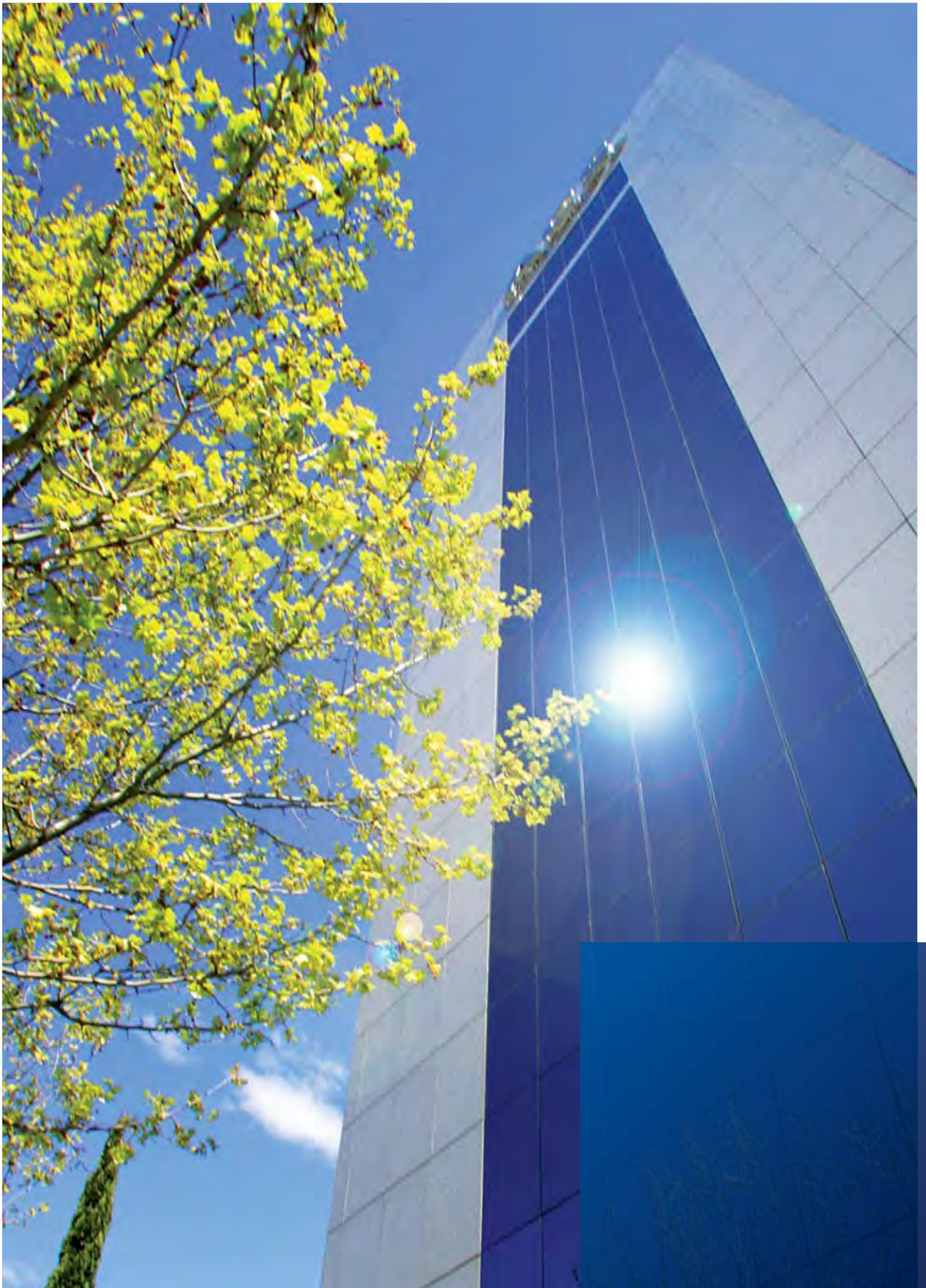
(1) 2007 data proforma, Union Fenosa has been reclassified as "Assets held for sale", using the same criteria that it has been used in 2008.

(2) 2008 data proforma, SPL has been reclassified as "Assets held for sale", using the same criteria that it has been used in 2009.

(3) 2009 data are presented applying IAS 31 and IFRIC 12 in comparable terms using the same criteria that in 2010 data.

(4) On July 2008, there was a reduction in the share capital by a nominal amount of € 8,741,385 through the redemption of 17,482,707 shares of treasury stock. Additionally, on January 2009, there was a reduction in the share capital by a nominal amount of € 8,373,255, through the redemption of 16,746,453 shares of the treasury stock, according to the resolution that was approved in the Extraordinary General Shareholder's meeting, held in December 2008. On May 25th, 2009, there was a reduction in the stock capital by a nominal amount of € 1,989,690 through the redemption of 3,979,380 shares of treasury stock.

(5) Gearing: Net Debt / (Shareholders' Equity + Minority interests).



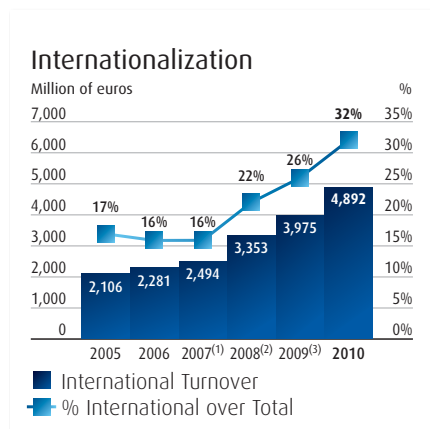
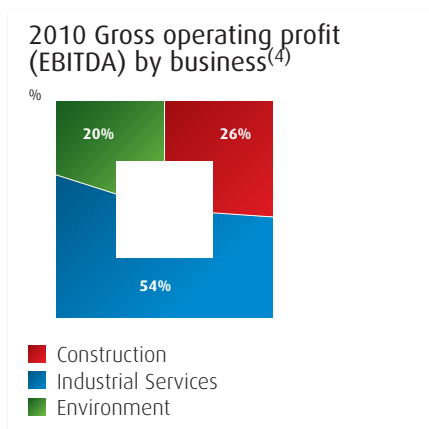
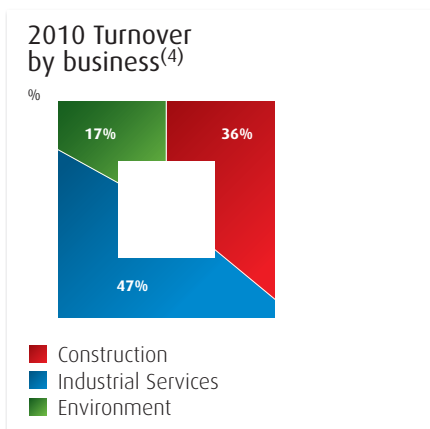
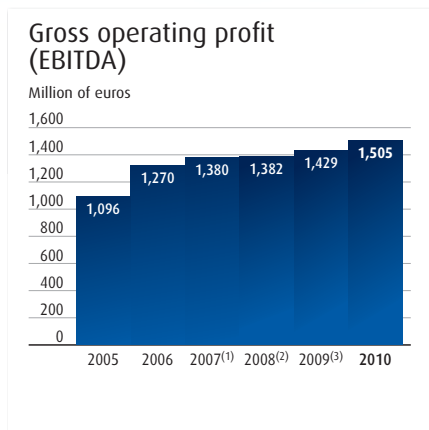
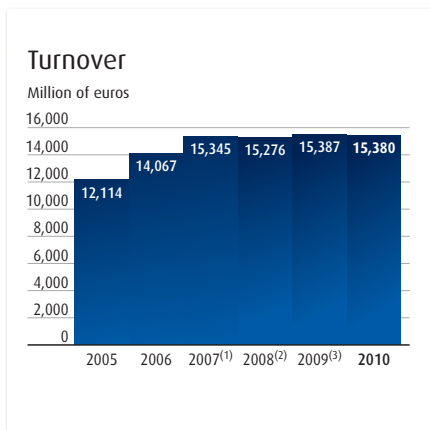
Main figures of the ACS Group



International presence

Countries in which ACS Group is present

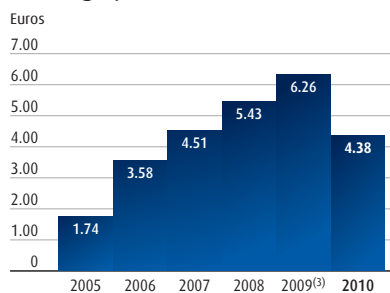
| | | | |
|-----------|--------------------|--------------|----------------------|
| Algeria | Costa Rica | Lybia | United Arab Emirates |
| Andorra | Dominican Republic | Mauritania | United Kingdom |
| Angola | Ecuador | Mexico | United States |
| Argentina | Egypt | Morocco | Uzbekistan |
| Australia | El Salvador | Norway | Venezuela |
| Bolivia | France | Panama | |
| Brazil | Germany | Peru | |
| Cameroon | Greece | Poland | |
| Canada | Guatemala | Portugal | |
| Chile | India | Saudi Arabia | |
| China | Ireland | Spain | |
| Colombia | Italy | Tunisia | |



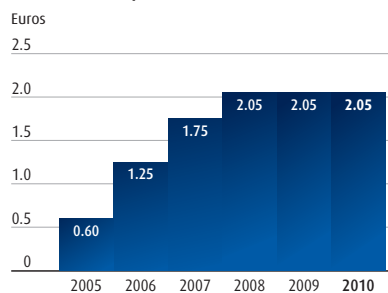
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 (2) 2008 data proforma, SPL has been reclassified as "Assets held for sale", using the same criteria that it has been used in 2009.
 (3) 2009 data are presented applying IAS 31 and IFRIC 12 in comparable terms using the same criteria that in 2010 data.
 (4) Note: Percentages are calculated considering the sum of activities considered in the graph.



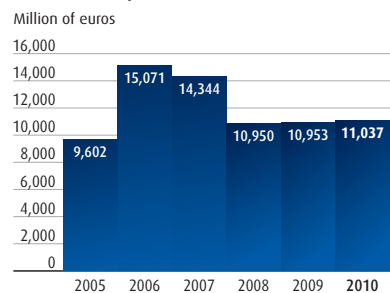
Earnings per share



Dividends per share



Market capitalization



Construction 2010

| Million of euros | |
|---------------------------------|--------|
| Turnover | 5,593 |
| International | 33.4% |
| Gross operating profit (EBITDA) | 393 |
| Margin | 7.0% |
| Net profit | 220 |
| Margin | 3.9% |
| Order book | 11,087 |
| Employees | 17,628 |

Industrial Services 2010

| Million of euros | |
|---------------------------------|--------|
| Turnover | 7,158 |
| International | 37.4% |
| Gross operating profit (EBITDA) | 821 |
| Margin | 11.5% |
| Net profit | 400 |
| Margin | 5.6% |
| Order book | 6,846 |
| Employees | 39,988 |

Environment 2010

| Million of euros | |
|---------------------------------|--------|
| Turnover | 2,562 |
| International | 11.5% |
| Gross operating profit (EBITDA) | 311 |
| Margin | 12.1% |
| Net profit | 152 |
| Margin | 5.9% |
| Order book | 10,844 |
| Employees | 80,524 |

Annual Report of ACS Group

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“Our business model is founded on a consistent strategy, a continuous search for profitability and commitments based on personal integrity and respect for the environment”

Florentino Pérez
Chairman of the ACS Group

Letter from the Chairman



Dear Shareholder

For another year I have the pleasure of presenting you the Annual Report for our Group, detailing its management for 2010. During this year we have been able to meet the objectives we set ourselves, among which profitability has always been key as the basis for the sustainability of our company and the source of the trust you place in us.

In the 2010 financial year, attributable net profit totalled 1,313 million euros and earnings per share exceeded 4.38 euros, which represents a yield of 12.6% on the price of the shares at the start of the year. Net recurring profit, which excludes the profit from discounted operations and extraordinary profit, increased 10.3% on reaching 923 million euros.

To achieve these excellent results, we dedicated significant efforts to maintaining our level of activity, which is a complex task in the macroeconomic conditions we are going through. Our clear commitment to international growth helped in this, mainly in the geographical areas we know well and where the infrastructure development industry offers numerous opportunities. This strategy enabled sales outside of Spain to grow by over 23% in 2010, to represent 32% of consolidated sales. Likewise, our order book of international projects experienced a significant quantitative leap, increasing similarly by 23% in the last year to represent 42% of the total order book.

Also in 2010 we managed to increase our operating margin, as the result of the change in the weight of our activities, where Industrial Services is increasingly significant, and due to our efforts to reduce cost and promote profitability at all times.

Of course, we continue to give priority to cash generation in our businesses, both in operational management, supported by good operating results and efficient management of working capital, and in sales of non-strategic mature assets, which enables us to simultaneously pursue an active investment policy and continuously pay our shareholders.

Our investments during the year exceeded 5,100 million euros, confirming the significant effort made to pursue growth and profitability in the coming years. Among the most outstanding investments is the increase in our share in Iberdrola to 20.2%, restating our vocation of permanency in the electricity company, which is strategic for us.

In addition, we launched a takeover bid for Hochtief in September, which we completed satisfactorily on exceeding a 30% stake. Hochtief is our commitment to profitable growth, which will make us the worldwide leader in our industry and represent an expanding operating base for the coming years.

On the other hand, in August 2010 we reorganised our involvement in Abertis, bringing a new strategic

partner into the shareholder structure and making a significant divestment which gave us a substantial gain and a sizable inflow of cash. This, combined with the cash generated by operating activities, at over 1,377 million euros, enabled us to undertake the investments mentioned before and reduce the net debt balance by 12%, which stood at 8,003 million euros at year end.

It is important to point out that 88% of this debt is without recourse to shareholders, divided into concession project financing, with a balance of 1,481 million euros, and debt without recourse to such vehicles for the acquisition of Iberdrola and Hochtief, to a total of 5,565 million euros. This balance is much lower than the quoted market value of our shares at the end of 2010, which stood at 8,750 million euros.

I believe this coverage margin is sufficiently large, as the capital markets continue to show significant discounts with respect to intrinsic asset values, both in terms of the shares for companies in which we have invested and in our own share price. During 2010, ACS's shares achieved an annual yield, including dividends paid, of 6.6%. This makes us one of the few stocks in the Spanish IBEX35 index with positive results for the year and the second in terms of creation of value over the decade.

This fact is probably due, in large part, to our business model being founded on a consistent strategy, a continuous search for profitability and commitments based on personal integrity and respect for the environment. As such, we recently initiated a global plan to drive sustainability in the Group, focused on three main aspects: expansion and universal use of our code of conduct, to adapt it to our most international and multicultural reality; the implementation of a systematic analysis of risks to the Group's reputation; and the definition and implementation of a more comprehensive environmental strategy.

However, I am convinced that the main reason for our success lies in the talents and efforts of the Group's nearly 140,000 employees, who work daily to make ACS one of the world's leading infrastructure companies and to persist in creating value sustainably for all our shareholders. As always, we will continue to dedicate all our energies and the greatest enthusiasm to achieving these objectives.



Florentino Pérez
Chairman of the ACS Group

Management Bodies

Board of Directors

Chairman and CEO

Mr. Florentino Pérez Rodríguez ■
Civil Engineer
Chairman and CEO of ACS Group since 1993
Member of the Board of Directors of ACS Group since 1989
Vice Chairman of Abertis Infraestructuras

Executive Vice Chairman

Mr. Antonio García Ferrer ■
Civil Engineer
Member of the Board of Directors of ACS Group since 2003

Vice Chairman

Mr. Pablo Vallbona Vadell ■■
Naval Engineer and MBA from the IESE
Member of the Board of Directors of ACS Group since 1997
Chairman of Iberpistas
Executive Vice Chairman of Banca March
Vice Chairman of Corporación Financiera Alba
Member of the Board of Directors of Abertis Infraestructuras

Member of the Board of Directors

Mr. José María Loizaga Viguri ■■■
Economist
Member of the Board of Directors of ACS Group since 1989
Chairman of Cartera Industrial REA
Vice Chairman of Zardoya Otis
Member of the Board of Directors of Mecalux

Mr. José María Aguirre González ■
Doctorate in Civil Engineering
Member of the Board of Directors of ACS Group since 1995
Honorary Chairman of Banco Guipuzcoano

Mr. Agustín Batuecas Torrego
Civil Engineer
Member of the Board of Directors of ACS Group since 1999

Mr. Álvaro Cuervo García ■
Doctorate in Economics
Professor of Business Economics-Universidad Complutense de Madrid
Chairman of CUNEF (Colegio Universitario de Estudios Financieros)
Member of the Board of Directors of ACS Group since 1997
Member of the Advisory Board of Privatisations
Member of the Board of Directors of SONAE SGPS, and SONAE INDUSTRIA
Member of the Board of Directors of BME

Mr. Manuel Delgado Solís ■
B.S. in Pharmacy. Lawyer
Member of the Board of Directors of ACS Group since 2003

- Member of the Executive Committee
- Member of the Audit Committee
- Member of the Appointment and Remuneration Committee
- ☑ Secretary non-member

Mr. Javier Echenique Landiribar ■■

B.A. in Economics
 Member of the Board of Directors of ACS Group since 2003
 Chairman of Banco Guipuzcoano
 Executive Vice Chairman of Banco Sabadell
 Member of the Board of Directors of Telefónica Móviles Mexico
 Member of the Board of Directors of Telefónica España
 Member of the Board of Directors of ENCE
 Member of the Board of Directors of Repsol YPF

Ms. Sabina Fluxá Thienemann

B.A. in Business Studies and MBA from the ESADE
 Member of the Board of Directors of ACS Group since 2009
 Vice Chairwoman of Grupo Iberostar

Mr. Joan-David Grimà i Terré

Doctorate in Economics and Business Studies
 Member of the Board of Directors of ACS Group since 2003
 Member of the Board of Directors of TEKA

Mr. Pedro López Jiménez ■

Civil Engineer
 Member of the Board of Directors of ACS Group since 1989
 Member of the Board of Directors of Keller Group Plc
 Vice Chairman of Dragados
 Chairman of Grupo Terratest
 Member of the Board of Directors of ENCE

Mr. Juan March de la Lastra ■

B.A. in Business Administration
 Member of the Board of Directors of ACS Group since 2008
 Member of the Board of Directors of Corporación Financiera Alba
 Member of the Board of Directors of Indra

Mr. Santos Martínez-Conde Gutiérrez-Barquín ■

Civil Engineer
 Member of the Board of Directors of ACS Group since 2001
 CEO of Corporación Financiera Alba
 Member of the Board of Directors of Acerinox
 Member of the Board of Directors of Banca March

Mr. Javier Monzón de Cáceres

B.A. in Economics
 Member of the Board of Directors of ACS Group since 2003
 Chairman of Indra

Mr. Miquel Roca i Junyent ■

Lawyer
 Member of the Board of Directors of ACS Group since 2003
 Member of the Board of Directors of Endesa
 Secretary of the Board of Directors of Abertis Infraestructuras
 Secretary of the Board of Directors of Banco de Sabadell
 Secretary of the Board of Directors of Grupo AGBAR

Mr. Julio Sacristán Fidalgo ■

B.S. in Chemistry
 Member of the Board of Directors of ACS Group since 1998

Mr. Francisco Servando Verdú Pons

B.A. in Economics and MBA from the Chicago University
 Member of the Board of Directors of ACS Group in the period 2002-2003 and re-elected in 2006
 Executive Vice Chairman of Banca March
 Member of the Board of Directors of Corporación Financiera Alba

Member and Secretary of the Board of Directors

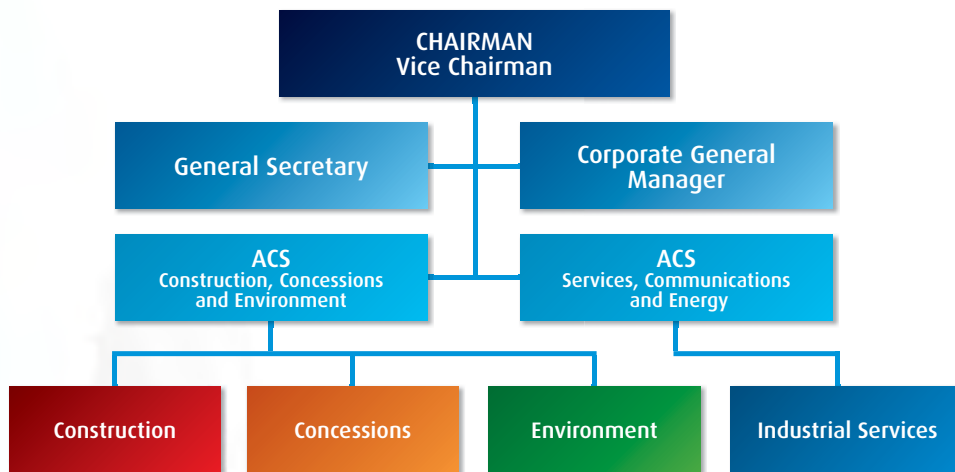
Mr. José Luis del Valle Pérez ■■■

Lawyer and State Attorney
 Member of the Board of Directors of ACS Group since 1989

Management Bodies

Management Committee





From left to right

Mr. Ángel García Altozano
Corporate General Manager

Born in 1949. Civil Engineer and MBA
Mr. García Altozano started his professional career in the construction sector. He was General Manager of the Instituto Nacional de Industria (INI) and President of Bankers Trust for Spain and Portugal. In 1997 he joined the ACS Group as Corporate General Manager with responsibility over the economic-financial areas, corporate development and affiliates.

Mr. Marcelino Fernández Verdes
Chairman and CEO of the Construction, Concessions and Environment Areas

Born in 1955. Civil Engineer.
Mr. Fernández joined the Group in 1987 and was appointed General Manager in 1994. In 1998 he became the CEO of ACS Proyectos, Obras y Construcciones S.A., and in 2000 he was appointed Chairman of the company. In 2004 he was appointed Chairman and CEO of Dragados as well as responsible for ACS Servicios y Concesiones. In 2006 he was also appointed, Chairman and CEO of ACS Servicios y Concesiones, as well as responsible for the areas of Concessions and Environment.

Mr. Florentino Pérez Rodríguez
Chairman and CEO

Born in 1947. Civil Engineer.
Although Mr. Pérez started his career in the private sector, he held different posts in the Public Administration between 1976 and 1982 when he was Delegate for Sanitation and Environment of the Madrid City Council, General Sub-Director of Promotion of the Centre for the Development of Industrial Technology in the Ministry of Industry and Energy, General Manager of Transport Infrastructures in the Ministry for Transport, as well as Chairman of IRYDA in the Ministry of Agriculture. In 1983, he returned to the private sector as top executive of Construcciones Padrós, S.A. since 1984, of which he was one of the main shareholders. Since 1993, he has been the Chairman and CEO of the ACS Group, first as the chairman of OCP Construcciones S.A., as result of the merger of Construcciones Padrós with Geocisa, and since 1997 as the chairman and CEO of the so-called ACS Group, as result of the merger of OCP Construcciones S.A. with Ginés Navarro, S.A. He is also Vice Chairman of Abertis.

Mr. Antonio García Ferrer
Executive Vice Chairman

Born in 1945. Civil Engineer.
Mr. García started his career in Dragados y Construcciones, S.A. in 1970. After assuming various positions of responsibility in the construction company, in 1989 he was appointed Regional Manager for Madrid. Then, in 1998, he was placed at the head of the Building business and in 2001, he became General Manager of the Industrial and Services Divisions. In 2002 Mr. García was appointed as the Chairman of Grupo Dragados, S.A., and in December 2003 he became the Executive Vice Chairman of the ACS Group.

Mr. José Luis del Valle Pérez
General Secretary

Born in 1950. Lawyer and State Attorney.
From 1974 until 1983 Mr. del Valle held various positions in the Public Administration and was a member of the Parliament from 1979 to 1982 and Deputy Secretary of the Ministry of Territorial Administration. He has been a member of the Board of Directors of the ACS Group since 1989 and has been the Secretary General to the Board of Directors since 1997.

Mr. Eugenio Llorente Gómez
Chairman and CEO of the Industrial Services Area

Born in 1947. Industrial Technical Engineer and MBA, Madrid Business School.
Mr. Llorente started his professional career in Cobra Instalaciones y Servicios, S.A. in 1973. After occupying different positions of responsibility, in 1989 was named Director of the Central Zone, in 1998 he was promoted Corporate General Manager and in 2004 General Manager. Currently, he is General Manager of ACS Services, Communications and Energy and responsible for the Industrial Services Area of the Group.

Management Bodies

Management Team

ACS, Actividades de Construcción y Servicios

Mr. Florentino Pérez Rodríguez
Chairman and CEO

Mr. Antonio García Ferrer
Executive Vice Chairman

Mr. Ángel García Altozano
Corporate General Manager

Mr. José Luis del Valle Pérez
Secretary General

Construction, Environment and Concessions

Mr. Marcelino Fernández Verdes
Chairman and CEO

Mr. Luis Nogueira Miguelsanz
Secretary General

Construction

Dragados

Mr. Marcelino Fernández Verdes
Chairman and CEO

Mr. Ignacio Segura Suriñach
General Manager

Mr. Luis Nogueira Miguelsanz
Secretary General

Mr. Ricardo Martín de Bustamante
Director of Production

Mr. Juan Luis García-Gelabert Pérez
Director of Investments

Mr. José Antonio López-Monis Plaza
International Director

Mr. Maximiliano Navascués Redondo
Director of Contracts and Technical Services

Mr. Alfonso Costa Cuadrench
Deputy International Director

Mr. Alejandro Canga Botteghelz
Director of Management control

Vías y Construcciones

Mr. Manuel Pérez Beato
Chairman

Mr. Gonzalo Gómez Zamalloa
CEO

Mr. Manuel Álvarez Muñoz
Director of Production

Mr. Ignacio Legorburu Escobar
International and Investments

Tecsa

Mr. José María Aguirre Fernández
General Manager

Seis

Mr. Pablo Quirós Gracián
General Manager

Drace Medio Ambiente

Mr. Fernando García Arribas
General Manager

FPS

Mr. Juan Mata Arbide
General Manager

Geocisa

Mr. Santiago García Salvador
General Manager

Cogesa

Mr. Enrique Pérez Rodríguez
CEO

Environment

Urbaser

Mr. Javier Polanco Gómez-Lavín
Chairman

Mr. José María López Piñol
General Manager

Clece

Mr. Cristóbal Valderas Alvarado
Chairman and CEO

Mr. Diego Zumaquero García
General Manager

Concessions

Iridium

Mr. Manuel García Buey
Chairman and CEO

Mr. Adolfo Valderas Martínez
General Manager

Mr. Francisco Fernández Lafuente
General Manager and Deputy Chairman

ACS Services, Communications and Energy

Mr. Eugenio Llorente Gómez
Chairman and CEO

Mr. José Alfonso Nebrera García
General Manager

Mr. José Romero de Ávila González-Albo
Secretary General

Grupo Cobra

Mr. Eugenio Llorente Gómez
CEO

Mr. Ramón Jiménez Serrano
General Project Manager

Mr. Daniel Vega Baladrón
General Manager of SEMI and MAESSA

Mr. Jesús García Arias
General Manager of SEMI

Mr. José Antonio Pérez Pérez
General Manager of MAESSA

Mr. José Antonio Fernández García
CEO of Grupo ETRA

Mr. José María Castillo Lacabex
CEO of Imesapi

Mr. José Reis Costa
Chairman of CME

Dragados Industrial

Mr. Vicente Prados Tejada
CEO of CYMI and Masa

Mr. Raúl Llamazares de la Puente
CEO of Initec, Intecsa and Makiber

Mr. Pedro Ascorbe Trian
Chairman of Dragados Offshore

Mr. Juan Enrique Ruiz González
Chairman of Sice Tecnología and Sistemas



Vision

A **worldwide reference** in the industry of **infrastructure** development, both civil and industrial engineering projects. A Group which participates in the **development** of sectors which are fundamental for the **economy**. A Company committed to economic and **social progress** in the countries where it is present.



Mission

Pursuing global leadership

- Positioning itself as one of the main players in all those sectors in which it takes part as a means of boosting its competitiveness, maximising value creation in relation to its clients and continuing to attract talent to the organisation.
- Meeting the needs of our clients by offering a diversified portfolio of products, innovating daily and selectively investing to increase the range of services and activities offered.
- Continuously improving quality, safety and reliability standards in the services offered in order to foster stability and to guarantee recurring income.
- Expanding the Group's current client base through a permanent commercial effort in new markets.

Optimising the profitability of the resources managed

- Increasing operating and financial efficiency and offering attractive profitability to our shareholders.
- Applying strict investment criteria in line with the company's strategy of expansion and growth.
- Maintaining a solid financial structure which facilitates the raising of resources and the maintenance of a low cost thereof.

Promoting sustainable growth

- Improving the society in which we live by helping to grow the economy, generating wealth through the ACS Group's own activities, thereby guaranteeing the well-being of citizens.
- Respecting the economic, social and environmental backdrop, innovating in the establishment of company procedures and respecting in each of the activities carried out by the Group, the recommendations of the main domestic and international institutions.
- Helping the economy to grow by creating stable, respectable and fairly-remunerated employment.



Values



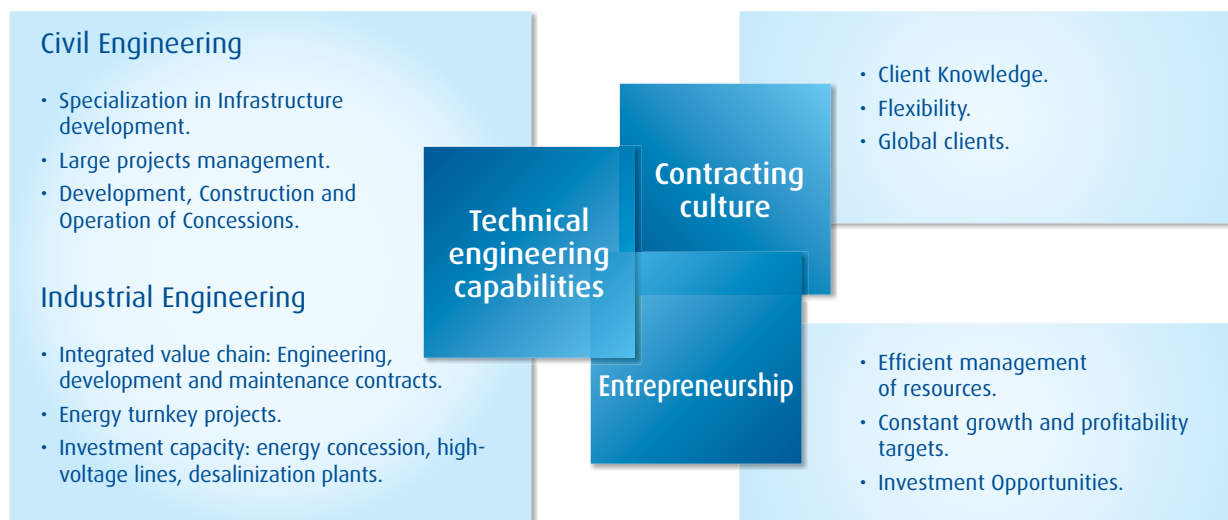
All ACS Group activities show a determined customer orientation, with a contracting culture and as a guarantee for future, building solid long-term relationships based on **trust** and mutual knowledge.

The flexible and decentralized Group structure promotes the responsibility and entrepreneurship of the employees, being a basic tool for maximising **profitability** and encouraging the **excellence** necessary to offer the best services and products to the customers.

The ACS Group maintains an unavoidable **commitment** to sustainable development, in order to serve society in an efficient and ethically responsible manner through its capacity to create value for shareholders and all stakeholders, demanding the maximum **integrity** standards from its employees and collaborators.

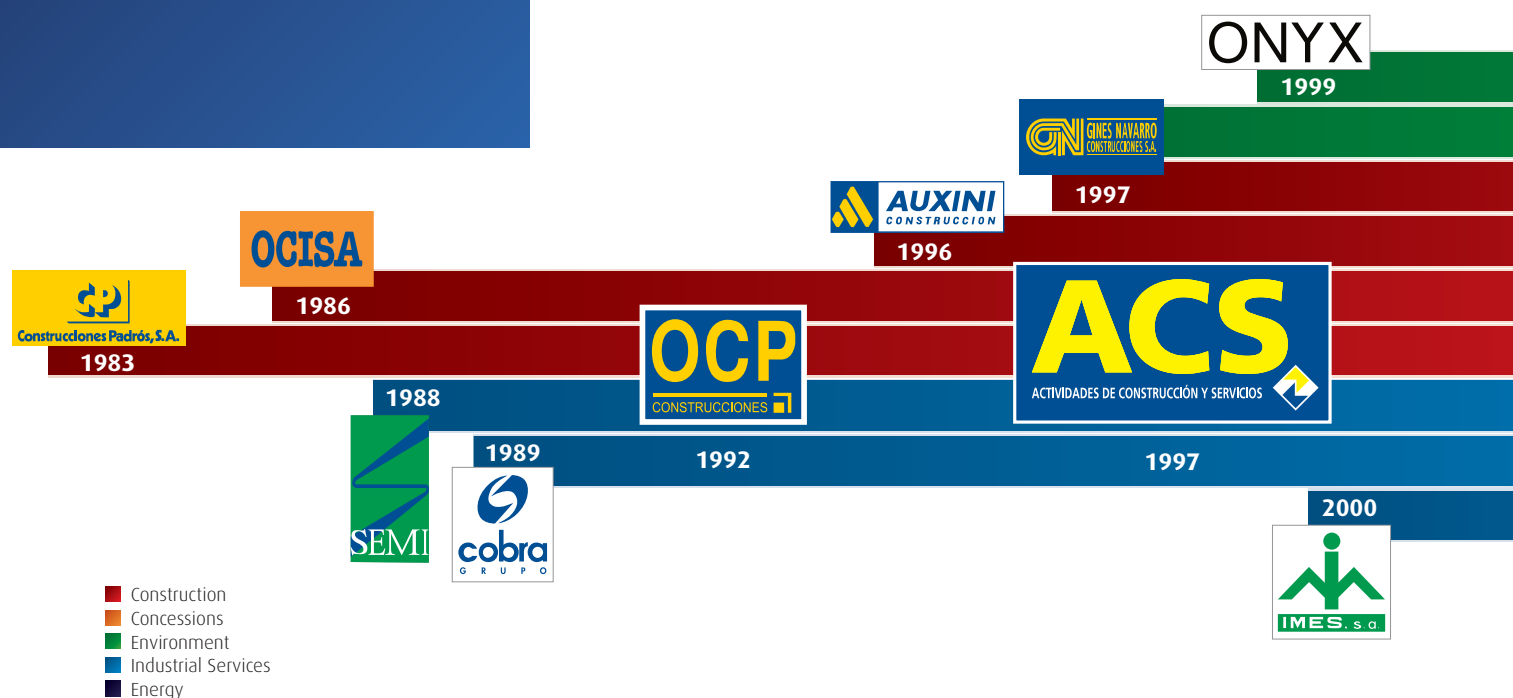
These values, which have formed part of the Group's culture since its foundation, have created the main competitive advantages which are the cornerstone of its past and future growth.

Competitive advantages



Corporate Strategy

History



The ACS Group began operating in 1983 when a group of engineers acquired Construcciones Padrós, a mid-sized construction company with financial problems located in Badalona (Catalonia). After restructuring this company, the same strategy was employed with the acquisition of OCISA, a prestigious construction company which was larger and had already been in operation for over 40 years.

At the end of the eighties, a diversification process was initiated through the acquisition of SEMI, a company specialised in the maintenance and installation of electricity lines. This process was continued with the purchase of a majority shareholding in Cobra, one of the most renowned companies in the sector of support services to electricity and telecommunications companies, and a market leader with over 80 years' experience.

The first of the large company mergers took place in 1992 with the creation of OCP, which would be the seed for the Group structured as it is today. OCP became one of the leading construction company groups in Spain. A second large merger took place in 1997, with the creation of ACS as a result of OCP's merger with Auxini and Gines Navarro.

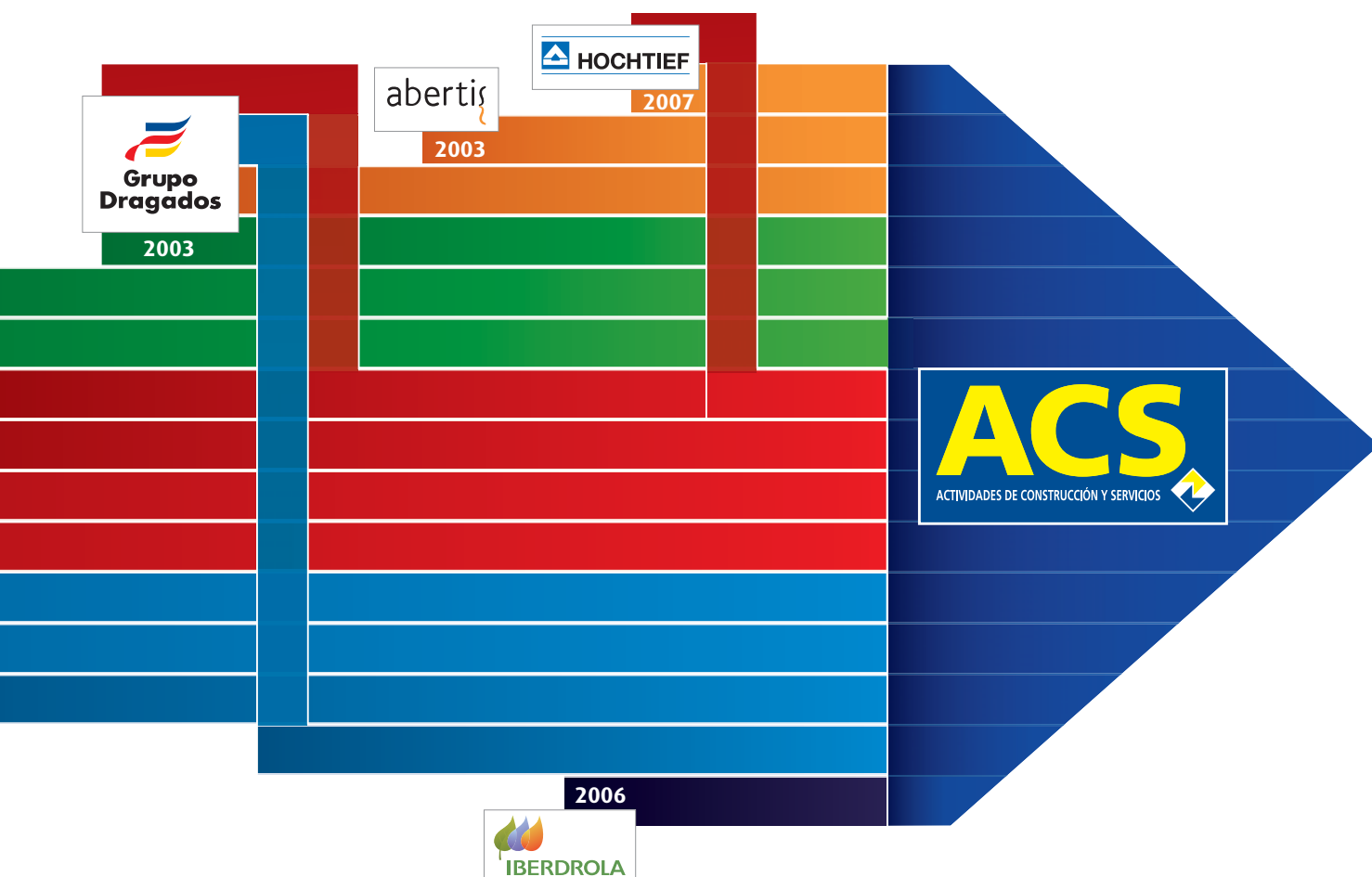
At the end of the nineties, the Group incorporated most of the companies forming its current services

area; Onyx, a provider of environmental services; Imes, a company dedicated to public lighting services, integral maintenance and control services; and Vertresa, the largest waste treatment plant in Madrid.

The turn of the century started with the integration of the Dragados Group, which positioned the ACS Group as the indisputable leader in the Spanish market and as one of the most important companies in the industry on the European continent.

Parallel to this entire integration process, the ACS Group has established the basis for its future strategy, focusing its activity on relevant sectors of the Spanish and European economy. In 2003, Abertis, one of the top companies in infrastructure management, and in 2010 it has brought in a new financial partner, enabling a new strategic push to be given to the project.

Later, in 2005, the Group established the base for its Energy area with its investment in Unión Fenosa and subsequently strengthened this area with the purchase of a holding in Iberdrola in the last quarter of 2006. These investments have enabled ACS to position itself as a benchmark industrial company with two of the main energy companies in the European market.



In 2007, the ACS Group acquired a significant stake in Hochtief, a world leader in infrastructure development with a powerful presence in the USA, Central Europe, Australia and Southeast Asia. This operation is designed to provide a platform for the ACS Group to accelerate its international expansion.

In July 2008, the ACS Group sold its shareholding in Unión Fenosa with the objective of consolidating its position in the energy sector as the leading shareholder in Iberdrola, increasing its stake in the company up to the current 20.2% to give it an outstanding role in the development of the premier Spanish electricity company.

In November 2008 ACS started to operate its first thermal solar plant with thermal storage devices in Spain, the plant Andasol I in Granada. Between 2009 and 2010 ACS has completed and started to operate four additional plants, achieving an installed capacity of 250 MW in operation. There are also two thermal solar plants under construction, which are expected, which will mean a total installed capacity of 350 MW. This commitment to technology leads to the ACS Group to be a worldwide leader in the development of thermal solar plants with thermal storage devices.

Simultaneously, the ACS Group continues its international expansion in all its areas of activity, focussing on large-scale projects. In the Construction area it has consolidated its position in the United States and Canada achieving important projects and through the acquisition of two local companies, strengthening the position of the Group in North America. Furthermore, it was acquired the Polish construction company Pol-Aqua, specialized in civil works and with a large experience and presence in the Polish market that is characterized by its high growth, in addition to being the seventh country in the E.U. by investment in infrastructures.

In the Environment area, it has been achieved important contracts abroad that lead to an international order book of 3,400 millions euros. The Industrial Services, the most internationalized area of the Group, continues its expansion abroad, with its international order book representing a 50% of total.

The international expansion, which is mainly focused on guaranteeing the ACS Group's competitiveness, investment capacity and growth in the future, follows with the launch of a public tender offer for Hochtief with the objective of reaching global leadership in the infrastructure sector, as well as increasing the competitive advantages and the profitability of both companies.

Prospects for the infrastructure development sector

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The infrastructure development is a fundamental pillar for the social and economic development

Prospects for the infrastructure development sector



The worldwide infrastructure development industry

The infrastructure development industry is one of the basic sectors in the world economy and covers the execution of civil and industrial engineering projects in a great number of strategic sectors for any economy, which can be focused on both public and private clients. Companies which operate in this sector usually act in:

- **Construction of projects for clients**, either public or private, to develop: power assets (power generating plants, etc); assets related to the oil, gas or mining industry; telecommunications assets; or civil works and building projects.
- **Development of projects under concession regimes** in the sphere of infrastructures for transport, environmental projects (waste treatment or water cycle plants); public-private partnerships to develop social facilities (hospitals, prisons or police stations under concession arrangements); energy projects (investment in electricity generation and distribution); or assets for oil prospecting, extraction and refining or projects of all kinds related to gas.

Infrastructures are an important engine for growth for any economy and become a fundamental tool in the social and economic development of any country, since: **they increase productivity, multiply the effect of investments and promote employment.**

This reality is acknowledged by the majority of developed economies, which invest a proportion of around 20% of their GDP in gross fixed capital formation¹.

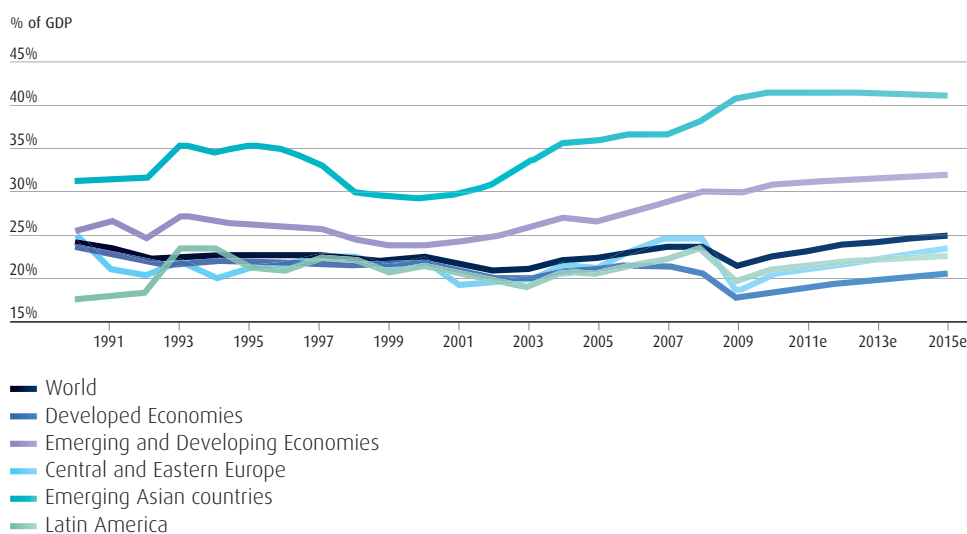
In the case of emerging economies, this figure is over 30% of GDP on average in these countries, among which are Mexico, Brazil, Peru, India and China. Outstanding in this area is the level of investments made by emerging Asian countries, which with China as the leading exponent have an average ratio of investment over GDP which have been at levels of over 40% in recent years.

The worldwide infrastructure development industry is expanding rapidly, so according to International Monetary Fund forecasts, in the period 2010-2015

¹ Gross fixed capital formation: Includes items for investment in construction, capital equipment and other tangible fixed assets, as well as investment in intangible fixed assets and improvements in fixed assets.



Evolution of investment by geographical area



Source: International Monetary Fund. World Economic Outlook 2010.

sustained growth in the percentage for investment in relation to the GDP generated is to be observed.

There are clear determining factors supporting the sustained growth in infrastructure investment, which are:

- The increase in per capita income, which is matched by an increase in demand for infrastructure improvements, both in transport and energy.
- Strong population growth, migratory or tourist movements.

- Regulatory, environmental or technological changes which drive the need for a transition towards more modern and efficient infrastructures.

The growth in the need for investment in infrastructures and their relevance in a country's economic and social development characterise this industry worldwide. However, the infrastructure sector presents differing characteristics depending on the geographic market in which it is located, as well as differentiated needs and opportunities for investment.

Prospects for the infrastructure development sector



Characteristics, opportunities and challenges for the infrastructure market in advanced economies

Advanced economies have common characteristics, whether at an economic, social or governmental level, which determine their model for investment in infrastructures.

These regions are characterised by:

- Governments with fiscal debt, seeking formulas to redress their balance sheets, which promote investment in infrastructures through public-private partnership schemes, with private financing, for which they have sound, stable regulatory frameworks and strong financial markets.
- They promote growing sophistication in the development of projects both at a technical level and in terms of environmental requirements, especially in the area of social facilities under PPP schemes, in the development of renewable energies or activities for environmental promotion.
- Mature markets with a developed infrastructure base, such that a high percentage of investment is allocated to the maintenance of the asset base.
- Financially stable markets and users with the ability to pay.

These characteristics set specific opportunities and risks for these types of economies:

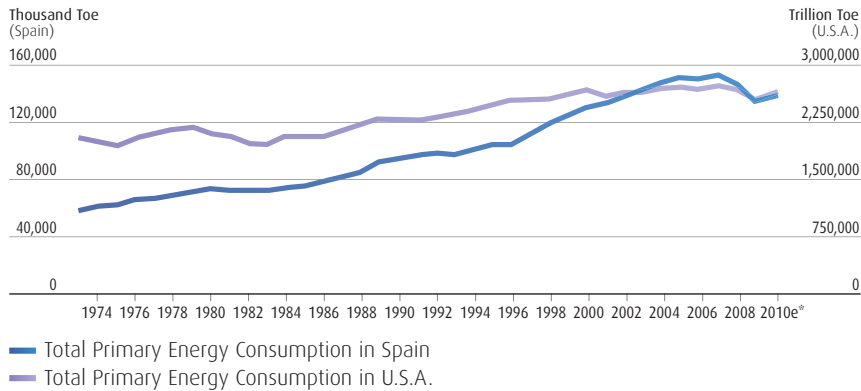
- There is a sustained level of demand for infrastructures, especially transport infrastructure, derived from population growth, expansion of urban areas and a continual need to improve communications networks. This is also the case for energy infrastructure, resulting from increased consumption of primary energy. In this sense the recovery in the demand for primary energy in 2010 can be highlighted, which accentuated the needs for power assets for generation, distribution and storage. Similarly, the increase in crude oil prices will involve investments to diversify installed capacity in developed countries, which are generally not crude oil producers.

Characteristics of target markets:

- **Financially stable**
- **Stable regulatory framework**
- **Availability of capital**
- **Demand for infrastructures**
- **Efficient support industry**



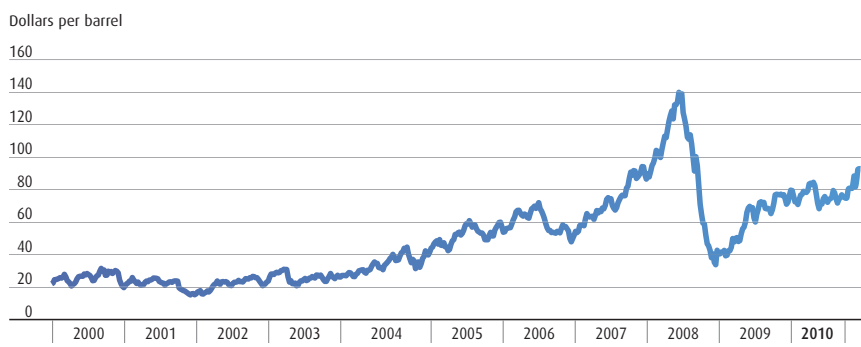
Primary energy consumption. USA and Spain. Evolution



Source: Ministry of Industry, Tourism and Trade and EIA (Energy Information Administration).

* 2010e: Spanish data was estimated based on Spanish Ministry of Industry information for June 2010, while U.S.A data was estimated based on the EIA data for September 2010.

Evolution of worldwide crude oil prices



Source: EIA. Weekly all countries crude oil price weighted by export volume.

- Projects are carried out using ever more private financing, which requires large companies with sufficient financial capacity which can invest in a sustained and profitable manner.
- Competition in these markets is keen and growing, which means there are significant barriers to entry.
- Clients require prolonged local presence, which limits the entry of competitors into the reference markets of large companies, other than together with local partners.
- The stability, maturity and barriers to entry and, in general, the reduced risk in the execution of projects, limit the profitability expected by investors.

Projects are carried out using ever more private financing, which requires large companies with sufficient financial capacity which can invest in a sustained and profitable manner

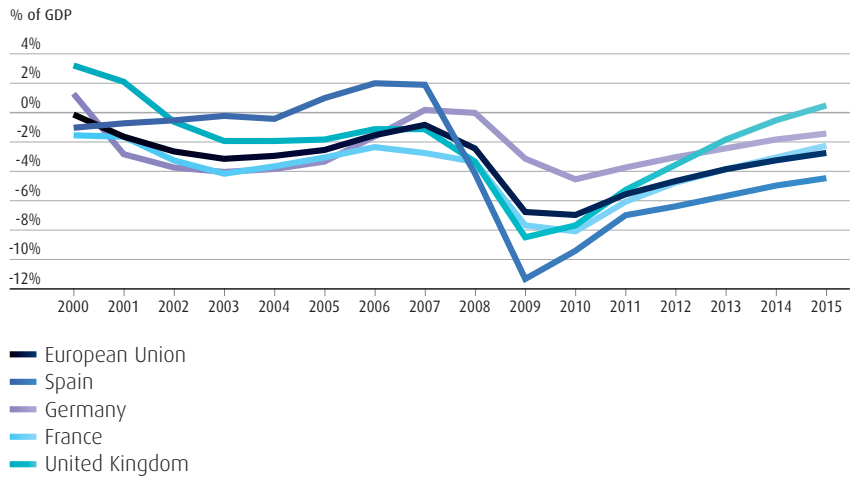
Prospects for the infrastructure development sector



Western Europe

From the economic point of view, several European countries are immersed in fiscal consolidation processes, which impacts negatively on their plans for investment in infrastructures in the short term.

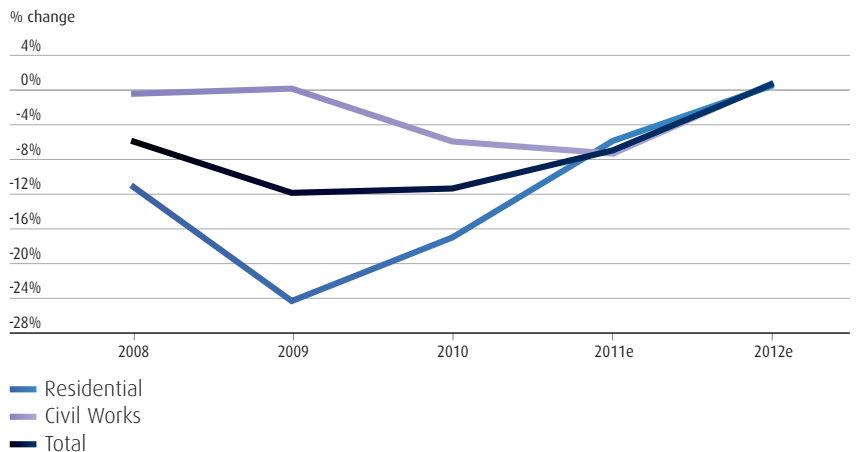
Evolution of European fiscal deficit/surplus



Source: International Monetary Fund. World Economic Outlook 2010.

For example, in Spain a scenario of generalised reduction in activity in the civil works area is forecast for 2011, below than that experienced in 2010, but still significant. According to Seopan, effective production will fall by 7% to 125,000 million euros in 2011, based on the basic hypothesis that GDP will grow by less than 1%, although as of 2012 recovery and growth of GDP of 0.7% is estimated.

Forecast investment in Construction by business activity in Spain. Estimate for 2011 and 2012



Source: Seopan.



Public-private partnership projects in Europe

| Million dollars | Roads | | Rail | | Water | | Building | | Total | |
|--|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|
| | N° of Projects | Investment | N° of Projects | Investment | N° of Projects | Investment | N° of Projects | Investment | N° of Projects | Investment |
| Announced projects since 1985 to October, 2010 | 339 | 315,881 | 106 | 159,966 | 223 | 33,838 | 327 | 94,372 | 995 | 604,057 |
| Funded projects October, 2010 | 200 | 176,673 | 57 | 47,350 | 171 | 23,263 | 239 | 70,358 | 667 | 317,644 |

Source: PWF.

However, private investment is being encouraged given the availability of capital from the market for economically viable projects in a stable and mature regulatory framework, enabling new public-private partnership schemes to be undertaken, e.g. the construction of hospitals, schools, police stations or prisons under concession arrangements and all types of transport infrastructures.

Western Europe continues to be a very important market in infrastructure development. Although a large part of its asset portfolio is developed and it is very competitive, it continues to promote the development of projects such as:

- **Transport infrastructures**, especially through the creation of a Trans-European transport network which, with the support of the European Commission, establishes a five-year plan to promote transport infrastructures between member states and their improvement, participating in over 274 projects and with a financing contribution from the European Union of around 6,700 million euros in the 2007-2013 period.
- **Investments in power assets**, where there is a trend to change the generating mix, with a commitment to those energies with lower emission levels, such as renewable energies (with the objective of reaching a proportion of 20% of power generation by renewable technologies in

2020) and nuclear, and where the creation of a more efficient system for electricity distribution, in agreement with the needs for the new energy system, will be necessary.

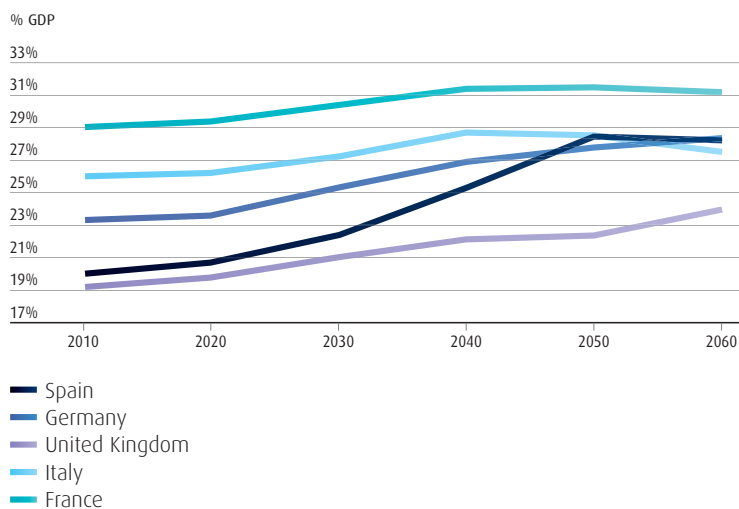
On the other hand, the European Energy Action Plan 2010-2014 establishes security of supply as one of its fundamental lines, given Europe's situation of energy dependency in an international context of instability in the areas which are the source of a significant part of the European market's energy. As such, investment is necessary in storage assets to enable it to guarantee stability of supply, at the same time as increasing the adaptability of the system in the case of sharp changes in demand or supply at source. Another of the priorities in this plan is the development of new technologies to increase efficiency and sustainability, and in this sense the development of carbon capture and storage systems needs to be mentioned. There are also new technologies focused on transport systems such as the development of the electric car or research into efficient forms of hydrogen production permitting, among other things, its use as a fuel.

Prospects for the infrastructure development sector



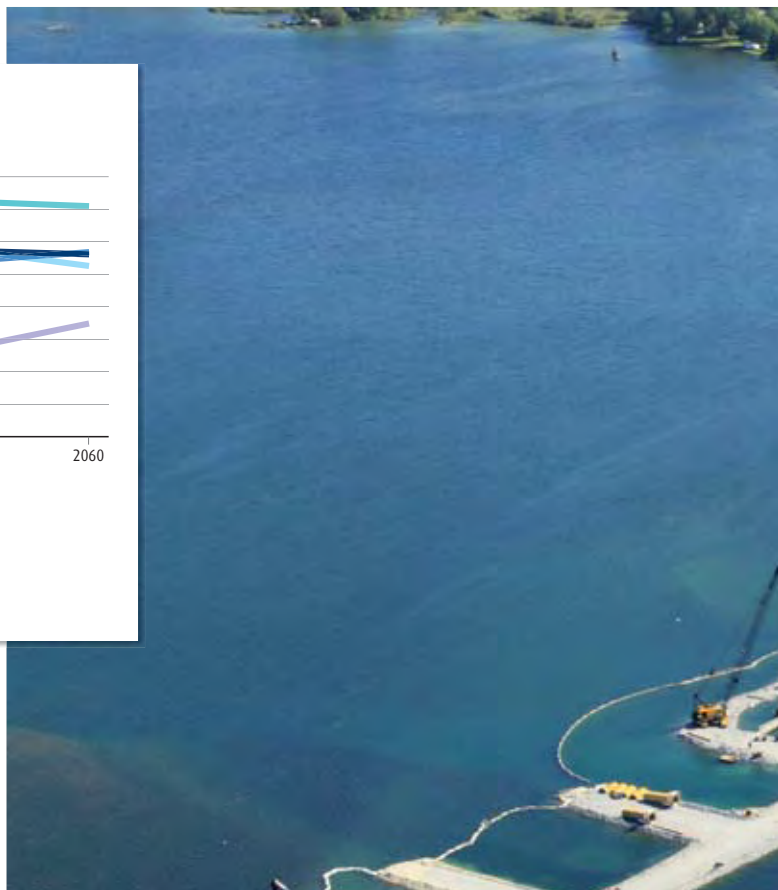
- **Development of environmental assets**, derived from new European directives which member states have to adapt in their local regulations. To be highlighted is the new directive regarding wastes which obliges member states to modernise their waste management plans and create waste prevention programmes before 2013. Noteworthy among the measures adopted is the obligation to recycle 50% of urban waste and 70% of waste from construction and demolition by 2020.
- **The change in the population pyramid** in European countries and the trend towards a more aged society will imply greater investment in services and infrastructures aimed at meeting the needs of this population group.
- **Increased investment in the maintenance of its assets**, with examples such as the recent projects in Spain to convert first generation highways into shadow toll projects to improve and outsource the financing of this maintenance.

Evolution of costs associated with aging*



Source: European Commission.

* The costs associated with aging include costs for pensions, health, education, unemployment and dependency.



United States and Canada

North America is undertaking concession projects, large civil works projects and continuing to invest in energy projects, especially in renewable energies, being one of the markets within the advanced countries with the greatest demand for infrastructures due to its economic level, population growth and geographic characteristics.

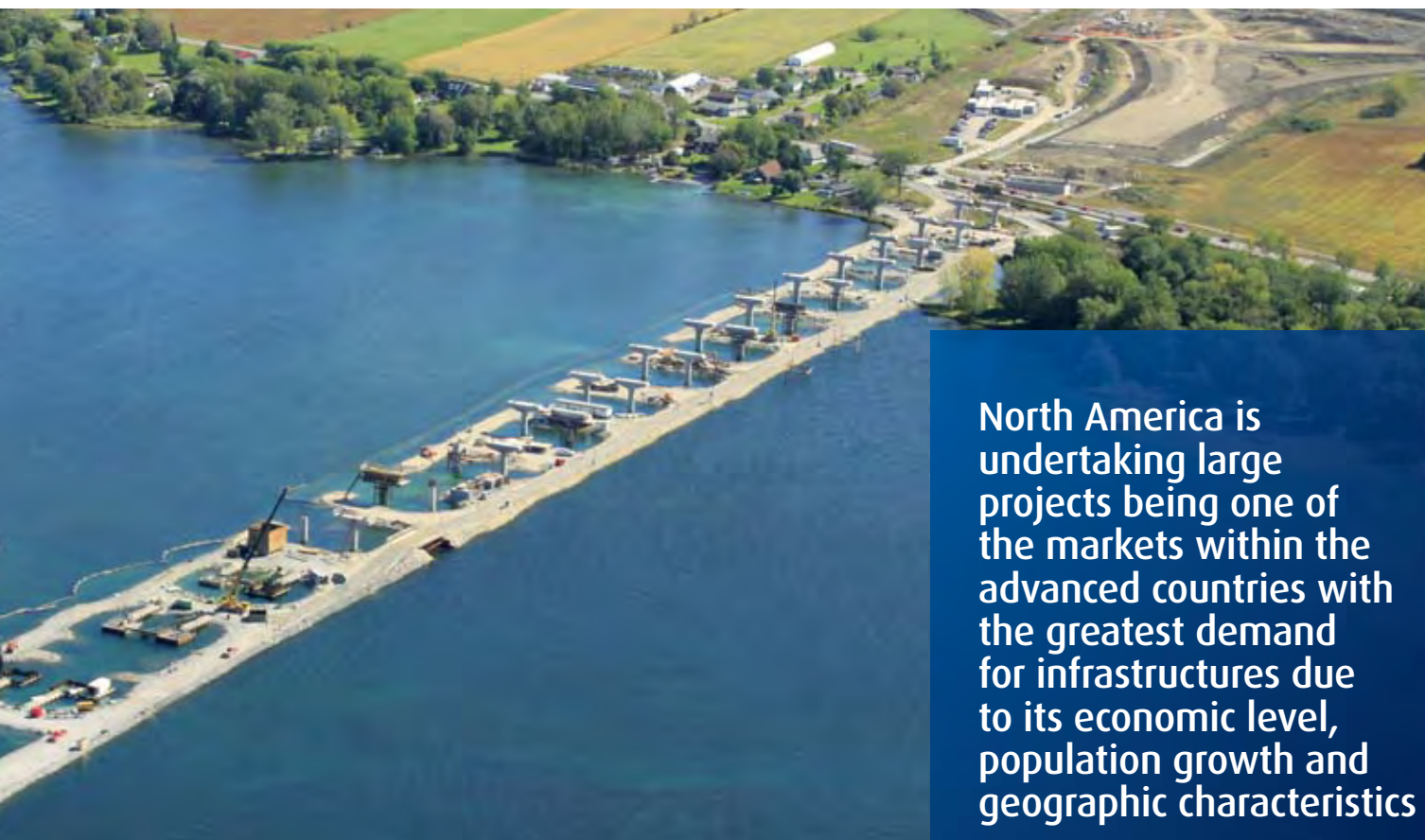
According to PWF, in spite of the difficult economic environment, financing was finalised for twelve new transport infrastructure projects in the United States and Canada in 2010, with a value of 11,300 million dollars. There are currently 56 new works at the project stage and at least 11 of these projects are expected to be finalised during 2012 with an estimated value of 12,000 million dollars.

North America is a very powerful financial market, with high availability of capital and financial partners. In those states which are most advanced, where investment is being made dynamically, infrastructure development companies encounter



favourable and stable regulatory frameworks, which promote long term investment in capital-intensive assets.

In parallel, a change is taking place in the investment model in this area to one more oriented to private initiatives in those markets with high levels of debt and public deficit.

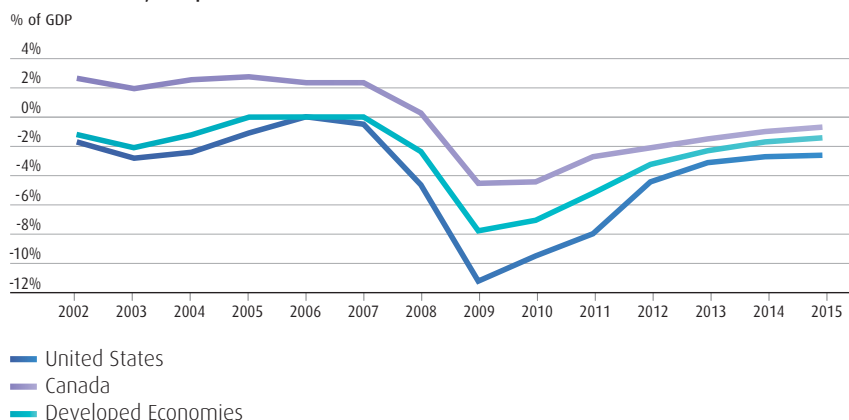


North America is undertaking large projects being one of the markets within the advanced countries with the greatest demand for infrastructures due to its economic level, population growth and geographic characteristics

Prospects for the infrastructure development sector



Evolution of United States and Canada fiscal deficit/surplus



Source: International Monetary Fund. World Economic Outlook 2010.

Public-private partnership projects in the United States and Canada

| Million of dollars | Roads | | Rail | | Water | | Building | | Total | |
|--|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|
| | N° of Projects | Investment | N° of Projects | Investment | N° of Projects | Investment | N° of Projects | Investment | N° of Projects | Investment |
| Announced projects since 1985 to October, 2010 | 131 | 100,148 | 46 | 88,424 | 225 | 21,427 | 261 | 27,445 | 663 | 237,444 |
| Funded projects October, 2010 | 65 | 36,247 | 22 | 15,485 | 158 | 14,941 | 221 | 24,103 | 466 | 90,776 |

Source: PWF.

The regulatory framework, although ever more favourable, continues to be fragmented or needs to be developed, and as a common feature requires significant financial solidity to be able to take on the guarantees the clients require before awarding a project. In addition, it is a market which requires a stable local presence at state level, which generally means the need to bid with local partners who know the local subcontracting industry and client characteristics.

Finally, projects carried out in North America require high technical and environmental specifications due to the keen competition and the countries' technological development.

Among these technologies with high technical and environmental requirements, manageable thermal solar power plants with heat storage can be highlighted. Thanks to its thermal storage with molten salts, this technology enables production to be managed according to system needs.



Characteristics, opportunities and challenges for the infrastructure market in emerging economies

Emerging economies, given their level of economic development and population growth, represent a market with extremely high growth potential in the development of infrastructures. Areas such as China, Brazil, India, Eastern Europe, Russia, etc., will see significant investment processes in the coming years which, in spite of the geographical differences, have some common characteristics:

- They are all markets with high levels of economic growth, which promotes the need for investment to exploit natural resources, provide new power assets and for transport infrastructure.
- They are markets characterised by significant demographic growth and growing migratory pressure from rural areas to urban zones, which increases demand for infrastructures in specific areas.
- In general, they are characterised by the lack of strong infrastructure development companies

inside these countries, except for China, which means that there is an opportunity for companies with great technical and financial capabilities, particularly when tackling investment plans in strategic energy infrastructures.

- However, the regulatory and financial situation in these markets, together with the lack of political stability, limits the possibility of investing over the long term. Added to this on occasions is an inefficient support industry, which impacts on the technical characteristics of the projects to be carried out.

GDP evolution in emerging economies compared to developed countries



Source: International Monetary Fund. World Economic Outlook 2010.

Prospects for the infrastructure development sector

It is estimated that around 6 trillion dollars will be necessary in these markets in the next three years alone.

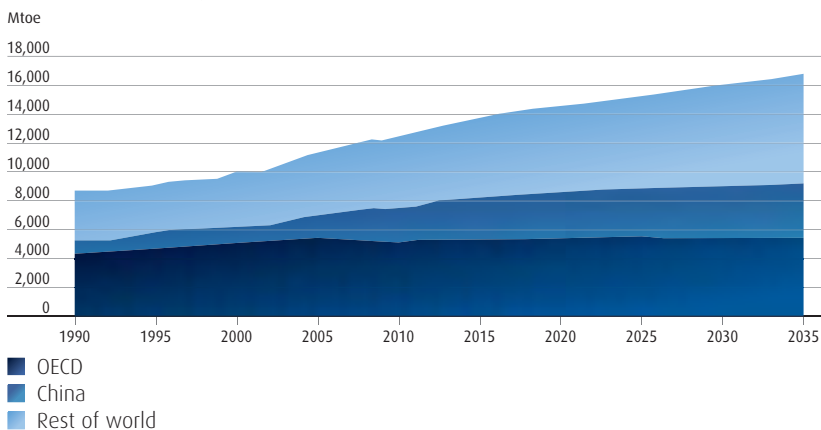
Estimated infrastructure investments in the main emerging markets

| Investment (mn \$) | Investment (mn \$) | | | | Total |
|--------------------|--------------------|-------------------------|-----------------------|------------------|------------------|
| | Energy | Transport and Logistics | Water and environment | Others | |
| China | 778,000 | 1,472,000 | 1,621,000 | n.d. | 3,871,000 |
| Russia | n.d. | n.d. | n.d. | 500,000 | 500,000 |
| Middle East | 105,000 | 158,000 | 9,000 | 314,000 | 586,000 |
| India | 169,700 | 80,100 | 51,100 | 2,100 | 303,000 |
| Brazil | 251,000 | 56,000 | 17,000 | 193,000 | 517,000 |
| Mexico | 83,000 | 28,000 | 11,000 | 18,000 | 140,000 |
| South Africa | 54,000 | 13,000 | 2,000 | 46,000 | 115,000 |
| Turkey | 20,000 | 100,000 | n.d. | 67,000 | 187,000 |
| Total | 1,460,700 | 1,907,100 | 1,711,100 | 1,140,100 | 6,219,000 |

Source: Merrill Lynch.

The power asset segment is especially important as, according to World Economic Outlook, world energy consumption will rise by 1.2% annually between 2008 and 2035, with 93% of this growth from countries outside the OECD. This comes mainly from China, with a 36% contribution to the increase in world demand, and with projected growth of 75%. After China, India has the next highest contribution to the growth in world demand, 18% in total. Its needs for energy are forecast to double from 2008 to 2035. As regards general primary energy needs, fossil fuels continue to be predominant in the mix. On the other hand, it is estimated that demand for electricity will continue to see growth above the remaining end use energies, at 2.2% per year over the 2008-2035 period.

Forecast growth in worldwide demand for primary energy



Source: World Economic Outlook 2010, IEA.

To tackle this great increase in energy needs, significant investments in infrastructures will be necessary, both in extraction and generating assets and in transport and distribution infrastructures capable of ensuring supply. Worldwide, it is forecast that the investments necessary in infrastructures over the next 20 years to guarantee supply will total 26,000,000 million dollars, of which a high percentage will be for emerging countries, given their greater needs for energy and their lower level of infrastructures.

For example, in Mexico the focus of these investments will be on exploration and storage for gas fields, which is already carried out under a concession regime, for exploration of large areas of land. In the case of oil, the key will be to increase and modernise refining capacity, avoiding dependence on petrol imports for an oil producing country like Mexico. An increase in its production capacity to 402,000 barrels per day is anticipated by 2025 and investments in infrastructures of around 20,200 million euros are estimated for this. In the case of electricity generation, investment is focused on combined cycle plants, where 22,858 MW will be developed between 2011 and 2025. In general terms, requirements for investment in Mexico's electricity system between 2011 and 2025, in electricity generation and distribution, exceeds 76,600 million euros.

In Brazil the estimated evolution in energy demand will require investments of 61,000 million euros in generating assets in the 2010-2019 period, of which 48,500 million euros will be allocated to new installations which were already awarded or authorised in 2010. In the field of development of energy transmission networks, investment of over 17,500 million euros is estimated for the 2010-2019 period for the execution of more than 36,797 kilometres of new lines.

In India, according to the Energy Plan for 2007 to 2012, an increase in installed capacity of 78,700 MW is planned, of which 34,750 MW had been installed by November 2010, which means that investment remains to be made in the installation of another 43,950 MW in the next two years. Likewise, a large scale national grid is being developed, as the seed for future modernisation and expansion in power generating capacity for the world's second most populous country.

Conclusions

In summary, during the next 10 years infrastructure development companies face a period of significant investment in infrastructures worldwide.

From the analysis of the characteristics of the advanced and emerging markets it can be inferred that:

- a) Large companies with high technical levels will be necessary to tackle these opportunities;
- b) With local presence but a global portfolio; and
- c) With solid financial balances which enable them to make private investments to complement the public effort.

The infrastructure development market has changed, has become globalised and offers significant opportunities for profitability and growth.



The infrastructure development market has become globalised and offers significant opportunities for large companies with high technical levels

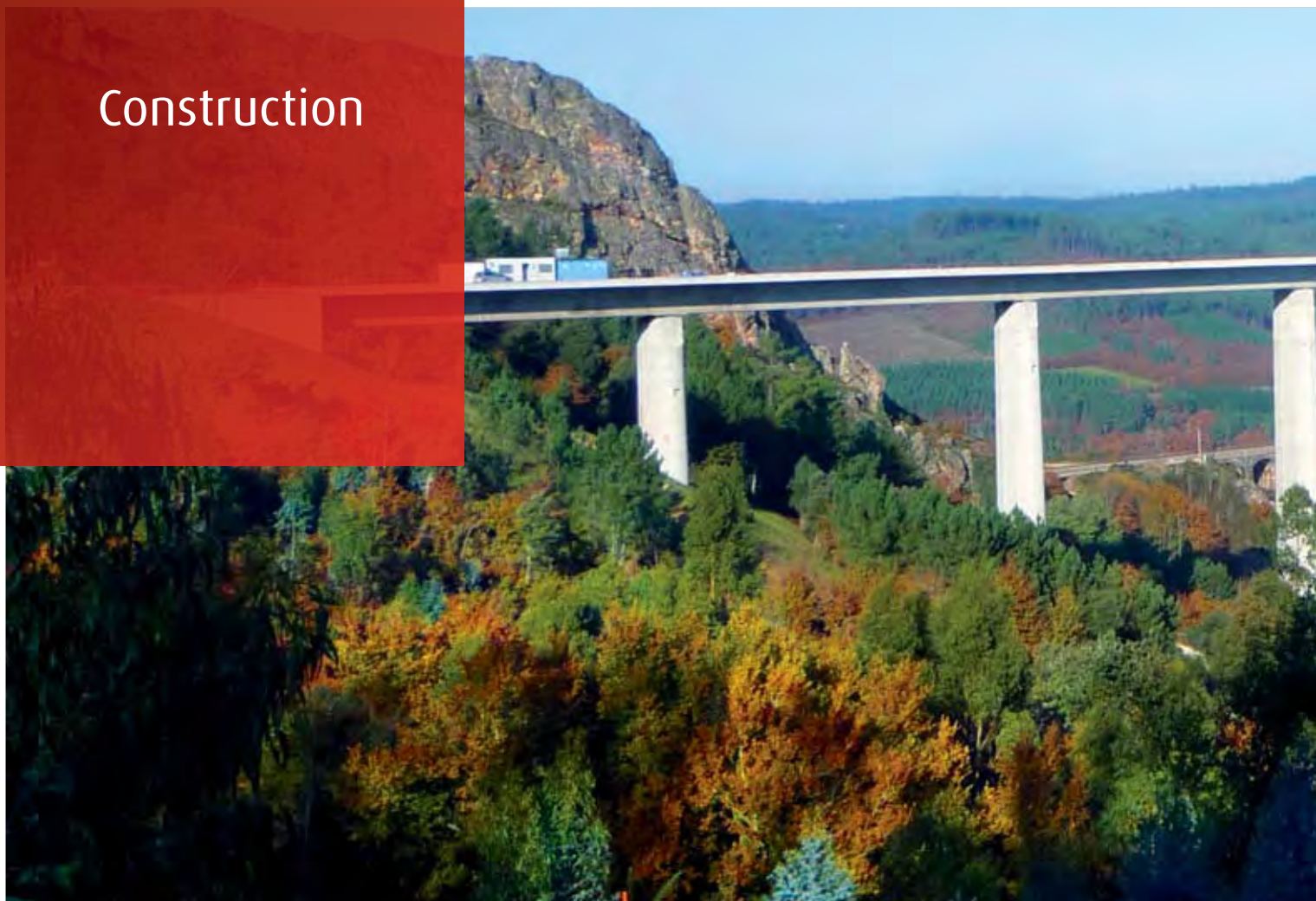
Construction

Business strategy **32**
Activity description **34**
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The ACS Group's Construction activity focuses basically on the development of all types of Civil Works and Building infrastructures, carried out through an extensive group of companies, with Dragados being the lead company in the area

Construction



International
revenue in the
Construction area
now represents

33.4%
of total

Business strategy

The strategy for the Construction area follows a model aimed at expanding and reinforcing its presence in different geographical markets and continuing to hold a solid position in the domestic market, in spite of the current market environment, with the objective of continuing to grow efficiently in the coming years. This strategy is embodied in the following initiatives:

- Maintaining its **position as leader** in the domestic market, enabling the combination of sustainable development and the company's operating profitability.
- Consolidating its presence in the **international markets** in which ACS already has a stable presence and in those markets selected for new establishment, developing a stable presence through concession projects, tendering for exceptional projects, based on a high level of specialisation, and through local companies and strategic partners.
- Increasing **operating efficiency** by carrying out large-scale works in the Civil Works area, which contribute greater profitability per project in line with their more complex technical requirements.



As a consequence of this clear commercial, corporate and operating strategy, the ACS Group maintains its lead in the sector in Spain, has a long track record in South America and is developing a strong presence in countries such as the United States, Canada and Poland. This strategy is based on the ACS Group's business values and competitive advantages:

- A resolute contracting mentality acting as guide for a human team with excellent technical capabilities and a clear focus on clients.
- A highly decentralised organisation which converts each project into an independent, flexible, efficient and profitable unit.

This strategy has led the ACS Group to consolidate its leadership position in the domestic market and to expand internationally in a planned and structured manner, limiting client risk and enabling it to apply its experience where it competes.

The objectives pursued by this strategy are: to maintain its leading position in domestic market, to consolidate its position in international markets and to increase its operating efficiency

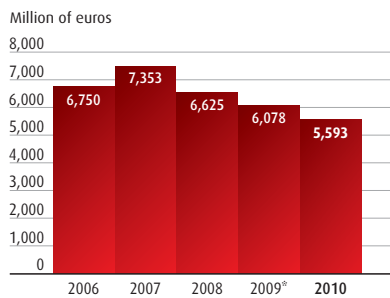
Construction



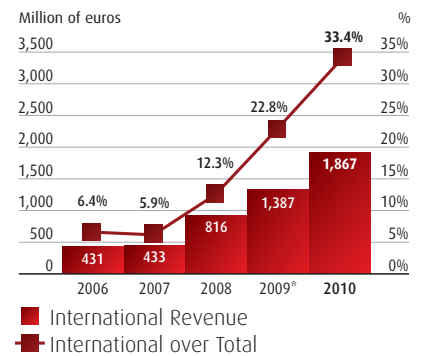
Activity description

The Construction area achieved revenue of 5,593 million euros in 2010. The Construction area's international activity grew 34.6% in 2010 with respect to 2009 to reach a total of 1,867 million euros, which represents 33.4% of total turnover.

Revenue evolution



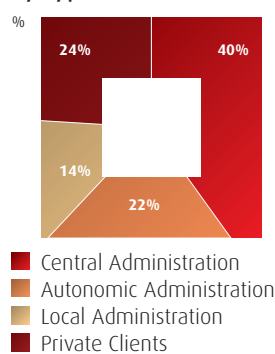
International revenue evolution



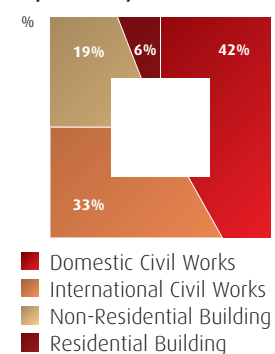
* Data restated applying IAS 31 and IFRIC 12.

Domestic turnover, which totalled 3,726 million euros in 2010, was distributed by type of client between Public Authorities at 76%, with Spain's Central Administration being outstanding, and the remaining 24% with private clients, more specifically from large institutions and concession operating companies.

Domestic revenue breakdown by type of client



Revenue breakdown by activity



The ACS Group's focus on clients is a key factor in the Construction area. Public Authorities, mainly Spain's Central Administration and particularly the Ministry of Development and the Ministry of the Environment, as well as Autonomic and Local Administrations, are of great importance for the development of the activity. For this reason the Group has entered into a long-term commitment with them, enabling it to identify their needs and to continuously and efficiently adjust the Group's supply accordingly.



By type and technical characteristics, ACS's Construction output is organised into **Civil Works**, covering all types of activities aimed at developing infrastructures such as motorways, railway, maritime, hydraulic and airport works, and **Building**.

Civil Works

In **motorways and roads** the following projects carried out in 2010 are noteworthy:

- Construction of a new bridge over the river Júcar connecting the Sueca bypass to the A-38 highway (Valencia, Spain).
- Project for the construction of a new access to Córdoba airport between the A-4 and N-437 roads, corresponding to the southern stretch of the Western bypass (Córdoba, Spain).
- Construction of a third lane for the TF-1 motorway in the stretch between Santa Cruz de Tenerife and Güimar and remodelling of the junction between the TF-1 motorway and the outer motorway (A.E.) (Tenerife, Spain).
- Construction of the Tarancón to Alcazar del Rey stretch of the A-40 highway (Cuenca, Spain).
- Construction of the stretch of A-15 highway between the towns of Radona and Sauquillo del Campo (Soria, Spain).
- Construction of the stretch between Abrera and Olesa de Montserrat of the B-40 Barcelona orbital highway (Barcelona, Spain).
- Repair and consolidation works on the bank on the A-6 highway at kilometre point 418 (León, Spain)
- Concession contract for the adaptation, alteration and conservation of the A-2 highway in the bordering stretch of the provinces of Soria and Guadalajara at Calatayud (Zaragoza, Spain).
- Construction of the A-1 highway between the towns of Piekary Slaskie and Maciejów in Poland.
- Construction of the A-4 motorway between Wierzchoslawice and Krzyz in Poland.
- Works for the construction of the Algarve Litoral road network in Portugal, comprising several conventional roads, the main road being that running along the southern coast of Portugal between the towns of Sagres and Vila Real de Santo Antonio.
- Construction of the new Baixo Alentejo motorway in Portugal, which will connect the towns of Sines and Beja.
- Expansion of Ruta 5 in Chile from Puerto Montt to Pargua in the Los Lagos Region.
- Construction of I-595 interstate freeway in Florida (United States).
- Construction of the Montreal Nouvelle Autoroute A-30 orbital motorway consisting of the execution of 42 kilometres of motorway (Montreal, Canada).



ACS Group develops all types of Civil Works infrastructures: motorways, railways, hydraulic and airport projects

In **railways**, in which high-speed, interurban and metropolitan projects are encompassed, the following deserve special mention:

- Construction of the central stretch of the Pajares tunnels for the high-speed line between León and Asturias (León, Spain).
- Execution of the works for the construction of the stretch between Utrera and Las Cabezas de San Juan on the Seville to Cádiz high-speed line (Sevilla, Spain).
- Construction of the platform for the new high-speed railway access to the East Coast at the entrances to Albacete (Spain).
- Construction of the Lalín (Abeleda)-Lalín (Baxán) stretch on the Santiago to Ourense high-speed route (Pontevedra, Spain).
- Construction on the Atlantic high-speed route of the stretch between Uxes and Pocomaco (La Coruña, Spain).
- Construction of the Portuguese high-speed line in the stretch between Poceirão and Caia.
- Expansion of the New York subway to enable direct subway connection between the Long Island network in Queens and the Grand Central Terminal in Manhattan (United States).
- Works to expand New York subway line 7 (United States).
- Construction of the 72nd Street underground station for the new 2nd Avenue line in Manhattan (New York, United States).

Among the works carried out in **hydraulic, coasts and port infrastructures**, the following deserve special mention:

- Expansion of the Port of Gijón (Spain).
- Project preparation and execution for the work for the new Júcar – Vinalopó pipeline (Valencia, Spain).
- Expansion of the Escombreras dock in the port of Cartagena (Murcia, Spain).
- Construction of new berths in the port of Málaga (Málaga, Spain).
- Project for the development of the Isla Verde outer wharf in the port of Algeciras Bay (Cádiz, Spain).
- Wharf for the liquefied natural gas regasification terminal in the Port of “El Musel” (Gijón, Spain).
- Works for the interception channel along the right bank of the Avilés estuary in the Carreño, Castrillón, Corvera de Asturias and Gozón municipal areas (Asturias, Spain).
- Improvement of the drainage network in the lower zone of the city of Melilla.

- Construction works for the waste water purification plants at Fuente-Álamo and Montealegre (Albacete, Spain).
- Construction of a purification plant at Newton Creek in New York (United States).
- Works to improve the water distribution network for Manhattan (New York, United States).
- Shanganach-Bray waste water treatment plant (Ireland).
- Construction of the breakwater for the port of Arzew in Algeria.
- Construction of the Portugues Dam in Puerto Rico (United States).

In terms of **Residential Building**, the activity the ACS Group carries out is mainly focused on the construction of subsidised housing for Public Authorities, such as the 215 dwellings for the Rivas Municipal Housing Company (Madrid, Spain) or the 182 subsidised homes at Torrent (Valencia, Spain), or on building of developments requiring greater sophistication or technical capabilities for third parties, such as the 118 single-family homes at Encinar de los Reyes (Madrid, Spain). The ACS Group does not carry out any property activities and does not own any land for development. In this activity, the ACS Group has developed and implemented rigorous risk controls in its dealings with suppliers, clients and subcontractors, which enable Dragados to carry out its activities with optimum profitability.

Building

Non-Residential Building activity maintains its clear focus on Public-Private Partnership projects, without failing to serve demand for commercial buildings, as well as attending to institutional building needs for Public Authorities.

The ACS Group is involved in many public and private projects including:

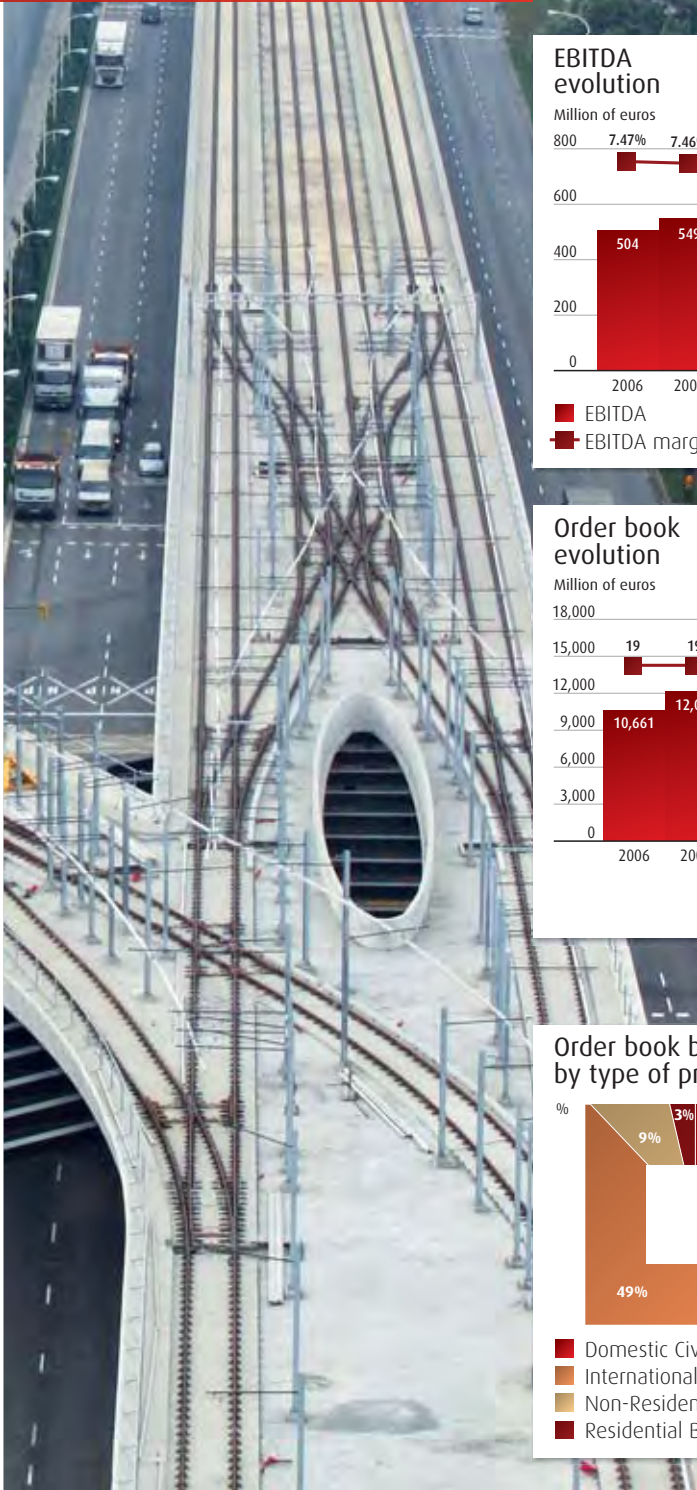
- Construction of the Son Espases Hospital (Palma de Mallorca, Spain).
- Construction of the Atocha station expansion (Madrid, Spain).
- Project and works for Reus Hospital (Tarragona, Spain).
- Works for the prison at Las Palmas de Gran Canaria (Spain).
- Works for the Auditorium at Cartagena (Murcia, Spain).
- Construction of the Conference Halls at Lérida (Spain).
- Construction of the new La Palma Airport terminal (Spain).
- Works for the new Alicante Airport electric terminal (Spain).
- Expansion and restoration works for the Beata María Ana Hospital (Madrid, Spain).
- Expansion of Miami Airport in the United States.
- Construction of the prison at Antofagasta (Chile).



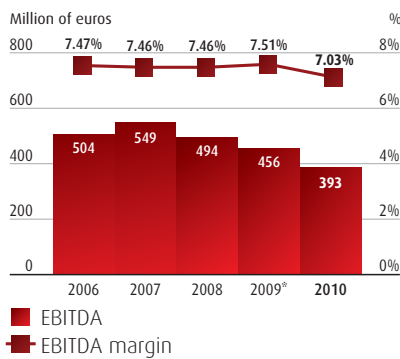
Construction



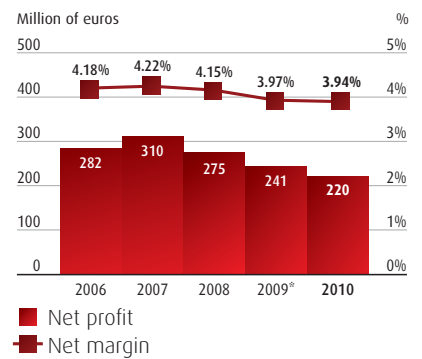
Gross operating profit totalled 393 million euros in 2010, with a 7% margin over sales, derived from the significant fall in domestic turnover and the costs derived from the consolidation of new companies internationally.



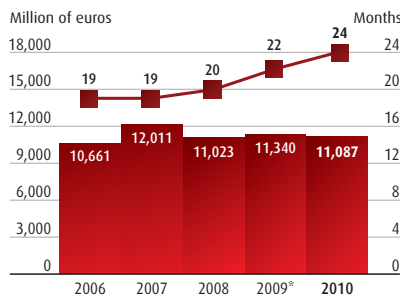
EBITDA evolution



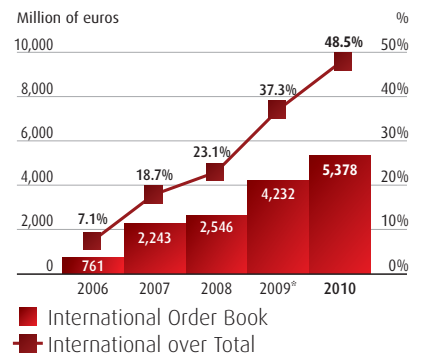
Net profit evolution



Order book evolution

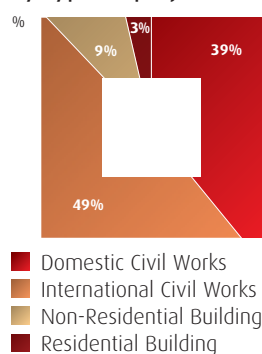


International order book evolution

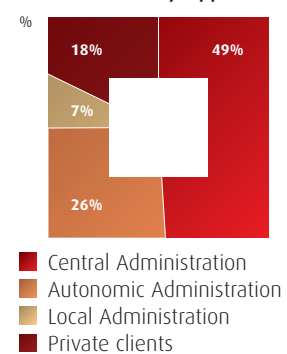


* Data restated applying IAS 31 and IFRIC 12.

Order book breakdown by type of project



Domestic order book breakdown by type of client



At 31 December 2010 the Group's Construction order book totalled 11,087 million euros, a figure which guarantees 24 months of activity. The significant increase can be highlighted in the international order book, which totalled 5,378 million euros at the end of 2010, representing 48.5% of the total order book.

Internationalisation

International activity in the Construction area grew 34.6% in 2010 in comparison to 2009 to total 1,867 million euros and now represents 33.4% of total turnover. On the other hand, the order book in the international area totals 5,378 million euros, representing 48.5% of the total. This growth is the result of an expansion strategy based on the development of concessions in reference markets and the application of ACS's local presence in tendering and construction of civil works projects with a high level of technical involvement.

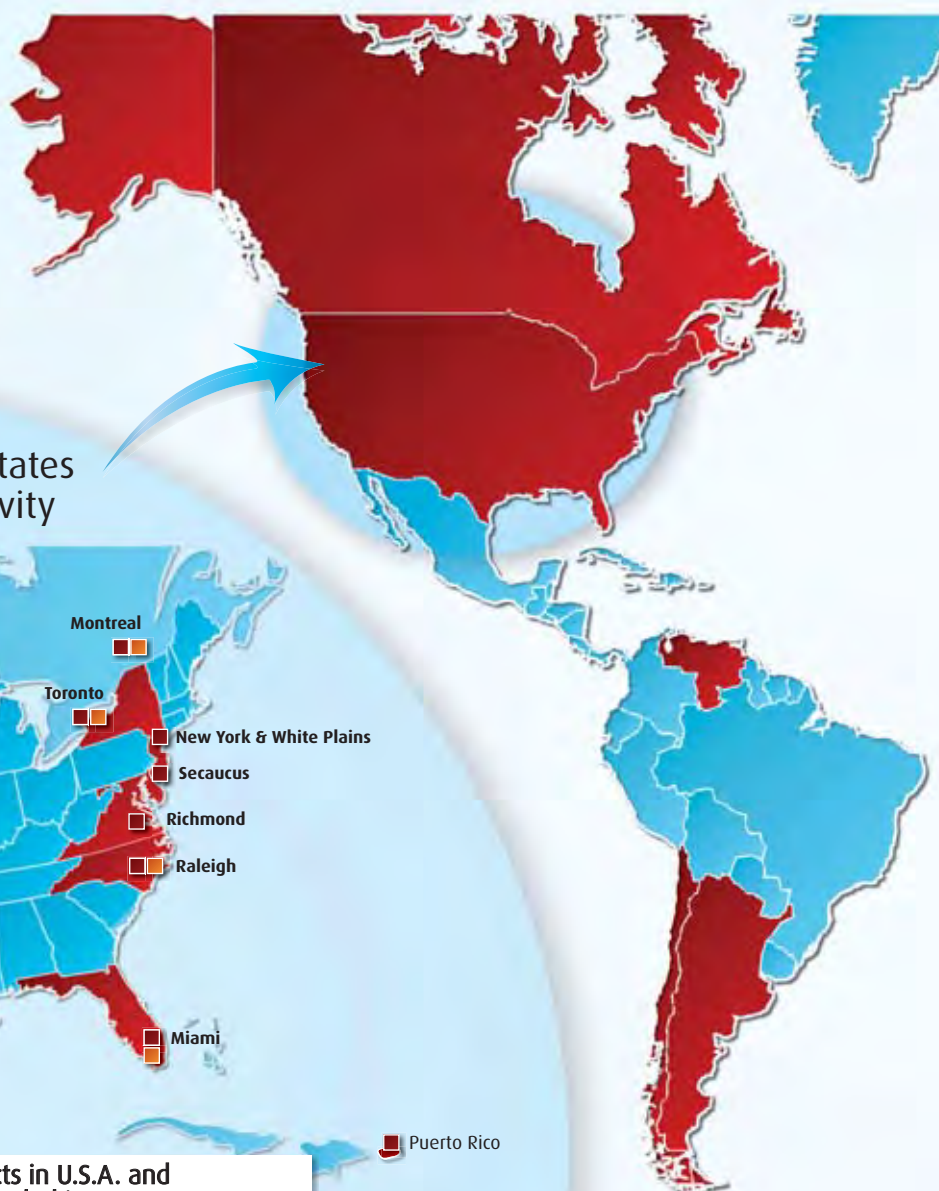
The Construction activity is carrying out projects in such different countries as Poland, Portugal, the United Kingdom and Ireland in Europe; in America it is present both in the South in Chile and Argentina and in Canada and the United States in the North.

Some important international projects in which the ACS Group is participating are: the execution of works such as the Crossrail Eastern Tunnels Contract C305 in London, in the United Kingdom, with a budget of 675 million euros; the extension of the A-30 motorway south of Montreal, the South Fraser Perimeter Road, British Columbia, and Windsor Essex Parkway and Ontario motorways, both in Canada, with a combined budget of almost 1,400 million euros; the reconstruction of carriageways and restoration of the I-595 in Florida and the tunnel for the SR99 Alaskan Way in Seattle, with a budget of over 800 million euros, in the United States and projects for the New York subway with a budget of over 2,000 million. In addition, ACS has been selected to take part in the construction of the first stretch of the high-speed line in Portugal (the stretch between Poceirao and Caia), the budget for which is approximately 1,700 million euros.

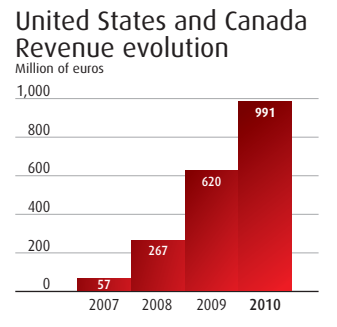
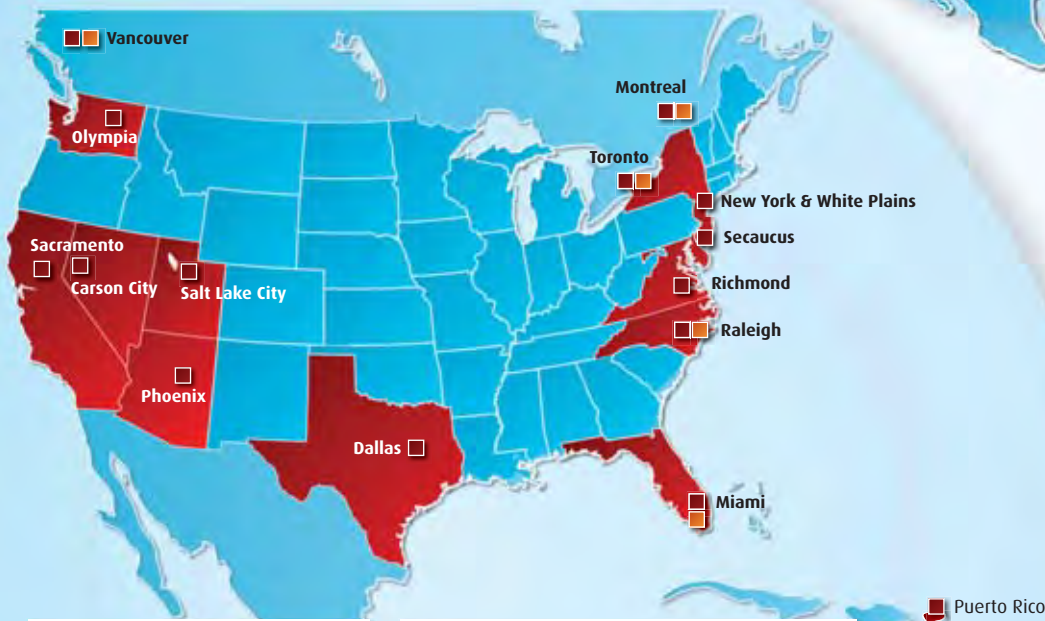


Construction

Countries where the ACS Group is developing Construction activity



ACS Group presence in United States and Canada in Construction activity



Main projects in U.S.A. and Canada awarded in 2010

| Project | Amount |
|--|--------|
| Windsor Essex highway | 1,200 |
| South Fraser Perimeter Road Project in Vancouver | 770 |
| Construction of 72nd Street Station in New York | 475 |
| Fulton Street Transit Center in New York | 70 |

■ Construction
■ Concessions



Construction



North America

The contribution from activities in the United States and Canada stands out, as this area grew substantially in 2010 as a result of being awarded large civil works and concession projects. Over the next few years, the United States will continue to be a reference market and a clear future commitment.

The ACS Group, through its North American subsidiaries, has been competing in this market for many years and already has a significant presence in the area, where it competes through Dragados USA, Schiavone, Pulice and John P. Picone.

ACS continues to consolidate its position in North America, with sales of over 990 million euros in the United States and Canada. Its activity is based on developing infrastructure concessions and Civil Works projects in Ontario, British Columbia and Quebec in Canada and in Arizona, New York, New Jersey, North Carolina, Florida, Puerto Rico, Washington and Texas in the United States.

The contribution from activities in the United States and Canada grew substantially in 2010 as a result of being awarded large civil works and concession projects



It is also present in the bidding process in states such as Utah, Nevada, Virginia and California.

Some relevant projects in the United States and Canada for which the Group has been awarded the contract are:

- The project for the construction of 72nd Street Station with a budget of 475 million US dollars New York.
- The improvement, construction and operation under a concession regime of the I-595 in Florida, over the 20 kilometres of its extension. Total investment exceeds 800 million US dollars and it has a concession term of 35 years.
- The execution of the SR99 Alaskan Way tunnel in Seattle, with a budget of over 1,000 million US dollars and which, with its diameter of 17.5 metres, will be the largest diameter tunnel in the world executed with a tunnel boring machine.
- Other projects were received in New York in 2010, such as the building of the Fulton Street Transit Center or the repairs to the Cross Bay Bridge.
- In Canada, ACS is developing the A-30 Montreal orbital motorway, a project 42 km long and with total investment of over 1,500 million dollars, with a concession term of 35 years, where the estimated execution period is four years.
- Similarly, there is the South Fraser Perimeter Road in Vancouver at 40 km in length, with execution over 4 years, a concession term of 20 years and a construction budget of over 770 million dollars.
- ACS is also executing the Windsor Essex Parkway highway project in Ontario at 11 kilometres in length with significant structures and a budget of over 1,200 million dollars.



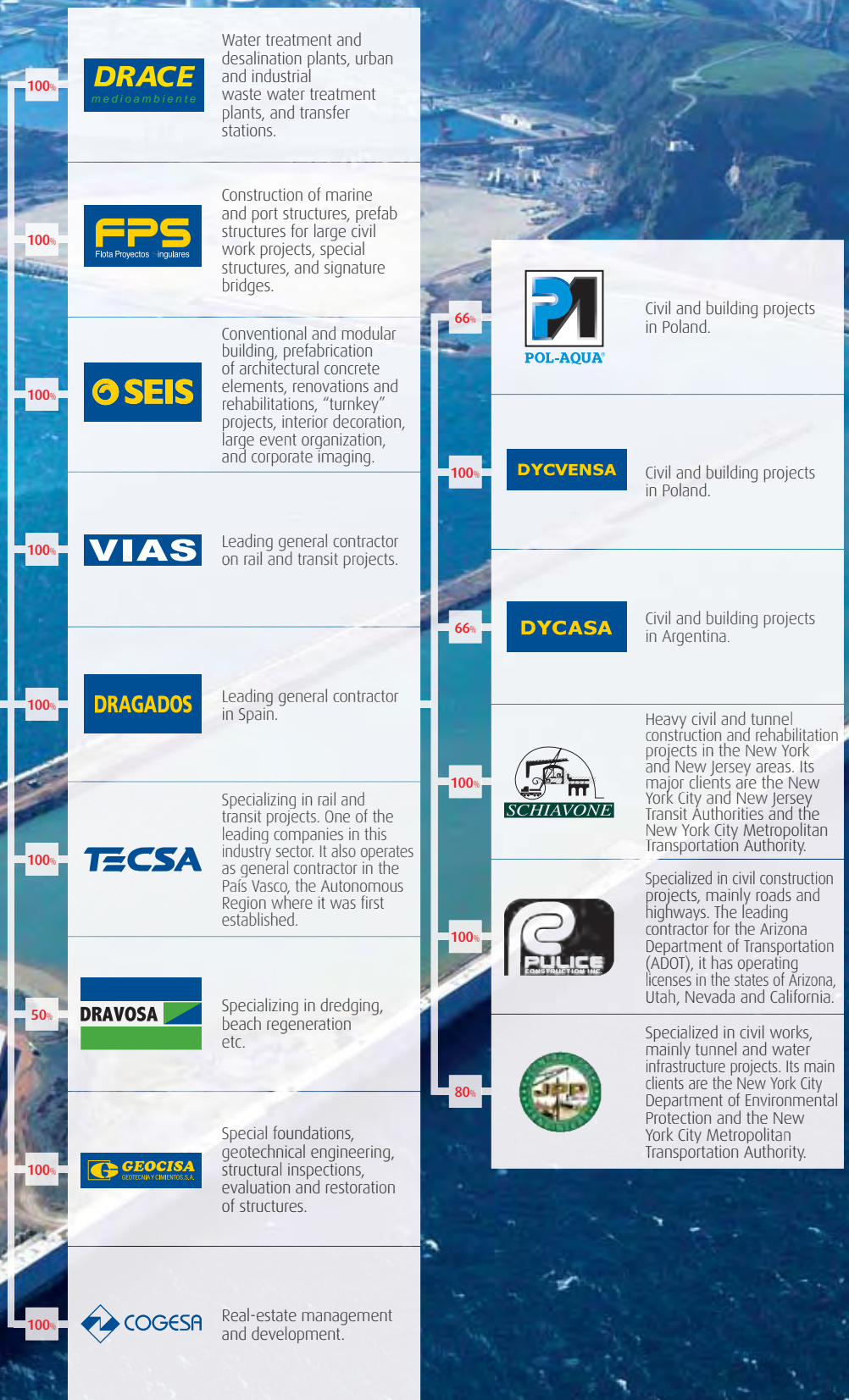
ACS Group continues to consolidate its position in North America where it competes through Dragados USA, Schiavone, Pulice and John P. Picone

Main contracts awarded

| Main contracts awarded in 2010 | Amount | Country | Type of project |
|---|--------|-----------|-------------------------------------|
| Million of euros | | | |
| Contract for the construction of two twin tunnels 11.9 km long of new underground rail tunnels in the city of London. | 488 | U.K. | Civil Works - Railways |
| Project for Windsor Essex highway construction in Ontario. | 272 | Canada | Civil Works - Roads |
| South Fraser perimeter road construction in Vancouver. | 192 | Canada | Civil Works - Roads |
| Works for the construction and maintenance of the 2 nd stretch of the line 9 of Barcelona's subway. | 145 | Spain | Civil Works - Railways |
| Works for the construction of the high-speed railway line between San Isidro and Orihuela (Alicante). | 127 | Spain | Civil Works - Railways |
| Construction of the main cavern of the Station on 72 nd Street for the new 2 nd Avenue Subway line in Manhattan (New York). | 127 | U.S.A. | Civil Works - Railways |
| Project for the construction of the Sagrera railway station (Barcelona). | 123 | Spain | Civil Works - Railways |
| Málaga II correctional facility construction in Málaga. | 95 | Spain | Non Residential Building |
| Construction of the jetty and other improvements works in the Gijón Port (Asturias). | 95 | Spain | Civil Works - Hydraulic or Maritime |
| Railway platform construction for the Madrid-Galicia high-speed line in the stretch between Ponte Ambia and Tabolea (Orense). | 83 | Spain | Civil Works - Railways |
| New container terminal construction for La Plata port (Buenos Aires). | 63 | Argentina | Civil Works - Hydraulic or Maritime |
| Works for the construction of Punta de Langosteira port's dike (La Coruña). | 61 | Spain | Civil Works - Hydraulic or Maritime |
| Project for the new Can Misses Welfare Centre and two associated health centres construction (Ibiza). | 53 | Spain | Non Residential Building |
| Project for transfer station for New York's subway, the Fulton Street Transit Centre. | 52 | U.S.A. | Civil Works - Railways |
| Railway platform construction for the Urnieta-Hernani high-speed line (Guipúzcoa). | 50 | Spain | Civil Works - Railways |

Organisational Structure

Construction



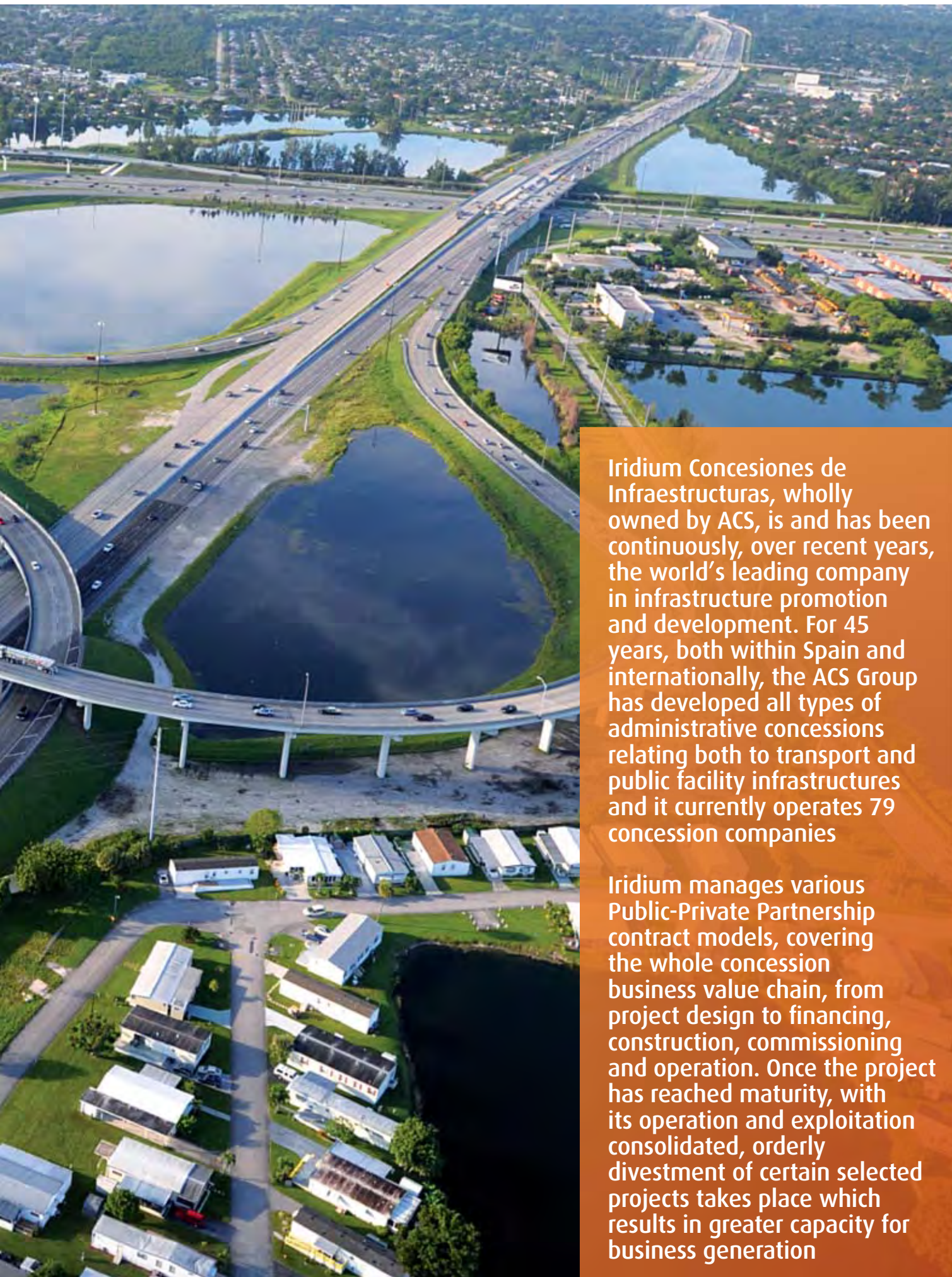
Concessions

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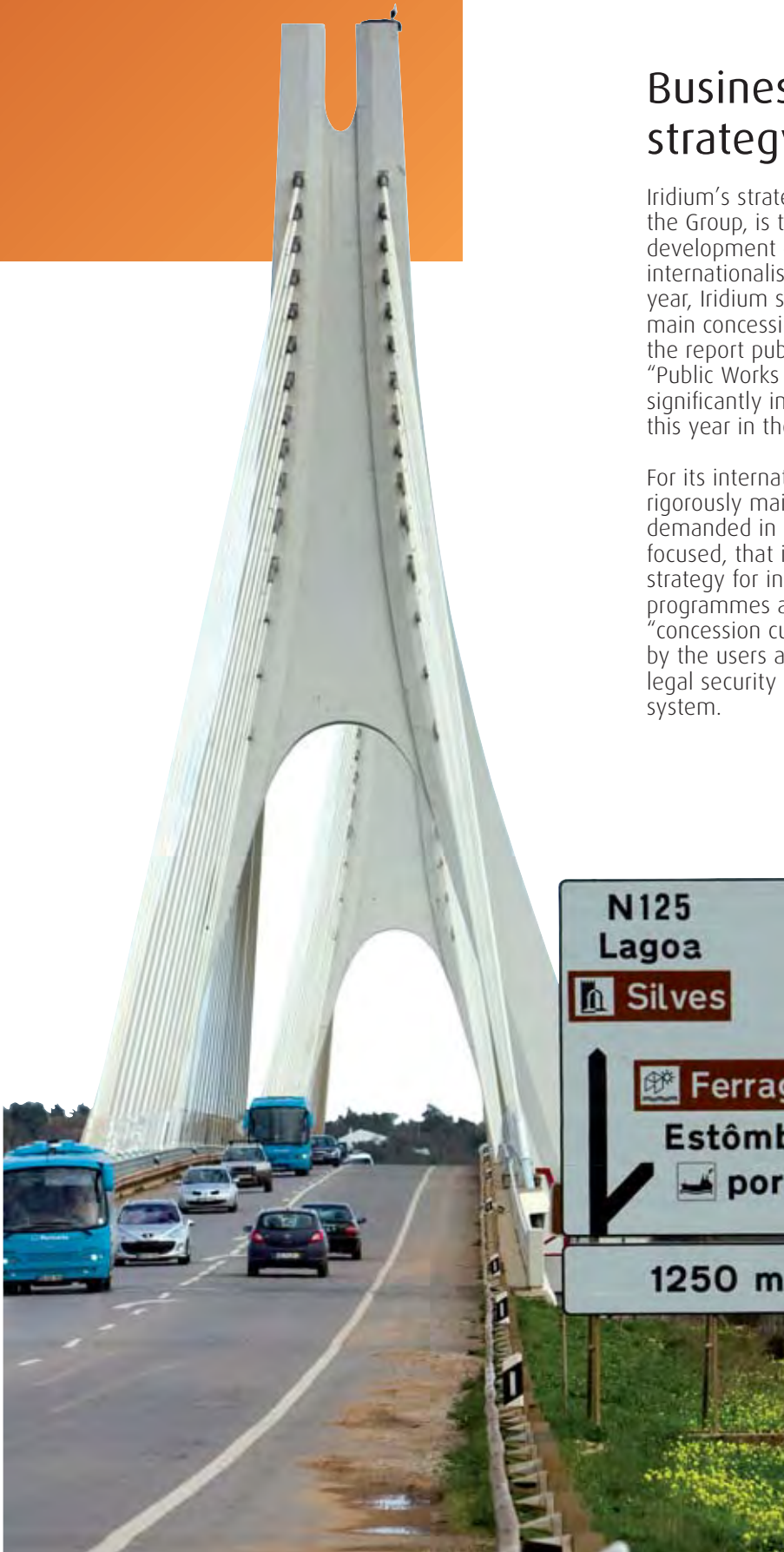
Iridium Concesiones de Infraestructuras, wholly owned by ACS, is and has been continuously, over recent years, the world's leading company in infrastructure promotion and development. For 45 years, both within Spain and internationally, the ACS Group has developed all types of administrative concessions relating both to transport and public facility infrastructures and it currently operates 79 concession companies

Iridium manages various Public-Private Partnership contract models, covering the whole concession business value chain, from project design to financing, construction, commissioning and operation. Once the project has reached maturity, with its operation and exploitation consolidated, orderly divestment of certain selected projects takes place which results in greater capacity for business generation

Business strategy

Iridium's strategy, in accordance with that of the Group, is to be a worldwide reference in the development of infrastructures, promoting the internationalisation of its activity. For another year, Iridium stood at the head of the world's main concession groups in 2010, according to the report published by the specialist journal "Public Works Financing" (PWF), and has significantly increased its portfolio of projects this year in the international field.

For its international expansion, Iridium has rigorously maintained the requirements demanded in the markets where its activity is focused, that is in those where there is a real strategy for infrastructure development with programmes already approved, where the "concession culture" is generally accepted both by the users and the Public Authorities, offering legal security and with a developed financial system.



Iridium's strategy is to be a worldwide reference in the development of infrastructures, promoting the internationalisation of its activity

Shown below is detail of the projects making up the Group's current portfolio at 31 December 2010:

| Concession-Description | ACS Group stake | Country | Activity | Phase | Unit | Expiry date | Total investment (millions of euros) | ACS Group investment (millions of euros) ^a |
|---|-----------------|----------------|------------------|---------------------------------------|----------------|-------------|--------------------------------------|---|
| A8/AP1 - Bidelan Guipuzkoako Autobideak | 50.0% | Spain | Motorways | Operation | 124 | 2013 | 62 | 3 |
| La Mancha Highway | 75.0% | Spain | Motorways | Operation | 52 | 2033 | 128 | 21 |
| Alicante Ringroad | 50.0% | Spain | Motorways | Operation | 148 | 2040 | 456 | 68 |
| Autopista del Henares (R2 y M50) | 35.0% | Spain | Motorways | Operation | 87 | 2024 | 933 | 81 |
| Accesos Madrid (R3/R5 y M50) | 19.7% | Spain | Motorways | Operation | 90 | 2049 | 1,646 | 68 |
| Reus-Alcover | 85.0% | Spain | Motorways | Operation | 10 | 2038 | 72 | 14 |
| Ruta de los Pantanos | 33.3% | Spain | Motorways | Operation | 22 | 2024 | 107 | 5 |
| Santiago Brión | 70.0% | Spain | Motorways | Operation | 16 | 2035 | 112 | 15 |
| Los Pinares Highway (Valladolid Cuellar) | 53.3% | Spain | Motorways | Operation | 44 | 2041 | 95 | 14 |
| Medinaceli-Calatayud Highway(Aumecsa) | 95.0% | Spain | Motorways | Construction | 93 | 2026 | 122 | 13 |
| Camp del Turia Highway (CV 50) | 65.0% | Spain | Motorways | Construction | 20 | 2042 | 121 | 10 |
| AP21 Pirineo Highway | 72.0% | Spain | Motorways | Construction | 46 | 2039 | 226 | 53 |
| EMESA (Madrid Calle 30) | 50.0% | Spain | Motorways | Operation | 33 | 2040 | 300 | 50 |
| Eje Diagonal | 100.0% | Spain | Motorways | Construction | 67 | 2041 | 410 | 159 |
| A-30 Nouvelle Autoroute 30 | 50.0% | Canada | Motorways | Construction | 74 | 2042 | 1,180 | 85 |
| FTG Transportation Group | 75.0% | Canada | Motorways | Construction | 45 | 2033 | 537 | 17 |
| Windsor Essex | 33.3% | Canada | Motorways | Construction | 11 | 2040 | 996 | 10 |
| Vespucio Norte Express | 46.5% | Chile | Motorways | Operation | 29 | 2032 | 787 | 103 |
| San Cristóbal Tunnel | 50.0% | Chile | Motorways | Operation | 4 | 2035 | 99 | 20 |
| Ruta del Canal | 80.0% | Chile | Motorways | Construction | 55 | 2040 | 147 | 30 |
| Autopista Jónica (NEA ODOS) | 33.3% | Greece | Motorways | Construction/Operation | 380 | 2037 | 1,115 | 64 |
| Central Greece | 33.3% | Greece | Motorways | Construction | 231 | 2037 | 1,623 | 52 |
| CRG Waterford - Southlink | 33.3% | Ireland | Motorways | Operation | 24 | 2036 | 319 | 22 |
| CRG Portlaoise - Midlink | 33.3% | Ireland | Motorways | Operation | 41 | 2037 | 367 | 23 |
| Sper - Planestrada (Baixo Alentejo) | 49.5% | Portugal | Motorways | Construction | 347 | 2039 | 539 | 78 |
| Rotas do Algarve - Marestrada (Algarve Litoral) | 45.0% | Portugal | Motorways | Construction | 260 | 2039 | 271 | 48 |
| A-13, Thames Gateway | 25.0% | U.K. | Motorways | Operation | 22 | 2030 | 293 | 10 |
| I595 Express | 100.0% | USA | Motorways | Construction | 17 | 2044 | 1,254 | 155 |
| Total Motorways (km) | | | | | 2,392 | | 14,316 | 1,291 |
| Figueras Perpignan - TP Ferro | 50.0% | Spain - France | Railway | Operation ⁽¹⁾ | 45 | 2057 | 1,147 | 51 |
| Subway Barcelona's Line 9 Stretch II | 50.0% | Spain | Railway | Construction | - | 2042 | 790 | 41 |
| Subway Barcelona's Line 9 Stretch IV | 50.0% | Spain | Railway | Construction/Operation | 48 | 2040 | 592 | 31 |
| Sevilla Subway | 34.0% | Spain | Railway | Operation | 18 | 2038 | 681 | 45 |
| Arganda Subway | 8.1% | Spain | Railway | Operation | 18 | 2029 | 133 | 3 |
| Poceirao-Caia Portuguese high-speed railway | 15.2% | Portugal | Railway | Construction | 167 | 2049 | 1,632 | 18 |
| Total Railway (km) | | | | | 296 | | 4,975 | 189 |
| Brians Prison | 100.0% | Spain | Jail | Operation | 95,182 | 2034 | 106 | 14 |
| Central Police Station (Ribera Norte) | 100.0% | Spain | Police Station | Operation | 60,330 | 2024 | 66 | 12 |
| Vallés Central Police Station (Terrasa) | 100.0% | Spain | Police Station | Operation | 8,937 | 2031 | 16 | 3 |
| Vallés Central Police Station (Barberá) | 100.0% | Spain | Police Station | Operation | 9,269 | 2031 | 16 | 4 |
| Green Canal Golf | 100.0% | Spain | Sport Premises | Operation | 60,000 | 2012 | 1 | 2 |
| Public Facilities (m²) | | | | | 233,718 | | 204 | 35 |
| Majadahonda Hospital | 55.0% | Spain | Hospital | Operation | 749 | 2035 | 255 | 19 |
| Son Dureta Hospital | 49.5% | Spain | Hospital | Operation | 987 | 2038 | 312 | 17 |
| Can Misses Hospital (Ibiza) | 40.0% | Spain | Hospital | Construction | 297 | 2042 | 125 | 12 |
| Mallorca Health Centers | 49.5% | Spain | Health Center | Construction | 13,693 | 2021 | 19 | 3 |
| Public Facilities (number of beds) | | | | | 15,726 | | 711 | 51 |
| Plaza de Castilla Transfer Station | 50.0% | Spain | Transfer Station | Operation | 59,650 | 2041 | 169 | 42 |
| Príncipe Pio Transfer Station | 70.0% | Spain | Transfer Station | Operation | 28,300 | 2040 | 64 | 11 |
| Avda. América Transfer Station | 100.0% | Spain | Transfer Station | Operation | 41,000 | 2026 | 23 | 5 |
| Total Transfer Stations (m²) | | | | | 128,950 | | 256 | 58 |
| Iridium Aparcamientos | 100.0% | Spain | Parking | Construction/Operation ⁽²⁾ | 19,690 | 2058 | 63 | 48 |
| Serrano Park | 50.0% | Spain | Parking | Construction | 3,157 | 2048 | 132 | 25 |
| Total Parking (number of places) | | | | | 22,847 | | 195 | 73 |
| Total Concessions | | | | | | | 20,658 | 1,697 |

^a ACS Group financial investment in the concession project. Investment paid by December 2010 accounted for 989 mn whilst 708 mn are still pending to be paid.

(1) Construction completed in 2009. Partial exploitation began in December, 2010.

(2) Covers all main contracts managed by Iridium Aparcamientos.



Iridium led again the table of the world's main infrastructure concession groups in 2010, according to "Public Works Financing" (PWF)

Relevant events

Within the scope of the operating project portfolio, as well as of Iridium's corporate activity, the following relevant events occurred in 2010:

- Iridium led the table of the world's main infrastructure concession groups again in 2010, according to the ranking published annually by the specialist journal "Public Works Financing" (PWF).
- The ceremony to lay the first stone for the I 595 project was held on 26 February 2010.
- The concession contract for the Portuguese High-Speed Railway Line, Poceirao to Caia stretch (Madrid - Lisbon route), was signed last 8 May. This contract, in which Iridium is a participant, includes the design, construction, financing, operation and maintenance of Portugal's high-speed railway line on the Poceirao to Caia stretch (Madrid to Lisbon route), as well as the design, construction, financing and operation of a new station at Évora. The project investment is 1,651 million euros and the concession term is 40 years. This is the first contract awarded for the development of Portugal's high-speed network (Madrid - Lisbon - Porto - Vigo).
- The operation of the 41 km of the Portlaoise - Cullahill/Castletown M7/M8, with a 33.3% holding by IRIDIUM, started on 28 May 2010. Construction was executed in under three years, concluding four months before the anticipated completion date. The concession contract, with a duration of 30 years, involved total investment of 367 million euros.
- On 14 July past, Iridium, through its subsidiary ACS Infrastructure Canada and the Canadian company Ledcor Development signed the Concession Contract with the Province of British Columbia for the financing, construction, refurbishment, operation and maintenance for the South Fraser Perimeter Road Project, a new motorway 40 km long south of Vancouver with an investment of 716 million Canadian dollars.
- The Confirmation Report for the Son Espases Hospital works was signed on 10 October 2010, along with the ceremony for "handing over of the keys". This milestone marks the start of the operating period for the concession company (in which Iridium has a 49.5% stake) which over the next 30 years will be responsible for the operation of all the non-clinical services in the Balearic Island's reference Hospital.



- On 28 October 2010, the concession company Vespucio Norte in Chile re-established full service on the motorway after the earthquake which occurred in the country on 27 February 2010.
- On 5 November 2010, Iridium, through its subsidiary ACS Infrastructure Canada was named as the winner of the Windsor Essex Parkway Project, with a 33.33% stake in the consortium. The concession contract was signed on 15 December 2010 along with the finalisation of the financing with 10 banks for the project, with an approximate investment of 1,300 million Canadian dollars. The future road will be the most significant investment in motorways in the province of Ontario and is the result of commitments from the Canadian and Ontario Governments to improve the transport network in the Windsor border zone.
- Serrano Parking in Madrid opened on 1 December past. The concession contract consists of the construction and operation of three car parks under Calle Serrano and their integration with the project for remodelling works for this street between the street named María de Molina and Plaza de la Independencia and the side streets in the area of influence. Project investment is 132 million euros and the concession term is 40 years.
- Authorisation was obtained on 15 December for the start-up and the respective safety certificates for the Figueras to Perpignan high-speed train. The first commercial passenger train ran along the international section on 19 December and the first freight convoy ran starting from the port of Barcelona on 21 December.

The company continued to show great efficiency and capacity for innovation in the management of project financing. In this regard, several financing operations were arranged over the course of 2010, for a sum of approximately 3,800 million euros,

without recourse to shareholders, in spite of the extremely difficult global economic and financial situation. Noteworthy among these are:

- Financing arrangements for the Diagonal Artery in Catalonia (Spain) was finalised on 18 March for 249 million euros.
- On 30 April the financing arrangements were finalised for the Pirineo Highway (Navarre, Spain) for 152 million euros.
- Financing arrangements for the Poceirao to Caia stretch of the High-Speed Railway Line in Portugal were finalised on 8 May for 692 million euros.
- The financing arrangements for the South Fraser Perimeter Road in the Province of British Columbia (Canada) were finalised on 14 July for 200 million Canadian dollars.
- On 19 July the financing arrangements for Stretch IV of Barcelona Metro Line 9 were finalised for 544 million euros.
- The financing arrangements for 15.5 million euros for 5 Basic Units and 5 Health Centres in Palma de Mallorca were completed on 23 November.
- On 26 November the financing arrangements for Stretch II of Barcelona Metro Line 9 were finalised for 735 million euros.
- Financing arrangements were completed on 15 December for the Windsor-Essex Parkway in Ontario (Canada) with a bank debt of 1,162 million Canadian dollars.
- On 19 December, the financing arrangements for the Can Misses Hospital in Ibiza were finalised for 100 million euros.

Concessions



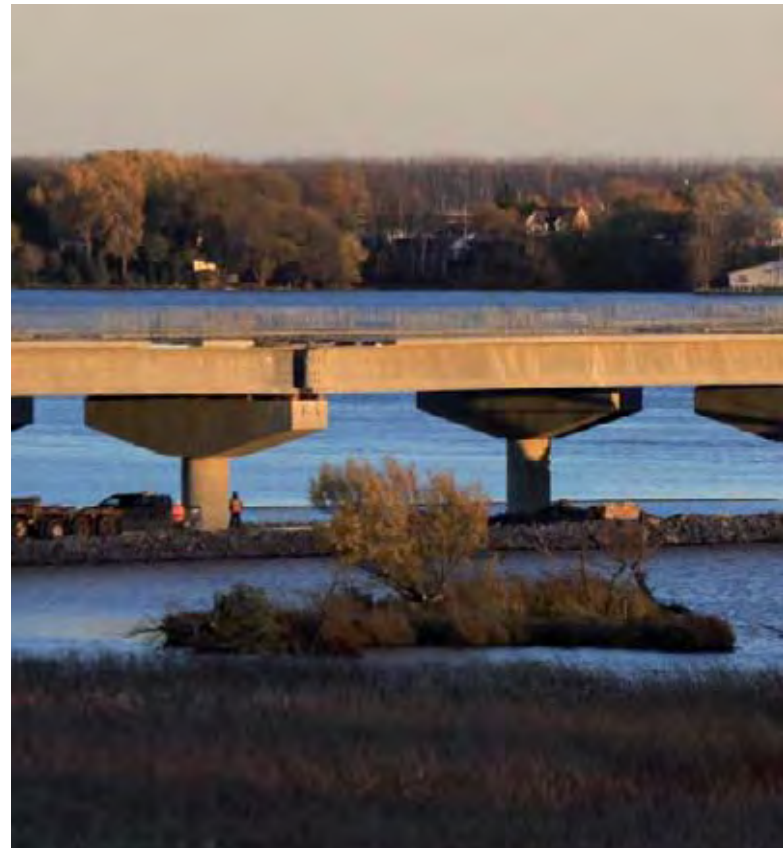
International markets of greatest interest

At the international level, Iridium has and carries out projects in various countries which meet its investment requirements. The North American market is one set as a priority for the ACS Group, where Iridium is present with offices in 7 US states and it has offices in three Canadian provinces. In the rest of the world, Iridium continues to have special interest in the markets in Portugal, Ireland, the United Kingdom, France and Chile.

USA

The US Department of Transportation will continue to provide financial support to infrastructure projects carried out by the private sector and there are initiatives in the stimulus package framework aimed at improving these instruments. The American market will need developers with great financial and technical capabilities and the ACS Group is positioned as a leader in public-private partnership projects with

**ACS Group
is positioned
as a leader
in public-private
partnership
projects of new
construction**



new construction, hence it finds itself in a privileged position to selectively tackle new opportunities and consolidate current projects. Furthermore, it is participating proactively in the identification of infrastructure projects and in the promotion of appropriate legislation to permit the implementation of these contracts in those states where an adequate legal framework still does not exist.

Canada

With a level of infrastructure inferior to the country's economic level and with a great tradition for the promotion of concession projects, Canada presents itself as a country with great opportunities for these types of contracts for public-private initiatives. Opportunities are anticipated in the short and medium term for transport, hospital and public facilities infrastructures. The most active provinces are Ontario, British Columbia, Alberta, New Brunswick and Quebec, which have been outstanding both due to the volume and complexity of their projects and for their fulfilment in carrying out their tender plans.

Chile

The Chilean Government intends to use the Concession system as a tool to provide the country with the necessary infrastructure to achieve its aim of becoming a developed country. Among the actions carried out to this end is the enactment, after approval, of a new Concessions Law and the launching of a first Concessions programme for the 2010-2014 period, including investments in transport, hospital and prison infrastructures, with forecast investment of 11,700 million dollars.

Other markets of interest

Markets such as the United Kingdom, Ireland, France and Portugal, as well as others in which Iridium has significant presence or can offer appropriate conditions for carrying out future projects also continue to be monitored for analysis and possible study of new opportunities.



Concessions



Contracts awarded

In 2010 the ACS Group (or the consortia in which its companies participate) was awarded the following concession projects for transport and public facilities infrastructures:

- Concession for construction, financing, operation and maintenance of the Can Misses Hospital and two health centres associated with it, on the island of Ibiza (Spain). The total investment is 132 million euros and the concession term is 32 years and 7 months. The contract includes the execution of the works for the new Can Misses Welfare Centre and two associated health centres, as well as their conservation and maintenance throughout the concession term. It also includes the provision of the non-clinical services in the centres built, as well as the other 5 health centres and the Formentera hospital included in the Eivissa Area Health Authority. On 15 March, Iridium signed the concession contract with the Balearic Islands Health Service and on 29 March, the ceremony to lay the first stone was held with the attendance of the President of the Balearic Islands Government, the Mayoress of the City of Eivissa, the President of Eivissa Council and other authorities.
- Concession for the construction, financing, operation and maintenance of five Health Centres and five Basic Health Units on the Island of Mallorca (Spain). Total project investment is 21 million euros, with a gross floor area of 13,693 m². There will also be over 130 parking spaces. The concession contract is for 11 years and 2 months. Signing of the contract took place on 18 February and on 26 March 2010 the concession company and the Balearic Islands Government presided over the ceremony to lay the first stone for the project. The event was attended by the President of the Balearic Islands Government and other authorities.
- Concession for the design, financing, construction, operation, maintenance and restoration of the South Fraser Perimeter Road Project, a motorway 40 km long to be built as new to the south of Vancouver (British Columbia, Canada) with investment of 716 million Canadian dollars. The eastern stretch of the motorway (6 km) is expected to be open to traffic in January 2013 and the western stretch in June 2014. After the construction period, a term of 20 years of operation and maintenance of the motorway will begin.
- Concession for the design, financing, construction, operation, maintenance and restoration of the Windsor-Essex Parkway Project in Ontario, Canada. This new road connects motorway 401 in Ontario with the Windsor area in the border between United States and Canada. It is a project approximately 11 km long and with 6 lanes. The project also includes the construction of adjacent service roads, intersections, gardening, pedestrian routes and cycle lanes. Investment in the project is approximately 1,300 million Canadian dollars. The concession period is for 30 years after the construction of the project, which is planned to last four years. Construction of the motorway will begin in the second half of 2011.
- Concession for the construction, financing, operation and maintenance of certain infrastructures on Stretch II of Barcelona Metro Line 9. Included in the scope of the concession are the 15 stations which make up Stretch II of Barcelona Metro Line 9 (Polígon Pratenc to university zone), comprising the construction and maintenance of the stations, lifts, escalators, ticket checking and sale facilities and their cleaning, among other tasks, over a period of 31 years 11 months.

The stations on Stretch II will go into service progressively between 2012 and 2013. These stations are added to those in Stretch IV, which in turn are under a concession to a consortium led by IRIDIUM and form a part of Europe's longest metro line, at 47.8 kilometres and with 52 stations, which will, according to forecasts, transport nearly 100 million passengers per year.

- Concession for the Parking Service for the New Son Dureta University Hospital (NHUSD) at Son Espases, Palma de Mallorca, Spain. The subject of the contract consists of the management and control of all the parking spaces in the new hospital precincts, with a total of 2,259 spaces, of which 1,828 are underground and 431 outdoors.

At the end of 2010, Iridium also participated in various consortia previously selected or shortlisted for the following projects:

- In the United States, Iridium is carrying out the initial development of the project for Mid Currituck in North Carolina and is participating in projects in the states of Florida, New York, Georgia, Texas and California, as well as in Puerto Rico.
- In addition, the consortium in which Iridium participates is shortlisted for the tender for the West by Northwest Project (Georgia, USA). The project comprises the construction, financing, operation and maintenance of the Northwest Corridor Segment (addition of rapid reversing toll lanes along the I-75 and I-575 freeways), as well as the initial development of the Western Corridor Segment.
- In Ireland, the consortium in which Iridium participates has been selected for the BAFO phase for the Dublin Metro project.
- In the United Kingdom, the consortium in which Iridium is a participant is shortlisted for the tender phase for the Borders Railway project. The project involves the design, construction, financing and maintenance of a stretch of railway 49 km long between Edinburgh, Scotland to the border with England, including 7 stations.
- In Chile, the ACS Group is shortlisted for several public facility and road concession projects, outstanding among which are the completion of the Concepcion Interconnection Port Logistic road and the Américo Vespucio Oriente motorway.



Important concession projects, both for transport and public facilities, were awarded to the ACS Group and the consortia in which its companies participate

Environment

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Urbaser and Clece are the two companies through which the ACS Group carries out its activity in the Environment area, where it is a leader in the domestic market and has over two decades of accumulated experience in these sectors

Environment



Business strategy

In the Environment area, the ACS Group maintains its strategy of pursuing the following objectives:

- Consolidating its current market share in Spain, especially with public clients, and promoting its growth with the objective of maintaining leadership in activities in the area of environmental services at the domestic level.
 - Boosting internal efficiency and that of its clients by means of the use of advanced technologies, continuing its commitment to training, specialisation and promotion of the company's workers.
 - Expanding its fields of action based on the experience acquired with the aim of ACS Group's Environment area becoming a pioneer in new processes and services, in new markets and expanding its services to new clients.
- Satisfying the expectations of public and private clients by promoting their outsourcing policies in those areas outside their core business.
 - Adapting to the evolution of projects, offering greater efficiency in the provision of services and guaranteeing maximum profitability both to clients and the ACS Group.
 - Working ceaselessly in the field of Research, Development and Innovation to ensure sustainable environmental processes and services.



To tackle these objectives and challenges, ACS Group Environment companies have solid and clear competitive advantages based on:

- **Technological innovation** in the management and treatment of waste, maintaining the commitment to carry out all its activities with the best environmental quality, which enables the Group to compete in any country in the world with excellent results.
- A **sound financial capacity** to be able to make long-term investments in projects both under a concession system and for third parties.
- **Experience** accumulated over two decades in Facility Management activities, conferring the area with new opportunities in business aimed both at companies and public authorities, in areas as diverse as social services, airport services, energy efficiency and industrial catering, among others.

ACS Group Environment companies have solid and clear competition advantages based on: technological innovation, a solid financial capacity and the experience acquired in the development of these activities

Environment



Activity description

During 2010, the ACS Group's Environment area achieved revenue of 2,548 million euros, which represents growth of 3.2%² with respect to 2009. The compound annual rate of revenue growth over the last 5 years is 7.6%, reaffirming leadership in this area in Spain and consolidating its position in the European market.

The Environment activity is grouped around two business lines: Environmental Services and Facility Management.

Environmental Services is the area specialising in waste management and treatment, engaging in street cleaning, waste collection and transport, treatment and recycling of urban waste, integrated management of the water cycle and urban gardening. The ACS Group, through its company Urbaser, is the leader in the management of solid urban waste treatment plants in Spain, with significant growth in these activities abroad.

During 2010, Urbaser managed the following facilities for the treatment and disposal of solid urban waste:

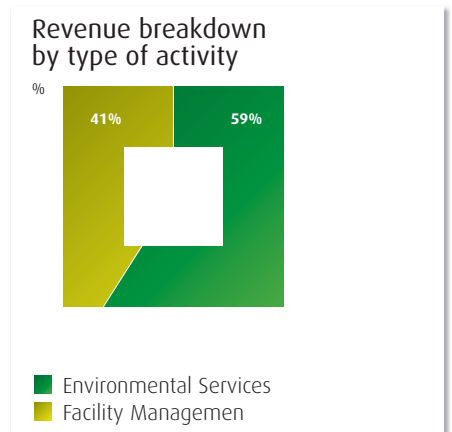
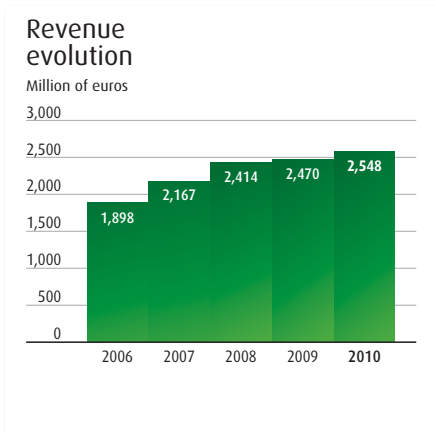
- 44 Plants for the pre-treatment of solid urban waste with an installed capacity of 7,026,436 tons/year.
- 9 Energy recovery plants with a treatment capacity of 2,266,000 tons/year and an installed electrical power of 244 MW.
- 19 Plants for the biomethanisation of organic fractions with an installed capacity of 1,361,260 tons/year.
- 50 Composting installations with an installed capacity of 2,584,568 tons/year.
- 78 Transfer plant installations with an installed capacity of 7,004,008 tons/year.
- 34 packaging treatment facilities.
- 48 Controlled waste dumps with an installed capacity of 9,179,439 tons/year.
- 14 Waste dump degasification installations which produce 421 Hm³ per year of biogas.

During 2010, Urbaser started up the integral solid urban waste plant in Marseilles (France), which processes 450,000 tons per year and which is in commercial operation. Furthermore, the waste incinerating plant in Mallorca with two new lines to treat 450,000 tons/year was also started up.

Activities continued in street cleaning, treatment and purification of urban waste water, gardening in cities, collection and treatment of hospital waste and disposal of industrial waste and waste from demolition and building.

In addition, it treated and disposed of 4.7 million tons of inert waste and 150,000 tons of industrial waste; 109,477 tons for the regeneration of mineral oils and 167,000 tons of Marpol-type oils.

² In all the data in this section, the results contributed by the Port and Logistic Services activity have been excluded in order to make the historical data comparable with that for 2010. 2009 data restated applying IAS 31 and IFRIC 12.



Port and Logistic Services have been excluded from this data in order to make the comparison with 2010 homogeneous. 2009 data restated applying IAS 31 and IFRIC 12.

Within the water cycle, the following facilities continued to be managed throughout 2010:

- 142 Industrial water purifying stations for 1,175,000 m³ per day for the equivalent of 5,600,000 inhabitants.
- 19 Sewage operations for the equivalent of 1,385,000 inhabitants.
- 14 Water supply facilities for 229,000 m³ per day for the equivalent of 910,000 inhabitants.
- 7 Drinking water treatment plants at 250,000 m³ per day for the equivalent of 290,000 inhabitants.
- 8 Analysis and monitoring laboratories for the equivalent of 1,423,000 inhabitants.
- A central laboratory certified under ISO 9001 and accredited to ISO 17025 for drinking water, waste water and mud.

Facility Management activities include the services necessary for the optimum running of public or private use properties (facility maintenance, cleaning or ancillary services), green-market related activities (gardening, reforestation, environmental recovery, environmental education and awareness activities and the utilisation of natural heritage), care services for social collectives in situations of dependence, airport services and the management of advertising spaces in large installations and transport systems, without forgetting new activities with great potential for the future, such as industrial catering or energy efficiency.

Outstanding within these activities during 2010 were the following contracts carried out by the ACS Group:

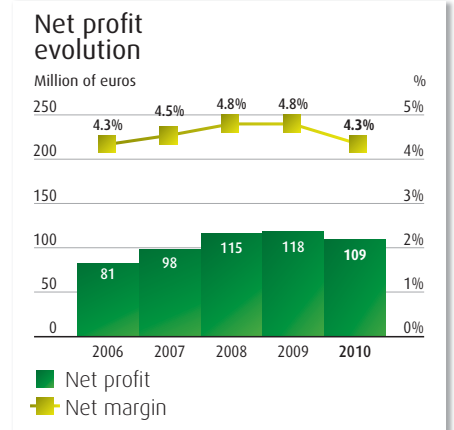
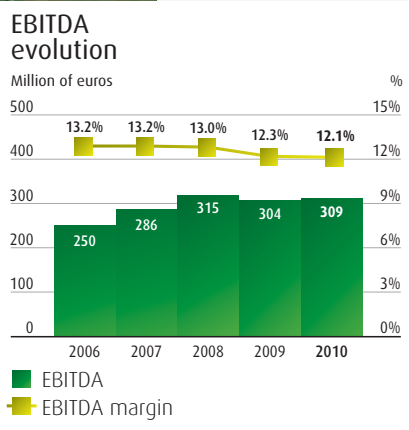
- **Contracts for maintenance** provided both to public authorities and large corporations, such as the contract for facility management for bases, barracks and other establishments for the Army; the management and operation of the theatres known as the Teatros del Canal and Teatro Auditorio at San Lorenzo de El Escorial (Madrid) or actions to improve the energy efficiency at the head office of the Ministry of Industry, Tourism and Trade in Madrid.
- **Cleaning services**, where contracts can be highlighted for the cleaning, disinfection and protection against insect pests for the Directorate General for the Police and Civil Guard; contracts for National Heritage in some of its most outstanding monumental buildings (Palacio de la Zarzuela, Palacio Real de Madrid, Reales Alcázares de Sevilla, etc) and cleaning services in various hospitals throughout the country such as Joan XXIII at Tarragona, Nuestra Señora de la Candelaria (Santa Cruz, Tenerife), etc.
- **Contracts for social healthcare and educational services** such as home help services in various Spanish cities (Zaragoza, Málaga, Valladolid, Córdoba, etc) and integral management of 8 infant schools promoted by the Community of Madrid.
- Services for the **mass catering area**, such as for hospitals (e.g. Son Espases in Palma; Arnau de Vilanova in Lérida and Bellvitge in Barcelona) and catering services for students at public learning centres in Seville.

Environment



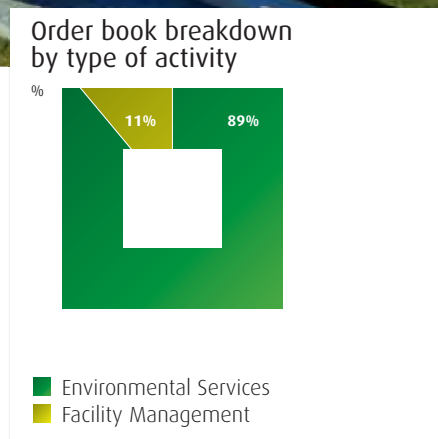
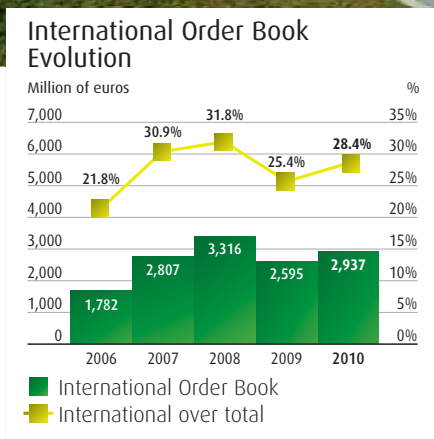
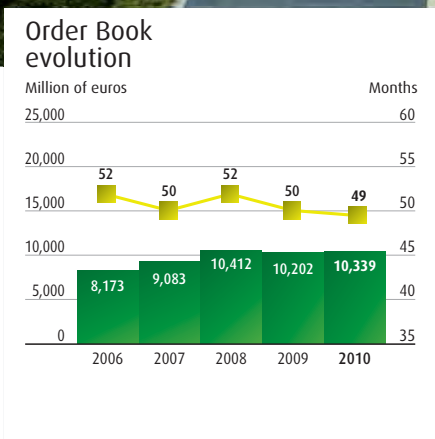
- Contracts for **airport services**, provided by the subsidiaries Multiservicios Aeroportuarios and Clever, for the cleaning of aircraft for different airlines; contracts for assistance to aircraft or assistance for people with reduced mobility in Fuerteventura, Ibiza, Murcia and La Palma airports.
- In the **advertising field**, the subsidiary Publimedia won significant contests such as that for the advertising exploitation of the outside of Madrid's Municipal Transport Company buses; the advertising on the Madrid-Valencia high-speed railway line and on Sevilla's metro network.
- In the **green market**, the maintenance and cleaning of the gardens in Málaga and various programmes for environmental education, such as La Fábrica del Sol (Barcelona), Centro Puente del Perdón (Madrid), etc can be highlighted.

Environment activities are based on medium- and long-term recurrent contracts for both public and private clients. Many of the activities are capital intensive and their concessional nature reduces risk and guarantees attractive profitability. This area provides the ACS Group with stability and visibility in the generation of revenue.



Port and Logistic Services have been excluded from this data in order to make the comparison with 2010 homogeneous. 2009 data restated applying IAS 31 and IFRIC 12.

The ACS Group's Environment order book amounted to 10,339 million euros in 2010, up 1.3% on the previous year. This figure is equivalent to 49 months of activity.



Port and Logistic Services have been excluded from this data in order to make the comparison with 2010 homogeneous. 2009 data restated applying IAS 31 and IFRIC 12.

Internationalisation

International turnover in the Environment area grew by 11.1% in 2010 to total 288 million euros, 11.3% of total turnover. The order book in the international area in 2010 was 2,937 million euros, 13.2% higher than the year before and representing 28.4% of the total order book. Sales and order book at an international level have experienced strong growth, at a compound annual rate of 10.5% and 13.3% respectively over the last five years, mainly as a consequence of the promotion of waste treatment plants, which has enabled ACS to tender for significant projects in large cities outside Spain.

The Environmental Services activity is the area with the greatest international presence. In the waste treatment area, where Urbaser has great experience due to the large number of treatment plants it has built and has in operation, significant projects came

to fruition in 2010 in France, Italy and Argentina. Bids have also been presented in the United Kingdom and the United States.

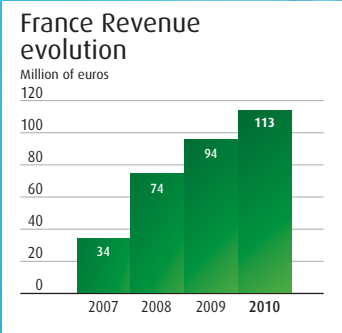
Furthermore, Urbaser has continued its activity derived from the contracts awarded in previous years in Morocco, Argentina, Colombia, the Dominican Republic, Venezuela, Panama, Mexico, Poland, Italy, Portugal, the United Kingdom and France.

Environment

Countries where the ACS Group is developing Environment activity

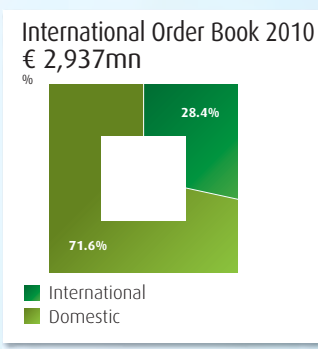
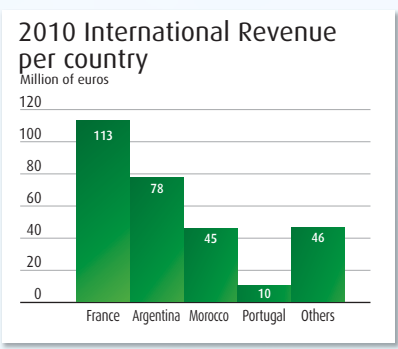


ACS Group presence in France in Environment activity



Main projects awarded in France in 2010

| Project Description | Amount (Million of euros) |
|--|---------------------------|
| Construction and exploitation of an energy recovery plant in Bayona (France) | 84 |
| Urban waste collection services for the city of La Rochelle (France) | 23 |
| Urban waste collection services for Charleville-Mezières (France) | 15 |



Environment



France

The development of Urbaser's activity in France in particular has been of special relevance in recent years. The market for treatment, waste collection and cleaning has shown itself to be particularly receptive to the arrival of the Urbaser Group, despite the fact that activity in this sector has traditionally been dominated by large French groups. French local authorities have looked favourably on the arrival of a new player in the market which has managed to stand out from its competitors due to its added technological value. Indeed, Urbaser started its instalment in France in the field of treatment, where it had the ability to take advantage of its specific know-how in the design, construction and operation of multidisciplinary treatment centres, including sorting, recycling, composting, methanisation and incineration of solid urban

The development of Urbaser's activity in France has been of special relevance in recent years where it has managed to stand out from its competitors due to its added technological value



waste, offering a global solution to waste management. Urbaser's great experience and improvements in the subject of treatment by methanisation boosted its positioning.

In the field of treatment, Urbaser bid for and was awarded a significant contract in 2010 for the construction and operation of a solid waste centre in Bayonne. Likewise, it completed the commissioning of the Marseille plant, with this starting its commercial operation.

In the field of collection, Urbaser bid for and contracted three new collection services in 2010, for La Rochelle (Charente-Maritime), Charleville-Mézières (Ardennes) and Givet (Ardennes).

The Urbaser Group continues to grow in the French market through 8 local companies which employ over 975 workers between employees

and direct collaborators. Revenue for the country reached a total of 113 million euros in 2010, representing growth of 20.3% with respect to 2009 revenue.

Thanks to this rapid and significant growth, Urbaser has an order book in the French market alone of over 1,500 million euros to date, this making it one of the five main waste collection and treatment companies in France.



Main contracts awarded

| Main contracts awarded in 2010 | Amount | Years | Country | Awarded company |
|---|--------|-------|---------|------------------------|
| Million of euros | | | | |
| Cleaning, disinfected, treated for insects and treated for rodents services for the facilities of the Spanish Police. | 89 | 2 | Spain | Facility Management |
| Project for the construction and exploitation of an energy recovery plant in Bayona. | 84 | 8 | France | Environmental Services |
| Contract for the advertising in Madrid's urban buses. | 76 | 7 | Spain | Facility Management |
| Extension of the contract for the management of a solid urban waste treatment plant in Alicante. | 62 | 21 | Spain | Environmental Services |
| Contract for the water supply system of the city of Totana (Valencia). | 57 | 22 | Spain | Environmental Services |
| Extension of the contract for urban waste collection and treatment in the Hereford and Worcester County. | 55 | - | U.K. | Environmental Services |
| Contract for street cleaning services and urban waste collection in Aviles (Asturias). | 46 | 10 | Spain | Environmental Services |
| Extension of the contract for street cleaning and urban waste collection in Logroño. | 38 | 8 | Spain | Environmental Services |
| Contract for Parque Rio Madrid maintenance services (Madrid). | 36 | 4 | Spain | Facility Management |
| Street cleaning services and urban waste collection, transport and treatment in Calafell (Tarragona). | 33 | 8 | Spain | Environmental Services |
| Extension of the contract for the freight transportation in the Barajas Airport (Madrid). | 27 | 5 | Spain | Facility Management |
| Maintenance, logistics and cleaning services for Cat Spain vehicles. | 26 | 2 | Spain | Facility Management |
| Exploitation contract for an urban solid waste transfer plant in Ceuta. | 26 | 6 | Spain | Environmental Services |
| At-home medical care services for the city of Zaragoza. | 25 | 4 | Spain | Facility Management |
| Cleaning services for Joan XII Hospital in Tarragona and several Catalan health centers. | 24 | 2 | Spain | Facility Management |
| Urban waste collection services for the city of La Rochelle. | 23 | 6 | France | Environmental Services |

Organisational Structure

Environment



Company specialising in waste management and treatment. Its activity encompasses street cleaning; beach cleaning, the management of urban gardening, the collection of solid urban waste, collection and treatment of hospital waste and disposal of industrial waste and waste from demolition and building and its subsequent treatment through the construction and operation of dumps and energy recovery plants; the management of renewable energies and cogeneration and integrated water cycle management.



Company specialised in the services necessary for the optimum running of public or private use properties (facility management, cleaning or ancillary services), green-market-related activities (gardening, reforestation and environmental recovery, environmental education and awareness activities and the utilisation of natural heritage), care services for social collectives in situations of dependence, airport services, and the management of advertising spaces in large installations and transport systems.

Industrial Services

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The ACS Group's Industrial Services area is focused on developing, constructing, maintaining and operating power and industrial infrastructures in a large number of sectors

Industrial Services



Business strategy

The strategy in Industrial Services is aimed at maintaining sustainable and profitable growth, promoting the execution of projects within its specialist field in an efficient manner, both in Spain and in those countries where business opportunities arise. The strategic lines executed by this area are:

- To maintain a **position of leadership** which enables the ACS Group to participate in a very competitive sector from a privileged position, while attracting and retaining talent.
- To achieve a business balance which combines activities which provide **recurrence and visibility** of income and profit with specialised projects or “turnkey” solutions which provide its clients with ever more complete answers to their needs. All of this while maintaining a strict risk and cost control policy.
- To consolidate its position in the international field and to continue expanding the activity into new **markets** hand-in-hand with its clients, fulfilling rigorous profitability and stability criteria.

- To make continuous efforts in **technological innovation** through investment in new techniques and new assets to satisfy its clients’ needs.

The companies and professionals in this area of activity share the ACS Group’s values:

- A decentralised organisation focused on the client, enabling it to adapt projects to their needs efficiently and profitably.
- Growth based on the technical excellence, enterprising mentality and contracting spirit of a team with experience and training.

To achieve the objectives set in the strategy, the Industrial Services area has the following competitive advantages:

- The ACS Group has long experience in the development of industrial and power infrastructures, both in the domestic market and in various foreign markets.
- A leading position in the promotion, development and maintenance of infrastructures related to electricity generation, both from renewable



sources (wind, solar, hydroelectric, biomass) and the development and maintenance of infrastructures for the generation of electricity from fossil fuels (combined cycle, coal-fired and nuclear power plants).

- A worldwide reference company in the development of large-scale infrastructures for the oil and gas industry, such as platforms and modules, projects for exploration and construction of wells, treatment and storage of natural gas and liquid hydrocarbons and “turnkey” projects for refineries and petrochemical plants.
- The ACS Group is one of the main investors in the development of high-voltage transmission lines under concessions in several countries and in the development of desalination and water treatment plants.
- A leading provider of maintenance, development and operating services for industrial infrastructures such as treatment and distribution networks for water, gas and electricity, thermodynamic and mechanical installations, railway and telecommunications systems.
- The ACS Group is the leading Spanish company in the development and maintenance of systems for public lighting, traffic management and industrial control.

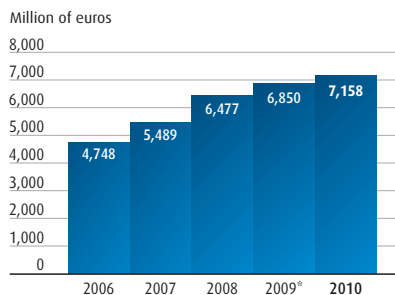
The strategy in Industrial Services is aimed at maintaining its leadership position, achieving a well-balanced business mix, expanding the activity to new markets and boosting technological innovation

Industrial Services

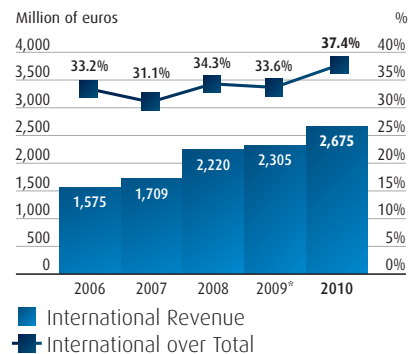
Activity description

In 2010, the Industrial Services area achieved a turnover of 7,158 million euros, representing growth of 4.5% with respect to 2009. The strong growth in activity experienced by Industrial Services over the last few years is reflected in the annual compound rate of growth of 10.8% recorded over the period between 2006 and 2010. The ACS Group consolidated its position for another year as the leading company in this sector in Spain and Latin America and as one of the main competitors in Europe and the other markets in which it operates.

Revenue evolution



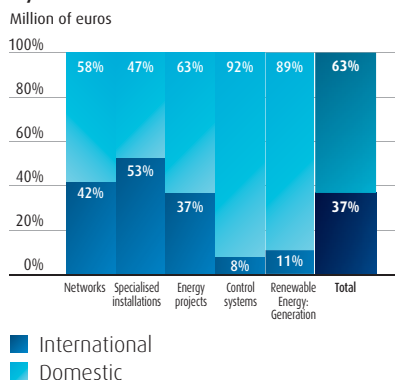
International revenue evolution



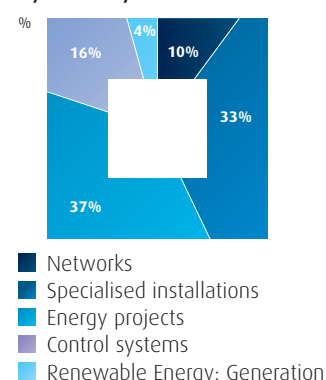
* Data restated applying IAS 31 and IFRIC 12.

Its extensive offering of services, its position of leadership and geographical spread offer great opportunities for development in markets with growing needs for these types of services. In 2010, sales in this area abroad represented 37.4% of the total, activities with Specialised Installations being the most international, with 52.9% of turnover from outside Spain.

Revenue breakdown by market



Revenue breakdown by activity





The ACS Group's Industrial Services are grouped into Support Services to Industry and Energy Projects.

Support Services to Industry engages in industrial maintenance and includes three areas of activity:

- **Networks:** maintenance activity for electrical, gas and water distribution networks with over 80 years of experience.
- **Specialised Installations:** combines the activities of construction, installation and maintenance of high-voltage electrical networks, telecommunications systems, railway installations, electrical installations and mechanical assemblies and climate control systems.
- **Control Systems:** ACS has become the leading provider of engineering, installation and operation of control systems for industry and urban services, noteworthy among which are control systems for traffic and transport and systems for integral maintenance of public infrastructures.

The main projects carried out in 2010 in the area of Support Services to Industry were:

- Worthy of note among maintenance and construction of distribution **Network** installations are:
 - Construction and maintenance of the Gas Natural networks, including the gas distribution network, attending to urgent situations, industrial

connections and construction of community receiving facilities in various zones in Spain.

- Construction of 53 kilometres of gas gathering lines and over 17 kilometres of gas pipeline for handling of gas and liquids for the natural gas production field at Nejo, Mexico.
- Supply, transport, assembly and works for the remodelling of the primary electricity distribution subsystem for the city of Tarma in Peru.
- Construction and maintenance of the natural gas infrastructure on the Island of Mallorca, including the gas distribution network, the transport network, the receiving installations, maintenance of the liquefied natural gas plants and the expansion of the gas network by means of the inclusion of new supply points (Mallorca, Spain).
- Works to lay the output gas pipeline from the Poseidon gas production field underground (Cádiz, Spain).

Industrial Services



- Within **Specialised Installations**, the following projects are worthy of note:
 - The construction of 1,120 kilometres of high-voltage lines and the corresponding substations in Brazil.
 - Construction of transmission lines and associated electrical substations in Mexico, as well as the Occidente electrical substations or supply of power to the Manzanillo zone, among other projects.
 - Turnkey construction of 4 x 400 kV encapsulated substations and 575 kilometres of high-voltage lines in Libya.
 - Execution, supply and provision of assembly services for the railway line electrification project in the stretch between Xinxiang-Heze-Yanzhou y Rizhao in China.
 - Electrical and instrumentation assembly works for different units for the expansion of the Petrogal refinery at Sines (Portugal).
 - Decontamination services, waste treatments and mechanical maintenance for the Ascó and Vandellós nuclear power stations (Tarragona, Spain).
 - Electrification and structural works for the Alicante tram network (Spain).
 - Construction of 130 kilometres of transmission lines and associated auxiliary services at the border between Nicaragua and Costa Rica for the electrical interconnection system for the Central American countries.
- In **Control Systems**, the following contracts carried out in 2010 are worthy of note:
 - Prefabrication, assembly of pipes and equipment for the Port of Barcelona combined cycle gas power plant for Natural Gas (Barcelona, Spain).
 - Facility management for the Compostilla (León), Andorra (Teruel) and Puentes de García Rodríguez (La Coruña) thermal power stations in Spain.
 - Supply and mechanical assembly of gas-oil storage tanks for the company CLH at Loeches (Madrid).
 - Electrification works for the Atocha station expansion (Madrid, Spain).
 - Contract for the installation of the traffic light network and supervision system using closed circuit television in various municipalities in the city of Lima (Peru).
 - Installation of dynamic signalling and control systems for traffic on the access roads to Cádiz (Spain).
 - Contract for the maintenance of public lighting in the north-eastern zone of Madrid (Spain).
 - Contract for the supply, installation, commissioning and maintenance of the control and supervision systems for the tunnels at Madeira (Portugal).



- Signalling supply and maintenance service for the trolley bus network in the city of Mérida (Venezuela).
- Installation of control systems, variable message panels, data capture stations and supervision services on the highway between the towns of Rabat, Casablanca and Settat (Morocco).
- Contract for the maintenance and replacement of vertical signalling in Bilbao (Spain).

In Energy Projects, the ACS Group engages in "turnkey" projects related to electricity, oil, gas and engineering applied to industry.

In 2010 the ACS Group participated in the following projects related to renewable energies:

- Turnkey execution of construction, equipment supply, assembly and commissioning works for the Manchazol I (Ciudad Real) and Extresol II (Badajoz) Thermal Solar Power Plants, each with an installed power of 49.9 MW.
- Turnkey execution of the works for construction, equipment supply, assembly and commissioning of the Montegordo (Huelva), Arroyal (Burgos) and El Viudo I and II (Valencia) wind farms, among other projects.

And in other Energy Projects (EPC³) related to oil and electricity and to engineering applied to industry, the most significant projects carried out in 2010 were:

- Construction of an electricity generating platform for the company Pemex in the Ku-Maloob-Zaap hydrocarbon production field in the Gulf of Mexico.
- Design, construction, operation, maintenance and connection to the electricity grid of various hydroelectric power plants in Panama, such as Pando, Monte Lirio, El Alto and Pedregalito among other projects.
- Project for the construction of an offshore accommodation platform for 201 people, including services for engineering, supply, loading, mooring and installation (Mexico).
- Construction of the Aceca combined cycle power plant with an installed power of 400 MW (Toledo, Spain).
- Project and construction for the desulphurisation plant for the La Robla thermal power station (León).

³ EPC: Engineering, Procurement and Construction.

Industrial Services



In **Renewable Energies**, at 31 December 2010, the ACS Group was participating in 44 operating wind farms with an installed power of 1,183.2 MW and an attributable power of 873.2 MW.

Furthermore, the Group is participating in 7 wind farms currently under construction, six in Spain and one in Mexico, with an installed power of 308.5 MW and an additional 21 wind farms in the financing or development phase with installed power of 1,617.8 MW.

In the area of thermal solar energy, the construction of the Extresol II (Badajoz) and Manchasol I (Ciudad Real) plants was completed in 2010, each with 49.9 MW of installed power. With these installations and the three plants completed in previous years, the ACS Group had an installed power of 249.5 MW at 31 December 2010. Two further thermal solar energy plants (Extresol III and Manchasol II) are also in the construction phase, to add 99.8 MW of installed power in the coming years. The ACS Group's 49.9 MW thermal solar plants have an advanced heat storage system which enables management of energy production, even producing power without solar radiation, and increases the load factor, clearly surpassing other plants without this technology.

The ACS Group has agreed to start the selling process of renewable assets that represents a net installed capacity of 1,757 MW in order to continue its activity of development, execution and maintenance of new projects



Seven projects are also in the financing or development phase within the area of solar energy: five projects in Spain and two projects for California Sun Power in the states of California and Nevada (USA), with a total installed power of 399.5 MW.

The total generated energy produced in 2010 by the ACS Group by means of renewable energies, both wind and thermal solar, amounted to 2,809 GWh, representing growth of 9.1% with respect to 2009 data.

Additionally, the ACS Group has been participating since 2009 in the area of energy generation from biomass, with its participation in three projects in Portugal which are in the financing or development phase, with a total installed power of 14 MW.

The ACS Group, having achieved a significant volume of operating assets, has agreed to start the process of selling both its domestic (registered or pre-registered in the corresponding public registers) and international renewable energy assets. This represents a total of 1,757 MW to be sold in order to release resources to continue its activity of development, execution and maintenance of new projects related with renewable energies.

At 31 December 2010, after the sale operation by ACS in December 2010 of a group of electricity transmission lines in Brazil, the ACS Group participated as a shareholder in 19 concession projects for the management of high-voltage lines in Brazil and Peru, with financing guaranteed by the Banco Nacional de Desenvolvimento Economico e Social do Brasil (BNDES). These projects total 6,913 kilometres.

The ACS Group has been developing equipment and technologies for water purification and desalination since 1983. The Group is now a world reference in this field, especially in the desalination of water by reverse osmosis, ranking 8th as a company in the world in the production of water desalinated using this method, thanks to its broad international experience in carrying out projects in countries such as Algeria, Australia, Mexico, etc. Outstanding due to their size and importance are the "Beni Saf" (Algeria) and "Cuenca del Llobregat" (Spain) desalination plants, with 200,000 m³/day of water production for human supply in each case.



Industrial Services



| Wind farms in Operation | Location | Power (MW) |
|-----------------------------------|-----------|----------------|
| Santa Ana | Albacete | 49.5 |
| El Colmenar II | Almería | 30.0 |
| Serón I | Almería | 50.0 |
| Tinadas | Almería | 10.0 |
| Tíjola | Almería | 36.8 |
| La Noguera | Almería | 29.9 |
| El Perul | Burgos | 51.8 |
| La Lastra (Extension of El Perul) | Burgos | 11.7 |
| Lodoso | Burgos | 49.5 |
| Marmellar | Burgos | 49.5 |
| Lora I | Burgos | 51.8 |
| Lora II | Burgos | 51.8 |
| Las Calderas | Burgos | 22.5 |
| Sargentos | Burgos | 24.0 |
| Arroyal | Burgos | 46.5 |
| Las Vegas | Cádiz | 23.0 |
| Los Isletes | Cádiz | 25.3 |
| Chumillas* | Cuenca | 50.0 |
| Monte da Serra (Somozas) | La Coruña | 16.1 |
| Monte Marbán (Somozas) | La Coruña | 11.4 |
| Monte Villalbesa(Somozas) | La Coruña | 22.2 |
| Monte Redondo (Vimianzo) | La Coruña | 49.5 |
| Novo | La Coruña | 18.8 |
| Outes | La Coruña | 35.1 |
| Monte da Barda | La Coruña | 3.3 |
| Monte O'Barrigoso | La Coruña | 3.3 |
| Touriñán IV | La Coruña | 24.7 |
| Monte das Augas | La Coruña | 3.0 |
| Requeixo* | La Coruña | 11.7 |
| Raposeiras* | Logroño | 40.5 |
| Los Llanos* (Sierra de Utrera) | Málaga | 19.8 |
| El Juncal* (Sierra de Utrera) | Málaga | 13.6 |
| Trucafort (L'Enderrocada) | Tarragona | 29.9 |
| Ecovent II (Tortosa) | Tarragona | 48.1 |
| Sierra Las Carbas | Zamora | 40.0 |
| Alrota | Portugal | 3.3 |
| Alrota II | Portugal | 1.7 |
| Penamacor I | Portugal | 20.0 |
| Penamacor II | Portugal | 14.7 |
| Penamacor III | Portugal | 20.0 |
| Penamacor IIIB | Portugal | 25.2 |
| Penamacor III Exp. | Portugal | 14.7 |
| Sabugal | Portugal | 25.2 |
| Extension of Sabugal | Portugal | 4.0 |
| Wind farms in Operation | | 1,183.2 |

Note: The average stake is 73.80%. The average stake in those farms incorporated as fully consolidated is 79.27%, while for those incorporated using the equity method, the average stake is 31.52%.

* Companies accounted for by the equity method.



| Wind farms under Construction | Location | Power (MW) |
|--------------------------------------|-----------------|--------------|
| Monte Gordo | Huelva | 48.0 |
| Tesosanto | Salamanca | 50.0 |
| Santa Catalina | Valencia | 25.5 |
| El Viudo I | Valencia | 40.0 |
| El Viudo II | Valencia | 26.0 |
| Cerronegro | Valencia | 16.0 |
| Oaxaca I | Oaxaca (Mexico) | 103.0 |
| Wind farms under Construction | | 308.5 |

Note: The average stake is 92.25%

| Wind farms in Promotion/Financing | Location | Power (MW) |
|--|-----------------------|----------------|
| Campete | Cáceres | 32.0 |
| Campillo | Cáceres | 18.0 |
| Argallén | Cáceres | 6.0 |
| Castilla-La Mancha | Cuenca | 85.0 |
| Loma del Capón* | Granada | 30.6 |
| Valcaire | Granada | 14.4 |
| Tajos de Bazán | Granada | 30.6 |
| Baza Caravaca | Granada | 100.0 |
| Palancas* | Oviedo | 28.0 |
| Buseco | Oviedo | 50.0 |
| Las Tadeas | Palencia | 36.8 |
| Valdehierro | Palencia | 14.4 |
| Bandeleras | Salamanca | 36.0 |
| Rodera Alta | Salamanca | 34.0 |
| Donado | Soria | 50.0 |
| Almazán Meco I | Soria | 300.0 |
| Almazán Meco II | Soria | 200.0 |
| Complejo Atlántica | Brasil | 120.0 |
| Marcona | Peru | 32.0 |
| Red Top Wind Power | Nuevo Mexico (U.S.A.) | 150.0 |
| U.S.A. | Texas (U.S.A.) | 250.0 |
| Wind farms in Promotion/Financing | | 1,617.8 |

Note: The average stake is 86.05%

* Companies accounted for by the equity method

| Thermal Solar Energy in Operation | Location | Power (MW) |
|--|-------------|--------------|
| Extresol I | Badajoz | 49.9 |
| Extresol II | Badajoz | 49.9 |
| Manchasol I | Ciudad Real | 49.9 |
| Andasol I | Granada | 49.9 |
| Andasol II | Granada | 49.9 |
| Thermal Solar Energy in Operation | | 249.5 |

Note: The average stake is 100%.

| Thermal Solar Energy under Construction | Location | Power (MW) |
|--|-------------|-------------|
| Extresol III | Badajoz | 49.9 |
| Manchasol II | Ciudad Real | 49.9 |
| Thermal Solar Energy under Construction | | 99.8 |

Note: 100% stakes.

Industrial Services

| Thermal Solar Energy in Promotion | Location | Power (MW) |
|--|---------------------|--------------|
| Andasol III | Granada | 49.9 |
| Andasol IV | Granada | 49.9 |
| Andasol V | Granada | 49.9 |
| Andasol VI | Granada | 49.9 |
| Andasol VII | Granada | 49.9 |
| California Sun Power | Nevada (U.S.A.) | 50.0 |
| California Sun Power | California (U.S.A.) | 100.0 |
| Thermal Solar Energy in Promotion | | 399.5 |

Note: 100% stakes.

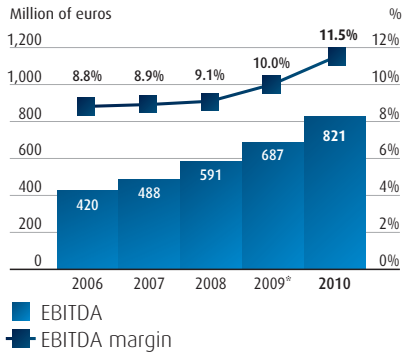
| Biomass Energy in Promotion | Location | Power (MW) |
|------------------------------------|----------|-------------|
| Viseu | Portugal | 5.0 |
| Santarém | Portugal | 6.0 |
| Beja - Faro | Portugal | 3.0 |
| Biomass Energy in Promotion | | 14.0 |

Note: The average stake is 75%.

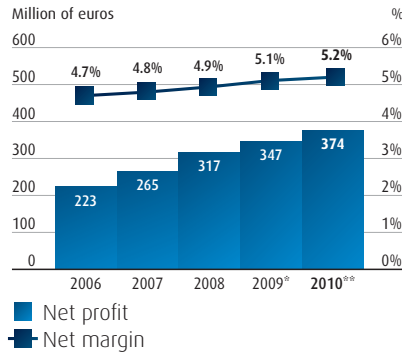
| Transmission Line Concession Projects | Country | Km | Voltage (Kv) |
|---|---------|--------------|--------------|
| UIRAPURU: Ivapora Londrina | Brazil | 122 | 525 |
| IEMG: Neves- Mesquita | Brazil | 172 | 200 |
| CPTe: Tijuco Preto- Cachoeira Paulista | Brazil | 181 | 500 |
| VCTE: Tucuruí - Vila do Conde | Brazil | 324 | 500 |
| ARTEMIS: Concessionaria Paraná Lote B03 | Brazil | 376 | 525 |
| NTE: Xingó- Angetin- Campina Grande | Brazil | 386 | 500/230 |
| STE: Uruguaina-Maçambara- Santo Angelo- Santa Rosa | Brazil | 386 | 230 |
| Iracema: Sao Joao do Piaui- Milagres | Brazil | 400 | 500 |
| PPTe: Porto Primavera- Nova Porto Primavera - Imbirissu- Dourados | Brazil | 509 | 440/230 |
| IENNE: Cotinas- Sao Joao do Piaui | Brazil | 720 | 500 |
| JTE: Jairú Transmissora de Energia | Brazil | 939 | 230 |
| LTI: Linhas de Transmissao do Itatim | Brazil | 988 | 440/230/138 |
| IESUL: Nova Santa Rita- Scharlau, double circuit and electrical substation Scharlau | Brazil | 23 | 230 |
| Catxerê: Cuiabá - Ridaorinzho - Rio Verde Norte | Brazil | 242 | 500 |
| Araraquara: Araraquara 2 - Araraquara Furnas, Araraquara 2 - Araraquara CTE | Brazil | 15 | 400/500 |
| REDESUR | Peru | 425 | 220 |
| BTE: LT Chapadão - Imbirissu - Sidrolândia - Anastacio | Brazil | 544 | 230/138 |
| LTMC: Linhas de Transmissao de Montes Claros | Brazil | 161 | 345 |
| SLTE: Sete Lagoas electrical substation | Brazil | | 345/138 |
| Total kilometres | | 6,913 | |

Gross operating income grew 19.6% in 2010 to 821 million euros, while ordinary net profit was 374 million euros, 7.9% above the figure for 2009.

EBITDA evolution



Net profit evolution

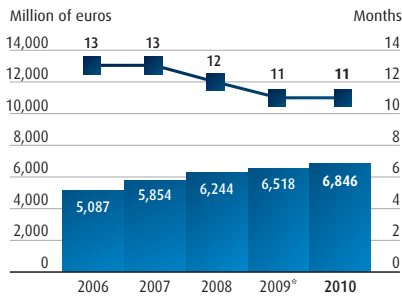


* Data restated applying IAS 31 and IFRIC 12.

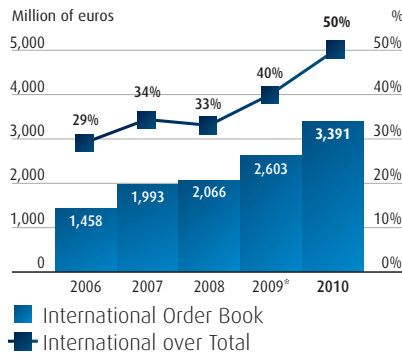
** The 2010 figure does not include the gain due to the sale of the transmission lines in Brazil.

Half of Industrial Services' turnover is recurrent in nature, mainly in high-visibility maintenance contracts. Industrial Service's order book grew by 5.0% in 2010 with an international order book of 3,391 million euros, representing 49.5% of the total.

Order book evolution

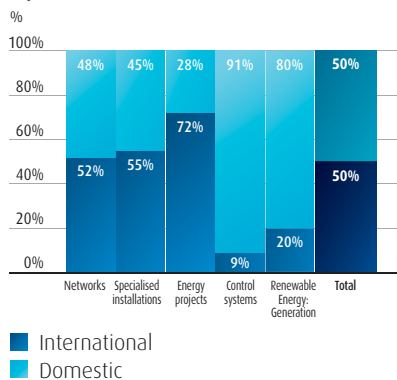


International order book evolution

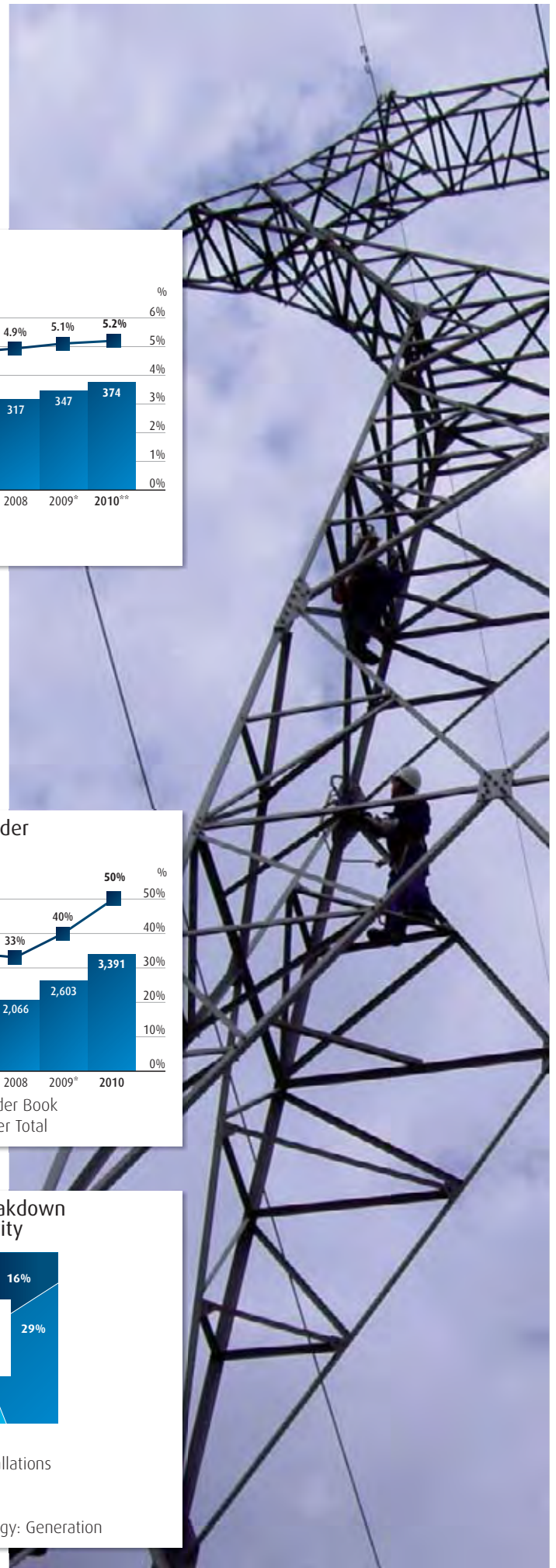
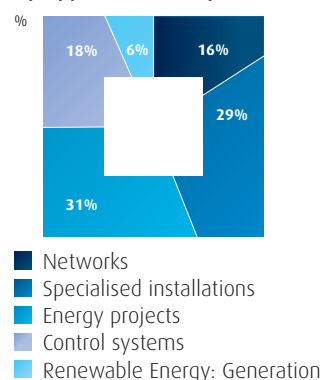


* Data restated applying IAS 31 and IFRIC 12.

Order book breakdown by market



Order book breakdown by type of activity





International order book grew by 30.3% versus 2009 and it now represents

50%
of the total

Internationalisation

The ACS Group, through its Industrial Services area, continued its international expansion process in 2010, achieving turnover outside Spain in the Industrial Services area 16.1% above the figure for 2009, reaching 2,675 million euros as such, which represents 37.4% of the total turnover for the area.

The order book for the foreign market was 3,391 million euros, recording growth of 30.3% with respect to 2009 and the international order book now represents 49.5% of the total. Sales and order book at an international level have recorded a compound annual rate of growth of 14.2% and 23.5% respectively over the last five years

The Industrial Services area is the ACS Group's most international area and has projects on all continents.

As such, it is present in the main countries in Western **Europe**, such as France, the United Kingdom and Germany, where it was recently awarded a contract to build a 400 MW combined cycle power plant at Mittelsbüren. New opportunities are arising in Northern European countries as well, mainly in the execution of contracts for offshore platforms, such as the contract for the expansion of the South Arne marine oil platform in Denmark and a contract for the construction of two topsides for an oil platform in the North Sea.

Similarly, activity has been growing in all the countries in **North Africa** in recent years, such as in Morocco where it was awarded the construction of a system for ammonia storage in 2010 for the company OCP and in Algeria where the Beni Saf desalination plant stands out. It also carried out contracts in other African countries such as Angola, Libya, Cameroon and South Africa. It has a constant presence in the Gulf countries of the **Middle East** and has been working in **India** for 10 years.

Likewise, the Group has started to carry out projects, mainly related to the renewable energies field, in the **United States**, also in 2010 executing projects in **Australia**, such as the Altona purification plant, and in **China** with railway line electrification on the stretch between Xinxiang-Heze-Yanzhou and Rizhao.

On the other hand, the ACS Group's Industrial Services area has a strong presence across almost all of **Latin America**, with turnover in this area in 2010 of around 1,850 million euros and over 8,800 employees. Significant infrastructure projects have

been carried out in recent years in countries, such as in Panama, where “turnkey” construction of several hydroelectric plants has been executed, such as Barro Blanco, Pando and Montelirio; in Venezuela, where the restoration of the Caracas underground and the construction of the transmission substations associated with the San Diego de Cabruticas thermoelectric power plant are worthy of note; in Peru with the project to build the Taboada purification plant; and in Chile, where, among other projects, the Cerro de Navia and Alto Jachuel electrical substations were executed and the second 150 MW thermal unit was constructed at the Andina thermoelectric power station at Mejillones.

Among all those Latin American countries in which ACS operates, Brazil and Mexico are considered reference markets due to the number of projects carried out and their great potential for expansion. As such, the ACS Group currently has contracts for the installation, management and maintenance of over 6,488 kilometres of high-voltage lines in Brazil. Also worthy of note in 2010 was the awarding of the turnkey project to develop 4 wind farms with an installed capacity of 120 MW in Río Grande do Sul.

The consolidation of ACS’s presence in these countries and the growth in its activities in the United States, Canada and Australia are the main objectives for this area in the international field over the coming years. This strategy for expansion is based on the Group’s capability to provide the technology, experience and capacity to resolve all those aspects of promotion, financing, construction, operation and maintenance of sophisticated infrastructures for a wide variety of technologies. The international expansion understood in this way will continue to provide the ACS Group, through its Industrial Services area, with a set of businesses with high recurrence and significant technical and financial requirements which will provide stability against fluctuations in the domestic market and critical mass which will enable it to invest in future development of greater experience and advanced technology.



Industrial Services

Countries where the ACS Group is developing Industrial Services activity

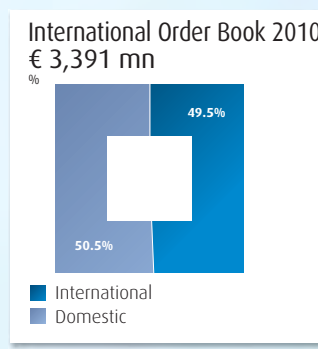
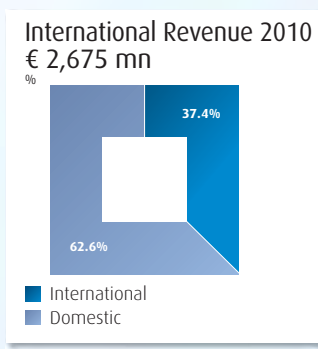


ACS Presence in Mexico in Industrial Services activity

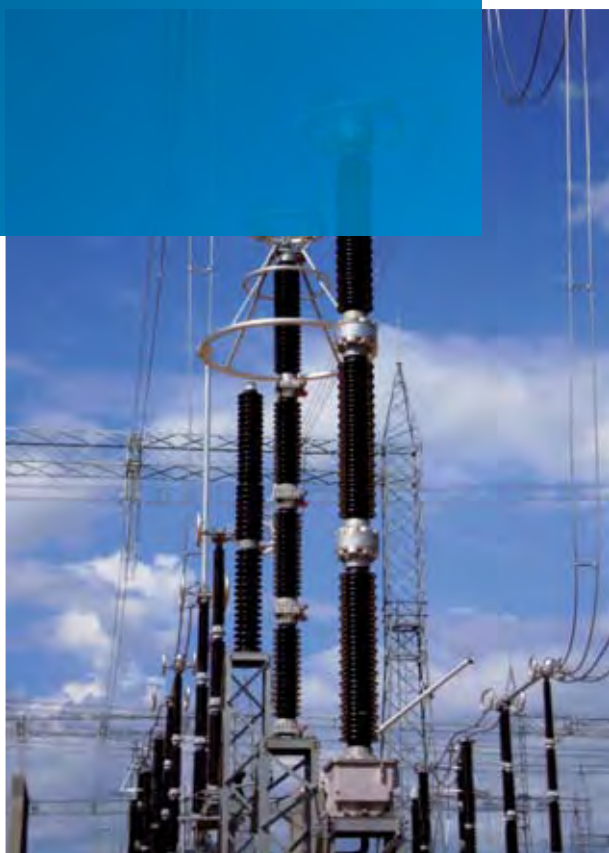


Main projects awarded in Mexico in 2010

| Project Description | Amount (Million of euros) |
|--|---------------------------|
| Repowering of the Manzanillo combined cycle power station (1,400 MW). | 748 |
| Construction and maintenance of gas fields in the Nejo block in Tamaulipas. | 732 |
| Marine terminal for storage and distribution of liquefied petroleum gas in the port of Tuxpan in Veracruz. | 37 |
| Construction of 4 high-voltage lines and 2 electricity substations in the state of Jalisco. | 27 |



Industrial Services



Mexico

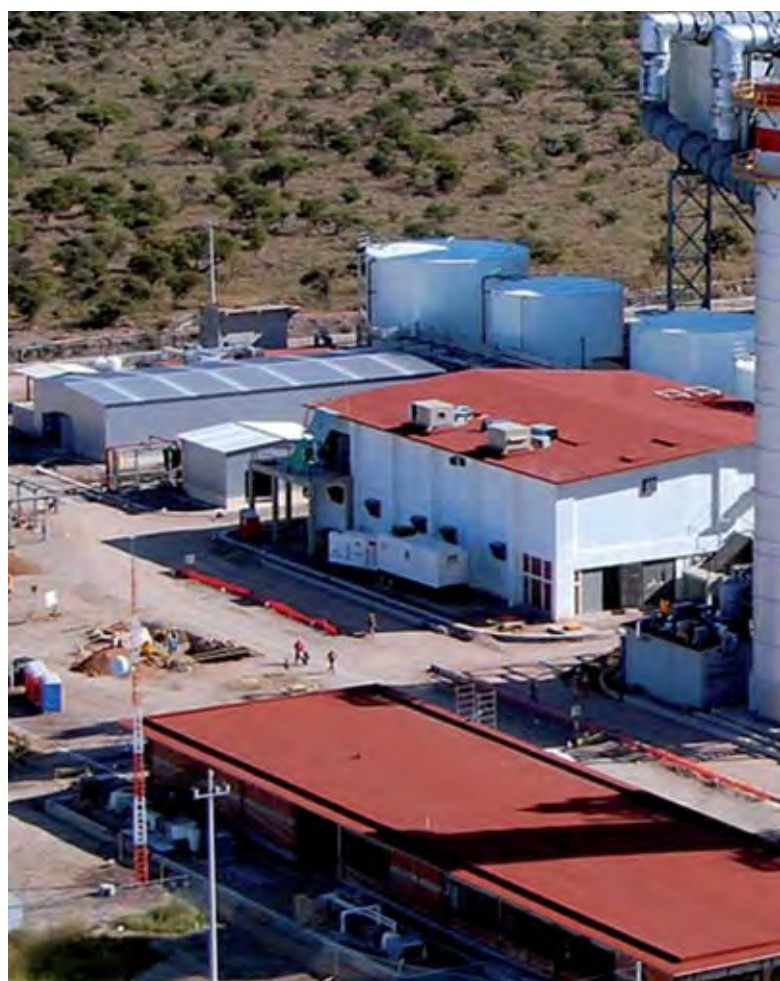
Mexico is one of the ACS Group's reference markets in the Industrial Services area, it being the leader in this country in the Industrial Services area applied to oil, gas and electricity, as well as one of the main suppliers of services to Pemex and the Federal Electricity Commission. Revenue totalled 1,028 million euros in 2010, representing an increase of over 75% on the previous year, derived from significant contracts awarded in this area in recent years. The ACS Group has 1,088 employees in this area.

Among the most significant projects in which the Group has participated in this country are:

- The expansion of the country's refining capacity with significant projects such as the Minatitlán refinery in the state of Veracruz.
- The construction and maintenance of gas fields in the Nejo block in the state of Tamaulipas was

Revenue in Mexico totalled 1,028 million euros in 2010, representing an increase over the previous year of

75%



awarded in 2010, along with the works for the expansion of this project.

- The construction of new oil platforms on the Gulf coast, such as that at the Activo Litoral Tabasco.
- The installation and maintenance of electricity generating plants, such as the Norte combined cycle power plant at Durango and San Lorenzo in Puebla. In addition, there is the execution and maintenance of transmission networks and their associated substations throughout the country, worthy of note among which is the project for the construction of 140 kilometres of transmission lines in the state of Nuevo León.
- The development of two wind farms in the state of Oaxaca, with total power of 100 MW.

The ACS Group was awarded new projects in Mexico during 2010, among which the following are worthy of note: the awarding of the project for the

repowering of the Manzanillo combined cycle power station in the state of Colima, with an installed capacity of 1,400 MW and with the sum of 750 million euros awarded in 2010; the marine terminal for storage and distribution of liquefied petroleum gas in the port of Tuxpan in Veracruz and works for the expansion of the Nejo gas field; as well as contracts for the Federal Electricity Commission, mainly with the awarding of 4 high-voltage lines and 2 electricity substations in the state of Jalisco and 61 kilometres of new high-voltage lines in the state of Campeche.

The significance and number of projects awarded in the country in recent years, as well as the investment commitment for energy development being made by the country's Government, ensure sustainable growth in the ACS Group's activity in Mexico over the coming years, where the objective is to continue to strengthen its position as one of the reference companies in the sector.



The significance and number of projects awarded in Mexico in recent years and the investment commitment for energy development being made by the country's Government, ensure sustainable growth in the ACS Group's activity in Mexico over the coming years

Main contracts awarded

| Contracts awarded in 2010 | Amount | Country | Type of project |
|---|--------|---------|----------------------|
| Million of euros | | | |
| Project for the construction of the Manzanillo combined cycle plant, with and installed capacity of 1,400 MW. | 747 | Mexico | Energy Projects |
| Enlargement works for construction and maintenance of gas fields in the Nejo block located in the state of Tamaulipas. | 732 | Mexico | Specialized Products |
| Turnkey project for 4 wind farms with an installed capacity of 120 MW in Rio Grande do Sul. | 238 | Brazil | Energy Projects |
| Contract for the next 6 years for construction and maintenance a services for Endesa electrical distribution network. | 190 | Spain | Networks |
| Mittelsbüren combined cycle power plant construction, with an installed capacity of 400 MW. | 145 | Germany | Energy Projects |
| Contract for the expansion of the existing South Arne field offshore Denmark, that includes engineering, procurement and construction (EPC) of two wellhead platforms and the two jackets supporting these platforms. | 96 | Denmark | Energy Projects |
| Project for the enlargement of the Bahía Bizkaia Gas regassification plant (Vizcaya). | 96 | Spain | Energy Projects |
| Project for the engineering construction of two topsides and bridges associated for an oil offshore platform in the North Sea. | 88 | Norway | Energy Projects |
| Project for the construction of an ammonia storage system for OCP company in Jorf Lasfar. | 67 | Morocco | Specialized Products |
| Contract for the development of El Alto Maipo hydroelectric project. | 65 | Panama | Energy Projects |
| Engineering, Procurement and Construction for Barro Blanco hydropower project. | 62 | Panama | Energy Projects |
| Construction and maintenance of overhead line installations and associated systems for the stretch between Albacete and Alicante station on the high-speed line connecting Madrid, Castilla la Mancha, Valencia and Murcia. | 57 | Spain | Specialized Products |
| Engineering, procurement and construction (EPC) of a jacket for Ekofisk oil platform. | 54 | Norway | Energy Projects |

Organisational Structure

Cobra Group



Industrial Services

Dragados Industrial



Strategic Investments

Abertis **95**
Iberdrola **97**
Hochtief **98**





Through its strategic investments, the ACS Group is present in the infrastructure development sector with Hochtief and Abertis and participates in the energy sector through its investment in Iberdrola

Strategic Investments



Through its strategic investments, the ACS Group is present in the infrastructure development sector with Hochtief and Abertis and participates in the energy sector through its investment in Iberdrola.

The ACS Group completed a series of relevant operations in relation to these companies in 2010. In Abertis, ACS has brought in a new financial partner, enabling a new strategic push to be given to the project. The Group has also consolidated its position as the main shareholder in Iberdrola, increasing its stake to 20.2% of the company's share capital.

Lastly, the ACS Group, following its strategy of seeking global leadership in the infrastructure sector, launched a public tender offer for Hochtief, which was completed successfully in February 2011.

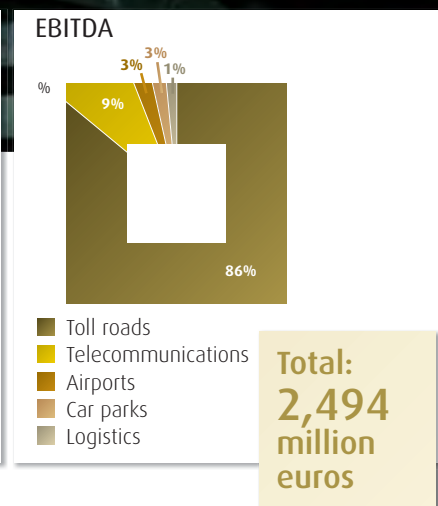
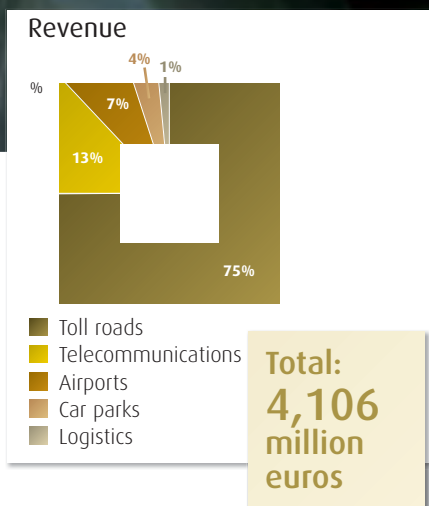
As such, the net contribution from the affiliates to the ACS Group's net profit in 2010 increased by 35.7% with respect to 2009, totalling 159.1 million euros.

| Company | Sales* | EBITDA* | EBIT* | Net Profit* | Consolidation Method* | Capitalization 31/12/2010* | ACS's stake at 31/12/2010 |
|-----------|--------|---------|-------|-------------|-----------------------|----------------------------|---------------------------|
| Abertis | 4,106 | 2,494 | 1,519 | 662 | Equity Method | 9,944 | 10.3% |
| Iberdrola | 30,431 | 6,815 | 4,509 | 2,870 | Non consolidated | 31,631 | 20.2% |
| Hochtief | 20,159 | 1,643 | 715 | 288 | Equity Method | 4,893 | 27.3% |

* Figures in million euros.



abertis



Abertis is a leading company in infrastructure management worldwide, with a presence in 17 countries, and is the leader in the sector in the European market. Abertis participates in the management of infrastructures for mobility and telecommunications through five business areas: toll roads, telecommunications, airports, parking and logistics.

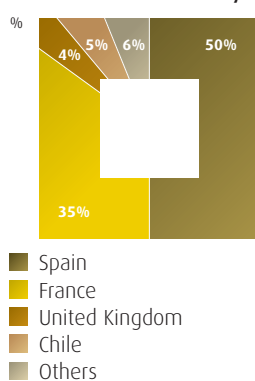
Abertis' revenue reached 4,106 million euros in 2010, representing growth of 5.2% with respect to 2009. All the business areas showed growth in their activity compared to 2009, with the positive development of the Toll roads area, which grew 5.9% with respect to 2009, standing out due to

increased traffic in France, slight increases in tolls and the positive impact of changes in the scope of consolidation. The increase in activity, added to greater operating efficiency, means that the company's net profit was 662 million euros at 31 December, 6.1% above that for 2009. This represents a contribution to the ACS Group by the equity method of 119.3 million euros.

Strategic Investments

The company's investment commitment, always following rigorous criteria for selection and required profitability to enable maintenance of a sound capital structure, has enabled its growth and expansion, achieving the figure of 50% of revenue from foreign markets in 2010.

International activity in 2010



| Revenue | |
|------------------|--------------|
| Million of euros | |
| Spain | 2,051 |
| France | 1,444 |
| United Kingdom | 177 |
| Chile | 192 |
| Others | 242 |
| Total | 4,106 |

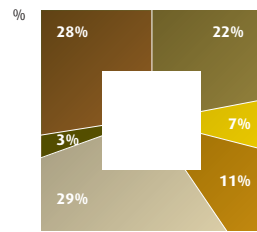
During 2010, Abertis made total investments of 756 million, of which 192 million correspond to maintenance investments while 564 million were for organic expansion. The following can be highlighted among the latter:

- Motorways in France (Sanef) and Spain (more specifically the AP-7 and other motorways) for the expansion of carriageways and investment in new constructions.
- Territorial deployment of Digital Terrestrial Television (DTT) and Hispasat.

The ACS Group's objective through its presence in Abertis, with 10.3% of its capital, is to participate in the operation and management of infrastructures across the whole value chain of the concessions business, acting as a reference industrial shareholder in the company.



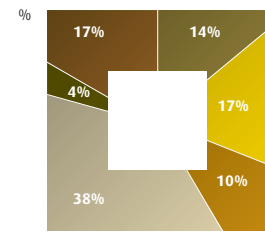
Installed capacity 2010



- Hydroelectric
- Nuclear
- Coal
- Gas combined cycle
- Cogeneration
- Renewables

Total:
44,991 MW

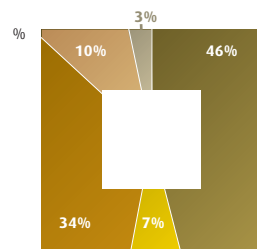
Production 2010



- Hydroelectric
- Nuclear
- Coal
- Gas combined cycle
- Cogeneration
- Renewables

Total:
154,073 GWh

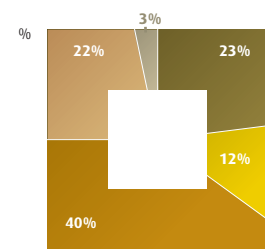
Installed capacity in renewables



- Wind Spain
- Wind U.K.
- Wind U.S.A.
- Wind Rest of the world
- Other renewables

Total:
12,532 MW

Pipeline for renewables



- Wind Spain
- Wind U.K.
- Wind U.S.A.
- Wind Rest of the world
- Other renewables

Total:
62,613 MW



Iberdrola is the leading energy company in Spain and over the last ten years has become established among the five largest energy companies in the world.

At an operating level, Iberdrola reached an installed capacity of 44,991 MW in 2010, a figure 3% higher than that in 2009. The increase in installed capacity, combined with the slight recovery in the demand for energy meant that Iberdrola's production rose 7.9% during 2010, totalling 154,073 GWh.

Iberdrola is characterised as having an efficient and balanced generating mix, which enables it to meet demand in any situation, at the same time as increasing its generation using technologies with low emissions levels, reaffirming its commitment to the environment. As such, 48% of the energy produced by Iberdrola in 2010 was by means of technologies which do not generate carbon dioxide emissions.

Iberdrola also participates in the energy distribution and commercialisation segment, and in December 2010 it had over 24 million electricity customers enabling it to distribute 203,090 GWh and around 3.2 million customers for gas with 2.25 bcm of gas distributed.

It is also the world leader in the development and generation of renewable energy, more specifically wind power, through its subsidiary Iberdrola Renovables. Installed capacity in renewables reached

12,532 MW in 2010, 16.6% above 2009. Of the total installed capacity, 51% is in the international area. Likewise, the company's international projection in the renewable energies field is reflected in its project portfolio, which is for 62,613 MW in the coming years, with 40% of these corresponding to projects in the United States, while another 34% correspond to projects in other international areas.

Its high level of internationalisation, its position as the worldwide leader in wind power, as well as proper management of operating efficiency and a sound financial structure, permitted the company's revenue to grow by 17.5% in 2010 to 30,431 million. EBITDA exceeded 7,500 million, 10.5% above the figure for 2009, and profit attributable to the company was 2,870 million euros.

The ACS Group is Iberdrola's main shareholder, with a stake which increased to reach 20.2% at 31 December 2010, reaffirming ACS' commitment as the company's reference industrial partner. Iberdrola's contribution to the ACS Group's profits in 2010 totalled 248.7 million euros, from recognition of dividends received, which is accounted for as financial profit.

Strategic Investments



Over the last four years, the ACS Group has been the main shareholder in Hochtief, the German group fundamentally dedicated to infrastructure development, with a stake of 27.3% of its share capital at 31 December 2010. In September 2010, the ACS Group decided to table a Public Tender Offer aimed at all the shareholders in the German company Hochtief A.G. This operation was completed satisfactorily in February 2011, yielding 3.64% of the equity capital in the German company.

Hochtief is the seventh largest company in the world in the construction sector and the third largest in Europe, according to ENR, with a workforce of over 70,000 employees and a sales volume of 20,159 million euros in 2010, while its profit reported was 288 million, 50% higher than the figure for 2009. Likewise, it is the company with the highest level of internationalisation in the sector, as such over 90% of the company's activity took place outside the German market in 2010. The main markets in which it operates are: Asia-Pacific, the United States, Central Europe and the Middle East, being one of the main private developers of infrastructure concessions and public buildings in the world.

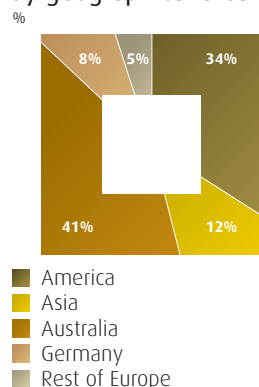
Hochtief's organisational structure is made up of six major business areas:

- Hochtief Americas: Carries out its business in the US through Turner and Flatiron and E.E. Cruz. Turner is the US leader in general construction and in high growth segments such as commercial offices, healthcare and educational buildings and "green" building. Flatiron is one of the 10 most important builders of transport infrastructure in the country, with a growing presence in Canada. They carried out several projects jointly within the last year. Hochtief acquired E.E. Cruz in 2010. This company is dedicated to developing infrastructures in the New York area.
- Hochtief Asia Pacific: Leighton, of which Hochtief owns 55%, is a leader in the Australian market and one of the top companies in Southeast Asia and the Middle East. Leighton engages in building, construction and development of infrastructures, and concessions and services. It is also one of the leading mine operating companies in the world.
- Hochtief Europe: Engages in construction in Europe, both in Germany and in other European countries such as the United Kingdom, Austria, Russia, Poland and the Czech Republic, as well as carrying out some projects in other countries such as Qatar and Chile. It undertakes building and civil works and engineering, with an increasing focus on segments such as healthcare buildings, hotels and commercial buildings.
- Hochtief Concessions: Includes both airport concessions and PPP (Public Private Partnership) concessions. Hochtief participates in the airports for Athens, Dusseldorf, Hamburg, Sydney, Budapest and Tirana, maintaining an active focus on the search for new investment opportunities. In PPP Solutions, the portfolio is mainly made up of concessions for motorways in Germany, Austria, Greece and Chile and social infrastructures in Germany, the United Kingdom and Ireland. During 2010, in collaboration with Flatiron, it also started activity in the North American market.
- Hochtief Real Estate: Develops, executes and sells real estate projects, management and support services for the properties.
- Hochtief Services: Engages in integrated management of properties and installations, mainly in the industrial area, and carries out projects for efficient and responsible use of energy.

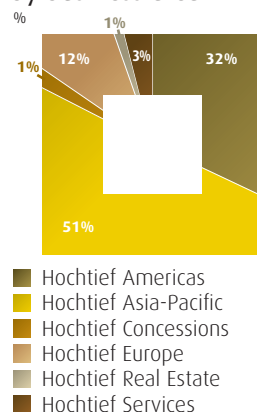
Hochtief is to reorganise its divisional structure as of 2011, with Hochtief Europe, Hochtief Real Estate and Hochtief Services passing to the new Hochtief Europe division, with which the Group's structure will be distributed into three large geographical divisions plus the Concessions area.

Hochtief ended 2010 with an order book of 47,486 million euros, of which 92% correspond to projects outside Germany. This order book figure represents coverage of 28.3 months of sales.

Revenue breakdown by geographical area



Revenue breakdown by business area



Outstanding among the main contract awards in 2010 are:

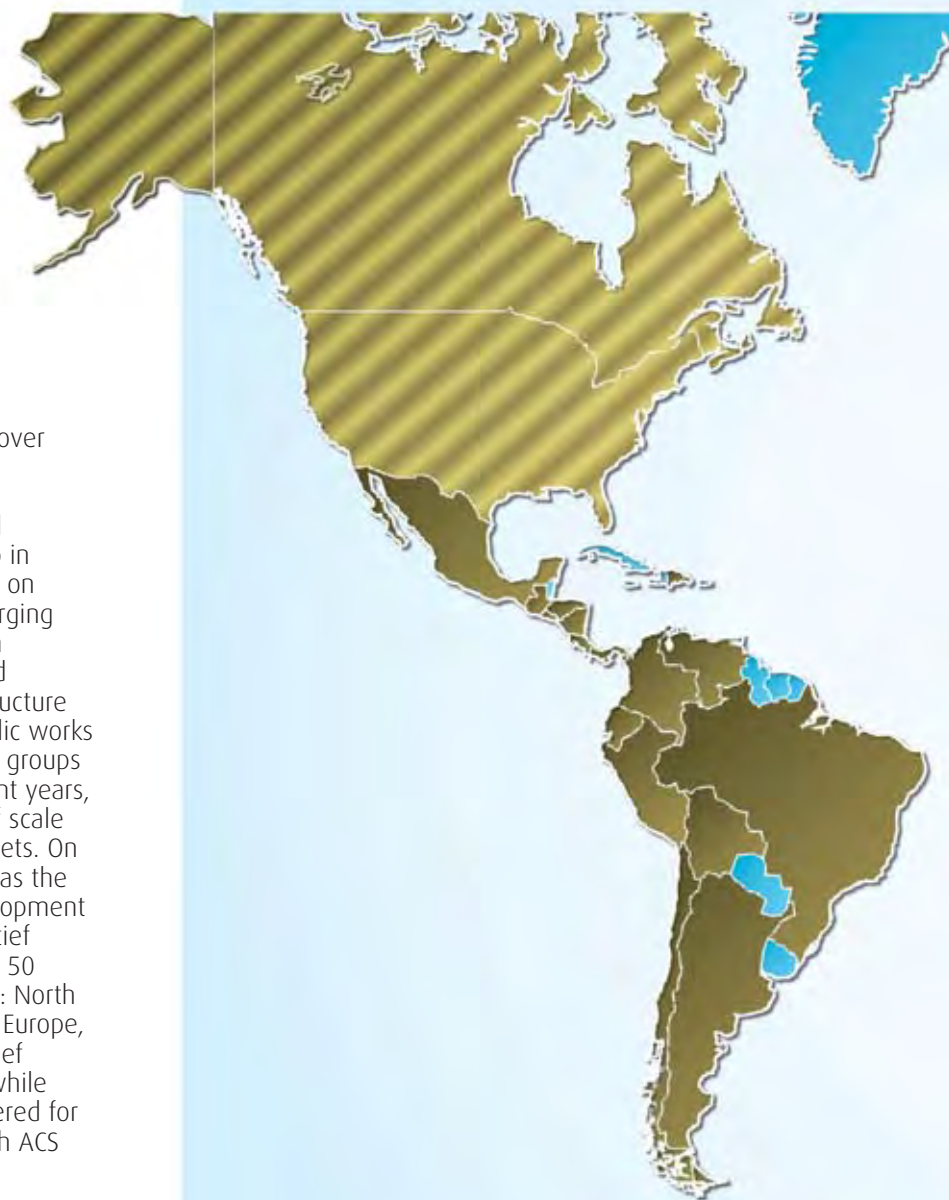
| Project | Country | Division | Amount (million of euros) |
|---|----------------------|--------------|------------------------------|
| Development, operation and production at the Pakri Barwadhi coal mine | India | Asia-Pacific | 3,640 |
| Additional services at Ukhaa Khudag Mine | Mongolia | Asia-Pacific | 1,128 |
| Extension of the mine coal contract in MSJ mine | Indonesia | Asia-Pacific | 772 |
| Extension of coal mine contract at the Mt Owen Coal Mine | Australia | Asia-Pacific | 756 |
| Construction of the tunnels and ventilation buildings for a section of a new rail link between mainland China and Hong Kong | China | Asia-Pacific | 598 |
| 4th contract for civil works at Barrow Island | Australia | Asia-Pacific | 577 |
| Eastern Section of the Hunter Expressway in New South Wales | Australia | Asia-Pacific | 577 |
| 120 km stretch of pipeline off the coast | Iraq | Asia-Pacific | 525 |
| Extension of contract to mine coal in the Curragh North Mine in Queensland | Australia | Asia-Pacific | 521 |
| Design and construction of a 10.5-kilometer rail line near Sydney | Australia | Asia-Pacific | 408 |
| Chenani-Nashri tunnel | India | Asia-Pacific | 407 |
| Design, building, financing, operation and maintainance of the Presidio Parkway in San Francisco | USA | Concessions | 358 |
| Upgrade of the Hills M2 Motorway | Australia | Asia-Pacific | 331 |
| Partial upgrade of Pacific Highway in New South Wales | Australia | Asia-Pacific | 315 |
| Remediating a stretch of river bed in the south arm of the Hunter River in New South Wales | Australia | Asia-Pacific | 283 |
| Contract mining at the Jellinbah Coal Mine in Queensland | Australia | Asia-Pacific | 243 |
| Design, financing, building and maintainance of ten schools in Alberta | Canada | Concessions | 242 |
| Construction contract by rail operator Queensland Rail | Australia | Asia-Pacific | 229 |
| Upgrade and maintainance of the electrical distribution network in Perth | Australia | Asia-Pacific | 221 |
| Building of a new hospital in San Jose, California | USA | Americas | 220 |
| Infrastructure for a new industrial zone at the Khalifa Port port complex in Abu Dhabi | United Arab Emirates | Asia-Pacific | 208 |
| Upgrade rail link between Keon Park and Epping north of Melbourne | Australia | Asia-Pacific | 208 |
| Creation of a new port facility to supplement the existing Cape Lambert port terminal | Australia | Asia-Pacific | 201 |
| Procurement, transportation and erection of the wind turbines for the Macarthur Wind Farm | Australia | Asia-Pacific | 201 |
| Construction of major elements of the German Baltic EnBW Baltic 2 offshore wind farm | Germany | Europe | 191 |
| Extension of Prague Metro | Czech Republic | Europe | 190 |
| Building of a sewage sludge incineration facility in Hong Kong | China | Asia-Pacific | 184 |
| Planning and building of the Oakland Airport Connector in California | USA | Americas | 184 |
| Construction of the offshore wind farm Global Tech I in the German North Sea | Germany | Europe | 175 |

Strategic investments

Countries where the ACS Group and Hochtief are developing their activities

With the offer for Hochtief completed satisfactorily, the ACS Group maintains its objective of obtaining a stake of slightly over 50% in the company.

After consolidation, ACS and Hochtief will become the leading infrastructures group in the western world, with a solid presence on all continents and a unique place in emerging markets. This consolidation will give both companies great potential for growth and profitability, fundamentally in the infrastructure concessions sector and that for large public works and institutional building, where the two groups have already collaborated closely in recent years, so benefitting from greater economies of scale as well as access to global financial markets. On the other hand, this operation will serve as the basis for boosting the international development of the two companies. So, ACS and Hochtief will have a stable presence in more than 50 countries in all the world's great markets: North America, Latin America, the Middle East, Europe, South-east Asia and Oceania, with Hochtief complementing ACS' areas of influence while significant business opportunities are offered for Hochtief to exploit new activities in which ACS has great experience.





- Mainly ACS Group presence
- Mainly Hochtief presence

ACS and Hochtief will have a stable presence in more than 50 countries in all the world's significant markets

Main Economic- Financial figures of the ACS Group



Business performance of the ACS Group in 2010

| Key operating and financial indicators | 2009 | 2010 | Var. 10/09 |
|--|------------------|-----------------|---------------|
| Million of euros | | | |
| Turnover | 15,387.4 | 15,379.7 | 0.0% |
| <i>International</i> | 25.8% | 31.8% | +23.1% |
| Operating Cash Flow (EBITDA) | 1,429.3 | 1,505.2 | +5.3% |
| <i>Margin</i> | 9.3% | 9.8% | |
| Ordinary Operating Profit (EBIT) | 1,073.9 | 1,099.3 | +2.4% |
| <i>Margin</i> | 7.0% | 7.1% | |
| Ordinary Net Profit from Continuing Operations* | 836.9 | 923.1 | +10.3% |
| Ordinary EPS from Continuing Operations | 2.69 € | 3.08 € | +14.6% |
| Attributable Net Profit | 1,946.2 | 1,312.6 | -32.6% |
| Cash Flow from Operations | 1,590.5 | 1,376.6 | -13.4% |
| Net Investments | (1,327.2) | 2,324.4 | n.a. |
| Investments | 4,577.9 | 5,111.9 | +11.7% |
| Disposals | 5,905.1 | 2,787.5 | -52.8% |
| Total Net Debt | 9,089.3 | 8,003.1 | -12.0% |
| Net Debt with recourse | 219.3 | 956.6 | +336.2% |
| Non recourse Financing | 8,870.0 | 7,046.5 | -20.6% |

* Profit after taxes not including exceptional results nor profits from discontinued operations.

Note: Data presented with ACS Group management criteria, which may differ from the presentation criteria of the consolidated financial statements. Data from 2009 is presented in comparable terms by applying IAS 31 and IFRIC 12 interpretation.



For the ACS Group 2010 has been a positive year; it had turnover of 15,380 million euros, practically equal to the sales of 2009, while the Group's international sales continue to grow substantially (+23.1%), as does its portfolio (+22.7%). In 2010, domestic production has seen a drop of 8.1%.

In accordance with the operating results, the gross operating income of the Group grew by 5.3% to 1,505 million euros, while the operating profit increased by 2.4% to 1,099 million euros. The ordinary net profit from continuing activities, that is, basically excluding the gains from the sales of Abertis in 2010 and Union Fenosa in 2009, as well as the contribution of SPL in prior periods, grew by 10.3% to 923 million euros and the corresponding earnings per share increased by 14.6%, totaling 3.08 euros.

Net profit attributable to the Group amounted to 1,313 million euros and includes, among others, the 384 million euros from the gain net of taxes by the sale of 15.5% of Abertis. The figure is 32.6% lower than that recorded in 2009. That period included the result from the sale of 35.3% of Union Fenosa (1,001 million euros).

As far as the cash generation capacity of ACS, the funds generated by the operating activities before the working capital variation amounted to 1,188 million euros, 5.6% more than in 2009. The positive performance of the working capital fund

has allowed the funds generated by operations in 2010 to reach 1,377 million euros. Likewise, investments have been carried out at a value of 5,112 million euros. The divestitures reached 2,788 million euros, basically due to the sales transaction of the 15.5% of Abertis.

The total net debt amounted to 8,003 million euros, of which 957 million euros pertained to recourse debt, while the non-recourse debt stood at 7,046 million euros.

Main Economic- Financial figures of the ACS Group

During 2010 several strategic decisions were made designed to strengthen financial soundness, international expansion of the Group and the creation of value for the shareholder:

- Throughout 2010, the ACS Group acquired 477.5 million shares of Iberdrola, equivalent to 8.7% of the current capital of the electricity company, which involved an investment of 2,753 million euros. The stake of the ACS Group in Iberdrola stood at 20.2% of the total capital at 31 December 2010.
- On 17 December 2010, the ACS Group sold its stake in eight electrical power transmission lines in Brazil for a sale price of 278.4 million euros, having obtained a gain before tax of 38.8 million euros.
- On 2 December 2010, the ACS Group completed the sale process of the entire share capital of SPL, the parent company of the Group in the line of business of Port and Logistics Services within the Environmental business area, for a total company value greater than 700 million euros, excluding the international assets and the holdings in Remolcadores de Barcelona, S.A. and Sintax Logística, S.A.
- On 25 November 2010 the ACS Group agreed to initiate the sales process of its renewable energy assets, both national –registered or pre-registered at the corresponding public registers - and international, which involve a total of 2,148 MW (1,757 MW attributable to ACS).
- On 16 September 2010, the ACS Group decided to prepare a takeover bid targeting all of the shareholders of the German company Hochtief A.G., payable in shares finally at a rate of 9 shares of ACS for every 5 shares of Hochtief. On 4 February 2011, the takeover bid was completed satisfactorily, for a total of 2,805,599 shares representing 3.64% of the share capital of Hochtief A.G. Currently the Group holds 37.6% of the share capital of the German company.
- In August of 2010, ACS closed the partial sales transaction of its stake in Abertis to some investment funds managed by the CVC company. The transaction was structured so that ACS and CVC are partners in some instruments that control the 25.8% stake of Abertis. In said structure, 60% belongs to CVC and 40% to ACS. In this manner, ACS and CVC participate actively in the management of Abertis, being present in its management bodies and promoting the company in the same way that ACS has done to date.

The transaction was performed at a price of 15 euros per share, and therefore the total valuation of the ACS stake was 2,900 million euros. The transaction was financed with 50% equity and the remaining 50% through credits from different financial institutions, both Spanish and international.

The gain before tax obtained by the ACS Group as a result of the partial transfer of its stake in Abertis representing 15.55% of the share capital amounted to 520 million euros, with the ACS Group having increased its net cash position by 2,263 million euros as a result of the transaction.

- On 30 June 2010, the one-year extension to the maturity of the derivatives contract on the Iberdrola shares (“equity swap”) was signed with the Natixis bank, representing 4.68% of the current share capital of the electricity company, setting the new contract completion date at March 2012 and maintaining all other conditions.

Consolidated income statement of the ACS Group



| Consolidated Income Statement | 2009 | % | 2010 | % | Var. 10/09 |
|---|-----------------|---------------|-----------------|---------------|----------------|
| Million of euros | | | | | |
| Net Sales | 15,387.4 | 100.0% | 15,379.7 | 100.0% | 0.0% |
| Other revenues | 389.1 | 2.5% | 356.3 | 2.3% | -8.4% |
| Total Income | 15,776.5 | 102.5% | 15,736.0 | 102.3% | -0.3% |
| Operating expenses | (10,568.9) | (68.7%) | (10,194.9) | (66.3%) | -3.5% |
| Personnel expenses | (3,778.3) | (24.6%) | (4,035.9) | (26.2%) | +6.8% |
| Operating Cash Flow (EBITDA) | 1,429.3 | 9.3% | 1,505.2 | 9.8% | +5.3% |
| Fixed assets depreciation | (343.2) | (2.2%) | (404.7) | (2.6%) | +17.9% |
| Current assets provisions | (12.1) | (0.1%) | (1.3) | (0.0%) | n.a. |
| Ordinary Operating Profit (EBIT) | 1,073.9 | 7.0% | 1,099.3 | 7.1% | +2.4% |
| Fixed assets depreciation | 0.3 | 0.0% | (18.2) | (0.1%) | n.a. |
| Other operating results | (39.5) | (0.3%) | (4.1) | (0.0%) | n.a. |
| Operating Profit | 1,034.8 | 6.7% | 1,077.0 | 7.0% | +4.1% |
| Financial income | 377.9 | 2.5% | 492.9 | 3.2% | +30.4% |
| Financial expenses | (661.0) | (4.3%) | (808.5) | (5.3%) | +22.3% |
| Ordinary Financial Result | (283.1) | (1.8%) | (315.6) | (2.1%) | +11.5% |
| Foreign exchange Results | (3.7) | (0.0%) | 25.2 | 0.2% | n.a. |
| Impairment non current assets results | (2.3) | (0.0%) | (0.5) | (0.0%) | n.a. |
| Results on non current assets disposals | 22.8 | 0.1% | 536.2 | 3.5% | n.a. |
| Net Financial Result | (266.2) | (1.7%) | 245.3 | 1.6% | -192.1% |
| Results on equity method | 212.7 | 1.4% | 222.2 | 1.4% | +4.5% |
| Ordinary income of continued operations | 981.2 | 6.4% | 1,544.5 | 10.0% | +57.4% |
| Corporate income tax | (117.5) | (0.8%) | (233.0) | (1.5%) | +98.3% |
| Profit after taxes of the continued operations | 863.7 | 5.6% | 1,311.5 | 8.5% | +51.8% |
| Profit after taxes of the discontinued operations | 1,113.0 | 7.2% | 43.2 | 0.3% | n.a. |
| Consolidated Result | 1,976.7 | 12.8% | 1,354.8 | 8.8% | -31.5% |
| Minority interest | (30.5) | (0.2%) | (42.2) | (0.3%) | +38.3% |
| Net Profit Attributable to the Parent Company | 1,946.2 | 12.6% | 1,312.6 | 8.5% | -32.6% |

Main Economic- Financial figures of the ACS Group

Consolidated Balance Sheet at 31 December

| Consolidated Balance Sheet | 2009 | % | 2010 | % | Var. 10/09 |
|--|-----------------|---------------|-----------------|---------------|---------------|
| Million of euros | | | | | |
| Intangible Fixed Assets | 1,675.4 | 5.3% | 1,613.7 | 4.7% | -3.7% |
| Tangible Fixed Assets | 1,239.0 | 4.0% | 1,218.2 | 3.6% | -1.7% |
| Concession Projects Assets | 4,502.5 | 14.4% | 2,380.3 | 7.0% | -47.1% |
| Property Assets | 61.0 | 0.2% | 57.2 | 0.2% | -6.3% |
| Investments accounted by Equity Method | 4,193.7 | 13.4% | 2,333.4 | 6.8% | -44.4% |
| Long Term Financial Investments | 5,012.3 | 16.0% | 7,508.6 | 22.0% | +49.8% |
| Financial Instruments Debtors | 21.7 | 0.1% | 59.8 | 0.2% | +175.0% |
| Deferred Taxes Assets | 774.5 | 2.5% | 824.0 | 2.4% | +6.4% |
| Fixed and Non-current Assets | 17,480.1 | 55.7% | 15,995.0 | 46.8% | -8.5% |
| Non Current Assets Held for Sale | 1,134.0 | 3.6% | 4,576.7 | 13.4% | +303.6% |
| Inventories | 653.7 | 2.1% | 618.0 | 1.8% | -5.5% |
| Accounts receivables | 7,080.2 | 22.6% | 6,939.2 | 20.3% | -2.0% |
| Short Term Financial Investments | 2,757.9 | 8.8% | 3,502.2 | 10.2% | +27.0% |
| Other Short Term Assets | 84.0 | 0.3% | 100.8 | 0.3% | +20.0% |
| Cash and banks | 2,171.3 | 6.9% | 2,452.6 | 7.2% | +13.0% |
| Current Assets | 13,881.1 | 44.3% | 18,189.5 | 53.2% | +31.0% |
| Total Assets | 31,361.2 | 100.0% | 34,184.5 | 100.0% | +9.0% |
| Shareholders' Equity | 5,225.8 | 16.7% | 5,519.2 | 16.1% | +5.6% |
| Adjustment s from Value Changes | (1,006.1) | (3.2%) | (1,340.7) | (3.9%) | +33.2% |
| Minority Interests | 288.3 | 0.9% | 263.8 | 0.8% | -8.5% |
| Net Worth | 4,507.9 | 14.4% | 4,442.4 | 13.0% | -1.5% |
| Subsidies | 90.5 | 0.3% | 69.9 | 0.2% | -22.7% |
| Long Term Financial Liabilities | 11,636.8 | 37.1% | 9,621.2 | 28.1% | -17.3% |
| Deferred Taxes Liabilities | 371.1 | 1.2% | 270.8 | 0.8% | -27.0% |
| Long Term Provisions | 394.0 | 1.3% | 407.2 | 1.2% | +3.3% |
| Financial Instruments Creditors | 319.9 | 1.0% | 240.4 | 0.7% | -24.8% |
| Other Long Term Accrued Liabilities | 241.7 | 0.8% | 161.3 | 0.5% | -33.3% |
| Non-current Liabilities | 13,054.2 | 41.6% | 10,771.0 | 31.5% | -17.5% |
| Liabilities from Assets Held for Sale | 800.3 | 2.6% | 3,590.1 | 10.5% | +348.6% |
| Short Term Provisions | 268.4 | 0.9% | 233.3 | 0.7% | -13.1% |
| Short Term Financial Liabilities | 2,381.6 | 7.6% | 4,336.7 | 12.7% | +82.1% |
| Trade accounts payables | 9,773.1 | 31.2% | 10,154.7 | 29.7% | +3.9% |
| Other current payables | 575.7 | 1.8% | 656.3 | 1.9% | +14.0% |
| Current Liabilities | 13,799.1 | 44.0% | 18,971.1 | 55.5% | +37.5% |
| Total equity & liabilities | 31,361.2 | 100.0% | 34,184.5 | 100.0% | +9.0% |



Cash Flow Statement

| Cash Flow Statement | 2009 | 2010 | Var. 10/09 |
|---|------------------|------------------|---------------|
| Million of euros | | | |
| Net Profit | 1,946.2 | 1,312.6 | -32.6% |
| Adjustments to net profit without cash flow | (821.6) | (124.7) | |
| Working Capital Variation | 465.9 | 188.7 | |
| Cash Flow from Operating Activities | 1,590.5 | 1,376.6 | -13.4% |
| 1. Investments | (4,577.9) | (4,857.9) | |
| 2. Disinvestments | 5,905.1 | 2,787.5 | |
| Cash flow from Investing Activities | 1,327.2 | (2,070.4) | n.a. |
| 1. Treasury stock acquisition | (465.7) | (332.7) | |
| 3. Dividends paid | (653.2) | (618.2) | |
| 4. Other adjustments | (230.8) | (111.9) | |
| Other Cash Flows | (1,349.7) | (1,062.8) | -21.3% |
| Total Cash Flow | 1,568.0 | (1,756.6) | n.a. |

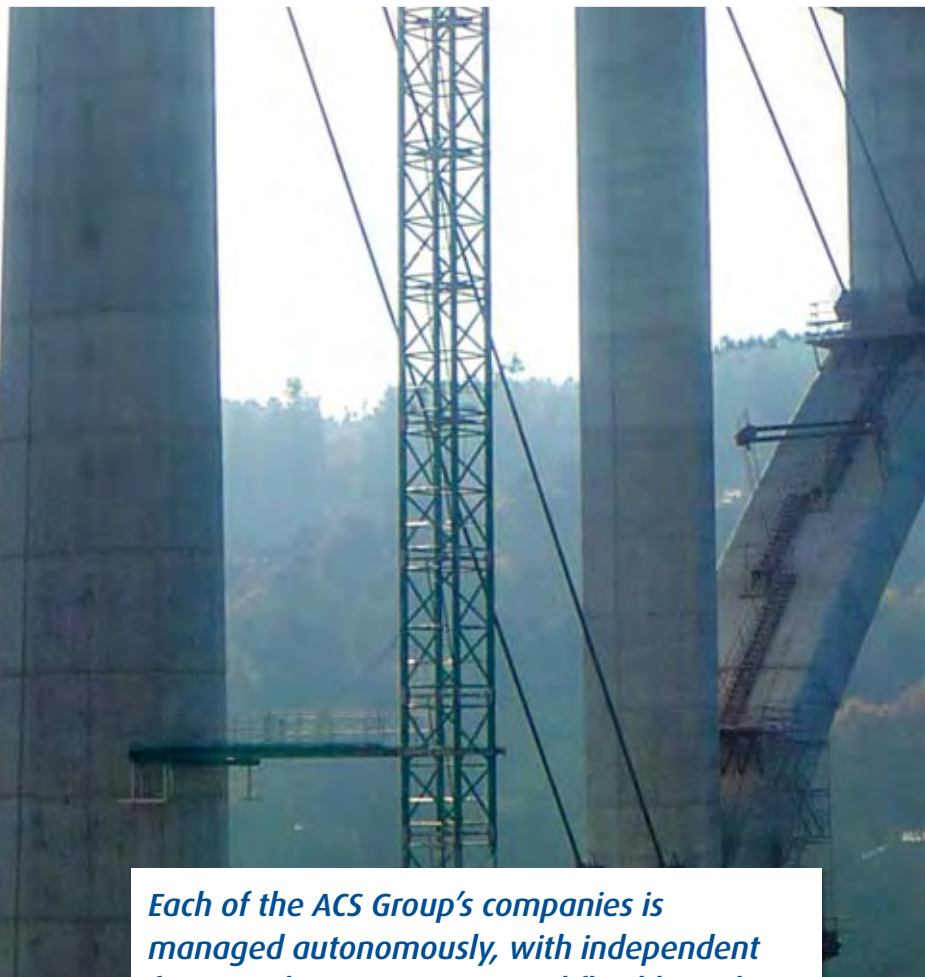
Significant events subsequent to year-end

Noteworthy is the completion of the takeover bid of Hochtief in February 2011 through the swapping of ACS treasury shares for Hochtief shares, reaching a 33.49% holding at that time. At the date of preparation of these financial statements, the ACS Group had reached approximately a 37.6% holding in the share capital.

In addition, on 10 February 2011, the ACS Group signed a non-recourse financing contract in which BBVA acts as an agent, for the amount of 2,059 million euros, which expands the financing of Residencial Monte Carmelo, S.A. (a company that holds 6.58% of Iberdrola shares) by three years to 28 December 2014. With this transaction, the Group managed to refinance the most relevant financing debt that would mature in 2011.

In relation to the legal proceedings that are being pursued at Commercial Court No. 1 of Bilbao, in a lawsuit for annulment of the agreement of the General Shareholders' Meeting of Iberdrola on 26 March 2010, whereby the Director chosen by ACS resigned by exercising his right of proportional representation. On 26 January 2011, notification was received of the judgment dismissing the lawsuit, and not being in agreement with the content of said judgment, ACS decided to file the appropriate appeal that shall be ruled upon by the Provincial Court of Biscay.

The ACS Group's Commitment to Sustainability



ACS's Business Sustainability

The ACS Group has a decentralised structure based around its four areas of activity,

**Construction,
Concessions,
Environment and
Industrial Services,**

and carries out its activities through dozens of different companies. This multi-brand organisation encourages the Group's companies to compete and carry out their work independently, at the same time sharing common guidelines which add value for their clients.

Although all the ACS Group companies share the Group's values and culture, each operates in a standalone manner, contributing individually more than twenty valid and profitable management formulas thanks to the multiple factors involved in their decision making and which generate know-how and good practices which are also independent.

Each of the ACS Group's companies is managed autonomously, with independent functional managements and flexible and sovereign executive bodies.

This organisation encourages:

- *Decentralisation.*
- *Reduced bureaucracy.*
- *Entrepreneurship.*
- *Competitiveness.*
- *Flexibility and ability to adapt.*
- *Diversity.*

Therefore, contributions from a multitude of companies come together in the ACS Group's Sustainability effort, defining its policies for action autonomously and managing their resources in the most efficient manner possible, always covered by a common objective. Their special features are ACS's angular stone of business success and their Corporate Responsibility policy.

The ACS Group's Five Commitments



The ACS Group sets the context for its Corporate Responsibility activities according to its commitment to sustainability which, in turn, is summarised in five commitments the company makes voluntarily and responsibly.

The ACS Group's Commitment to Sustainability

Commitment to the Creation of Value

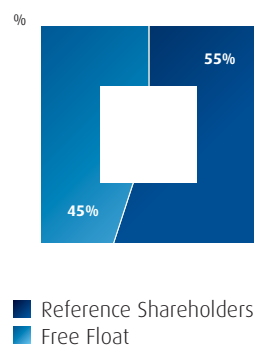
To provide growing and sustained profitability is one of the company's main objectives.

Shareholders

| ACS Share | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Closing price | 16.80 € | 27.21 € | 42.71 € | 40.65 € | 32.65 € | 34.81 € | 35.08 € |
| Revaluation of ACS shares | 30.23% | 61.96% | 56.96% | -4.82% | -19.68% | 6.62% | 0.76% |
| Revaluation of the IBEX 35 | 17.37% | 18.20% | 31.79% | 7.32% | -39.43% | 29.84% | -17.43% |
| Maximum closing price | 17.03 € | 27.23 € | 43.62 € | 50.95 € | 40.99 € | 38.75 € | 38.38 € |
| Minimum closing price | 12.68 € | 16.98 € | 26.96 € | 32.10 € | 24.03 € | 27.67 € | 28.90 € |
| Average in the period | 14.16 € | 22.22 € | 34.21 € | 43.08 € | 32.66 € | 34.61 € | 34.15 € |
| Total volume of shares (thousands) | 312,483 | 401,440 | 279,966 | 417,896 | 382,506 | 196,115 | 194,506 |
| Average daily volume of shares (thousands) | 1,245 | 1,568 | 1,098 | 1,652 | 1,506 | 769 | 757 |
| Total effective traded (€ million) | 4,563 | 8,989 | 9,386 | 18,003 | 12,492 | 6,759 | 6,533 |
| Daily average effective (€ million) | 18.18 | 35.11 | 36.81 | 71.16 | 49.18 | 26.50 | 25.42 |
| Number of shares (millions) | 352.87 | 352.87 | 352.87 | 352.87 | 335.39 | 314.66 | 314.66 |
| Stock market capitalisation at period end (€ million) | 5,928 | 9,602 | 15,071 | 14,344 | 10,950 | 10,953 | 11,037 |

The value of ACS Group shares rose 0.76% in 2010 to euros 35.08 euros per share.

Capital ownership distribution



* Shareholding of over 5% and representation on the board

An investor who purchased an ACS share on 31 December 2000 would have obtained an annual yield of 19.9% at the end of 2010. Investing 100 euros on that day would have given 615.25 euros at the end of 2010.

Clients

The commitment to clients is one of the ACS Group's most important corporate values. Not for nothing is there a high level of trust between the client and the Group, thanks to the high added value services the company offers, throughout time, promoting this close relationship. Main aspects are:

- To provide solutions.
- To feed back to the relationship with the client is fundamental.
- To search for appropriate partners, particularly in technological matters of importance.
- Confidentiality: responsible use of information.
- Monitoring of client needs.
- Periodic measurement of client satisfaction.

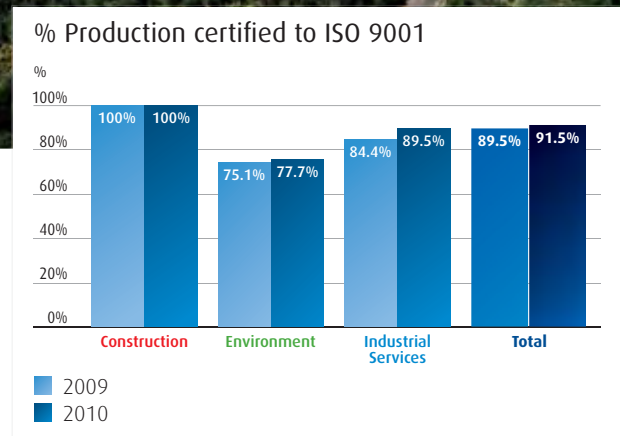
In 2010, 1,211 client satisfaction surveys were carried out in the ACS Group, of which 85.62% produced a positive assessment (the client was satisfied or highly satisfied). The 2009 percentage was 85.75% from 1,104 surveys carried out.

Quality

Quality is a determining factor for the ACS Group, as it represents the factor distinguishing it from the competition in the highly sophisticated infrastructure and services industry.

The Quality Department in the Group's different companies is the entity responsible for implementing the Quality Management Systems. ACS invested a total of 15.58 million euros in 2010 in promoting quality.

These quality systems are audited periodically in order to certify the Group's activities to the ISO 9001 standard. A total of 929 quality audits were carried out in 2010. Of the production by Group's companies, 91.5% is certified to the ISO 9001 standard.



Suppliers

In Group companies, the purchasing department manages the relationship with suppliers and contractors by means of specific systems for managing, classifying and approving them.

ACS Group companies' supplier selection processes classify these as critical (or essential) or circumstantial, according to the following concepts:

- Experience, professional prestige and technical capability.
- History of fulfilment of contractual clauses in their prior relationship with ACS.
- Proximity of the work centre, giving preference to local suppliers (63.01% of suppliers were from the local area in 2010).
- Additional financial criteria, labour, health and safety and environmental matters

The ACS Group's Commitment to Sustainability



Ethics, Integrity and Transparency in the ACS Group

Since its foundation, the ACS Group and its companies have made a commitment to the various parties forming part of its operations and interacting with the company or its employees. This commitment is based on the ethical principles governing the ACS Group's operations, which shape its corporate culture.

ACS's Code of Conduct constitutes a guide for the professional performance of all the Group's employees and managers in relation to their daily work, the resources used and the business environment, as well as for all the investee companies in which the ACS Group has control of management.

The Value of Information Transparency

This general objective of transparency is stated by means of the following guidelines:

- Transmitting the Company's overall corporate strategies, as well as those specific to each of the Company's business areas, to the outside world.
- Projecting the Group's business reality so that the Group's different stakeholders recognise it as being sound and well-managed inside and outside of Spain.
- Contributing to the makeup of a positive corporate image which aids in the achievement of business objectives and in commercial activity.
- Maintaining a fluent relationship with external agents, particularly with representatives of the media.
- All of the above leads to an increase in the value of the ACS brand and of its different companies and businesses.

Commitment to Technological Development

Through its commitment to innovation, the ACS Group responds to the growing demand for improvements in processes, technological progress and quality of service from its clients and from society.

R&D management takes place through a system which, in the largest companies and in general, follows the guidelines in the UNE 166002: 2006 standard and is audited by independent specialists. This management system serves the general research strategy of each of the companies which, whatever their specific features, share the following lines of action:

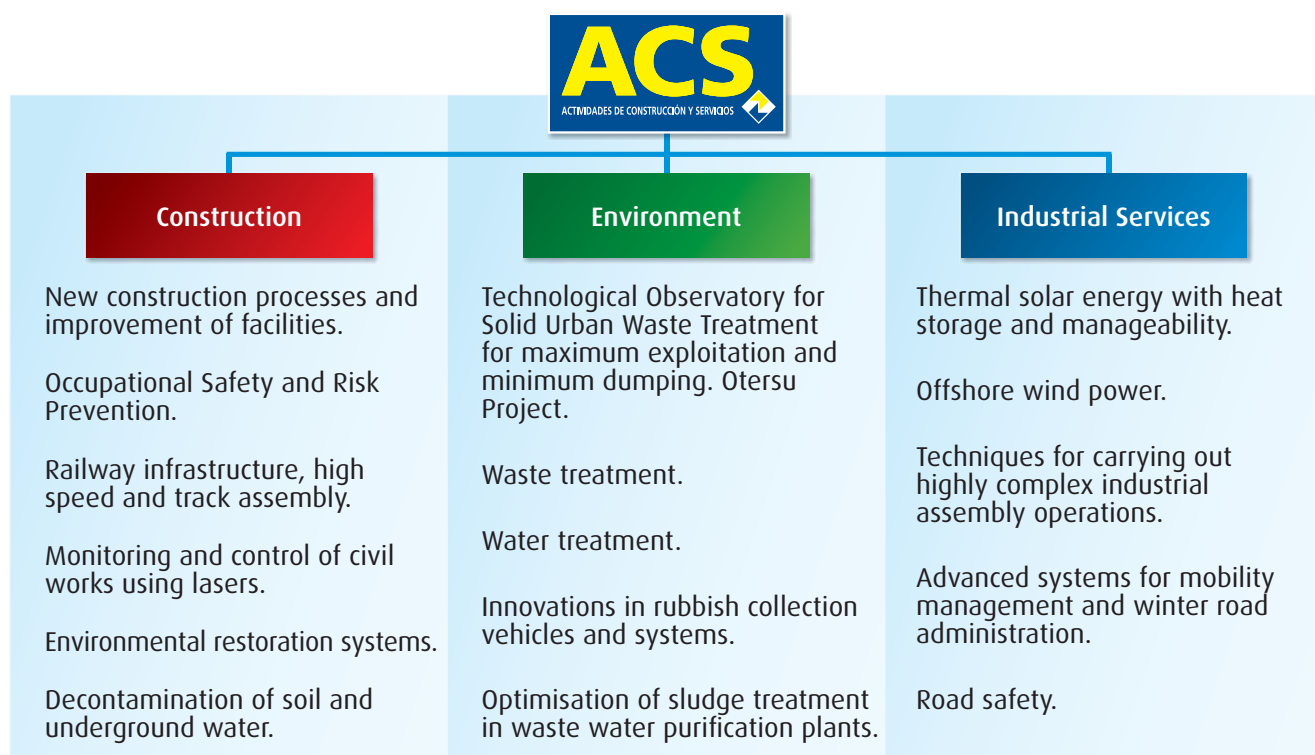
- 1) Strategic research line.
- 2) Strategic collaboration with external organisations.
- 3) Growing and responsible investment in order to promote research and generate patents and operational techniques constantly and efficiently.

Each Group company's strategic decisions on the execution of R&D projects seek to maximise the positive impact of ACS's technical and technological progress.

The collaboration with external organisations is crucial to the success of the projects undertaken. In 2010, the ACS Group collaborated in 172 projects with 59 research centres, 96 universities and 42 technological centres.

The ACS Group invested a total of 46.77 million euros in research, development and innovation in 2010, which represents an increase of around 8% relative to 2009. Its efforts were aimed at various lines of research.

Main Research lines



The ACS Group's Commitment to Sustainability

Commitment to Natural Environment

The ACS Group combines its business objectives with protection of the environment and appropriate management of its stakeholders' expectations in this regard.

These general environmental commitments need to keep within the requirements of the ISO 14001 Standard:

- Commitment to complying with the legislation.
- Commitment to preventing pollution.
- Commitment to continuous improvement.
- Commitment to transparency, communication and the training of Group employees, suppliers, clients and other stakeholders.

Of the ACS Group's turnover in 2010, 71.69% was certified under the ISO 14001 standard. A total of 798 environmental audits were carried out in 2010, 3.8% more than in 2009. A total of 1,219 environmental incidents occurred in 2010, which involved the origination of a total of 32 sanctioning administrative proceedings. These figures are appreciably lower than those for 2009.

The main environmental measures revolve around four key areas, on which the ACS Group positions itself explicitly: **the fight against climate change, promotion of eco-efficiency, water saving and respect for biodiversity.**

| Main Environmental Indicators | 2009 | 2010 |
|---|--------------|--------------|
| Water consumption (m ³) | 6,504,133.14 | 6,772,360.99 |
| Production certified under ISO 14001 (%) | 69.86 | 71.69 |
| Direct emissions (Scope 1) (tCO _{2eq})* | 1,958,109.13 | 1,998,929.38 |
| Indirect emissions (Scope 2) (tCO _{2eq}) | 108,612.92 | 108,948.84 |
| Indirect emissions due to employee travel (Scope 3) (tCO _{2eq}) | 4,570.39 | 5,063.25 |
| Non-hazardous waste sent to management (t) | 1,115,301 | 824,735 |
| Hazardous waste sent to management (t) | 174,241 | 200,949 |

* For more information about methodology used to calculate emissions, consult the ACS Group Corporate Responsibility Report 2010.

Climate Change

The ACS Group's strategy in the fight against climate change is based on proper management of fossil fuels, on renewable energies, on energy efficiency and saving and on sustainable movement. The main lines of action for this commitment are as follows:

- Reduction of direct emissions with the implementation of new production processes.
- Reduction of indirect emissions by moderating fuel consumption and promoting energy efficiency.
- Implementation of an Energy Management System (and where appropriate in accordance with UNE-EN ISO 16001 certification).
- Training of employees, raising client awareness and monitoring of suppliers.

Eco-Efficiency

The ACS Group accords efficiency in resource consumption top priority, as an effective strategy in this area implies benefits from two angles. On the one hand, it reduces the environmental impact on the setting and, on the other, it cuts the costs needed for their purchase.

To this effect, the ACS Group strategy is based on three fundamental aspects:

- Definition of priority areas for improvement.
- Research and application of the most novel technologies permitting the minimisation of resource consumption
- Measurement of the environmental impact of the activities carried out by the Group.

| Direct GHG emissions (tCO₂eq) | 2009 | 2010 |
|---|---------------------|---------------------|
| Construction | 65,848.53 | 57,547.68 |
| Industrial Services | 80,439.34 | 125,577.98 |
| Environment | 1,811,806.73 | 1,815,753.78 |
| Concessions (Iridium) | 14.53 | 49.94 |
| Group Total | 1,958,109.13 | 1,998,929.38 |

| Indirect GHG emissions Group Total (tCO₂eq) | 2009 | 2010 |
|---|-------------|-------------|
| Emissions derived from electricity consumption (Scope 2) | 108,612.92 | 108,948.84 |
| Emissions derived from employees' travel (Scope 3) | 4,570.39 | 5,063.25 |

| Direct and indirect energy consumption, by source | 2009 | 2010 |
|--|-------------|-------------|
| Petrol + diesel consumed (million litres) | 99.01 | 94.62 |
| Natural gas consumption (m ³) | 3,032,442 | 897,866 |
| Electricity consumption (MWh) | 389,293.60 | 390,497.63 |

| Non-hazardous waste sent to management | 2009 | 2010 |
|--|-------------|-------------|
| Total non-hazardous waste sent to management (t) | 1,115,301 | 824,735 |

Treatment method
The non-hazardous wastes generated or managed are sent to dumps, collected by an authorised handling company, reused, recycled or recovered.

| Hazardous waste sent to management (t) | 2009 | 2010 |
|---|-------------|-------------|
| Total hazardous waste sent to management (t) | 174,241 | 200,949 |

Treatment method
Hazardous waste is, in general, delivered to authorised handling companies in accordance with the legislation in force.

| SO_x y NO_x emissions Group Total(t) | 2009 | 2010 |
|---|-------------|-------------|
| Emissions of Oxides of Nitrogen (NO _x) | 2,082 | 2,115 |
| Emissions of Oxides of Sulphur (SO _x) | 433 | 447 |
| Emissions of solid particles | 155 | 153 |
| Other gases | 82,051 | 85,590 |

The ACS Group's Commitment to Sustainability



| Water consumption (m ³) | 2009 | 2010 |
|-------------------------------------|--------------|--------------|
| Obtained from the public mains | 2,975,775.64 | 2,744,035.06 |
| Obtained from other sources | 3,528,357.50 | 4,028,325.93 |
| Total | 6,504,133.14 | 6,772,360.99 |

| Total waste water dumped (m ³) | 2009 | 2010 |
|--|--------------|--------------|
| To the public network | 1,490,209.48 | 1,498,100.80 |
| Drainage to the sea or rivers/lakes | 6,524,886.76 | 6,640,831.00 |
| Total | 8,015,096.24 | 8,138,931.80 |

| Accidental spills | 2009 | 2010 |
|-------------------------|-------|----------|
| Total (m ³) | 5,485 | 1,064.81 |
| Total (n°) | 4 | 5 |

Water

The keys to the ACS Group's strategy for reduction of water consumption are summarised in three points:

- Implementing appropriate measurement systems (at project, company and corporate level), permitting detailed knowledge of the main sources for consumption.
- Carrying out actions which promote reduction of water consumption or which encourage the consumption of recycled water.
- Driving the development of operational policies for water management and desalination.

The ACS Group has numerous measures aimed at reducing water consumption.

Biodiversity

The ACS Group tries to minimise the environmental effect of its activities, especially when these take place in areas of high ecological value. Projects are planned with the objective of minimising their environmental impact and, as far as possible, are carried out under the methodology which causes least damage in the setting. The ACS Group includes the commitment to conservation of biodiversity in its environmental management systems.

The objectives of the ACS Group's Environmental Management System are as follows:

- To assess the impacts of the activities on the environment.
- To research, develop and offer its clients innovations which improve environmental conditions.
- To raise awareness in its own personnel and those who work under the name of the ACS Group.
- To manage waste correctly and to foster its reuse and recycling.

Commitment to the Social Setting

The ACS Group's business success comes from its team. Hence the company maintains its commitment to continuously improve their skills, capabilities and level of responsibility and motivation, at the same time as it attends to working and safety conditions with the greatest dedication.

The ACS Group applies modern and efficient human resource management tools with the objective of retaining the best professionals.

The fundamental principles governing the company's corporate human resource policies are based on the following actions:

- Attracting, retaining and motivating talented individuals.
- Promoting teamwork and quality control as tools to drive excellence as work well done.
- Acting quickly, promoting the assumption of responsibilities and minimising bureaucracy.
- Supporting and increasing training and learning.
- Innovating to improve processes, products and services.

The ACS Group is an active defender of the human and labour rights recognised by various international organisations. The company promotes, respects and protects the forming of labour unions and employees' rights to freedom of association and guarantees equal opportunities and treatment, without discriminating on the basis of sex, ideology, religion or any other social or individual circumstance or condition.

Likewise, the Group promotes the professional development of its workers. With this aim, it has an employment policy which generates wealth in the zones where it operates and produces links which create positive synergies for the environment. Furthermore, it shows special interest in ensuring dignified working conditions, subject to the most advanced measures for health and safety at work.

The ACS Group employs 138,542 people, 32,414 of whom have non Spanish nationality. It carries

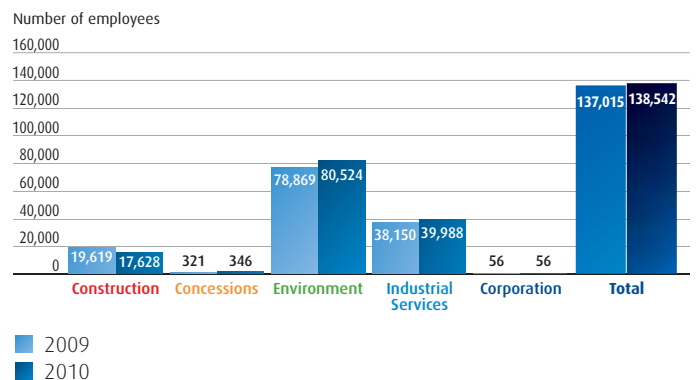


out its activities in over 40 countries, in which it promotes the economic and social development of its workers.

ACS's commitment to the inclusion of women in the labour market is embodied in the strong feminine presence in its workforce. The total number of women employees in the ACS Group in 2010 was 53,521 professionals, 38.6% of the total workforce.

The ACS Group has programmes for continuous training and skills development, aimed at covering the employees' training wants and needs as identified during the year and in line with the competences established in the management models.

Workforce by line of business



NOTE: The data shown in this chart correspond to 97.33% of the ACS Group's total workforce, this being the scope of coverage of the data collection system for the Corporate Social Responsibility Report for 2010.

| Courses given and participants | 2009 | 2010 |
|--------------------------------|--------|--------|
| Number of courses given | 11,172 | 12,297 |
| Number of participants | 72,575 | 72,152 |

| Investment in training | 2009 | 2010 |
|--|-------|-------|
| Investment in training (million euros) | 11.4 | 11.5 |
| Training per employee (€/employee) | 84.58 | 87.66 |

NOTE: The data shown in this chart correspond to 97.33% of the ACS Group's total workforce, this being the scope of coverage of the data collection system for the Corporate Social Responsibility Report for 2010.

The ACS Group's Commitment to Sustainability

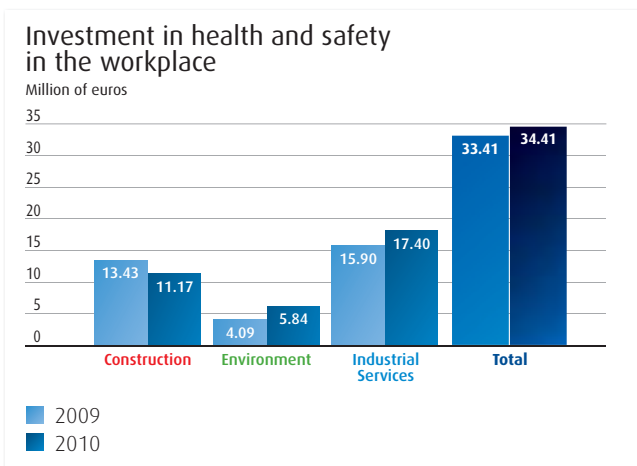


Safety in the Workplace in the ACS Group

The prevention of occupational risks is one of the ACS Group's strategic pillars. The company maintains the commitment to reach the most demanding standards in this area and so become a reference in health and safety protection, not only for its own employees, but also for its suppliers, contractors and collaborating companies.

All the Group's companies share common principles in the management of their employees' health and safety. These principles are the following:

- Compliance with current legislation on occupational risk prevention and other requirements voluntarily observed.
- Integration of occupational risk prevention into the set of initiatives and at all levels, implemented through correct planning and its putting into practice.
- Adoption of all those measures necessary to ensure the protection and well-being of employees.
- Achieving continuous improvement of the system by means of appropriate training and information as regards risk prevention.
- Qualification of staff and application of technological innovations.



| Accident indicators | 2009 | | | | 2010 | | | |
|---|--------------|-------------|---------------------|------------------|--------------|-------------|---------------------|------------------|
| | Construction | Environment | Industrial Services | ACS Group | Construction | Environment | Industrial Services | ACS Group |
| Frequency Index No. of accidents that occurred during the working day per million hours worked | 23.37 | 57.88 | 51.55 | 51.25 | 20.16 | 57.20 | 44.16 | 49.05 |
| Severity Index No. of working days lost due to accidents per 1,000 hours worked | 1.07 | 1.00 | 1.08 | 1.03 | 1.55 | 1.06 | 1.01 | 1.10 |
| Incidence Index No. of accidents with sick leave per 1,000 workers | 87.19 | 75.05 | 51.08 | 68.66 | 23.45 | 65.48 | 41.69 | 52.94 |
| Professional disease rate Total number of cases of occupational diseases over the total hours worked times 200,000 | 0.06 | 0.03 | 0.02 | 0.04 | 0.03 | 0.02 | 0.04 | 0.02 |
| Absenteeism rate Total number of days lost (due to absence) during the period over the total number of days worked by the group of workers during the same period times 200,000 | 12,694.14 | 19,455.92 | 7,794.34 | 16,076.94 | 15,865.79 | 13,973.42 | 7,800.00 | 12,828.83 |

Social Action in the ACS Group

The ACS Group channels its social action through the ACS Foundation, the formal social action policy of which is stated in its foundation charters and which is guided by several principles for action:

- Philanthropic action by means of donations and contributions to specialised institutions.
- Actions in seven areas of work: accessibility, assistance to development, environment, cultural and educational promotion, dissemination and restoration of Spanish national heritage, collaboration with scientific institutions and sponsorship and patronage of philanthropic institutions.
- Selection of projects which provide the greatest social benefit - carried out with prestigious bodies, leaders in their field - and of great general interest.
- Setting up of mixed monitoring committees, between donor and beneficiary, to monitor the execution of significant projects.

In 2010, the ACS Foundation has invested 3.417 million euros, which meant 93% of 2010's budget.

In 2009, it invested a total of 3.745 million euros, which includes the total investment planned for the year (which was 3.260 million euros) and an additional extraordinary investment of 0.485 million euros, which meant that ACS Foundation in 2009 spent 112% of its budget for the year.

For 2011, it has been approved an increase in the budget of 10% compared to 2010, to exceed 4 million euros.

During 2010, the ACS Foundation carried out activities in the framework of its action programmes, with growth in all fields, especially in scientific, technological and social research. Furthermore it has been carried out the most striking and significant project since the Foundation's creation: accessibility of 95% of the El Escorial Royal Monastery to people with reduced mobility.

We Would Like to Know your Opinion

The ACS Group considers the assumption of corporate responsibility principles to be a continual improvement process, in which it is crucial to rely on the opinion of the different stakeholders. Hence, we would be grateful to receive any opinion you may have on this report at:

ACS Group

Avda. Pío XII, 102

Madrid 28036

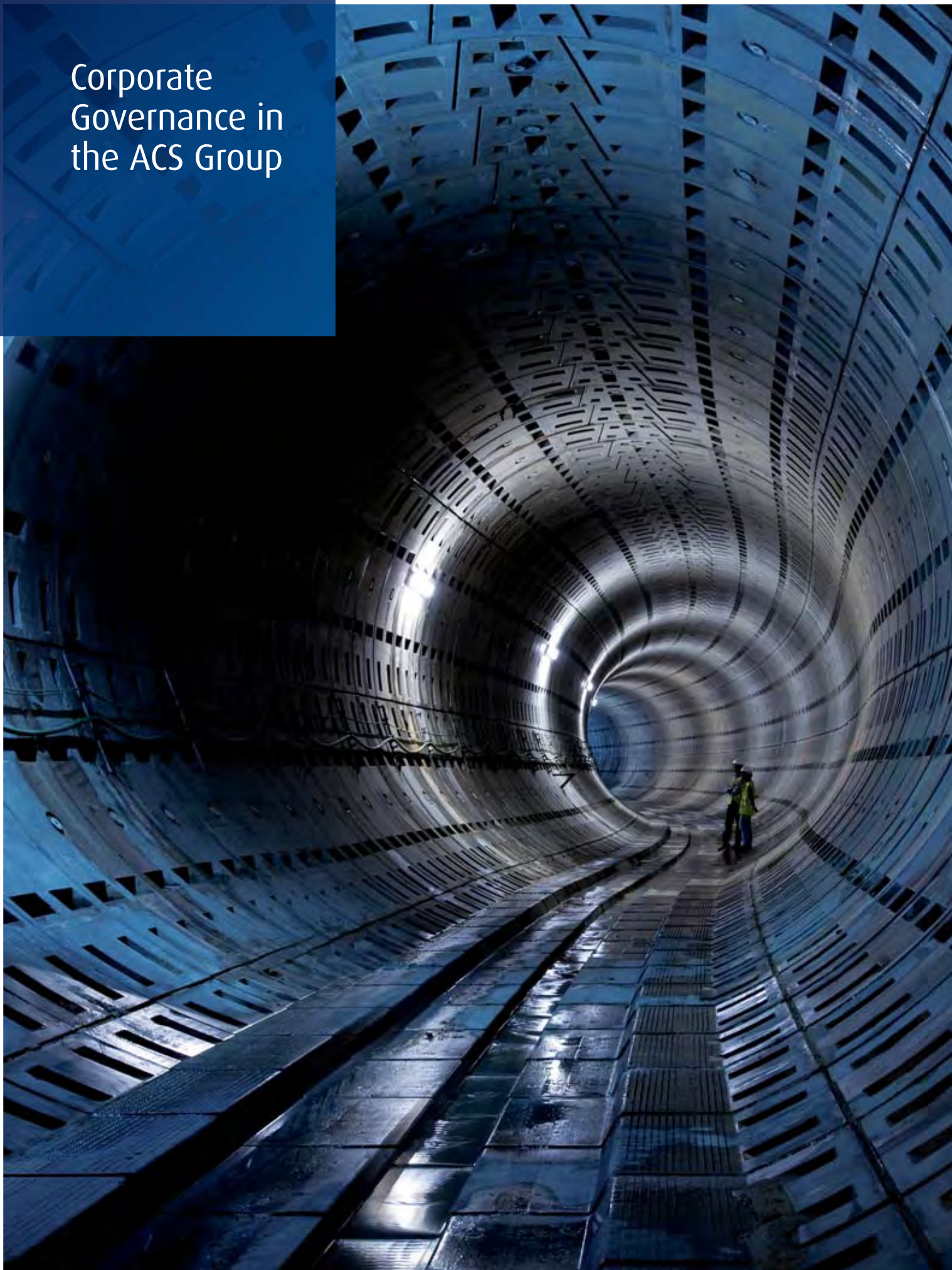
Phone: +34 91 343 92 39

E-mail: infogrupoacs@grupoacs.com



For further information, see the website
www.grupoacs.com

Corporate Governance in the ACS Group

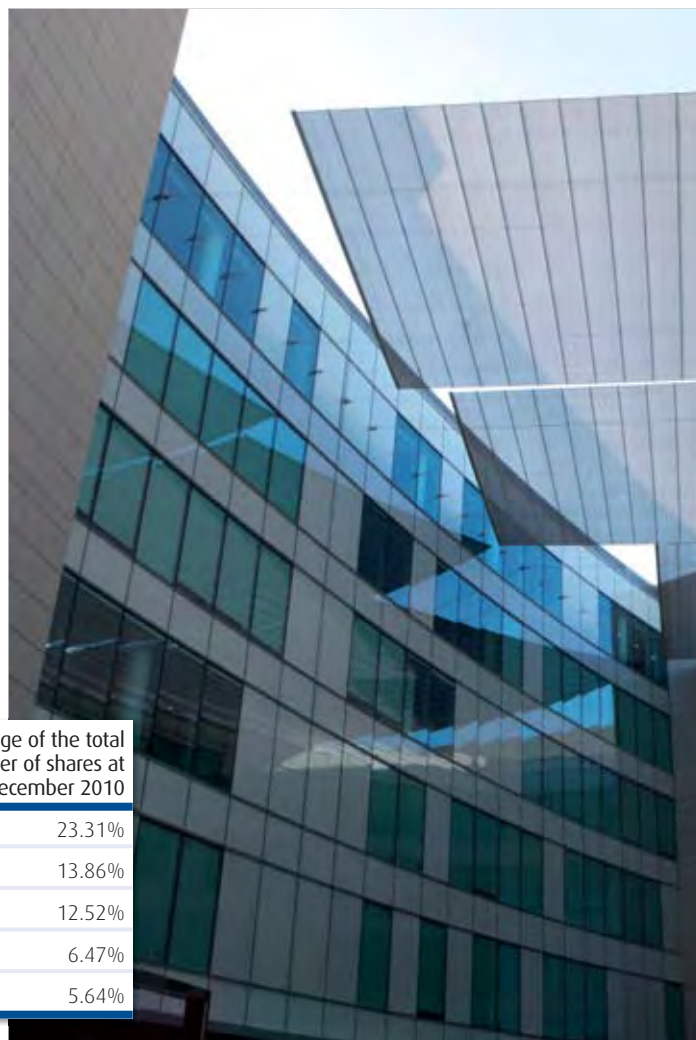


Ownership Structure

The ACS Group's share capital, at 31 December 2010, totalled 157,332,297 euros, represented by 314,664,594 fully subscribed and paid up shares, all of a single class and with the same rights.

The main shareholders in the ACS Group, considering as such those whose stake in the share capital exceeds 5% of the total, are those who, as at 31 December 2010, are shown in the following table:

| Shareholder's name or corporate name | Number of shares | Percentage of the total number of shares at December 2010 |
|--------------------------------------|------------------|---|
| Corporación Financiera Alba, S.A. | 73,339,232 | 23.31% |
| Corporación Financiera Alcor, S.A. | 43,613,139 | 13.86% |
| Inversiones Vesán, S.A. | 39,397,625 | 12.52% |
| Southeastern Asset Management, Inc | 20,357,056 | 6.47% |
| Fluxá Rosselló, Miguel | 17,741,012 | 5.64% |



Company Administration

It is laid down in the Company Bylaws and the Rules of the Board of Directors that the ACS Group will be governed by a Board of Directors made up of a minimum of eleven (11) and a maximum of twenty-one members (21).

As the ACS Group's decision-making body, it falls to the Shareholders' Meeting, at the proposal of the Board of Directors, both to set the exact number of members of the Board, within these limits, and to name the people to occupy these posts.

The composition of the Board of Directors is based on a proportional principle, by means of which the interests of all ACS's groups of shareholders are represented on the Board. In this way, at 31 December 2010, the ACS Group's Board of Directors was made up of 19 Board Members: 4 executive members, 9 members representing major shareholders, 5 independent members and 1 external member. The mission of these independent and external board members is to represent the interests of the free-float capital on the Board of Directors.

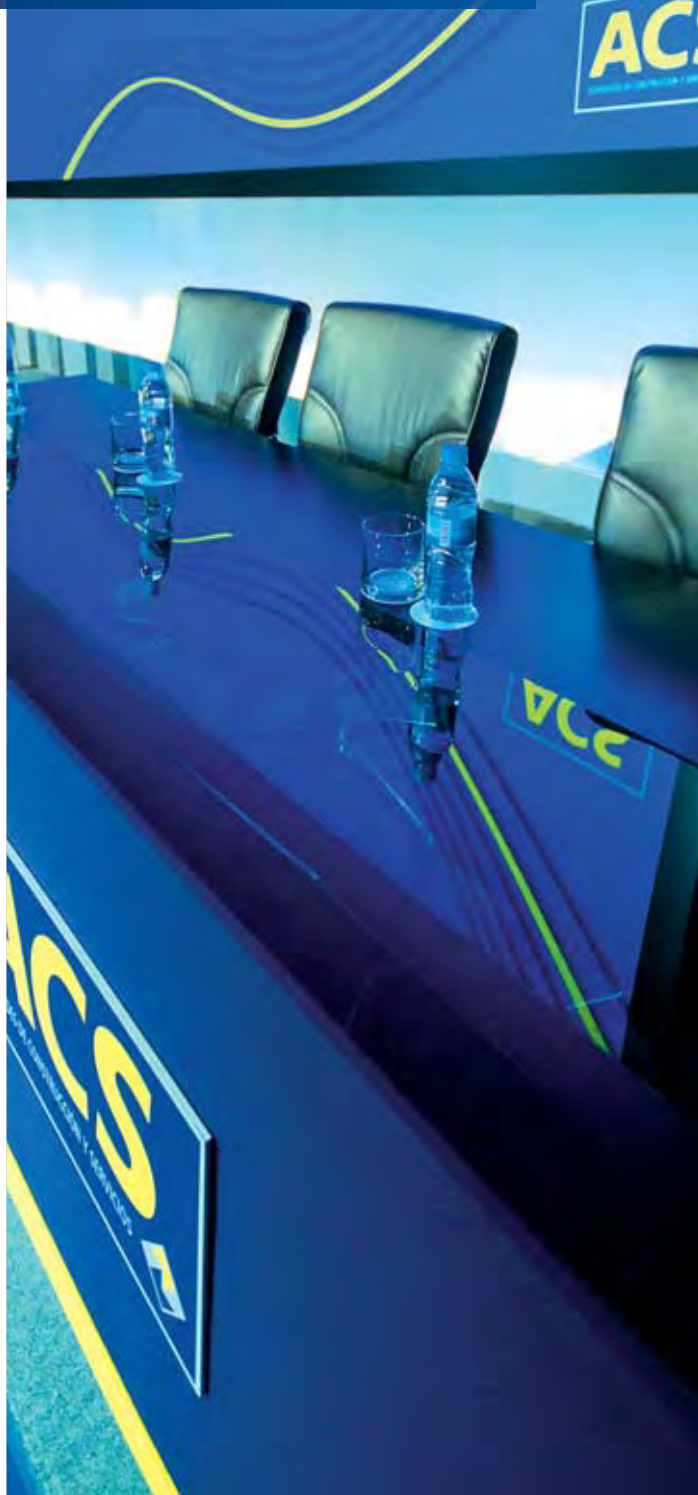
As regards the function of the Board of Directors, this acts jointly and is granted the broadest of powers to represent and govern the company as

the body supervising and controlling its activity, but also with the capacity to assume the responsibilities and decision-making powers directly on the management of the businesses.

In particular, the Board of Directors fully reserves the authority to approve the following general policies and strategies:

- The investment and financing policy.
- Definition of the corporate group structure.
- Corporate governance policy.
- Policy for Corporate Responsibility.
- The strategic or business plan, as well as management targets and annual budgets.
- Senior executive management assessment and remuneration policies.
- The risk control and management policy, in addition to the periodic monitoring of internal information and control systems.
- The policy on dividends as well as on treasury stock and its limits.
- Related-party transactions, except in those cases anticipated by the Regulations.

Corporate Governance in the ACS Group



For greater efficiency in its functions, a series of Commissions are constituted within the Board of Directors, the task of which consists of the control and monitoring of those areas of greatest importance for the good governance of the company. The Board of Directors is currently made up of three commissions: the Executive Commission, the Audit Committee and the Appointment and Remuneration Committee.

Within the ACS Group's transparency and information policy, the remuneration received by both the members of the Board of Directors and the Senior Executives during the financial year is shown in the Annual Corporate Governance Report.

Furthermore, substantial improvements were introduced in 2010 aimed at reinforcing the transparency and independence of the corporate governance system, making the necessary modifications to the Rules of the Board of Directors to adapt its procedures to practically all of the recommendations of the Unified Code of Good Governance.

Shareholders Rights and the Shareholders' Meeting

The operation of the Shareholders' Meeting and the rights of the shareholders are regulated in the ACS Group's Company Bylaws and in the Rules of the Shareholders' Meeting. According to Article 1 of the latter, the Shareholders' Meeting is the supreme body for the expression of the will of the company and its decision making.

As such, according to these Rules, the Group's shareholders represented in the General Shareholders' Meeting will decide all matters within the Meeting's powers by majority. This meeting will be made up of those holders of at least one hundred shares present or represented, such that holders of less than one hundred shares can group together to reach this number.

In addition, shareholders' attendance and voting rights are laid down in these Rules, by means of which egalitarian treatment is guaranteed for all, and a series of measures aimed at encouraging shareholders' participation in the General Meeting are included. As such, not only is delegation or representation of votes permitted during the Meeting, but the possibility of shareholders casting

their vote remotely is also expressly laid down in Article 26 of the Company Bylaws. Furthermore, since the Ordinary General Shareholders' Meeting of 19 May 2005, the necessary procedures have been articulated for exercising the right to vote in advance remotely by internet or fax. The measures adopted by the Group to encourage attendance of the Meeting are positively reflected in their attendance percentages.

| Attendance at Shareholders' Meetings | 2009 Ordinary | 2010 Ordinary | 2010 Extraordinary |
|---|----------------------|----------------------|---------------------------|
| Shareholders Present | 208 | 213 | 115 |
| Quorum Shareholders Present | 7.66% | 19.44% | 19.93% |
| Shareholders Represented | 2,763 | 2,776 | 2,183 |
| Quorum Shareholders Represented | 70.88% | 58.22% | 57.11% |
| Quorum Total | 78.54% | 77.66% | 77.04% |

Likewise, the shareholders' and investors' right to information is detailed in several parts of the Rules of the Shareholders' Meeting. Indeed, all the necessary information is made available to the shareholders prior to holding each Meeting, such that, in addition to the standard information provided by the company in the annual, half-yearly or quarterly reports, the Group maintains a website with all the fundamental data on it. Periodic meetings are also held with analysts for this information to reach both shareholders and the general market in the fairest, most symmetrical and efficient way possible.

The ACS Group not only sets up permanent communications channels with its shareholders and investors, but also ensures that all the information made available to them is truthful and rigorous. The Audit Commission reviews this information before it is transmitted to confirm that it is prepared in accordance with the professional principles, criteria and practices with which the accounts are prepared.

The ACS Group's Board of Directors has, over a number of years, also been promoting measures to guarantee the transparency of the company's action in the financial markets and to exercise as many functions as result from its position as a listed company on the stock exchanges. To this effect, we try to ensure that knowledge of relevant facts is restricted, until made public, to the minimum number of identified people.



Directory

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Cover photo: Atocha railway station expansion
(Madrid, Spain).

Economic and Financial Report of ACS Group 2010



Economic and Financial Report of ACS Group

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Directors' report for the Consolidated Group for 2010

1. Business performance of the ACS Group in 2010

1.01. Main events

| Key operating and financial indicators | 2009 | 2010 | Var. 10/09 |
|--|------------------|-----------------|---------------|
| Million of euros | | | |
| Turnover | 15,387.4 | 15,379.7 | 0.0% |
| <i>International</i> | 25.8% | 31.8% | +23.1% |
| Operating Cash Flow (EBITDA) | 1,429.3 | 1,505.2 | +5.3% |
| <i>Margin</i> | 9.3% | 9.8% | |
| Ordinary Operating Profit (EBIT) | 1,073.9 | 1,099.3 | +2.4% |
| <i>Margin</i> | 7.0% | 7.1% | |
| Ordinary Net Profit from Continuing Operations* | 836.9 | 923.1 | +10.3% |
| Ordinary EPS from Continuing Operations | 2.69 € | 3.08 € | +14.6% |
| Attributable Net Profit | 1,946.2 | 1,312.6 | -32.6% |
| Cash Flow from Operations | 1,590.5 | 1,376.6 | -13.4% |
| Net Investments | (1,327.2) | 2,324.4 | n.a. |
| Investments | 4,577.9 | 5,111.9 | +11.7% |
| Disposals | 5,905.1 | 2,787.5 | -52.8% |
| Total Net Debt | 9,089.3 | 8,003.1 | -12.0% |
| Net Debt with recourse | 219.3 | 956.6 | +336.2% |
| Non recourse Financing | 8,870.0 | 7,046.5 | -20.6% |

* Profit after taxes not including exceptional results nor profits from discontinued operations

Note: Data presented with ACS Group management criterion, which may differ from the presentation criteria of the consolidated financial statements. Data from 2009 is presented in comparable terms by applying NIC 31 and CINIIF 12 interpretation.

For the ACS Group 2010 has been a positive year; it had turnover of EUR 15,380 million, practically equal to the turnover of 2009, while the Group's international sales continue to grow substantially (+23.1%), as does its portfolio (+22.7%). In 2010, domestic production has seen a drop of 8.1%.

In accordance with the operating results, the gross operating income of the Group grew by 5.3% to EUR 1,505 million, while the operating profit increased by 2.4% to EUR 1,099 million. The ordinary net profit from continuing activities, that is, basically excluding the gains from the sales of Abertis in 2010 and Union Fenosa in 2009, as well as the contribution of SPL in prior periods, grew by 10.3% to EUR 923 million and the corresponding earnings per share increased by 14.6%, totaling EUR 3.08.

Net profit attributable to the Group amounted to EUR 1,313 million and includes, among others, the EUR 384 million from the gain net of taxes by the sale of 15.5% of Abertis. The figure is 32.6% lower than that recorded in 2009. That period included the result from the sale of 35.3% of Union Fenosa (EUR 1,001 million).

As far as the cash generation capacity of ACS, the funds generated by the operating activities before the working capital variation amounted to EUR 1,188 million, 5.6% more than in 2009. The positive performance of the working capital fund has allowed the funds generated by operations in 2010 to reach EUR 1,377 million. Likewise, investments have been carried out at a value of EUR 5,112 million. The divestitures reached EUR 2,788 million, basically due to the sales transaction of the 15.5% of Abertis.

The total net debt amounted to EUR 8,003 million, of which EUR 957 million pertained to recourse debt, while the non-recourse debt stood at EUR 7,046 million.

During 2010 several strategic decisions were made designed to strengthen financial soundness, international expansion of the Group and the creation of value for the shareholder:

1. Throughout 2010, the ACS Group acquired 477.5 million shares of Iberdrola, equivalent to 8.7% of the current capital of the electricity company, which involved an investment of EUR 2,753 million. The stake of the ACS Group in Iberdrola stood at 20.2% of the total capital at 31 December 2010.
2. On 17 December 2010, the ACS Group sold its stake in eight electrical power transmission lines in Brazil for a sale price of EUR 278.4 million, having obtained a gain before tax of EUR 38.8 million.
3. On 2 December 2010, the ACS Group completed the sale process of the entire share capital of SPL, the parent company of the Group in the line of business of Port and Logistics Services within the Environmental business area, for a total company value greater than EUR 700 million, excluding the international assets and the holdings in Remolcadores de Barcelona, S.A. and Sintax Logística, S.A.
4. On 25 November 2010 the ACS Group agreed to initiate the sales process of its renewable energy assets, both national - registered or pre-registered at the corresponding public registers - and international, which involve a total of 2,148 MW (1,757 MW attributable to ACS).
5. On 16 September 2010, the ACS Group decided to prepare a takeover bid targeting all of the shareholders of the German company Hochtief A.G., payable in shares finally at a rate of 9 shares of ACS for every 5 shares of Hochtief. On 4 February 2011, the takeover bid was completed satisfactorily, for a total of 2,805,599 shares representing 3.64% of the share capital of Hochtief A.G. Currently the Group holds 37.6% of the share capital of the German company.
6. In August of 2010, ACS closed the partial sales transaction of its stake in Abertis to some investment funds managed by the CVC company. The transaction was structured so that ACS and CVC are partners in some instruments that control the 25.8% stake of Abertis. In said structure, 60% belongs to CVC and 40% to ACS. In this manner, ACS and CVC participate actively in the management of Abertis, being present in its management bodies and promoting the company in the same way that ACS has done to date.

The transaction was performed at a price of EUR 15 per share, and therefore the total valuation of the ACS stake was EUR 2,900 million. The transaction was financed with 50% equity and the remaining 50% through credits from different financial institutions, both Spanish and international.

The gain before tax obtained by the ACS Group as a result of the partial transfer of its stake in Abertis representing 15.55% of the share capital amounted to EUR 520 million, with the ACS Group having increased its net cash position by EUR 2,263 million as a result of the transaction.

7. On 30 June 2010, the one-year extension to the maturity of the derivatives contract on the Iberdrola shares ("equity swap") was signed with the Natixis bank, representing 4.68% of the current share capital of the electricity company, setting the new contract completion date at March 2012 and maintaining all other conditions.

Directors' report for the Consolidated Group for 2010

1.02. Consolidated income statement of the ACS Group

| Consolidated Income Statement | 2009 | % | 2010 | % | Var. 10/09 |
|---|-----------------|---------------|-----------------|---------------|----------------|
| Million of euros | | | | | |
| Net Sales | 15,387.4 | 100.0% | 15,379.7 | 100.0% | 0.0% |
| Other revenues | 389.1 | 2.5% | 356.3 | 2.3% | -8.4% |
| Total Income | 15,776.5 | 102.5% | 15,736.0 | 102.3% | -0.3% |
| Operating expenses | (10,568.9) | (68.7%) | (10,194.9) | (66.3%) | -3.5% |
| Personnel expenses | (3,778.3) | (24.6%) | (4,035.9) | (26.2%) | +6.8% |
| Operating Cash Flow (EBITDA) | 1,429.3 | 9.3% | 1,505.2 | 9.8% | +5.3% |
| Fixed assets depreciation | (343.2) | (2.2%) | (404.7) | (2.6%) | +17.9% |
| Current assets provisions | (12.1) | (0.1%) | (1.3) | (0.0%) | n.a. |
| Ordinary Operating Profit (EBIT) | 1,073.9 | 7.0% | 1,099.3 | 7.1% | +2.4% |
| Fixed assets depreciation | 0.3 | 0.0% | (18.2) | (0.1%) | n.a. |
| Other operating results | (39.5) | (0.3%) | (4.1) | (0.0%) | n.a. |
| Operating Profit | 1,034.8 | 6.7% | 1,077.0 | 7.0% | +4.1% |
| Financial income | 377.9 | 2.5% | 492.9 | 3.2% | +30.4% |
| Financial expenses | (661.0) | (4.3%) | (808.5) | (5.3%) | +22.3% |
| Ordinary Financial Result | (283.1) | (1.8%) | (315.6) | (2.1%) | +11.5% |
| Foreign exchange Results | (3.7) | (0.0%) | 25.2 | 0.2% | n.a. |
| Impairment non current assets results | (2.3) | (0.0%) | (0.5) | (0.0%) | n.a. |
| Results on non current assets disposals | 22.8 | 0.1% | 536.2 | 3.5% | n.a. |
| Net Financial Result | (266.2) | (1.7%) | 245.3 | 1.6% | -192.1% |
| Results on equity method | 212.7 | 1.4% | 222.2 | 1.4% | +4.5% |
| Ordinary income of continued operations | 981.2 | 6.4% | 1,544.5 | 10.0% | +57.4% |
| Corporate income tax | (117.5) | (0.8%) | (233.0) | (1.5%) | +98.3% |
| Profit after taxes of the continued operations | 863.7 | 5.6% | 1,311.5 | 8.5% | +51.8% |
| Profit after taxes of the discontinued operations | 1,113.0 | 7.2% | 43.2 | 0.3% | n.a. |
| Consolidated Result | 1,976.7 | 12.8% | 1,354.8 | 8.8% | -31.5% |
| Minority interest | (30.5) | (0.2%) | (42.2) | (0.3%) | +38.3% |
| Net Profit Attributable to the Parent Company | 1,946.2 | 12.6% | 1,312.6 | 8.5% | -32.6% |

1.02.01. Net sales

Sales amounted to EUR 15,380 million, which is practically the same production as in 2009. This performance is based upon the 4% increase in sales from the activities of Environmental and Industrial Services, which between both, offset the drop of 8.0% shown by the Construction activities. The Group's total international sales rose by 23.1% to reach EUR 4,892 million, which accounted for 31.8% of the total. This important growth came from all areas of activity and most particularly from Construction, which grew by 34.6%.

By countries, the growth experienced in the North American markets is significant, both in Mexico mainly in the activity of Industrial Services, and in the United States and Canada through Construction.

Also notable is the positive growth from the international portfolio, which already reached EUR 12,211 million, i.e. 42.4% of the total, boosted by the Industrial Services area, whose international portfolio increased by 30.3% to 49.5% of its total portfolio. Construction has also shown a strong push in the portfolio outside of Spain, which has increased by 27.1% to 48.5% of its total portfolio.

| Turnover | 2009 | % | 2010 | % | Var. 10/09 |
|------------------------|-----------------|----------|-----------------|----------|-------------------|
| Million of euros | | | | | |
| Construction | 6,077.7 | 39% | 5,593.1 | 36% | -8.0% |
| Concessions | 73.5 | 1% | 110.2 | 1% | +49.9% |
| Environmental Services | 2,469.8 | 16% | 2,561.8 | 17% | +3.7% |
| Industrial Services | 6,849.6 | 44% | 7,157.8 | 46% | +4.5% |
| Holding / Adjustments | (83.2) | | (43.2) | | |
| Total | 15,387.4 | | 15,379.7 | | 0.0% |

| Domestic Sales | 2009 | % | 2010 | % | Var. 10/09 |
|------------------------|-----------------|------------|-----------------|------------|-------------------|
| Million of euros | | | | | |
| Construction | 4,690.4 | 77% | 3,725.9 | 67% | -20.6% |
| Concessions | 50.3 | 99% | 53.8 | 98% | +7.0% |
| Environmental Services | 2,210.5 | 90% | 2,268.4 | 89% | +2.6% |
| Industrial Services | 4,544.7 | 66% | 4,483.0 | 63% | -1.4% |
| Holding / Adjustments | (83.2) | 100% | (43.2) | 100% | |
| Total | 11,412.7 | 74% | 10,487.9 | 68% | -8.1% |

| International Sales | 2009 | % | 2010 | % | Var. 10/09 |
|----------------------------|----------------|------------|----------------|------------|-------------------|
| Million of euros | | | | | |
| Construction | 1,387.3 | 23% | 1,867.2 | 33% | +34.6% |
| Concessions | 23.2 | 1% | 56.4 | 2% | +142.8% |
| Environmental Services | 259.3 | 10% | 293.4 | 11% | +13.2% |
| Industrial Services | 2,304.9 | 34% | 2,674.8 | 37% | +16.1% |
| Total | 3,974.7 | 26% | 4,891.8 | 32% | +23.1% |

Directors' report for the Consolidated Group for 2010

| Sales per country | 2009 | % | 2010 | % | Var. 10/09 |
|----------------------------|----------------|-----|----------------|-----|---------------|
| Million of euros | | | | | |
| Mexico | 590.1 | 15% | 1,035.1 | 21% | +75.4% |
| United States | 659.6 | 17% | 923.9 | 19% | +40.1% |
| Poland | 385.5 | 10% | 459.0 | 9% | +19.1% |
| Brazil | 319.4 | 8% | 397.1 | 8% | +24.3% |
| Portugal | 445.5 | 11% | 349.4 | 7% | -21.6% |
| Chile | 258.2 | 6% | 258.3 | 5% | +0.0% |
| Argentina | 220.2 | 6% | 194.7 | 4% | -11.6% |
| France | 169.2 | 4% | 169.0 | 3% | -0.1% |
| Canada | 35.5 | 1% | 158.4 | 3% | +346.2% |
| Rest of countries | 891.5 | 23% | 946.9 | 19% | +6.0% |
| Total International | 3,974.7 | | 4,891.8 | | +23.1% |

1.02.02. Operating cash flow (EBITDA)

The EBITDA of the ACS Group was EUR 1,505 million, 5.3% more than in 2009. The sales margin stood at 9.8%, up 50 basis points from the past year. The growth of the EBITDA was sustained by the excellent performance of Industrial Services, which grew by 19.6%, and the Environmental area, with 2.2% growth. The increase in the Concessions area, which obtained an EBITDA of EUR 34 million, was not able to offset the 13.9% drop in the EBITDA of Construction, caused by the sustained pressure on margins experienced as a result of the reduced activity in Spain.

| Operating Cash Flow (EBITDA) | 2009 | % | 2010 | % | Var. 10/09 |
|------------------------------|----------------|-----|----------------|-----|--------------|
| Million of euros | | | | | |
| Construction | 456.4 | 31% | 393.0 | 25% | -13.9% |
| Concessions | 18.0 | 1% | 33.8 | 2% | +87.6% |
| Environmental Services | 304.1 | 21% | 310.9 | 20% | +2.2% |
| Industrial Services | 686.9 | 47% | 821.4 | 53% | +19.6% |
| Holding / Adjustments | (36.2) | | (53.9) | | |
| Total | 1,429.3 | | 1,505.2 | | +5.3% |

1.02.03. Operating profit (EBIT)

The operating profit (EBIT) reached EUR 1,099 million, 2.4% above that recorded in the same period from the previous year. The sales margin increased by 10 basis points to 7.1%.

| Ordinary Operating Profit (EBIT) | 2009 | % | 2010 | % | Var. 10/09 |
|----------------------------------|----------------|-----|----------------|-----|--------------|
| Million of euros | | | | | |
| Construction | 378.6 | 34% | 321.4 | 28% | -15.1% |
| Concessions | 5.9 | 1% | 21.8 | 2% | +271.5% |
| Environmental Services | 180.3 | 16% | 184.9 | 16% | +2.6% |
| Industrial Services | 547.8 | 49% | 627.7 | 54% | +14.6% |
| Holding / Adjustments | (38.5) | | (56.6) | | |
| Total | 1,073.9 | | 1,099.3 | | +2.4% |

1.02.04. Net financial profit/loss

The gross finance cost amounted to EUR 808 million, which meant an increase of 22.3% over what was recorded in 2009, mainly due to the increased investment in concession and renewable energy projects financed with non-recourse debt. The finance income amounted to EUR 493 million, 30.4% more than the previous year, and included the Iberdrola dividends received during the period, which add up to EUR 248.7 million. Finally, the net finance costs adjusted for exchange rate differences, which had a positive impact of EUR 25 million favoured by the movement in the dollar against the euro, increased by 1.3% to EUR 290 million.

1.02.05. Ordinary profit from continued operations

It reached EUR 1,544 million, 57.4% above the 2009 figure, as a result of the positive contribution from the sale of 15.5% of Abertis. In addition, companies accounted for by the equity method rose to EUR 222 million, with a contribution of EUR 119.3 million from Abertis while Hochtief contributed with EUR 72.3 million. The rest belongs to different minority holdings in projects from the activities of Industrial Services and Concessions.

1.02.06. Net profit attributable to the Group

Net profit attributable to the Group amounted to EUR 1,313 million and includes the EUR 384 million from the net gain by the sale of 15.5% of Abertis. Even so, it was 32.6% lower than that recorded in 2009, since this included the result from the sale of 35.3% of Unión Fenosa (EUR 1,001 million) and its result until February 2009 (EUR 80 million).

| Net profit | 2009 | % | 2010 | % | Var. 10/09 |
|-------------------------|----------------|----------|----------------|----------|-------------------|
| <i>Million of euros</i> | | | | | |
| Construction | 241.4 | 29% | 220.4 | 24% | -8.7% |
| Concessions | (21.9) | (3%) | (21.9) | (2%) | +0.0% |
| Environmental Services | 146.2 | 18% | 152.3 | 17% | +4.1% |
| Industrial Services | 346.7 | 42% | 399.5 | 44% | +15.2% |
| Listed Companies | 117.2 | 14% | 159.1 | 17% | +35.7% |
| Holding / Adjustments | 1,116.6 | | 403.2 | | |
| Total | 1,946.2 | | 1,312.6 | | -32.6% |

The net ordinary profit from continued operations grew by 10.3% in comparable terms after reaching EUR 923 million, once having discounted the extraordinary results that include, among others, the aforementioned result from the sale of Abertis and the initial impact by the accounting of the derivative corresponding to the new stock options plan approved the last May. Ordinary earnings per share increased by 14.6%.

| Ordinary Net Profit | 2009 | 2010 | Var. 10/09 |
|---|----------------|----------------|-------------------|
| <i>Million of euros</i> | | | |
| Net Profit | 1,946.2 | 1,312.6 | -32.6% |
| Capital gain from 35,3% UNF disposal | (1,001.2) | | |
| Ordinary Profit from UNF | (80.0) | | |
| Profit from SPL | (27.8) | (43.4) | |
| Capital gain from 15,5% ABE disposal | | (384.3) | |
| Other exceptionals | | 38.2 | |
| Ordinary Net Profit from Continuing Operations | 836.9 | 923.1 | +10.3% |

Directors' report for the Consolidated Group for 2010

The corporate income tax charged amounted to EUR 233.0 million. The effective tax rate, adjusted for the gains recognised net of taxes (mainly companies accounted for using the equity method and dividends relating to financial investments), was around 23.7%, since it includes tax deductions recognised in this period. The profit attributable to minority interests of EUR 42.2 million corresponds to the international subsidiaries, and mainly to concession projects where the Group has a majority position.

1.03. Consolidated Balance Sheet at 31 December 2010 and 2009

| Consolidated Balance Sheet | 2009 | % | 2010 | % | Var. 10/09 |
|--|-----------------|---------------|-----------------|---------------|---------------|
| Million of euros | | | | | |
| Intangible Fixed Assets | 1,675.4 | 5.3% | 1,613.7 | 4.7% | -3.7% |
| Tangible Fixed Assets | 1,239.0 | 4.0% | 1,218.2 | 3.6% | -1.7% |
| Concession Projects Assets | 4,502.5 | 14.4% | 2,380.3 | 7.0% | -47.1% |
| Property Assets | 61.0 | 0.2% | 57.2 | 0.2% | -6.3% |
| Investments accounted by Equity Method | 4,193.7 | 13.4% | 2,333.4 | 6.8% | -44.4% |
| Long Term Financial Investments | 5,012.3 | 16.0% | 7,508.6 | 22.0% | +49.8% |
| Financial Instruments Debtors | 21.7 | 0.1% | 59.8 | 0.2% | +175.0% |
| Deferred Taxes Assets | 774.5 | 2.5% | 824.0 | 2.4% | +6.4% |
| Non Current Assets | 17,480.1 | 55.7% | 15,995.0 | 46.8% | -8.5% |
| Non Current Assets Held for Sale | 1,134.0 | 3.6% | 4,576.7 | 13.4% | +303.6% |
| Inventories | 653.7 | 2.1% | 618.0 | 1.8% | -5.5% |
| Accounts receivables | 7,080.2 | 22.6% | 6,939.2 | 20.3% | -2.0% |
| Short Term Financial Investments | 2,757.9 | 8.8% | 3,502.2 | 10.2% | +27.0% |
| Other Short Term Assets | 84.0 | 0.3% | 100.8 | 0.3% | +20.0% |
| Cash and banks | 2,171.3 | 6.9% | 2,452.6 | 7.2% | +13.0% |
| Current Assets | 13,881.1 | 44.3% | 18,189.5 | 53.2% | +31.0% |
| Total Assets | 31,361.2 | 100.0% | 34,184.5 | 100.0% | +9.0% |
| Shareholders' Equity | 5,225.8 | 16.7% | 5,519.2 | 16.1% | +5.6% |
| Adjustment s from Value Changes | (1,006.1) | (3.2%) | (1,340.7) | (3.9%) | +33.2% |
| Minority Interests | 288.3 | 0.9% | 263.8 | 0.8% | -8.5% |
| Net Worth | 4,507.9 | 14.4% | 4,442.4 | 13.0% | -1.5% |
| Subsidiaries | 90.5 | 0.3% | 69.9 | 0.2% | -22.7% |
| Long Term Financial Liabilities | 11,636.8 | 37.1% | 9,621.2 | 28.1% | -17.3% |
| Deferred Taxes Liabilities | 371.1 | 1.2% | 270.8 | 0.8% | -27.0% |
| Long Term Provisions | 394.0 | 1.3% | 407.2 | 1.2% | +3.3% |
| Financial Instruments Creditors | 319.9 | 1.0% | 240.4 | 0.7% | -24.8% |
| Other Long Term Accrued Liabilities | 241.7 | 0.8% | 161.3 | 0.5% | -33.3% |
| Non-current Liabilities | 13,054.2 | 41.6% | 10,771.0 | 31.5% | -17.5% |
| Liabilities from Assets Held for Sale | 800.3 | 2.6% | 3,590.1 | 10.5% | +348.6% |
| Short Term Provisions | 268.4 | 0.9% | 233.3 | 0.7% | -13.1% |
| Short Term Financial Liabilities | 2,381.6 | 7.6% | 4,336.7 | 12.7% | +82.1% |
| Trade accounts payables | 9,773.1 | 31.2% | 10,154.7 | 29.7% | +3.9% |
| Other current payables | 575.7 | 1.8% | 656.3 | 1.9% | +14.0% |
| Current Liabilities | 13,799.1 | 44.0% | 18,971.1 | 55.5% | +37.5% |
| Total Equity & Liabilities | 31,361.2 | 100.0% | 34,184.5 | 100.0% | +9.0% |

1.03.01. Non-current assets

Intangible assets amounted to EUR 1,614 million, of which EUR 1,149 million related to the goodwill, while the tangible assets were at EUR 1,218 million. The net balance of non-current assets in concession projects amounted to EUR 2,380 million. The significant decrease over 2009 is due to the reclassification as assets held for sale, of those belonging to the renewable energy plants, transmission lines and other assets whose sale process was initiated during the last quarter of the year.

The long-term financial investments at 31 December 2010 added up to EUR 7,509 million and mainly included the 20.2% stake of Iberdrola at market value. The difference between this and the investment value (EUR 8,099 million), after the positive impact, has been carried to Net Equity under the Adjustments for Changes in Value item.

On the other hand, the balance of investments accounted for using the equity method, which mainly include the ownership interests in Abertis, through Admirabilia and Hochtief, amounted to EUR 2,333 million. In the corresponding deterioration tests of the investments in listed companies performed at the closing of the period, it is clear that the recoverable value of these investments exceeds their cost values.

1.03.02. Working capital

Net working capital payable amounted to EUR 3,386 million, which means an increase of EUR 587 million to the balance payable in the last 12 months. This upward trend is supported by the improvement of the working capital from operating activities for a value of EUR 189 million, where the good performance of the Construction area and the Industrial Services stand out, which offsets the increase to the balance owing from customers in the Environmental area.

Other positive impacts come from the increase to the tax balance payable of EUR 96 million, the refinancing of EUR 61 million long-term receivables and the deferred payments from some investments that materialised in the last quarter of the year.

1.03.03. Net Debt

The Group's net debt at 31 December 2010 amounted to EUR 8,003 million, of which EUR 7,046 million related to non-recourse financing for the shareholder, while the operating activities showed a net debt of EUR 957 million.

The non-recourse debt of the Corporation stood at EUR 5,565 million, which relates to the financing of the instruments used for acquiring shares of Iberdrola (EUR 4,689 million) and Hochtief (EUR 876 million). The rest of the non-recourse debt, EUR 1,481 million was from the financing of concession projects.

The net debt corresponding to renewable energy projects, as well as that from other assets for sale, amounted to EUR 2,914 million and is reclassified on the Group consolidated balance sheet at 31 December 2010 on the assets and liabilities accounts held for the sale until its sale process is completed.

| Debt Position at December 31st | 2009 | 2010 | Var. 10/09 |
|---------------------------------------|----------------|----------------|-------------------|
| <i>Million of euros</i> | | | |
| Net debt with recourse | 302.0 | 956.6 | +216.8% |
| Net debt without recourse | 8,969.3 | 7,046.5 | -21.4% |
| Total net debt | 9,271.3 | 8,003.1 | -13.7% |

1.03.04. Equity

It amounts to EUR 4,442 million, of which EUR 5,519 million correspond to the Equity of the Parent Company which has increased by 5.6% with respect to the closing of 2009. The adjustments for the change in value have increased their negative impact by EUR 335 million up to EUR 1,341 million mainly due to the trend in the price of the Iberdrola shares.

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1.04. Cash Flows

In comparable terms the Group's cash flows are as follows:

| Cash Flow Statement | 2009 | 2010 | Var. 10/09 |
|---|------------------|------------------|---------------|
| Million of euros | | | |
| Net Profit | 1,946.2 | 1,312.6 | -32.6% |
| Adjustments to net profit without cash flow | (821.6) | (124.7) | |
| Working Capital Variation | 465.9 | 188.7 | |
| Cash Flow from Operating Activities | 1,590.5 | 1,376.6 | -13.4% |
| 1. Investments | (4,577.9) | (4,857.9) | |
| 2. Disinvestments | 5,905.1 | 2,787.5 | |
| Cash flow from Investing Activities | 1,327.2 | (2,070.4) | n.a. |
| 1. Treasury stock acquisition | (465.7) | (332.7) | |
| 2. Dividends paid | (653.2) | (618.2) | |
| 3. Other adjustments | (230.8) | (111.9) | |
| Other Cash Flows | (1,349.7) | (1,062.8) | -21.3% |
| Total Cash Flow | 1,568.0 | (1,756.6) | n.a. |

1.04.01. Net cash flows from operations

In the year 2010 the net cash flows from operating activities amounted to EUR 1,377 million, i.e. EUR 214 million less than in the same period of 2009. The changes in the Group's working capital have influenced the trend of this figure, which has increased its balance payable by EUR 189 million, while in 2009 the increase reached EUR 466 million. Without counting this effect, the net cash flows grew by 5.6% to EUR 1,188 million.

1.04.02. Net consolidated investments

The investments made by the Group during the period amounted to EUR 5,112 million and the divestitures reached EUR 2,788 million. The breakdown by line of business is as follows:

| Net Investments (January - December) | Gross Investment | Disposals | Net Investment |
|--------------------------------------|------------------|------------------|----------------|
| Million of euros | | | |
| Construction | 105.8 | (25.5) | 80.3 |
| Concessions | 729.2 | (62.7) | 666.5 |
| Environment | 115.5 | (142.8) | (27.3) |
| Industrial Services | 1,388.6 | (283.8) | 1,104.7 |
| Holding & others | 2,772.9 | (2,272.7) | 500.2 |
| Total | 5,111.9 | (2,787.5) | 2,324.4 |

The funds coming from the sale of 15.5% of Abertis stand out at the Corporation, which have generated an income of EUR 2,273 million, and the investments for the amount of EUR 2,773 million that basically correspond to the acquisition of 477.5 million shares of Iberdrola that represent 8.71% of its current share capital, of which EUR 116 million corresponds to the expansion of the equity swap.

Investments net of maintenance and replacement of machinery have been made in the area of Construction for the value of EUR 80 million.

Concessionary projects have received investments amounting to EUR 729 million, among which the EUR 181 million invested in the I-595 Highway in Florida (United States), the EUR 226 million in the Diagonal Artery in Barcelona and the EUR 92 million in the Pirineo Highway are prominent. The divestiture corresponds to the sale of the stake in the Platinum Corridor South African highway.

EUR 116 million was set aside for the Environmental division for the renovation of equipment and maintenance of waste treatment facilities. The divestiture mainly pertains to the sale of the Port and Logistics Services area.

EUR 1,389 million has been invested in Industrial Services, where the investments in solar thermal plants (EUR 603 million) and wind farms (EUR 262 million), as well as in transmission lines (EUR 314 million) and in the Castor project (EUR 96 million) are prominent.

1.04.03. Net cash flows from financing activities

The financing needs of the Group, including the increased debt tied to assets held for sale, reached EUR 1,757 million in this period as a result of the large volume of investments made and the attractive shareholder compensation plan.

During 2010, the Group paid its shareholders EUR 618 million in dividends against the 2009 earnings, equivalent to EUR 2.05 per share. The treasury shares transactions carried out by the Group in 2010 involved a net disbursement of EUR 333 million. At the close of the period, the shares in treasury stock represented 6% of the capital.

1.05. Profit by business areas

1.05.01. Construction

| Construction main financial figures | 2009 | 2010 | Var. 10/09 |
|--|-----------------|-----------------|-------------------|
| <i>Million of euros</i> | | | |
| Turnover | 6,077.7 | 5,593.1 | -8.0% |
| Operating Cash Flow (EBITDA) | 456.4 | 393.0 | -13.9% |
| Margin | 7.5% | 7.0% | |
| Ordinary Operating Profit (EBIT) | 378.6 | 321.4 | -15.1% |
| Margin | 6.2% | 5.7% | |
| Net Profit | 241.4 | 220.4 | -8.7% |
| Margin | 4.0% | 3.9% | |
| Backlog | 11,340.4 | 11,087.5 | -2.2% |
| Months | 22 | 24 | |

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| Construction turnover breakdown by activity | 2009 | 2010 | Var. 10/09 |
|---|----------------|----------------|---------------|
| Million of euros | | | |
| Civil Works | 4,341.4 | 4,196.7 | -3.3% |
| Non Residential Building | 1,189.3 | 1,050.0 | -11.7% |
| Residential Building | 547.0 | 346.4 | -36.7% |
| Total | 6,077.7 | 5,593.1 | -8.0% |
| International | 1,387.3 | 1,867.2 | +34.6% |
| % over total sales | 23% | 33% | |

Sales in 2010 reached EUR 5,593.1 million, an 8.0% decline from the 2009 figure. The drop is explained by the strong decline in business activity in Spain, where a sales volume has been recorded that is 20.6% lower than 2009. This decrease in production is a result of a general drop in the execution by the Public Administrations, arising from the tax consolidation measures announced by the Spanish Government in 2010.

The reduced investment in infrastructure provided for in the General State Budgets for 2011 projects a period of stagnation of civil works activities in Spain.

On the other hand, international activity has grown by 34.6% as a result of the positive production trend of the United States (EUR 854 million), Canada (EUR 137 million) and Chile (EUR 109 million) on the American continent, as well as in Poland (EUR 459 million) and other European countries (Greece, Ireland, Portugal and the United Kingdom). These figures include the activity of the companies acquired in 2009. International activity accounts for 33% of the total, ten percentage points more than in 2009 and is practically composed of civil works projects in its entirety.

The Construction operating margins suffered a drop of 50 basis points in 2010, both in the case of EBITDA and EBIT, compared with those recorded in 2009. This drop was caused by the increase in competitive pressure and a lower dilution of the overhead due to the drop in production. Thus, the EBITDA margin dropped to 7.0%, and the EBIT margin stood at 5.7%.

The international activity showed operating margins slightly lower than those of the national market, but in line with the profitability objectives and growth of the activity. Net profit amounted to EUR 220.4 million, down 8.7% from 2009, with a sales margin of 3.9%.

| Construction backlog breakdown by activity | 2009 | 2010 | Var. 10/09 |
|--|-----------------|-----------------|---------------|
| Million of euros | | | |
| Civil Works | 9,453.4 | 9,750.3 | +3.1% |
| Non Residential Building | 1,427.0 | 1,045.7 | -26.7% |
| Residential Building | 460.0 | 291.5 | -36.6% |
| Total | 11,340.4 | 11,087.5 | -2.2% |
| International | 4,232.2 | 5,377.7 | +27.1% |
| % over total backlog | 37% | 49% | |

The construction backlog stood at EUR 11,087 million, with a level equivalent to 24 months of production. This amount was 2.2% lower than last year's figure.

The international backlog, which already entails 49% of the total and is mainly in civil works projects, grew by 27.1% and offset the drop of 16.3% in the Spanish market. In total, the Group's Civil Works portfolio grew by 3.1%.

The Building backlog continued to drop as a result of the strong contraction of the real estate market in Spain. Compared with the figure recorded twelve months ago, the residential building backlog decreased by 36.6%.

1.05.02. Concessions

| Concessions main financial figures | 2009 | 2010 |
|---|---------------|---------------|
| <i>Million of euros</i> | | |
| Turnover | 73.5 | 110.2 |
| Operating Cash Flow (EBITDA) | 18.0 | 33.8 |
| Ordinary Operating Profit (EBIT) | 5.9 | 21.8 |
| Equity method | (10.5) | (16.1) |
| Attributable Net Profit | (21.9) | (21.9) |

The sales and the operating profit from the concession activity come from the different projects that are in operation, where the La Mancha, Santiago-Brión and Reus-Alcover highways, the Av. América and Príncipe Pío interchanges in Madrid and the group of car parks are prominent.

The gain from the sale of the Platinum Corridor highway in South Africa is included in the Concession results, which offsets the provision made for the investment in certain highway concessions due to the performance of the same.

At the end of 2010, the Group had a portfolio of 48 infrastructure concession projects which added up to a total managed investment greater than EUR 20,600 million, of which ACS had commitments at a value of EUR 1,697 million, EUR 989 million already disbursed and EUR 708 million pending disbursement.

- The majority of these projects (28) relates to highways, where the managed investment exceeds EUR 14,000 million and the direct investment of ACS reaches EUR 1,291 million.
- Among the projects in development, the I-595 in Florida (United States), the Diagonal Artery and line 9 of the Metro are prominent, with the last two being in Barcelona.

1.05.03. Environmental

| Environment main financial figures | 2009 | 2010 | Var. 10/09 |
|---|-----------------|-----------------|-------------------|
| <i>Million of euros</i> | | | |
| Turnover | 2,469.8 | 2,561.8 | +3.7% |
| Operating Cash Flow (EBITDA) | 304.1 | 310.9 | +2.2% |
| Margin | 12.3% | 12.1% | |
| Ordinary Operating Profit (EBIT) | 180.3 | 184.9 | +2.6% |
| Margin | 7.3% | 7.2% | |
| Net Profit | 146.2 | 152.3 | +4.1% |
| Margin | 5.9% | 5.9% | |
| Backlog | 10,722.6 | 10,843.7 | +1.1% |
| Months | 52 | 51 | |

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| Environment turnover breakdown by activity | 2009 | 2010 | Var. 10/09 |
|---|----------------|----------------|-------------------|
| <i>Million of euros</i> | | | |
| Environmental Services | 1,486.2 | 1,498.4 | +0.8% |
| Facility Management | 983.6 | 1,049.4 | +6.7% |
| Logistics | 0.0 | 14.0 | n.a. |
| Total | 2,469.8 | 2,561.8 | +3.7% |
| International | 259.3 | 293.4 | +13.2% |
| % over total sales | 10% | 11% | |

The growth of sales in the Environmental area in 2010 was 3.7%, due to the positive performance of Integral Maintenance, which grew by 6.7%, and by maintaining the volume of activity of Environmental Services. The remaining activity of Logistics Services after the sale of Dragados SPL is covered in the Environmental income figures.

The domestic market, showing stability in its income and strength of the Integral Maintenance business, thanks to its wide range of multiple services and broad geographic coverage, grew by 2.6% over 2009. On the other hand, the domestic production of Environmental Services suffered a slight decrease of 1.2%.

International sales, coming mainly from the activity of Environmental Services, rose by 13.2% as a result of the heavy activity in treatment plants in international markets, due to the number of contracts awarded over the last periods and the investment made.

The EBITDA grew slightly by 2.2%, showing a slight decrease in the sales margin as a result of the greater growth of the Integral Services businesses, whose operating margins are substantially lower. The performance of the EBIT also followed the same trend and grew by 2.6% over the same period in 2009. The sales margins stood at 12.1% and 7.2% respectively. Net profit rose by 4.1% with a margin of 5.9%. This result includes the contribution of the ordinary earnings from Port and Logistics Services, until its sale, as an "Interrupted Activity" for the value of EUR 43.2 million.

| Environment backlog breakdown by activity | 2009 | 2010 | Var. 10/09 |
|--|-----------------|-----------------|-------------------|
| <i>Million of euros</i> | | | |
| Environmental Services | 9,099.7 | 9,164.0 | +0.7% |
| Facility Management | 1,102.3 | 1,174.5 | +6.6% |
| Logistics | 520.6 | 505.2 | -3.0% |
| Total | 10,722.6 | 10,843.7 | +1.1% |
| International | 3,115.8 | 3,442.1 | +10.5% |
| % over total backlog | 29% | 32% | |

The Environment backlog was EUR 10,844 million, equivalent to more than 4 years of production, 1.1% greater than that recorded last year. The international backlog, which basically corresponds to Environmental Services, entailed 32% of the total and grew by 10.5%.

1.05.04. Industrial Services

| Industrial Services main financial figures | 2009 | 2010 | Var. 10/09 |
|---|----------------|----------------|-------------------|
| <i>Million of euros</i> | | | |
| Turnover | 6,849.6 | 7,157.8 | +4.5% |
| Operating Cash Flow (EBITDA) | 686.9 | 821.4 | +19.6% |
| Margin | 10.0% | 11.5% | |
| Ordinary Operating Profit (EBIT) | 547.8 | 627.7 | +14.6% |
| Margin | 8.0% | 8.8% | |
| Net Profit | 346.7 | 399.5 | +15.2% |
| Margin | 5.1% | 5.6% | |
| Backlog | 6,518.0 | 6,846.2 | +5.0% |
| Months | 11 | 11 | |

| Industrial Services turnover breakdown by activity | 2009 | 2010 | Var. 10/09 |
|---|----------------|----------------|-------------------|
| <i>Million of euros</i> | | | |
| Support Services | 4,310.3 | 4,212.7 | -2.3% |
| Networks | 868.0 | 738.7 | -14.9% |
| Specialized Products | 2,345.9 | 2,352.9 | +0.3% |
| Control Systems | 1,096.4 | 1,121.1 | +2.3% |
| Energy Projects | 2,414.8 | 2,704.8 | +12.0% |
| Renewables - Power Generation | 191.7 | 308.9 | +61.2% |
| <i>Consolidation Adjustments</i> | <i>(67.2)</i> | <i>(68.6)</i> | <i>n.a.</i> |
| Total | 6,849.6 | 7,157.8 | +4.5% |
| International | 2,304.8 | 2,674.8 | +16.1% |
| % over total sales | 34% | 37% | |

Sales in Industrial Services grew in 2010 by 4.5%. International sales grew by 16.1% until representing 37% of the total. The strong increase in production experienced in Latin American countries such as Mexico, Brazil, Chile and Peru stands out. Strong growth also took place in the Asian market, which now represents 10% of the international sales.

The activity of Industrial Facilities and Maintenance showed a slight drop of 2.3%. This decrease in sales was caused by a drop in the industrial maintenance activities in Spain, around 8%, which is not being offset even by the growth of international activity, which in the case of Specialised Facilities was close to 20% in 2010.

The area of Integrated Projects showed 12% growth in its production, supported by the strong growth of international activity that grew by 31.0%.

The income from energy generation by renewable sources grew by 61.2% to EUR 308.9 million, exclusively due to the commissioning of new facilities during 2010.

EBITDA increased by 19.6% with a sales margin of 11.5%, 150 basis points higher than in the previous year. This increase was a result of the change in the mix, where the activities of Integrated Projects and principally Renewable Energies provided a greater proportion. The EBIT grew 14.6%, with the sales margin standing at 8.8%, 80 basis points better than 2009. A significant increase in amortisation took place, as a result of a greater contribution from the most capital intensive businesses such as the energy concessions.

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| Industrial Services backlog breakdown by activity | 2009 | 2010 | Var. 10/09 |
|--|----------------|----------------|-------------------|
| <i>Million of euros</i> | | | |
| Support Services | 3,986.6 | 4,294.7 | +7.7% |
| Energy Projects | 2,531.4 | 2,551.5 | +0.8% |
| Total | 6,518.0 | 6,846.2 | +5.0% |
| International | 2,603.0 | 3,390.8 | +30.3% |
| % over total backlog | 40% | 50% | |

The total backlog grew by 5.0% to EUR 6,846 million, equivalent to one year of production. The strong growth experienced on the international markets was notable, greater than 30%, thanks to the significant push received in the area of Integrated Projects with the recent awarded turnkey project contracts in Latin America, Asia and Northern Europe.

The Mexican market, with a backlog that almost entails one third of the total international backlog, is currently the one with the greatest growth potential, with important contracts related to the energy sector, both in the electricity and oil & gas segments.

1.05.05. Listed affiliates

| Associates main financial figures | 2009 | 2010 | Var. 10/09 |
|--|--------------|--------------|-------------------|
| <i>Million of euros</i> | | | |
| Abertis | 132.1 | 119.3 | -9.7% |
| Hochtief | 51.4 | 72.3 | +40.7% |
| Iberdrola | 209.1 | 248.7 | +18.9% |
| Income from Associates | 392.5 | 440.2 | +12.2% |
| Financial expenses | (392.1) | (400.3) | +2.1% |
| Corporate tax | 116.8 | 119.2 | +2.1% |
| Attributable Net Profit | 117.2 | 159.1 | +35.7% |

The contribution of these listed affiliate companies to the Group's profit prior to deducting finance costs and associated taxes amounted to EUR 440.2 million, 12.2% more than in 2009. The contribution of all of these affiliates increased:

- The contribution of Abertis as a result of its being accounted for by the equity method amounted to EUR 119.3 million. This figure includes the 25.8% holding until August and the 10.3% indirect stake, through Admirabilia S.L., since September.
- The Group's holding in Hochtief contributed EUR 72.3 million as a result of its being accounted for by the equity method.
- Iberdrola contributed the dividends accrued amounting to EUR 248.7 million, which were accounted for as finance income. This figure includes the extraordinary dividend paid in July 2010 and the dividend on account from 2010 received at the end of December on shares that the Group held on 2 December 2010, representing 15.6% of its capital.

The finance expenses associated with the Group's investments in these companies amounted to EUR 400.3 million. The positive tax impact was EUR 119.2 million.

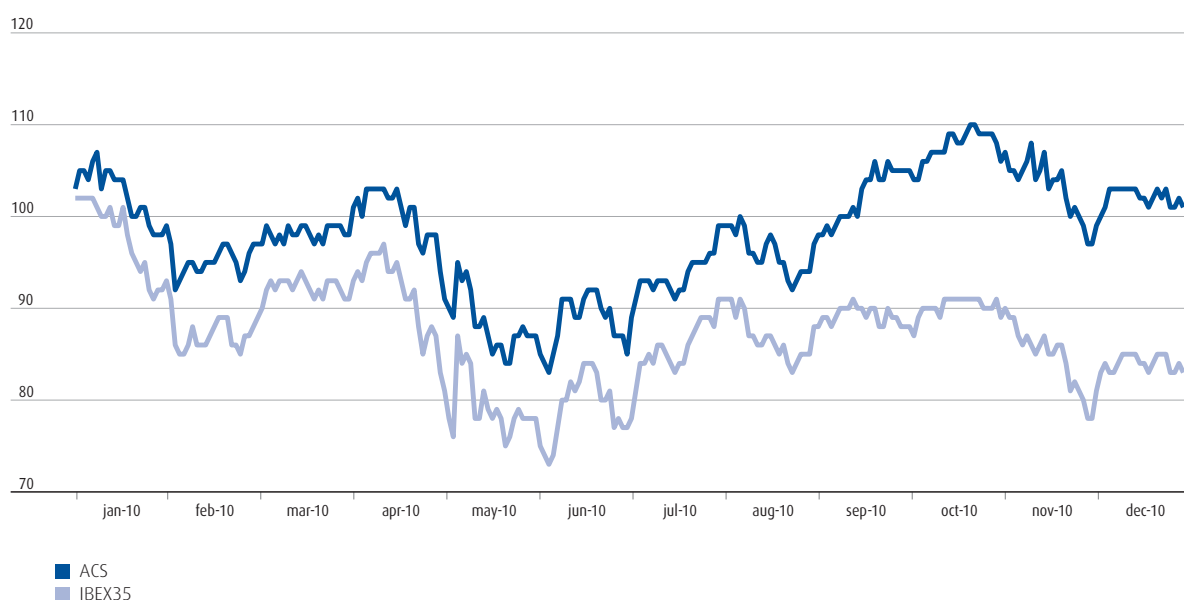
Accordingly, the net contribution of the listed companies to the Group's profit in 2010 was EUR 159.1 million, 36% more than in the same period from last year.

2. Securities Market performance

2.01. Securities Market information for 2010

In Securities Market terms, 2010 was negative for the Ibex35, but the ACS Group maintained better performance than the market. The ACS Group shares remained at the same level as the closing of the previous period, while the Ibex35 lost 17%.

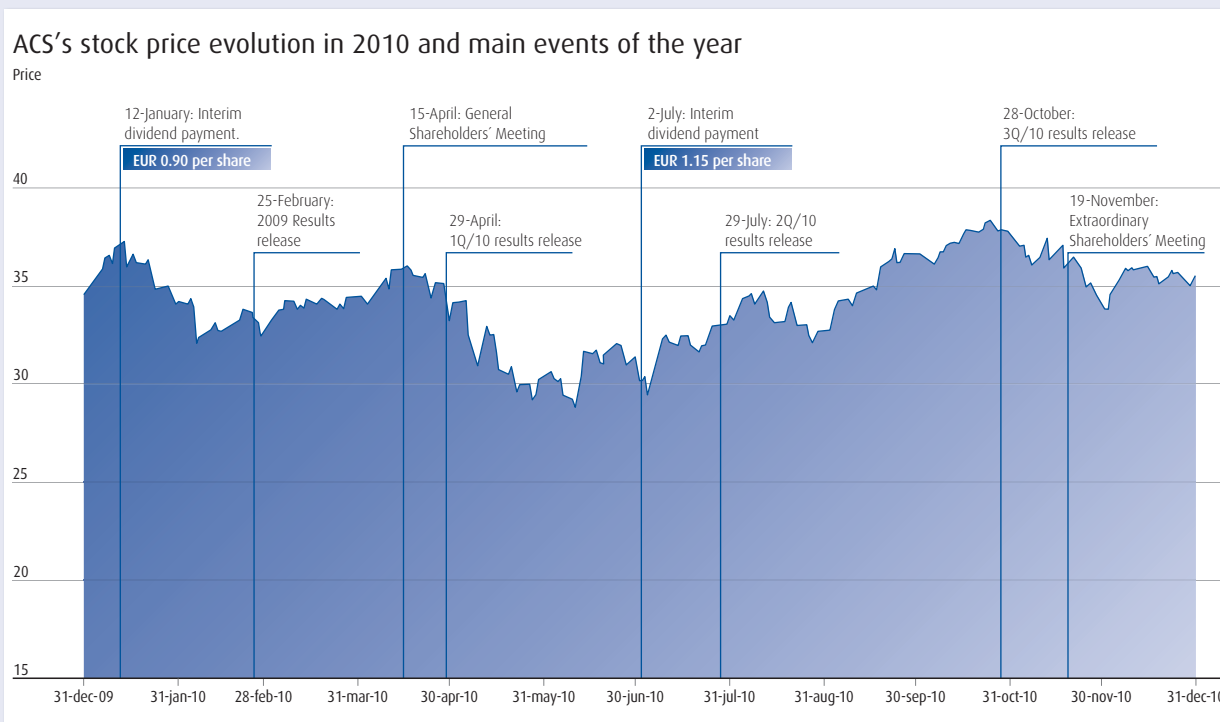
Stock exchange information for 2010



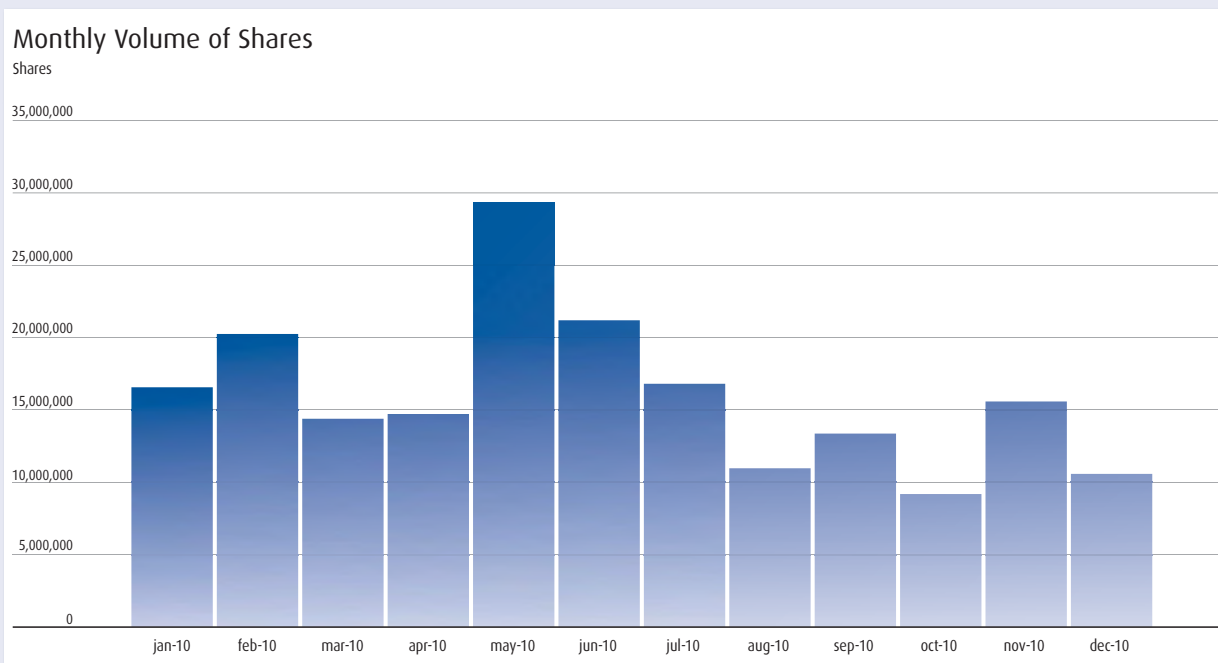
The breakdown of the ACS Group's main Securities Market data in 2009 and 2010 is as follows:

| ACS Shares Data | 2009 | 2010 |
|--------------------------------|---------|---------|
| Closing price | 34.81 € | 35.08 € |
| Annual performance | 6.62% | 0.76% |
| Maximum in the period | 38.75 € | 38.80 € |
| Maximum Date | 30-apr | 05-jan |
| Minimum in the period | 27.67 € | 28.59 € |
| Minimum Date | 09-mar | 25-may |
| Average in the period | 34.46 € | 33.58 € |
| Total volume ('000) | 196,116 | 193,764 |
| Daily average volume ('000) | 769.08 | 753.95 |
| Total traded effective (€ mn) | 6,759 | 6,507 |
| Daily average effective (€ mn) | 26.51 | 25.32 |
| Number of shares (mn) | 314.66 | 314.66 |
| Market cap (€ mn) | 10,953 | 11,037 |

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The trading volume reached a monthly average of a little over 16.1 million shares.



If the proposal to be made at the Ordinary General Shareholders' Meeting is accepted, direct shareholder profit in the form of 2010 dividends will amount to EUR 2.05 per share, distributed in two payments: an initial interim dividend of EUR 0.90 per share, paid on 8 February 2011, and an extraordinary dividend of EUR 1.15 per share. The proposed dividend represents 66.6% of the ordinary earnings per share for 2010 and the dividend yield for shareholders at the 2010 year-end closing price stood at 5.8%.

2.02. Treasury shares

At 31 December 2010, the ACS Group held 19,542,383 treasury shares on its balance sheet, representing 6.21% of the share capital. The breakdown of the transactions performed in the year is as follows:

| Treasury Stock | Number of Shares |
|------------------------------------|-------------------|
| Balance, December 31st 2009 | 9,835,633 |
| Purchases | 10,200,612 |
| Sales | (493,862) |
| Amortization of shares | 0 |
| Balance, December 31st 2010 | 19,542,383 |

On 4 February, 2011, as a result of the completion of the takeover bid on Hochtief AG, the ACS Group delivered 5,050,085 ACS shares as compensation for the Hochtief AG shares that were in the takeover bid.

3. Information about the main risks and doubts intrinsic to the ACS Group's activity and management of financial risk

The ACS Group operates in sectors, countries and social, economic and legal environments which involve the assumption of different levels of risk caused by these determining factors.

The ACS Group monitors and controls the aforementioned risks in order to prevent an impairment of profitability for its shareholders, a danger to its employees or corporate reputation, a problem for its customers or a negative impact on the company as a whole.

For this purpose, the ACS Group has instruments enabling it to identify such risks sufficiently in advance or to avoid them, and to minimise the risk, prioritising their significance as necessary.

The 2010 Corporate Governance Report of the ACS Group details these risk control instruments, as well as the risks and uncertainties to which it has been exposed during the period.

Financial risk management

As in the previous case, the ACS Group is exposed to various financial risks, including the risks of changes in interest rates and exchange rates, as well as liquidity and credit risk.

Risks arising from changes in interest rates affecting cash flows are mitigated by hedging the rates through the use of financial instruments which cushion their fluctuation. In this context, the Company uses interest rate swaps to reduce exposure to non-current loans.

The risk of fluctuations in the rate of exchange is managed by acquiring debt instruments in the same effective currency as the assets that the Group finances abroad. In order to hedge net positions in currencies other than the Euro, the Group arranges different financial instruments to reduce the exposure to the risk of changes in exchange rates.

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To manage the liquidity risk arising from temporary imbalances between funding requirements and receipt of the necessary funds, a balance is procured between the two terms involved while, at the same time, the Group borrows on a flexible basis designed to cater for its funding needs at any given time. This is linked to the management of capital by maintaining a financial-equity structure which is optimal for reducing costs, while safeguarding the capacity to continue operating with appropriate debt ratios. The recent signing of the forward-start facility to December 2014 stands out in this regard, of the financing for the initial acquisition of Iberdrola shares, which has made an improvement in the average term of the Group's financial liabilities.

Finally, credit risk caused by the non-payment of commercial loans is dealt with through the preventive assessment of the solvency rating of potential Group customers, both at the commencement of the relationship with these customers for each job or project and during the term of the contract, through the evaluation of the credit quality of the outstanding amounts and the revision of the estimated recoverable amounts in the case of balances considered to be doubtfully collectible.

A full breakdown of the mechanisms used to manage all these finance risks and the financial instruments to hedge them is included in the Company's and in the Group's financial statements for 2010.

4. Human resources

At 31 December 2010, the ACS Group had 138,542 employees, of which more than 14,000 were holders of university degrees. In 2010, the ACS Group experienced an increase of 1,527 net job positions.

The ACS Group's human resource policy consists mainly of maintaining and hiring committed teams of individuals, with a high level of knowledge and specialisation, capable of offering the best service to the customer and generating business opportunities with rigour and efficiency. These objectives are achieved by means of active personnel selection policies, the fostering of teamwork, excellence in decision-making and cutting down on bureaucracy. Additionally, specialised training is promoted in each activity, aimed at fostering innovation and professional expertise in order to improve ACS Group processes, products, services and safety levels.

In the Annual Corporate Responsibility Report, all of the topics related to human resource corporate policies are developed in greater detail, mainly on subjects that are fundamental to the Group such as talent management and job safety.

5. Technological Innovation and Environmental Protection

Research and development activities

The ACS Group is committed to a policy providing for the ongoing improvement of its processes and of applied technology in all activities. For this purpose, the ACS Group has an in-house research programme aimed at developing new technological know-how in the design of processes, systems, new materials, etc. in each activity.

This programme is based upon three premises:

- 1) Development of projects with the maximum beneficial impact on the technical and technological advancement of the company, for which it has procedures for analysing and differentiating between what projects to undertake prior to their commissioning.
- 2) Development of projects along with prestigious research institutions, both nationally and in Europe, which complement the capabilities of the ACS Group researchers.

- 3) Growing and responsible investment for the purpose of putting research into practice, creating patents and operating techniques consistently and efficiently.

The main research trends on which the Group is currently focusing its efforts are:

- In the Construction area, effort is made mainly to increase quality, the safety of employees, and the improvement of processes and techniques whose final objective is to respect the environment.
- The work performed in the Industrial Services area related to technological improvements in the area of renewable energies, urban control systems and systems relating to high speed trains.
- Within the Environmental area, efforts are concentrated on two main activities: the improvement of procedures and solid urban waste management technology and the reduction of CO₂ emissions.

Environmental protection

The ACS Group carries out activities that entail significant environmental impact, directly as a result of altering the surroundings and indirectly by the consumption of materials, energy and water resources.

The ACS Group carries out its activities respectfully with legislation, taken the most efficient measures to reduce said effects and reporting its activities in the mandatory environmental impact studies. It also develops policies and adapts its processes so that a high percentage of the Group's activities is certified according to the ISO 14001 standard, which entails a commitment in addition to that required by law in adherence to good environmental practices.

Likewise, ACS has different action plans in progress at its companies to reduce the environmental impact in a more specific scope. The main initiatives being undertaken are:

- Actions to contribute to reducing the climate change.
- Initiatives to foster energy efficiency in its activities.
- Procedures that help to minimise the impact on biodiversity in those projects where it is necessary.
- Fostering good practices aimed at water savings at those locations considered to have high water stress.

Details on the results of the research, development and innovation policies of the ACS Group are compiled and published frequently on the ACS Group website (www.grupoacs.com) and in the Annual Corporate Responsibility Report.

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6. Significant events subsequent to year-end

Noteworthy is the completion of the takeover bid of Hochtief in February 2011 through the swapping of ACS treasury shares for Hochtief shares, reaching a 33.49% holding at that time. At the date of preparation of these financial statements, the ACS Group had reached approximately a 37.6% holding in the share capital.

In addition, on 10 February 2011, the ACS Group signed a non-recourse financing contract in which BBVA acts as an agent, for the amount of EUR 2,059 million, which expands the financing of Residencial Monte Carmelo, S.A. (a company that holds 6.58% of Iberdrola shares) by three years to 28 December 2014. With this transaction, the Group managed to refinance the most relevant financing debt that would mature in 2011.

In relation to the legal proceedings that are being pursued at Commercial Court No. 1 of Bilbao, in a lawsuit for annulment of the agreement of the General Shareholders' Meeting of Iberdrola on 26 March 2010, whereby the Director chosen by ACS resigned by exercising his right of proportional representation. On 26 January 2011, notification was received of the judgment dismissing the lawsuit, and not being in agreement with the content of said judgment, ACS decided to file the appropriate appeal that shall be ruled upon by the Provincial Court of Biscay.

7. Outlook for 2011

Certain events in the recently ended year 2010 cause the ACS Group to undertake its activities in 2011 cautiously, but they also enable it to have moderated optimism. Although the economic situation in Spain is difficult, the recent investments and the commitment to internationalisation will allow the ACS Group to continue providing sustainable growth and value to its shareholders.

The performance of Construction activity in 2011 will largely depend on the performance of the domestic market and the development of the international markets where the Group has a presence:

- On the one hand, construction activity in Spain continues to be affected by the real estate crisis and the drop in public resources for new infrastructure. Specifically, the civil works segment, where the Group has greater exposure, will depend upon the trend in the public accounts and the economic recovery.
- On the other hand, internationally, the outlook for 2011 centres on investing in infrastructure in the United States and Poland, where the Group has made major investment over the past years, in addition to the markets where it traditionally has a presence such as Portugal and Chile, where ACS competes by developing concession and civil works projects. This growth in internationalisation of construction activity will allow it to offset the anticipated drop in activity in the Spanish market.

The Group will continue working to maintain its high operating efficiency through cost containment and management of working capital. These variables are crucial in a business that is so competitive as construction.

In line with the trend of the large civil works projects, the concession activity of the ACS Group shows significant opportunities, based upon the large projects awarded in the last years, mainly international ones, which over the coming years will require investments similar to those made in 2010, which exceeded EUR 750 million.

In 2011, the ACS Group is prequalified in several calls for tender for securing projects, and is also ready to continue bidding on projects which are to be tendered by government bodies in Europe and North America in the near future.

In Environmental Services, the ACS Group has identified several lines of action which will enable it to maintain profitability in this area, characterised by its visibility and recurrent long-term income.

- In the activity of solid urban waste management, where Urbaser is point of reference, the international expansion will continue in countries where it is already having success in their tender processes, mainly through waste treatment projects.
- In the Integral Maintenance area, Clece will continue offering services enabling its clients to face cost reductions efficiently by outsourcing their maintenance activities. This trend has peaked as a result of the current economic backdrop, particularly among large public and private clients.

The Environmental Services area of activity will therefore maintain its tradition of offering public service utilities, depending on investment in long-term projects for growth.

In the Industrial Services and Energy area, the ACS Group combines significant international growth with the stability of its maintenance contracts and the opportunities to invest in energy generation assets and energy concession projects it has seized.

The growth in international activity has its origin mainly in the investment plans of its clients outside of Spain, and mainly in Latin America, where Brazil and Mexico continue to be the important markets of reference. The Asian markets, such as India and the Middle Eastern countries, also present multiple opportunities related to new energy infrastructure, and where the Group has a long track record of contract execution.

Finally, the ACS Group will continue rotating its portfolio of energy-related assets, which began in 2010 with the sale of 8 transmission lines in Brazil and will continue in 2011 with the sale of renewable power generation assets as well as other concession assets.

In 2011, the ACS Group will continue carrying out its activities as a reference industrial shareholder both in Iberdrola, Abertis and Hochtief. In the last case the objective of the company goes from investing to reaching at least 50% in the company and thus consolidating its holdings in global integration.

In view of the aforementioned scenario, the objective of the Group for 2011 includes maintaining sustained operating growth and improving the profitability of all its shareholders.

8. Board of Directors' report for the 2010 financial year in accordance with the provisions of Article 116 bis of the Securities Market Law

Pursuant to Article 116 bis of Law 24/1988 of 28 July, introduced by Law 6/2007 of 12 April, the Board of Directors of ACS Actividades de Construcción y Servicios, S.A. submits to its shareholders the following explanatory report with the disclosures, which in accordance with the aforementioned provision, have been included in the Directors' Reports accompanying the financial statements for 2010.

a) Capital structure, including securities not traded on an EC regulated market, with indication of different classes of shares and, for each class, the rights and obligations they confer and the percentage of share capital they represent.

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As provided in Article 6 of the Company Bylaws, the Company's share capital amounts to EUR 157,332,297 on 31 December 2010, represented by 314,664,594 fully subscribed and paid shares with a par value of EUR 0.50 each, all of the same class and series. All of the shares are fully paid. Pursuant to Article 23 of the Bylaws, in order to be able to attend the General Shareholders' Meeting, shareholders are required to hold at least one hundred shares.

b) Any restriction on the transferability of securities.

There are no restrictions on the transferability of shares representing the company's share capital.

Since the company is listed, in order to acquire a percentage equal to or higher than 30% of its share capital or voting rights, a takeover bid is required to be launched under the terms provided in Article 60 of the Securities Market Law 24/1988 and Royal Decree 1066/2007 of 27 June.

c) Significant direct or indirect holdings in the share capital.

According to the data provided to this company by the shareholders or, where not specifically provided, according to the data available in the pertinent Register of the Spanish National Securities Market Commission:

| Shareholders | 31/12/2010 |
|------------------------------------|------------|
| Corporación Financiera Alba, S.A. | 23.307% |
| Corporación Financiera Alcor, S.A. | 13.860% |
| Inversiones Vesán, S.A. | 12.521% |
| Southeastern Asset Management Inc | 6.469% |
| Fluxá Rosselló, Miguel | 5.638% |

d) Any restriction on voting rights.

There are no specific restrictions on this right under the Company Bylaws. However, as previously indicated, pursuant to Article 23 of the Company Bylaws, in order to be able to attend the General Shareholders' Meeting (attendance right), shareholders are required to hold at least one hundred shares.

e) Shareholders' agreements

No shareholders' agreements have been reported to the Company.

f) Regulations applicable to appointments and substitution of members of the governing body and the amendment of Company Bylaws.

Appointment and substitution of members of the Board of Directors.

This matter is regulated in Articles 13 and 14 of the Company Bylaws and Articles 3, 11 and 24 of the Rules of the Board of Directors, which essentially provide the following:

The Company is governed by a Board of Directors consisting of a minimum of eleven (11) and a maximum of twenty-one (21) members. At the proposal of the Board of Directors, the General Shareholders' Meeting shall be responsible for setting, within the aforementioned limits, the exact number of members of the Board of Directors, and appointing the individuals to fill these positions; The Board's proposal is required to be preceded by the proposal by the Appointment and Remuneration Committee. No age limit has been set to be appointed a Board Member or for the exercise of this position.

Board members shall hold their positions for the term provided in the Company Bylaws (six years) and may be re-elected one or more times for terms of the same length.

The board members shall cease to hold their position when separated by the General Shareholders' meeting, when they notify the Company of their resignation or dismissal or when the term for which members were appointed has expired, and in accordance with Article 145 of the Regulations of the Spanish Mercantile Registry. In the event of a vacancy for any reason, the Board of Directors may provisionally fill such vacancy by choosing among the shareholders until the next General Shareholders' Meeting, when the definitive election shall take place.

Amendment of the Company Bylaws

The procedure for amending the Company Bylaws is regulated by Article 29 and generally, by Article 285 and subsequent articles of the Consolidated Text of the Capital Corporations Law, approved by Royal Legislative Decree 1/2010 of 2 July, which require approval by the General Shareholders' Meeting, with the attendance quorums and if applicable, majorities provided in Articles 194 and 201 of the aforementioned Consolidated Text. Resolutions shall be adopted by a simple majority, except where under section 2 of the aforementioned Article 201 of the Consolidated Text of the Capital Corporations Law, such resolutions are required to be adopted by means of the vote in favour of two thirds of the share capital present or represented when the shareholders present or represented hold twenty-five percent or more of the subscribed share capital with a right to vote, without reaching fifty percent. The ordinary majority necessary to approve a resolution shall require the vote in favour of half plus one of the shares with voting rights present or represented at the meeting.

g) Powers of the members of the Board of Directors and, in particular, powers to issue and/or repurchase shares.

The Board of Directors acts jointly and is granted the broadest of powers to represent and govern the Company. The executive team of the same is generally entrusted with the management of the Company's ordinary business by the Board, which carries out the general function of supervising and controlling the Company's operations, but may directly assume the responsibilities and decision-making that it deems appropriate in the management of the Company's businesses.

The Chair of the Board of Directors is executive in nature and is delegated all of the powers of the Board of Directors, except for those that cannot be delegated as per the law or bylaws. Additionally, the Executive Committee is vested with all powers of the Board of Directors which may be legally or statutorily transferred. Additionally, the Executive Committee is vested with all powers of the Board of Directors which may be legally or statutorily transferred.

At the General Shareholders Meeting held on 15 April 2010, the Board of Directors of the Company, as well as those of subsidiary companies were authorised to acquire shares in the Company for valuable consideration, for the 18-month period following the date of that General Shareholders Meeting, and pursuant to the terms and requirements set forth in section 75 and related provisions of the Spanish Public Limited Liability Companies Law, the par value of which when added to the shares already held by the Company and its subsidiaries, does not exceed 10% of the issued share capital. The minimum and maximum price shall be, the par value of the shares and a price not exceeding the price at which they are traded at the Securities Market session on the date of the purchase, or the price authorised by the competent body of the Securities Market or by the Spanish National Securities Market Commission, respectively.

Likewise, in accordance with Articles 153) 1.b and 2 of the Consolidated Text of the Spanish Public Limited Liability Companies Law, the General Shareholders Meeting held on 25 May 2009 agreed to empower the Board of Directors of the Company to increase the share capital of the Company by up to half of its current amount at the date of this resolution, in one or more increases with the specific amounts and conditions it freely decides, without prior consultation with the General Shareholders' Meeting and within a period of five years from the date of said Meeting. As such, the Board of Directors may establish the terms and conditions of the share capital increases and the characteristics of the shares, investors and markets for which the increase is intended. Thus, the Board of Directors may also freely offer new, unsubscribed shares during the pre-emptive subscription period and, in the event that the shares are not fully subscribed, render the share capital increase without effect or set the amount of the increase at the amount of the subscribed shares. The share capital increase or increases may be carried out by issuing new shares, whether ordinary shares, shares without voting rights, preferred shares or callable shares, with the corresponding amendment of Article 6 of the Company Bylaws. In all cases, the new shares must be backed by financial contributions involving payment of the face value of the shares and, where applicable, the issue premium that may be established. In compliance with the provisions of Article 159.2 of the Consolidated Text of the Spanish Public Limited Liability Companies Law, the Board of Directors is expressly granted the power to eliminate all or part of the rights of first refusal over any share issues that it may carry out by virtue of this authorisation, provided that doing so is in the best interest of the Company and provided that the face value of the shares issued, plus the issue premium, if any, established is commensurate with the reasonable value of the Company's shares. The reasonable value must be derived from a report

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prepared, at the request of the Board of Directors, by an account auditor other than the Company's own account auditor, appointed for this purpose by the Companies Register each and every time the Board exercises the power to withhold the right of first refusal as set out in this paragraph. Furthermore, the Board of Directors of the Company is authorised to request that any shares issued in Spanish or foreign organised secondary markets be admitted for or excluded from trading. The Board of Directors is expressly authorised to delegate the powers described in this resolution.

Similarly, at the General Shareholders Meeting held on 25 May 2009, the shareholders agreed to grant the Board of Directors the power, in accordance with the applicable legal provisions, to issue simple, exchangeable or convertible fixed-income securities as well as warrants on newly issued shares or Company shares currently in circulation, all pursuant to the following:

1. The securities that the Board of Directors is authorised to issue may be debentures, bonds, promissory notes and 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 and/or convertible in shares of the Company, as well as warrants on newly issued shares or Company shares currently in circulation.
2. The securities may be issued on one or more occasions at any time during a maximum of five years beginning on the date of this resolution.
3. The total amount of the securities issue or issues resolved by virtue of the power granted here, regardless of its/their nature, plus the total amount of the securities admitted by the Company that are in circulation at the moment the Board exercises this power may not exceed, at the moment, a maximum of eighty percent of the equity of ACS Actividades de Construcción y Servicios, S.A. according to the last approved balance sheet.
4. In exercising the authorisation granted here, the details that the Board of Directors must determine for each issue include but are not limited to the following: 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.
5. The following criterion are established for the issue of convertible and/or exchangeable bonds or debentures:
 - 5.1. The Board of Directors is authorised to determine whether they are convertible and/or exchangeable as well as to determine whether they are mandatorily or voluntarily convertible and/or exchangeable and, in the latter case, whether they are convertible and/or exchangeable by option of the holder or the issuer with the frequency and for the period of time set forth in the issue agreement, which may be no longer than at most ten years from the date of issue.
 - 5.2. The Board of Directors is authorised to determine if the issuer reserves the right to decide, at any time, to convert the securities into new shares or to exchange them for shares already in circulation, specifying the nature of the shares granted at the moment of conversion or exchange, whereby the Board of Directors may even decide to exchange or convert the securities for a combination of newly issued and pre-existing shares.
 - 5.3. The rate of conversion and/or exchange may be fixed, in which case the fixed-income securities shall be appraised at their face value and the shares at a fixed rate of exchange set in the same resolution of the Board of Directors that is used to exercise this power, or may be a variable rate to be set at the date or dates indicated in the resolution by the Board of Directors in accordance with the market price for Company shares on the Securities Market on the date(s) or over the period(s) used as a benchmark in the resolution. In all cases, for the purpose of conversion or exchange, the price per share may not be lower than the greater of (i) the arithmetic mean of the

closing prices of the Company shares on the Continuous Market of the Spanish Securities Markets over a period to be set by the Board of Directors, albeit no longer than three months and no shorter than fifteen days prior to the date that the Board adopts the resolution to issue the fixed-income securities and (ii) the closing price of the shares on the same Continuous Market for the day prior to the adoption of the aforementioned issue resolution. The foregoing notwithstanding, the Board of Directors may issue the debentures or bonds with a variable rate of conversion and/or exchange, in which case, for the purpose of conversion or exchange, the price of the shares shall be the arithmetic mean of the closing prices of the Company shares on the Continuous Market for a period to be set by the Board of Directors, albeit no longer than three months and no shorter than fifteen days from the date of conversion and/or exchange, with a premium or, as the case may be, a discount on said price per share. The premium or discount may be different for each conversion and/or exchange date of each issue (or of each tranche of an issue, where applicable); however, if a discount is offered on the price per share, the total amount of the discount may not be greater than twenty percent.

- 5.4. Where applicable, any fractions of a share that should be given to a holder of debentures shall be rounded down to the immediately preceding whole number. Should this be the case, the difference will then be paid out to every debenture holder.
 - 5.5. In accordance with the provisions of Article 3 of the Spanish Public Limited Liability Companies Law, debentures may not be converted to shares when the face value of the debentures is lower than the face value of the shares. In addition, the share value may never be lower than its face value.
 - 5.6. When approving the issue of convertible or exchangeable debentures or bonds, the Board of Directors shall issue a Directors' report to develop and specify, on the basis of the criteria described above, the base principles and modes of conversion that specifically apply to said issue. This report must be accompanied by the pertinent report from the account auditors envisaged in Article 292 of the Spanish Public Limited Liability Companies Law. Moreover, said reports will be made available to the shareholders and, as the case may be, to the holders of the convertible or exchangeable fixed-income securities and the warrants and be notified to the first General Meeting held after the resolution to carry out the issue.
6. By analogy with the provisions of the Spanish Public Limited Liability Companies Law pertaining to convertible debenture issues, the following criteria are established for the issue of warrants:
- 6.1. The warrants that are issued may entitle their holders to subscribe new shares in the Company and/or to acquire outstanding shares in the Company, and the Board of Directors shall be authorised to determine this.
 - 6.2. The deadline for exercising the issued securities shall be determined by the Board of Directors and may be no longer than ten years from the date of issue.
 - 6.3. The Board of Directors may establish whether the Company reserves the right to require the holder of the warrant to subscribe newly issued shares or acquire shares that are already in circulation at the moment he or she exercises the warrant and may even hand over a combination of newly issued and pre-existing shares. In all cases, the Company must guarantee equal treatment of all warrant holders who exercise their warrants on the same date.
 - 6.4. The price of exercising the warrants shall be determined by the Board of Directors in the resolution regarding their issue or shall be determined at the date or dates indicated in the resolution by the Board of Directors in accordance with the market price for Company shares on the Securities Market on the dates or over the periods used as a benchmark in the resolution. The exercise price may be variable depending on when the warrant is exercised. In all cases, the price of the share in question may not be lower than the greater of (i) the arithmetic mean of the closing prices of the Company shares on the Continuous Market of the Spanish Securities Markets over a period to be set by the Board of Directors, albeit no longer than three months and no shorter than fifteen days prior to the date that the Board adopts the resolution to issue the warrants and (ii) the closing price of the shares on the same Continuous Market for the day prior to the adoption of the aforementioned issue resolution. The sum of the premium or premiums paid for each warrant and their exercise price may not be lower than the market price of a Company share, viewed in accordance with the provisions of the prior paragraph, or lower than the face value of a Company share.

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- 6.5. When approving the issue of warrants, the Board of Directors shall issue a Directors' report to develop and specify, on the basis of the criteria described above, the base principles and modes of conversion that specifically apply to said issue. This report must be accompanied by the pertinent report from the account auditors envisaged in Article 292 of the Spanish Public Limited Liability Companies Law. Said reports will be made available to the shareholders and, as the case may be, to the holders of the convertible and/or exchangeable fixed-income securities and the warrants and be notified to the first General Meeting held after the resolution to carry out the issue.
7. In all cases, the authorisation of the Board of Directors to issue warrants and convertible or exchangeable debentures includes but is not limited to the following powers:
 - 7.1. The power to increase the share capital by the amount needed to meet the requests for conversion of convertible shares or the exercise of warrants over new shares. This power may only be exercised to the extent that when summing the amount of the capital increase to satisfy the issue of convertible bonds or debentures or the exercise of warrants on new share issues plus the remaining share capital increase resolved by virtue of the authorisations granted by the General Meeting, the Board of Directors does not exceed the limit of half of the share capital envisaged in Article 153 b) of the Spanish Public Limited Liability Companies Law. This authorisation to increase the share capital includes the authorisation to issue and put in circulation, on one or more occasions, shares representing the amount of capital needed to realise the conversion or exercise as well as the authorisation to rewrite the article of the Company Bylaws related to the amount of capital and, if necessary, to cancel part of the share capital increase that was not needed for the conversion into shares or the exercise of the warrants.
 - 7.2. The power to eliminate, by virtue of the provisions of Article 159.2 of the Spanish Public Limited Liability Companies Law, the right of first refusal of shareholders, holders of warrants or holders of convertible or exchangeable debentures or bonds if necessary to bring in financial resources in national or international markets or if doing so is otherwise in the best interest of the Company. In any case, if the Board of Directors decides to eliminate the right of first refusal for a specific issue of convertible bonds or obligations or warrants over any new share issue that it may resolve by virtue of this authorisation, when issuing approving the issue, it must also issue a report detailing the specific reasons why doing so is in the best interest of the Company. This report shall be subject to a parallel report by the account auditor referred to in Article 159.2 of the Spanish Public Limited Liability Companies Law. These reports must be made available to the shareholders and to the holders of the convertible or exchangeable bonds or debentures and must be notified to the first General Meeting held after the resolution to carry out the issue.
 - 7.3. The power to develop and specify the base principles and modes of conversion, exchange or exercise on the basis of the criteria set forth above.
8. The Board of Directors, at successive General Meetings held by the Company, shall report to the shareholders, as the case may be, on how it has used the delegated powers referred to in this resolution.
9. The Board of Directors is expressly authorised to guarantee on behalf of the Company all manner of obligations that may derive for its subsidiaries as the result of issues of fixed-income securities (debentures, bonds, promissory notes or any other such security) and warrants by said subsidiaries, for a maximum of up to five years from the date of this resolution.
10. Where applicable, the Company shall request the admission of the debentures, bonds and other securities issued by virtue of this authorisation in official or unofficial, organised or unorganised, national or foreign secondary markets, and the Board of Directors shall have the power to perform any and all actions that are necessary or pertinent to achieve this end. In accordance with Article 27 of the Spanish Securities Market Regulations, it is hereby expressly stated that in the case of the subsequent application for the exclusion from the stock exchange of the securities issued by virtue of this authorisation, this shall be adopted with the same formalities as stated in said Article and, in this event, the interests of shareholders or bondholders who oppose this move or vote against it shall be guaranteed in accordance with all applicable provisions of law.

Likewise, the General Shareholders' Meeting held on 19 November 2010, in the context of the takeover bid on the entirety of shares of the German company Hochtief AG, announced by the company on 16 September of that same year, agreed:

"On 16 September 2010, ACS, Actividades de Construcción y Servicios, S.A. ("ACS" or the "Company") announced its decision to prepare a Takeover Bid targeting all of the shareholders of the German company Hochtief A.G. ("Hochtief"), payable in shares finally at a rate of 8 shares of ACS for every 5 shares of Hochtief (the "Bid"). Based upon the aforementioned exchange ratio and in the event that the Bid were accepted by all of the current share capital of Hochtief, ACS would be under obligation to deliver 112,000,000 shares in the Bid. However, this figure could be increased for different reasons (i.e. in the case where said share capital were increased by 30% to which the current delegations refer, it would stand at 145,600,000 common shares).

To attend to the equity swap derived from the Bid that the Company will finally submit, the treasury shares that it holds will be used first (which on this date represent 6.002% of the share capital). Where the same treasury shares are insufficient to attend to the acceptances that the Bid receives, the Company may deliver shares from the same ACS that it receives on loan for that purpose, newly issued ACS shares resulting from the capital increase that is considered hereafter or choose a combined formula, by delivering existing shares in one part and newly issued shares in another part. The decision on what shares to deliver, once the treasury shares are delivered, will be the responsibility of the Company Board of Directors with express substitution powers on the Executive Committee, the Chair of the Board or any of the Directors.

In light of the foregoing, it also agrees to the following:

1 Share capital increase

It agrees to increase the share capital at a par amount of EUR 78,500,000, by issuing and putting into circulation 157,000,000 common shares with a par value of EUR 0.50 each, of the same class and series as those that are currently in circulation and represented by account anNotetions, and consequently amend Article 6 of the Company Bylaws.

The shares will be issued at their par value of EUR 0.50 plus the issue premium which, if appropriate, will be determined by the Board of Directors with express powers of substitution on the Executive Committee, the Chair of the Board or any of the Company Directors, no later than the execution date of the resolution, based upon the value attributed to the contribution as a function of the average weighted price at which the Hochtief shares would have been traded on the Frankfurt Stock Exchange in the last quarter prior to the actual date of completion of the contribution. This is according to the certification that is issued by the governing company of the Frankfurt Stock Exchange, all in accordance with the provisions of Article 69.a) of Royal Legislative Decree 1/2010 of 2 July, whereby the Consolidated Text of the Spanish Limited Liability Companies Law (the "Spanish Limited Liability Companies Law" or "LSC") is approved.

The shares that would have to be issued in execution of this resolution, if appropriate, will be fully paid through non-cash contributions consisting of common shares in Hochtief made on behalf of the Hochtief shareholders that accept the Bid. Notwithstanding the adjustments that may be appropriate, based upon the possible conditions of the share issues that Hochtief may agree to, the Company will receive Hochtief common shares proportionately to the exchange rate that is offered.

2 Incomplete subscription

The possibility of an incomplete subscription of the agreed amount is expressly provided. Consequently, if the shares under the agreed increase were not subscribed in their entirety for any reason, the share capital increase will be limited to the amount corresponding to the par value of Company shares actually subscribed and paid, with the remainder being ineffective.

Directors' report for the Consolidated Group for 2010

3 Type of issue

The new shares will be issued at their par value of EUR 0.50 plus the issue premium which, if appropriate, will be determined by the Board of Directors with express powers of substitution on the Executive Committee, the Chair of the Board or any of the Company Directors, as a function of the average weighted price at which the Hochtief shares would have been traded on the Frankfurt Stock Exchange in the last quarter prior to the actual date of completion of the contribution. This is according to the certification that is issued by the governing company of the Frankfurt Stock Exchange, all in accordance with the provisions of Article 69.a) of the LSC.

4 Rights of the new shares

The new shares will grant their holders the same political and economic rights as the Company shares that are currently in circulation, from the date on which they are registered in their name in the corresponding accounting records. Specifically, as far as the economic rights, the new shares will entitle them to the interim or final company dividends, which distribution will be agreed to from that date forward.

5 Non-existence of a preferential subscription right

There will be no preferential subscription right on the new shares, in accordance with the provisions of Article 304 of the LSC.

6 Representation of the new shares.

The newly issued shares will be represented through account anNotetions whose accounting record is the responsibility of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. ("IBERCLEAR").

7 Admission of the new shares for trading

It is likewise agreed to request the admission of the shares for trading on the Securities Markets of Madrid, Barcelona, Bilbao and Valencia, through the Securities Market Interconnection System (Continuous Market). The Board of Directors is authorised, with express substitution powers on the Executive Committee, the Chair of the Board or any of the Company Directors, so that once this agreement is executed, it may carry out the corresponding requests, prepare and submit all appropriate documents under the terms that it deems suitable and perform all actions that are necessary to this end.

8 Delegation of powers on the Board of Directors

The Board of Directors is authorised, with the broadest powers that are required under law, and with express substitution powers on the Executive Committee, the Chair of the Board or any of the Company Directors, so that within the maximum term of one year, it may decide on the date when this increase shall be carried out, and also set the conditions of the same where not provided for by this General Shareholders' Meeting, including but not limited to the following:

- (i) Expand and carry out this resolution, setting the terms and conditions of the issue where not provided for herein. Specifically, and by no means exhaustive, establish the date of issue of the new shares, the bid conditions, the type of issue and generally any other specifications necessary or appropriate for carrying out the issue.
- (ii) Prepare, subscribe and present, if appropriate, before the Spanish National Securities Market Commission ("CNMV") or any other supervising authorities that may have jurisdiction, in relation to the issue and admission of the new shares for trading, the documentation that may be necessary, assuming responsibility for the same in compliance with the provisions of Law 24/1988 of 28 July of the Securities Market, and Royal Decree 1310/2005 of 4 November. This is related to the admission of securities for trading on official secondary markets, takeover bids or subscription or the prospectus required for this purpose, and all other provisions that may apply. It may likewise perform on behalf of the Company any action, declaration or procedure that is required at the CNMV, IBERCLEAR, the Management Companies of the Securities Markets and any other public or private agency, entity or register, whether Spanish or foreign, including the Federal Financial Oversight Authority of Germany (Bundesanstalt für Finanzdienstleistungsaufsicht or BaFin) in relation to the issue under this resolution.
- (iii) Declare the capital increase as executed, on one or several occasions, by issuing and putting the new shares into circulation that have been subscribed and paid, and also rewording Article 6 of the Company Bylaws with respect to the capital, rendering the part of said capital increase that had not been subscribed and paid as ineffective, and

request admission of the newly issued shares for trading on the Spanish Securities Markets and inclusion in the Securities Market Interconnection System ("SIBE"); request where appropriate the admission for trading on other Securities Markets where the shares may be listed.

- (iv) Negotiate and sign the contracts that are required with the entities that intervene in the issuing of shares, under the terms that it deems most suitable, including the negotiation and formalisation of an agency contract.
- (v) Execute on behalf of the Company all public or private documents that may be necessary or appropriate for issuing the new shares and their admission for trading under this resolution, and generally perform all procedures that are necessary for the execution of the same, and also rectify, clarify, interpret, specify or supplement the resolutions reached by the General Shareholders' Meeting. This specifically relates to all defects, omissions or errors of substance or form resulting from the verbal or written qualification, that should prevent access of the resolutions and its consequences to the Mercantile Register, the Official Registers of the CNMV or any others.

If the Board of Directors does not exercise the powers delegated to it within the period indicated by the General Shareholders' Meeting for the execution of this resolution, the same will have no force or effect."

(That capital increase will not be carried out since, on the date of issue of this report, it has been clearly stated that the number of Hochtief A.G. shares of the shareholders that have accepted the bid, allows them to attend to the bid by exclusively using the company's treasury shares.)

h) Significant resolutions that the Company may have adopted that once in force, were amended or concluded in the event of any change of control over the company following a public takeover bid, and the effects thereof, except when such disclosure may be seriously damaging to the Company. This exception shall not be applicable when the company is legally required to disclose this information.

There are no significant contracts giving rise to the aforementioned circumstance.

i) Agreements between the Company and its directors, managers or employees establishing severance payments when they resign or are dismissed without due cause or if the employment contract expires due to a takeover bid.

Pursuant to section B.1.13 of the 2010 Annual Corporate Governance Report, there are a total of 9 senior management members in the different ACS Group companies, including 3 executive board members, whose contracts provide for the cases described under this heading with maximum severance payments of up to 5 years' salary.

9. Annual Corporate Governance Report

Following is the Annual Corporate Governance Report, which forms an integral part of the 2010 Directors' Report.

Consolidated Financial Statements

Consolidated statement of financial position at 31 december 2010

| Assets | Note | 31/12/2010 | 31/12/2009 | 01/01/2009 |
|---|-------|-------------------|-------------------|-------------------|
| Thousands of euros | | | | |
| NON-CURRENT ASSETS | | 15,995,005 | 17,480,130 | 14,397,270 |
| Intangible assets | 4 | 1,613,732 | 1,675,380 | 1,552,501 |
| Goodwill | | 1,149,374 | 1,108,419 | 1,094,656 |
| Other intangible assets | | 464,358 | 566,961 | 457,845 |
| Tangible assets - property, plant and equipment | 5 | 1,218,161 | 1,239,049 | 1,468,006 |
| Non-current assets in projects | 6 | 2,380,286 | 4,502,524 | 3,570,360 |
| Investment property | 7 | 57,176 | 61,021 | 70,886 |
| Investments accounted for by the equity method | 9 | 2,333,359 | 4,193,671 | 3,958,041 |
| Non-current financial assets | 10 | 7,508,570 | 5,012,257 | 3,090,762 |
| Financial instrument receivables | 22 | 59,766 | 21,737 | 546 |
| Deferred tax assets | 26.06 | 823,955 | 774,491 | 686,168 |
| CURRENT ASSETS | | 18,189,522 | 13,881,064 | 36,630,090 |
| Inventories | 11 | 618,025 | 653,727 | 695,240 |
| Trade and other receivables | 12 | 6,939,239 | 7,080,201 | 7,195,170 |
| Trade receivables for sales and services | | 5,880,970 | 6,068,054 | 6,014,923 |
| Other receivables | | 1,009,275 | 890,507 | 1,078,100 |
| Current tax assets | 26 | 48,994 | 121,640 | 102,147 |
| Other current financial assets | 10 | 3,502,218 | 2,757,895 | 2,179,463 |
| Other current assets | 13 | 100,764 | 83,984 | 59,995 |
| Cash and cash equivalents | 14 | 2,452,570 | 2,171,288 | 2,149,605 |
| Non-current assets held for sale and discontinued operations | 3.09 | 4,576,706 | 1,133,969 | 24,350,617 |
| TOTAL ASSETS | | 34,184,527 | 31,361,194 | 51,027,360 |

The accompanying Notes 1 to 39 and Appendices I to IV are an integral part of the consolidated statement of financial position at 31 December 2010.

| Equity and liabilities | Note | 31/12/2010 | 31/12/2009 | 01/01/2009 |
|--|-------|-------------------|-------------------|-------------------|
| Thousands of euros | | | | |
| EQUITY | 15 | 4,442,386 | 4,507,920 | 9,847,553 |
| Shareholders' equity | | 5,519,213 | 5,225,789 | 4,338,005 |
| Share capital | | 157,332 | 157,332 | 159,322 |
| Share premium | | 897,294 | 897,294 | 897,294 |
| Reserves | | 4,118,719 | 2,858,920 | 3,568,169 |
| (Treasury shares and equity interests) | | (683,491) | (350,747) | - |
| Profit for the year of the parent | | 1,312,557 | 1,946,188 | - |
| (Interim dividend) | | (283,198) | (283,198) | (286,780) |
| Adjustments for changes in value | | (1,340,666) | (1,006,148) | (1,000,532) |
| Available-for-sale financial assets | | (1,200,304) | (734,568) | (539,434) |
| Hedging instruments | | (335,271) | (280,343) | (236,405) |
| Exchange differences | | 194,909 | 8,763 | (224,693) |
| EQUITY ATTRIBUTED TO THE PARENT | | 4,178,547 | 4,219,641 | 3,337,473 |
| NON-CONTROLLING INTERESTS | | 263,839 | 288,279 | 6,510,080 |
| NON-CURRENT LIABILITIES | | 10,771,005 | 13,054,163 | 10,890,598 |
| Grants | 16 | 69,949 | 90,524 | 65,365 |
| Non-current provisions | 20 | 407,243 | 394,044 | 150,792 |
| Non-current financial liabilities | | 9,621,194 | 11,636,839 | 9,419,006 |
| Bank borrowings, debt instruments and other held-for-trading liabilities | 17 | 4,717,777 | 2,995,362 | 3,253,220 |
| Project finance with limited recourse | 18 | 4,860,106 | 8,591,902 | 6,123,844 |
| Other financial liabilities | 19 | 43,311 | 49,575 | 41,942 |
| Derivative financial instruments | 22 | 240,435 | 319,904 | 844,826 |
| Deferred tax liabilities | 26.06 | 270,835 | 371,116 | 228,108 |
| Other non-current liabilities | | 161,349 | 241,736 | 182,501 |
| CURRENT LIABILITIES | | 18,971,136 | 13,799,111 | 30,289,209 |
| Current provisions | 20 | 233,344 | 268,375 | 258,807 |
| Current financial liabilities | | 4,336,735 | 2,381,649 | 4,104,954 |
| Bank borrowings, debt instruments and other held-for-trading liabilities | 17 | 2,136,685 | 2,079,055 | 3,922,236 |
| Project finance with limited recourse | 18 | 2,186,426 | 278,049 | 173,990 |
| Other financial liabilities | 19 | 13,624 | 24,545 | 8,728 |
| Trade and other payables | 23 | 10,154,737 | 9,773,132 | 9,305,532 |
| Suppliers | | 3,155,493 | 3,089,130 | 2,748,562 |
| Other payables | | 6,915,324 | 6,464,690 | 6,497,590 |
| Current tax liabilities | 26 | 83,920 | 219,312 | 59,380 |
| Other current liabilities | 24 | 656,270 | 575,677 | 706,976 |
| Liabilities relating to non-current assets held for sale and discontinued operations | 3.09 | 3,590,050 | 800,278 | 15,912,940 |
| TOTAL EQUITY AND LIABILITIES | | 34,184,527 | 31,361,194 | 51,027,360 |

The accompanying Notes 1 to 39 and Appendices I to IV are an integral part of the consolidated statement of financial position at 31 December 2010.

Consolidated Financial Statements

Consolidated income statement For the year ended 31 december 2010

| | Note | 31/12/2010 | 31/12/2009 |
|---|--------------|-------------------|-------------------|
| Thousands of euros | | | |
| Revenue | 27 | 15,379,664 | 15,387,352 |
| Changes in inventories of finished goods and work in progress | | 14,561 | (9,193) |
| Capitalised expenses of in-house work on assets | 27 | 37,030 | 141,849 |
| Procurements | 28.01 | (8,614,487) | (8,996,581) |
| Other operating income | | 356,341 | 389,124 |
| Staff costs | 28.02 | (4,035,858) | (3,778,258) |
| Other operating expenses | | (1,636,827) | (1,720,340) |
| Depreciation and amortisation charge | 4,5,6 and 7 | (404,674) | (343,244) |
| Allocation of grants relating to non-financial assets and others | 16 | 3,549 | 3,236 |
| Impairment and gains on the disposal of non-current assets | | (18,221) | 339 |
| Other profit or loss | | (4,122) | (39,518) |
| Operating income | | 1,076,956 | 1,034,766 |
| Financial income | 28.06 | 492,886 | 377,946 |
| Financial costs | | (808,463) | (660,999) |
| Changes in the fair value of financial instruments | 22 and 28.05 | (546) | (2,325) |
| Exchange differences | | 25,219 | (3,677) |
| Impairment and gains or losses on the disposal of financial instruments | 29 | 536,223 | 22,822 |
| Financial profit | | 245,319 | (266,233) |
| Results of companies accounted for using the equity method | 9 | 222,216 | 212,680 |
| Profit before tax | | 1,544,491 | 981,213 |
| Income tax | 26.04 | (232,962) | (117,476) |
| Profit for the year from continuing operations | | 1,311,529 | 863,737 |
| Profit after tax from discontinued operations | (*) | 43,348 | 1,279,571 |
| Profit for the year | | 1,354,877 | 2,143,308 |
| Profit attributed to non-controlling interests | 15.07 | (42,194) | (30,509) |
| Profit from discontinued operations attributed to non-controlling interests | 15.07 | (126) | (166,611) |
| Profit attributed to the parent | | 1,312,557 | 1,946,188 |
| (*) Profit after tax from discontinued operations attributed to non-controlling interests | 3.09 | 43,222 | 1,112,960 |

| Earnings per share | Note | 31/12/2010 | 31/12/2009 |
|---|------|------------|------------|
| Euros per share | | | |
| Basic earnings per share | 31 | 4.38 | 6.26 |
| Diluted earnings per share | 31 | 4.38 | 6.26 |
| Basic earnings per share from discontinued operations | 31 | 0.14 | 3.58 |
| Basic earnings per share from continuing operations | 31 | 4.24 | 2.68 |

The accompanying notes 1 to 39 and Appendices 1 to IV are an integral part of the consolidated income statement at 31 December 2010.

Consolidated statement of comprehensive income for the year ended 31 december 2010

| | 31/12/2010 | | | 31/12/2009 | | |
|---|------------------|------------------------------|------------------|------------------|------------------------------|------------------|
| | Of the parents | Of non-controlling interests | Total | Of the parents | Of non-controlling interests | Total |
| Thousands of euros | | | | | | |
| A) Total consolidated profit | 1,312,557 | 42,320 | 1,354,877 | 1,946,188 | 197,120 | 2,143,308 |
| Profit from continuing operations | 1,269,335 | 42,194 | 1,311,529 | 833,228 | 30,509 | 863,737 |
| Profit from discontinued operations | 43,222 | 126 | 43,348 | 1,112,960 | 166,611 | 1,279,571 |
| B) Income and expenses recognised directly in equity | (470,343) | 2,014 | (468,329) | 27,369 | 8,234 | 35,603 |
| Measurement of financial instruments | (651,746) | - | (651,746) | (108,249) | - | (108,249) |
| Cash flow hedges | (239,763) | (13,714) | (253,477) | (76,955) | (1,783) | (78,738) |
| Exchange differences | 197,734 | 11,614 | 209,348 | 160,102 | 9,482 | 169,584 |
| Tax effect | 223,432 | 4,114 | 227,546 | 52,471 | 535 | 53,006 |
| C) Transfers to income | 135,825 | 2,540 | 138,365 | (32,985) | (113,965) | (146,950) |
| Reversal of financial instruments | 12,637 | - | 12,637 | (205,711) | (376,951) | (582,662) |
| Cash flow hedges | 176,185 | 2,540 | 178,725 | 58,072 | 29,955 | 88,027 |
| Reversal of translation of differences | (11,587) | - | (11,587) | 79,457 | 145,600 | 225,057 |
| Tax effect | (41,410) | - | (41,410) | 35,197 | 87,431 | 122,628 |
| Total comprehensive income for the year | 978,039 | 46,874 | 1,024,913 | 1,940,572 | 91,389 | 2,031,961 |

The accompanying Notes 1 to 39 and Appendices I to IV are an integral part of the consolidated statement of comprehensive income at 31 December 2010.

Consolidated Financial Statements

Consolidated statement of changes in equity For the year ended 31 december 2010

| | Share capital | Share premium | Retained earnings and other reserves | Treasury shares | Adjustments for changes in value | Profit attributed to the Parent | Interim dividend | Non-Controlling interests | Total |
|---|---------------|---------------|--------------------------------------|-----------------|----------------------------------|---------------------------------|------------------|---------------------------|-------------|
| Thousands of euros | | | | | | | | | |
| Balance at 31 December 2008 | 159,322 | 897,294 | 1,829,732 | - | (1,002,182) | 1,805,036 | (286,780) | 6,510,618 | 9,913,040 |
| IFRIC 12. Service Concession Arrangements | - | - | (66,599) | - | 1,650 | - | - | 219 | (64,730) |
| IAS 31- Change in integration method | - | - | - | - | - | - | - | (757) | (757) |
| Adjusted balance at 01 January 2009 | 159,322 | 897,294 | 1,763,133 | - | (1,000,532) | 1,805,036 | (286,780) | 6,510,080 | 9,847,553 |
| Revenue (expenses) for the year recognised in equity | - | - | - | - | (4,579) | 1,951,531 | - | 90,665 | 2,037,617 |
| Stock options | - | - | 1,734 | - | - | - | - | - | 1,734 |
| Distribution of profit from the prior year | | | | | | | | | |
| To reserves | - | - | 1,151,816 | - | - | (1,151,816) | - | - | - |
| To dividends | - | - | 11,425 | - | - | (653,220) | 286,780 | (13,315) | (368,330) |
| Treasury shares | (1,990) | - | (114,973) | (350,747) | - | - | - | - | (467,710) |
| Change in the scope of consolidation and other effects of a lesser amount | - | - | 58,225 | - | - | - | - | (6,299,875) | (6,241,650) |
| 2009 interim dividend | - | - | - | - | - | - | (283,198) | - | (283,198) |
| Balance at 31 December 2009 | 157,332 | 897,294 | 2,871,360 | (350,747) | (1,005,111) | 1,951,531 | (283,198) | 287,555 | 4,526,016 |
| IFRIC 12. Service Concession Arrangements | - | - | (12,440) | - | (1,037) | (5,344) | - | 1,303 | (17,518) |
| IAS 31- Change in integration method | - | - | - | - | - | 1 | - | (579) | (578) |
| Adjusted balance at 01 January 2010 | 157,332 | 897,294 | 2,858,920 | (350,747) | (1,006,148) | 1,946,188 | (283,198) | 288,279 | 4,507,920 |
| Revenue (expenses) for the year recognised in equity | - | - | - | - | (334,518) | 1,312,557 | - | 46,874 | 1,024,913 |
| Stock options | - | - | 6,177 | - | - | - | - | - | 6,177 |
| Distribution of profit from the prior year | | | | | | | | | |
| To reserves | - | - | 1,301,126 | - | - | (1,301,126) | - | - | - |
| To dividends | - | - | 26,858 | - | - | (645,062) | 283,198 | (15,374) | (350,380) |
| Treasury shares | - | - | (126) | (332,744) | - | - | - | - | (332,870) |
| Change in quoted investee companies for actuarial profit and others | - | - | (24,253) | - | - | - | - | - | (24,253) |
| Change in the scope of consolidation and other effects of a lesser amount | - | - | (49,983) | - | - | - | - | (55,940) | (105,923) |
| 2010 interim dividend | - | - | - | - | - | - | (283,198) | - | (283,198) |
| Balance at 31 December 2010 | 157,332 | 897,294 | 4,118,719 | (683,491) | (1,340,666) | 1,312,557 | (283,198) | 263,839 | 4,442,386 |

The accompanying Notes 1 to 39 and Appendices I to IV are an integral part of the consolidated statement of changes in equity at 31 December 2010..

Consolidated statement of cash flows for the year ended 31 december 2010

| | 31/12/2010 | 31/12/2009 |
|---|--------------------|--------------------|
| Thousands of euros | | |
| A) Cash flows from operating activities | 1,376,470 | 1,590,637 |
| 1. Profit before tax | 1,544,491 | 981,213 |
| 2. Adjustments to profit: | (2,082) | 386,213 |
| Depreciation and amortisation charge | 404,674 | 343,244 |
| Other adjustments to profit (net) (Note 3.23) | (406,756) | 42,969 |
| 3. Changes in working capital | 188,714 | 465,919 |
| 4. Other cash flows from operating activities: | (354,653) | (242,708) |
| Interest payable | (834,285) | (660,999) |
| Dividends receivable | 369,640 | 364,140 |
| Interest receivable | 246,866 | 171,627 |
| Income tax payable/receivable | (136,874) | (117,476) |
| B) Cash flows from investing activities | (2,070,265) | 1,327,181 |
| 1. Investment payables | (4,857,787) | (4,577,964) |
| Group companies, associates and business units | (25,319) | (294,525) |
| Tangible assets - property, plant and equipment, intangible assets and property investments | (1,483,004) | (1,705,024) |
| Other financial assets | (2,816,557) | (2,516,460) |
| Other assets | (532,907) | (61,955) |
| 2. Divestment receivables: | 2,787,522 | 5,905,145 |
| Group companies, associates and business units | 2,743,348 | 5,824,811 |
| Tangible assets - property, plant and equipment, intangible assets and property investments | 29,012 | 59,728 |
| Other financial assets | 12,342 | 20,474 |
| Other assets | 2,820 | 132 |
| C) Cash flows from financing activities | 975,077 | (2,896,135) |
| 1. Equity instrument receivables (and payables) | (332,870) | (465,722) |
| Amortisation | - | (114,975) |
| Acquisition | (350,047) | (350,747) |
| Disposal | 17,177 | - |
| 2. Liability instrument receivables (and payables): | 2,131,324 | (1,509,565) |
| Issue | 2,987,626 | - |
| Refund and repayment | (856,302) | (1,509,565) |
| 3. Dividends payable and remuneration relating to other equity instruments | (618,204) | (653,220) |
| 4. Other cash flows from financing activities: | (205,173) | (267,628) |
| Other financing activity receivables and payables | (205,173) | (267,628) |
| D) Net increase (decrease) in cash and cash equivalents | 281,282 | 21,683 |
| E) Cash and cash equivalents at beginning of the year | 2,171,288 | 2,149,605 |
| F) Cash and cash equivalents at end of the year | 2,452,570 | 2,171,288 |
| 1. Cash flows from operating activities | (31,229) | 36,965 |
| 2. Cash flows from investing activities | 132,088 | 5,824,811 |
| 3. Cash flows from financing activities | 31,229 | (2,336,540) |
| Net cash flows from discontinued operations | 132,088 | 3,525,236 |
| Cash and cash equivalents at end of year | | |
| Cash and banks | 1,625,306 | 1,398,463 |
| Other financial assets | 827,264 | 772,825 |
| Total cash and cash equivalents at end of year | 2,452,570 | 2,171,288 |

The accompanying notes 1 to 39 and Appendices I to IV are an integral part of the consolidated cash flow statement at 31 December 2010.

Consolidated Financial Statements

Notes to the consolidated financial statements for the year ended 31 December 2010

1. Group Activity

The Parent ACS, Actividades de Construcción y Servicios, S.A. is a company incorporated in Spain in accordance with the Spanish Consolidated Companies Law, its registered office is at Avda. de Pío XII, 102, 28036 Madrid.

In addition to the operations carried on directly by it, ACS, Actividades de Construcción y Servicios, S.A. is the head of a group of subsidiaries that engage in various business activities and which constitute, together with it, the ACS Group. Therefore, ACS, Actividades de Construcción y Servicios, S.A. is obliged to prepare, in addition to its own individual financial statements, the Group's consolidated financial statements, which also include the interests in joint ventures and investments in associates.

In accordance with its company objects, the main business activities of ACS, Actividades de Construcción y Servicios, S.A., the Parent of the ACS Group, are as follows:

1. The business of constructing all kinds of public and private works, as well as the provision of services, for the conservation, maintenance and operation of motorways, highways, roads and, in general any type of public or private ways and any other type of works, and any kind of industrial, commercial and financial actions and operations which bear a direct or indirect relationship thereto.
2. Promoting, constructing, restoring and selling housing developments and all kinds of buildings intended for industrial, commercial or residential purposes, either alone or through third parties. Carrying out conservation and maintenance of works, facilities and services, whether urban or industrial.
3. The direction and execution of all manner of works, facilities, assemblies and maintenance related to production plants and lines, electric power transmission and distribution, substations, transformation, interconnection and switching centres, generation and conversion stations, electric, mechanical and track, installations for railways, metros and light trains, railway, light train and trolleybus electrification, electric dam installations, purifying plants, drinking water treatment plants, wharfs, ports, airports, docks, ships, shipyards, platforms, flotation elements, and any other elements for diagnostics, tests, security and protection, controls for interlocking, operating, metering – either directly remotely – for industries and buildings as well as those suited to the above listed facilities, electrification, public lighting and illumination, electric installations in mines, refineries and explosive environments; and in general all manner of, facilities related to the production, transmission, distribution, upkeep, recovery and use of electric energy in all its stages and systems, as well as the operation, repair, replacement and upkeep of the components thereof. Control and automation of all manner of electric networks and installations, remote controls, and computer equipment required for the management, computerisation and rationalisation of all kinds of energy consumption.
4. The direction and execution of all manner of works, facilities, assemblies and maintenance related to the electronics of systems and networks for telephone, telegraph, signaling and S.O.S. communications, civil defence, defence and traffic, voice and data transmission and use, measurements and signals, as well as propagation, broadcast, repetition and reception of all kinds of waves, antennas, relays, radio-links, navigation aids, equipment and elements required for the execution of such works, assemblies and facilities.
5. The direction and execution of all manner of works, facilities, assemblies and maintenance related to the development, production, transformation, storage, transmission, channeling, distribution, use, metering and maintenance of any other kind of energy and energy products, and of any other energy that may be used in the future, including the supply of special equipment, elements required for installation and erection, and materials of all kinds.

6. The direction and execution of all manner of works, assemblies, facilities and maintenance of hydroelectric works to develop, store, raise, drive or distribute water, and its piping, transport and distribution, including water and gas treatment facilities.
7. The direction and execution of all manner of works, assemblies, facilities and maintenance for developing, transporting, channeling and distributing liquid and solid combustible gases for all kinds of uses.
8. The direction and execution of all manner of works, assemblies, facilities and maintenance of ventilation, heating, air conditioning and refrigeration works and works to improve the environment, for all kinds of uses.
9. The direction and execution of all manner of works, facilities, assemblies and maintenance related to cable cars, gondola lifts, chair lifts and aerial lifts for both passenger and material transport by means of cable systems or any type of mechanical element. The retrieval of ships and submerged elements, maritime, salvages, ship breaking, naval fleet repairs, repairs and assembly of engines and mechanical elements for ships, and underwater work and sale of aquatic and sports material.
10. The manufacture, transformation, processing, handling, repair, maintenance and all manner of operations of an industrial nature for commercialisation related to machinery, elements, tools, equipment, electric protection material, bare and insulated conductors, insulators, metal fittings, machines, tools and auxiliary equipment for assemblies and installation of railways, metros and light trains, electric power transmission and distribution plants, lines and networks and for telephone and telegraph communications, telecommunication, security, traffic, telematics and voice and data transmission systems; of elements and machines for the development, transformation, transmission and use of all kinds of energies and energy products; of fluid and gas lift pumps, piping and other elements, mechanisms, accessory instruments, spare parts and materials required for execution and performance of any industrial, agricultural, naval, transport, communication and mining works, facilities and assemblies and others listed in the preceding paragraphs. Managing the business of production, sale and use of electric energy, as well as other energy sources, and carrying out studies related thereto, and managing the business of production, prospecting, sale and use of all kinds of primary solid, liquid or gaseous energy resources, specifically including hydrocarbons and gas, whether natural, liquid or in another state, in their different forms and classes. Energy planning and rationalisation of the use of energy and cogeneration of same. Research, development and operation of all aspects of communication and computing systems.
11. The manufacture, installation, assembly, erection, supply, maintenance and commercialisation of all kinds of products and elements pertaining to or derived from concrete, ceramics, resins, varnishes, paints, plastics or synthetic materials; as well as metal structures for industrial plants and buildings, bridges, towers and metal supports or reinforced concrete or any synthetic material for all manner of communications and electric power transmission or distribution, or any other class of energy material or products related to all types of energy.
12. The manufacture, preparation, handling and finishing, diagnosis, treatment and impregnation for protection and preservation and sale of wood in general, and especially of posts used for electric, telephone and telegraph lines, impregnation or servicing for mine and gallery timbering, building supports, construction woodwork, crossties for railways and barricades, and the production and commercialisation of antiseptic products and running of procedures for preserving wood, elements, tools and equipment of this nature. The acquisition, provision, application and use of paints, varnishes, coverings, plating and, in general, construction materials.
13. The management and execution of reforestation and agricultural and fishery restocking works, as well as the maintenance and improvement thereof. Landscaping, planting, revegetation, reforestation, maintenance and conservation of parks, gardens and accessory elements.
14. The manufacture, installation, distribution and use in any way of all manner of ads and advertising supports. The design, construction, fabrication, installation, maintenance, cleaning, upkeep and advertising use of all manner of street furniture and similar elements.

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15. The provision of all manner of public and private services of an urban nature, including the execution of any necessary works and facilities, either by administrative concession or leasing. The treatment, recycling and recovery of all kinds of urban, urban-similar, industrial and sanitary waste; the treatment and sale of waste products, as well as the management and operation of waste treatment and transfer plants. Drafting and processing of all manner of environment-related projects.
16. The cleaning services for buildings, constructions and works of any kind, of offices, commercial premises and public places. Preparation, upkeep, maintenance, sterilisation, disinfection and extermination of rodents. Cleaning, washing, ironing, sorting and transportation of clothing.
17. Furniture assemblies and installations, including tables, shelves, office material, and similar or complementary objects.
18. Transports of all kinds, especially ground transportation of passengers and merchandise, and the activities related thereto. Management and operation, as well as provision of auxiliary and complementary services, of all manner of buildings and properties or complexes for public or private use, intended for use as service areas or stations, recreational areas, and bus or intermodal transportation stations.
19. The provision of integral health care and social assistance services by qualified personnel (physicians, psychologists, educators, university graduates in nursing, social workers, physical therapists and therapists) and performance of the following tasks: home care service; tele-home care and social health care; total or partial running or management of homes, day care centres, therapeutic communities and other shelters and rehabilitation centres; transportation and accompaniment of the above-mentioned collectives; home hospitalisation and medical and nursing home care; supply of oxygen therapy, gas control, electro-medicine, and associated activities.
20. Provision of auxiliary services in housing developments, urban properties, industrial facilities, roadway networks, shopping centres, official agencies and administrative departments, sports or recreational facilities, museums, fairgrounds, exhibition galleries, conference and congress halls, hospitals, conventions, inaugurations, cultural and sports centres, sporting, social and cultural events, exhibits, international conferences, general shareholders' and owners' association meetings, receptions, press conferences, teaching centres, parks, farming facilities (agricultural, livestock and fisheries), forests, rural farms, hunting reserves, recreational and entertainment areas, and in general all kinds of properties and events, by means of porters, superintendents, janitors, ushers, guards or controllers, console operators, auditorium personnel, concierges, receptionists, ticket clerks (including ticket collection), telephone operators, collectors, caretakers, first aid personnel, hostesses and similar personnel or personnel who complement their functions, consisting of the maintenance and upkeep of the premises, as well as attention and service to neighbours, occupants, visitors and/or users, by undertaking the appropriate tasks, excluding in all cases those which the law reserves for security firms. Collection and tallying of cash, and the making, collection and charging of bills and receipts. The development, promotion, exhibition, performance, acquisition, sale and provision of services in the field of art, culture and recreation, in their different activities, forms, expressions and styles.
21. Provision of emergency, prevention, information, telephone switchboard, kitchen and dining hall services. Opening, closing and custody of keys. Turning on and off, running, supervision, maintenance and repair of engines and heating and air conditioning, electricity and lift installations, water, gas and other supply pipes, and fire protection systems. The operation of rapid communication systems with public assistance services, such as police, firemen, hospitals and medical centres. Fire fighting and prevention services in general, in woodlands, forests, rural farms, and industrial and urban facilities.
22. Integral management or operation of public or private educational or teaching centres, as well as surveillance, service, education and control of student bodies or other educational collectives.
23. Reading of water, gas and electricity meters, maintenance, repair and replacement thereof, monitoring and transcription of readouts, meter inspection, data acquisition and updating, and instalment of alarms. Temperature and humidity measurements on roadways and, in general, all kinds of properties and real estate, and public and private facilities, providing all the controls required for proper upkeep and maintenance thereof, or of the goods deposited or guarded therein.

24. Handling, packing and distribution of food or consumer products; processing, flavouring and distribution of food for own consumption or supply to third parties; servicing, replacement and maintenance of equipment, machinery and dispensing machines of the mentioned products; and participation in operations with raw materials, manufactured goods and supplies.
25. Provision of ground services to passengers and aircraft. Integral logistic freight services, such as: loading, unloading, loading and unloading, transport, distribution, placement, sorting, warehouse control, inventory preparation, replacement, control of warehouse stocks and storage of all kinds of merchandise, excluding the activities subject to special legislation. Management and operation of places of distribution of merchandise and goods in general, and especially perishable products, such as fish exchanges and wholesale and retail markets. Reception, docking, mooring and service connections to boats.
26. Direct advertising services, postage and mailing of printed advertising and publicity material and, in general, all kinds of documents and packages, on behalf of the clients.
27. Management, operation, administration, maintenance, upkeep, refurbishment and fitting out of all kinds of concessions in the broadest sense of the word, including those that are part of the concessionary firm's shareholders and those that have any type of contractual relation to develop any of the above-listed activities.
28. The acquisition, holding, use, administration and disposal of all manner of own-account securities, excluding activities that special legislation, and in particular the legislation on the stock market, exclusively ascribes to other entities.
29. Manage and administer representative securities of the shareholders' equity of non-resident entities in Spanish territory, through the appropriate organisation of personal and material means suited to this end.
30. Preparation of all manner of studies, reports and projects, and entering into contracts concerning the activities indicated in this article, as well as supervision, direction and consulting in the execution thereof.
31. Occupational training and recycling of people who provide the services described in the preceding points.

2. Basis of presentation of the consolidated financial statements and basis of consolidation

2.01. Basis of presentation

The consolidated financial statements for 2010 of the ACS Group were prepared:

- By the Directors of the Parent, at the Board of Directors' Meeting held on 10 March 2011.
- In accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council and subsequent amendments thereto. The principal accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2010 are summarised in Notes 2 and 3.
- Taking into account all the mandatory accounting policies and rules and measurement bases with a material effect on the consolidated financial statements, as well as the alternative treatments permitted by the relevant legislation in this connection, which are specified in Note 3 (accounting policies).

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- So that they present fairly the Group's consolidated equity and financial position at 31 December 2010, and the results of its operations, the changes in consolidated equity and the consolidated cash flows in the year then ended.
- On the basis of the accounting records kept by the Company and by the other Group companies.

However, since the accounting policies and measurement criteria applied in preparing the Group's consolidated financial statements for 2010 (IFRSs as adopted by the European Union) differ from those used by the Group companies (local standards), the required adjustments and reclassifications were made on consolidation to unify the policies and criteria used and to make them compliant with the International Financial Reporting Standards adopted in Europe.

The ACS Group's consolidated financial statements for 2009, (IFRSs as adopted by the European Union) were approved by the shareholders at the Annual General Meeting of ACS, S.A. held on 15 April 2010. The resolutions adopted in relation to the approval of these financial statements were challenged by one shareholder who holds 20,000 shares (0.006% of the share capital of the Parent). In relation to this process, on 13 July 2010 the judge dismissed the precautionary measures requested by the shareholder. At the date of the preparation of these financial statements, no court ruling has been handed down on this matter. The Directors of ACS, Actividades de Construcción y Servicios, S.A. consider the 2009 financial statements to have been prepared and ratified correctly by the Auditor and they believe that the challenge will not succeed. The 2010 consolidated financial statements of the Group have not yet been approved by the shareholders at the Annual General Meeting. However, the Parent's Board of Directors considers that the aforementioned financial statements will be approved without any material changes.

As a result of the entry into force of the IFRIC interpretation 12 "Service Concession Arrangements" and the voluntary application of the alternative included in IAS 31 "Interests in joint ventures" whereby interests in all companies which are jointly controlled are accounted for using the equity method and are included in the consolidated statement of financial position under the heading "Investments accounted for by the equity method", changes have been made in the presentation of 2009 financial statements, and therefore all of the comparison information has been restated. The interest in the after tax profit of these companies is included under "Results of companies accounted for using the equity method" in the accompanying consolidated income statement. This same note describes the most significant effects of applying this standard. The ACS Group presents the restated statement of financial position at the beginning of the first comparative year (i.e. 1 January 2009), as required by IAS 1.39.

Responsibility for the information and for the estimates made

The information in these consolidated financial statements is the responsibility of the Directors of the Parent of the Group.

The accompanying consolidated financial statements were prepared from the 2010 accounting records of ACS, Actividades de Construcción y Servicios, S.A. and of its subsidiaries whose respective individual financial statements were approved by the directors of each company and business segment, once they were adapted on consolidation in conformity with International Financial Reporting Standards, as adopted by the European Union.

In the Group's consolidated financial statements estimates were occasionally made in order to quantify certain of the assets, liabilities, income, expenses and commitments reported herein. These estimates relate basically to the following:

- The useful life of the intangible and tangible assets - property, plant and equipment (Notes 3.02 and 3.03).
- The impairment losses on certain assets (Notes 3.01 and 3.06).
- The measurement of goodwill and the assignment of assets on acquisitions (Note 3.01).
- The recognition of earnings in the construction contracts (Note 3.16.1).
- The amount of certain provisions (Note 3.13).

- The assumptions used in the calculation of liabilities and commitments to employees (Note 3.12).
- The market value of the derivatives, especially the “equity swaps” mentioned in Notes 9 and 10.

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

Changes in accounting estimates and policies and correction of fundamental errors

Changes in accounting estimates.- The effect of any change in accounting estimates is recorded under the same heading in the income statements in which the revenue or expense based on the previous estimate was recorded.

Changes in accounting policies and correction of fundamental errors.- The effect of any change in accounting policies as well as any correction of fundamental errors is recorded in accordance with IAS 8, in the following manner: the cumulative effect at the beginning of the year is adjusted in reserves whereas the effect on the year is recorded under profit/loss for the year. Also, in these cases the financial data on the comparative year presented together with the year in course is restated.

No errors were corrected in the 2010 and 2009 financial statements.

Except as indicated in the following paragraphs and the entry into force of new accounting standards, the consolidation criteria applied in 2010 are consistent with those applied in the 2009 consolidated financial statements.

In accordance with the new standard expected to be approved by the IASB, effective on 1 January 2010, the ACS Group decided to apply the alternative provided in the current IAS 31, consisting of modifying the consolidation criterion applied to jointly controlled companies, and accounting for these companies using the equity method rather than the proportional consolidation method previously applied. Therefore, these interests are included in the statement of financial position under the heading “Investments accounted for by the equity method”. The interest in the after tax profit for the year of these companies is included under the heading “Results of companies accounted for using the equity method” in the consolidated income statement. The Group considers consolidation by the equity method to best contribute to fairly presenting results, given that in these cases, the Group does not control the assets nor does it have a present obligation in relation to the liabilities of the investee company, but rather an investment therein.

In contracts where there is clear itemised control of the assets and the associated transactions, such as joint ventures, the interests continue to be integrated into the accompanying consolidated financial statements based upon the ownership percentage held in the assets, liabilities, income and expenses of these companies, after having derecognised the reciprocal balances in assets and liabilities, as well as the income and expenses not realised against third parties outside of the ACS Group in accordance with IAS 31.

In 2010, IFRIC 12 entered into force – “Service Concession Arrangements”. This interpretation was issued on 30 November 2006 and adopted by the European Union on 26 March 2009, its application being mandatory for the annual reporting periods beginning after 29 March 2009. The explanation of the accounting principles is provided in Note 3.24 “Entry into force of new accounting standards”.

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Accordingly, in accordance with IAS 1, the statement of financial position presents the restated data for the comparison period of the previous year and that of the beginning of the first comparative year in order for this data to be comparable. The comparison information included in the consolidated financial statements has also been restated, including the accompanying notes.

The most significant effects are as follows:

| Assets | 31/12/2009 applied IFRIC 12 and change in consolidation method for joint ventures | Change in consolidation method for joint ventures | Change in application of IFRIC 12 | 31/12/2009 |
|---|--|--|--|-------------------|
| Thousands of euros | | | | |
| Non-current assets | 17,480,130 | (187,535) | (70,750) | 17,738,415 |
| Intangible assets: | 1,675,380 | (24,543) | 124,685 | 1,575,238 |
| Tangible assets - property, plant and equipment/ investment property | 1,300,070 | (109,861) | (134,956) | 1,544,887 |
| Non-current assets in projects | 4,502,524 | (2,446) | 12,327 | 4,492,643 |
| Non-current financial assets | 9,205,928 | (47,863) | (76,950) | 9,330,741 |
| Other non-current assets | 796,228 | (2,822) | 4,144 | 794,906 |
| Current assets | 13,881,064 | (148,199) | 13,465 | 14,015,798 |
| Inventories | 653,727 | (4,082) | - | 657,809 |
| Trade and other receivables | 7,080,201 | (109,107) | 14,445 | 7,174,863 |
| Other current financial assets | 2,757,895 | 47,824 | (980) | 2,711,051 |
| Other current assets | 83,984 | (2,313) | - | 86,297 |
| Cash and cash equivalents | 2,171,288 | (35,741) | - | 2,207,029 |
| Non-current assets held for sale | 1,133,969 | (44,780) | - | 1,178,749 |
| Total assets | 31,361,194 | (335,734) | (57,285) | 31,754,213 |

| Equity and liabilities | 31/12/2009 applied IFRIC 12 and change in consolidation method for joint ventures | Change in consolidation method for joint ventures | Change in application of IFRIC 12 | 31/12/2009 |
|---|--|--|--|-------------------|
| Thousands of euros | | | | |
| Equity | 4,507,920 | (1,335) | (82,248) | 4,591,503 |
| Equity attributed to the parent | 4,219,641 | - | (83,770) | 4,303,411 |
| Non-controlling interests | 288,279 | (1,335) | 1,522 | 288,092 |
| Non-current liabilities | 13,054,163 | (150,556) | 24,921 | 13,179,798 |
| Grants | 90,524 | - | - | 90,524 |
| Non-current financial assets | 11,636,839 | (137,274) | (145) | 11,774,258 |
| Financial instrument payables | 319,904 | (55) | - | 319,959 |
| Other non-current liabilities | 1,006,896 | (13,227) | 25,066 | 995,057 |
| Current liabilities | 13,799,111 | (183,843) | 42 | 13,982,912 |
| Current financial assets | 2,381,649 | (33,586) | - | 2,415,235 |
| Trade and other payables | 9,773,132 | (76,878) | 42 | 9,849,968 |
| Other current liabilities | 844,052 | (28,599) | - | 872,651 |
| Liabilities relating to non-current assets held for sale | 800,278 | (44,780) | - | 845,058 |
| Total equity and liabilities | 31,361,194 | (335,734) | (57,285) | 31,754,213 |

| | 31/12/2009 applied IFRIC 12 and change in consolidation method for joint ventures | Change in consolidation method for joint ventures | Change in application of IFRIC 12 | 31/12/2009 |
|---|--|--|---|------------|
| Thousands of euros | | | | |
| Revenue | 15,387,352 | (236,207) | 17,629 | 15,605,930 |
| Profit/loss from operations | 1,034,766 | (25,654) | 19,032 | 1,041,388 |
| Financial profit | (266,233) | (4,043) | (13,162) | (249,028) |
| Profit/loss of companies accounted for using the equity method | 212,680 | 23,902 | (6,837) | 195,615 |
| Profit before tax | 981,213 | (5,795) | (967) | 987,975 |
| Income tax | (117,476) | 5,445 | (2,491) | (120,430) |
| Profit for the year from continuing operations | 863,737 | (350) | (3,458) | 867,545 |
| Profit/loss from discontinued operations (*) | 1,279,571 | - | - | 1,279,571 |
| Profit/loss for the year | 2,143,308 | (350) | (3,458) | 2,147,116 |
| Profit attributed to non-controlling interests | (30,509) | 350 | (1,886) | (28,973) |
| Profit from discontinued operations attributed to non-controlling interests | (166,611) | - | - | (166,611) |
| Profit attributed to the parent | 1,946,188 | - | (5,344) | 1,951,532 |
| (*) Profit after tax from discontinued operations attributed to non-controlling interests | 1,112,960 | - | - | 1,112,960 |

As a result of these two changes in the accounting policies relating to equity at 31 December 2009, equity decreased by EUR 83,583 thousand, which included a net loss of EUR 5,343 thousand. Most of the effect on equity (decrease of EUR 75,429 thousand) was a result of applying IFRIC 12 at Abertis Infraestructuras, S.A., a company accounted for by the equity method.

Functional currency

These consolidated financial statements are presented in euros, since this is the functional currency in the area in which the Group operates. Transactions in currencies other than the euro are recognised in accordance with the policies established in Note 3.21.

2.02. Basis of consolidation

a) Balances and transactions with Group companies and associates

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All significant intra-Group balances and transactions are eliminated on consolidation. Accordingly, all gains obtained by associates up to their percentage of ownership interest and all gains obtained by fully consolidated companies in 2010 were eliminated.

However, balances and transactions relating to construction projects undertaken by the Construction and Industrial division companies for infrastructure concession companies are not eliminated on consolidation since these transactions are considered to have been performed for third parties as the projects are being completed. This is the criteria provided by IFRIC 12 (Note 3.24), which is applied by the ACS Group.

b) Standardisation of items

In order to uniformly present the various items comprising these consolidated financial statements, accounting standardisation criteria have been applied to the individual financial statements of the companies included in the scope of consolidation.

In 2010 and 2009 the reporting date of the financial statements of all the companies included in the scope of consolidation was the same or has been temporarily standardised to that of the Parent.

c) Subsidiaries

"Subsidiaries" are defined as companies over which the ACS Group has the capacity to exercise effective control; control is, in general but not exclusively, presumed to exist when the Parent owns directly or indirectly 50% or more of the voting power of the investees or, even if this percentage is lower or zero, when, for example, there are agreements with other shareholders of the investees that give the Group control. In accordance with IAS 27, control is the power to govern the financial and operating policies of a company so as to obtain benefits from its activities.

The financial statements of the subsidiaries are fully consolidated with those of the Parent. Where necessary, adjustments are made to the financial statements of the subsidiaries to adapt the accounting policies used to those applied by the Group.

The ACS Group companies with dividend rights of more than 50%, which are not fully consolidated include: Escal UGS, S.L., Hospital Majadahonda, S.A., Sociedad Hospital de Majadahonda Explotaciones, S.L., Autovía de los Pinares, S.A. and Admirabilia, S.L. This circumstance arises because, the control over these companies is exercised by other shareholders or because decisions required the affirmative vote of another or other shareholders, and consequently, they have been recognised as joint ventures or companies accounted for by the equity method.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. a discount on acquisition) is credited to profit and loss on the acquisition date. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

Also, the share of third parties of:

- The equity of their investees is presented within the Group's equity under "Non-controlling interests" in the consolidated statement of financial position.
- The profit or loss for the year is presented under "Profit Attributed to Non-Controlling Interests" and "Profit from Discontinued Operations Attributed to Non-Controlling Interests" in the consolidated income statement and in the consolidated statement of changes in equity.

The results of subsidiaries acquired during the year are included in the consolidated income statement from the date of acquisition to year-end. Similarly, the results of subsidiaries disposed of during the year are included in the consolidated income statement from the beginning of the year to the date of disposal.

Appendix I to these notes to the consolidated financial statements details the subsidiaries and information thereon.

Section f) of this note contains information on acquisitions and disposals, as well as increases and decreases in ownership interest.

d) Joint ventures

A "joint venture" is a contractual arrangement whereby two or more companies ("venturers") have interests in entities (jointly controlled entities) or undertake operations or hold assets so that strategic financial and operating decisions affecting the joint venture require the unanimous consent of all venturers. By applying the alternative provided in IAS 31 "Interests in joint ventures", the ACS Group has accounted for jointly controlled companies by the equity method under the heading "Investments accounted for by the equity method" in the accompanying consolidated statement of financial position. The interest in the profit after tax of these companies is included under "Results of companies accounted for using the equity method" in the accompanying consolidated income statement.

Within the area of business in which the ACS Group operates, mention should be made of the Spanish UTEs (Unincorporated Joint Ventures), which are unincorporated joint ventures with no separate legal personality, through which cooperation arrangements are entered into with other venturers in order to carry out a project or provide a service for a limited period of time. In cases where individual control of the assets and associated operations is evidenced, as in the case of economic interest groupings, the companies are accounted for in the accompanying consolidated financial statements accounts based upon the Group's ownership interest therein in accordance with IAS 31.

The assets and liabilities assigned to Unincorporated Joint Ventures and other similar entities are recognised in the consolidated statement of financial position classified according to their specific nature and the Group's percentage of ownership interest therein. Similarly, the Group's share of the income and expenses of joint ventures is recognised in the consolidated income statement on the basis of their nature and the percentage of ownership interest therein.

Relevant information on these companies is provided in Note 8.

e) Associates

Associates are companies over which the Group is in a position to exercise significant influence, but not control or joint control, usually because it holds (directly or indirectly) 20% or more of the voting rights of the investee.

Exceptionally, the following entities (in which the Group owns 20% or more of the voting rights) are not considered to be Group associates since they do not have a significant influence, or are fully inoperative and are irrelevant for the Group as a whole, such as Chipset Sistemas, S.L.

In the case of Iberdrola, S.A., the ACS Group directly and indirectly owns 20.2% of the voting rights, and consequently, in accordance with the applicable accounting standards, ACS should be assumed to exercise significant influence on Iberdrola, S.A. However, temporarily and to date it has not been possible to secure a position on the Board of Directors of Iberdrola, S.A., a circumstance which caused the ACS Group to challenge the resolutions adopted by the shareholders at the Annual General Meeting of Iberdrola, S.A. held in March 2010 in court. The ACS Group aims to ultimately gain access to the Board of Directors of Iberdrola, S.A., which would lead the investment in Iberdrola, S.A. to be recognised as an associate. This is a very unique and absolutely exceptional circumstance, and although a ruling had been handed down by the Commercial Court of First Instance of Bilbao against the interests of the ACS Group at the date of the presentation of these financial statements, the Group's Management has full confidence that the court will ultimately rule in the Company's favour.

Investments in associates are accounted for using the equity method, i.e. they are measured initially at acquisition cost, and subsequently on each reporting date, are measured at cost, plus the variations in the net assets of the associate according to the Group's percentage of ownership interest. The excess of the cost of acquisition over the fair value of the net assets of the associate at the date of acquisition is recognised as goodwill. The goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess in the Group's share in the fair value of the net assets of the associate over acquisition cost at the acquisition date is recognised in profit or loss.

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The profit or loss of associates net of taxes is included in the Group's income statement under "Results of Companies Accounted for Using the Equity Method" according to the Group's percentage of ownership interest, after the required adjustments have been made to take into account the depreciation of the depreciable assets based on their fair value at the date of acquisition.

If as a result of losses incurred by an associate its equity is negative, the investment should be presented in the Group's consolidated statement of financial position with a zero value, unless the Group is obliged to give it financial support.

Appendix III and Note 9 contain relevant information on these companies.

f) Changes in the scope of consolidation

The main changes in the scope of consolidation of the ACS Group (formed by ACS, Actividades de Construcción y Servicios, S.A. and its subsidiaries) in the year ended 31 December 2010 are described in Appendix IV.

Acquisitions, sales and other corporate transactions

In 2010 there were no relevant acquisitions of ownership interests in the share capital of subsidiaries, joint ventures or associates, and consequently changes in the scope of consolidation mainly related to the inclusion of new incorporated companies. The most noteworthy acquisitions of ownership interests in the share capital of other companies were as follows:

Business Combinations and Other Acquisitions or Increases in Ownership Interest in Subsidiaries, Joint Ventures and/or Investments in Associates

| Name of the Company (or area of business) acquired or merged | Category | Effective transaction date | Cost (net) of the (Thousands of euros) | | % of voting rights acquired | % of total voting rights in the Company after the acquisition |
|--|------------|----------------------------|---|--|-----------------------------|---|
| | | | Amount (net) paid in the acquisition + other costs directly attributable to the combination | Fair value of the equity instruments issued for the acquisition of the company | | |
| Applied Control Technology LLC | Subsidiary | 18/05/2010 | 2,676 | - | 15.00% | 70.00% |
| Delta P I LLC | Subsidiary | 18/05/2010 | 2,493 | - | 15.00% | 70.00% |
| Hydro Management, S.L. | Subsidiary | 06/05/2010 | 1,040 | - | 4.63% | 79.63% |
| Corporación Ygnus Air, S.A. | Subsidiary | 14/04/2010 | 1,650 | - | 33.00% | 73.00% |
| Transportes Residuos Industriales y Peligrosos, S.L. | Subsidiary | 17/11/2010 | 2,390 | - | 25.00% | 100.00% |

In accordance with IAS 27, since all the acquisitions were in companies where the Company already holds control, the additional goodwill was recorded against reserves.

The main disposals of ownership interests in the share capital of subsidiaries, joint ventures or associates in 2010 were as follows:

Divestments in Subsidiaries, Joint Ventures and/or Investments in Associates or Other Similar Transactions

| Name of the company (or area of business) sold, spun off or derecognised | Category | Effective transaction date | % of voting rights sold or derecognised | % of total voting rights in the Company after disposal | Profit / (Loss) before taxes (Thousands of euros) |
|--|------------|----------------------------|---|--|---|
| Abertis Infraestructuras, S.A. | Associate | 31/08/2010 | 15.65% | 10.33% | 519,977 |
| Infraestructure Concessions South Africa (Pty), Ltd | Subsidiary | 30/09/2010 | 50.00% | 0.00% | 57,856 |
| Transmissão Itumbiara Marimbondo S.A. | Associate | 15/12/2010 | 25.00% | 0.00% | 17,639 |
| Itumbiara Transmissora de Energia Ltda. | Associate | 15/12/2010 | 33.33% | 0.00% | 26,450 |
| Serra da Mesa Transmissora de Energia Ltda | Associate | 15/12/2010 | 33.33% | 0.00% | 6,221 |
| Concesionaria Lt Triângulo S.A. | Associate | 15/12/2010 | 33.33% | 0.00% | (3,005) |
| Concesionaria Serra Paracatu | Associate | 15/12/2010 | 33.33% | 0.00% | (13,522) |
| Concesionaria Ribeirao Preto | Associate | 15/12/2010 | 33.33% | 0.00% | (15,048) |
| Concesionaria Pocos de Caldas | Associate | 15/12/2010 | 33.33% | 0.00% | (23,185) |
| Expansión Transmissão Eléctrica Brasil | Associate | 15/12/2010 | 25.00% | 0.00% | 43,252 |
| Dragados Servicios Portuarios y Logísticos S.L. | Subsidiary | 02/12/2010 | 100.00% | 0.00% | 41,192 |

Within the changes in the scope of consolidation, noteworthy was the sale on 31 August 2010 to the investment fund advisor CVC Capital Partners, of 25.83% of the ownership interest in Abertis Infraestructuras, S.A. at a price of EUR 15.00 per share to two companies: Admirabilia, S.L. and Trebol International, B.V. Under this agreement Admirabilia, S.L. acquired a 10.28% share in Abertis through a contribution and sale, and Trebol acquired the remaining 15.55% through a sale. The share capital of Admirabilia, S.L. was distributed among the partners at a rate of 99% for the ACS Group and 1% for Trebol. The ownership interest in Trebol was distributed among the partners at a rate of 99% for Trebol Holdings S.A.R.L. and 1% for the ACS Group. At both companies 60% of the voting rights pertain to Trebol Holdings S.A.R.L. and the remaining 40% to the ACS Group. Accordingly, Admirabilia, S.L. was accounted for by the equity method. After having eliminated the profit earned by companies of the same ACS Group, thus reducing the carrying amount of the company, the gain on the disposal of the company net of taxes amounted to EUR 519,977 thousand, which was recognised under "Impairment and gains or losses on the disposal of financial instruments" in the accompanying consolidated income statement.

For the partial financing of the aforementioned acquisition from Admirabilia, S.L. and Trebol Internacional, B.V., a loan agreement was entered into with a bank syndicate (made up of La Caixa, B. Santander, Mediobanca and Société General) by which a loan was arranged amounting to EUR 1,500 million and divided into two tranches: one for EUR 1,250 million, maturing in three years; and another for EUR 250 million maturing in one year.

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Also noteworthy was the sale in December 2010 of its ownership interests in different Brazilian concession companies providing a total of eight power transmission lines in this country, with combined gains net of taxes amounting to EUR 38,799 thousand, which were recognised under the heading "Impairment and gains or losses on the disposal of financial instruments" of the accompanying consolidated income statement.

In 2010 the ACS Group sold its ownership interest in the Platinum Corridor highway in South Africa with gains net of taxes amounting to EUR 57,856 thousand, which were recognised under the heading "Impairment and gains or losses on the disposal of financial instruments" in the accompanying consolidated income statement (Note 29).

Finally, also notable was the sale of the assets relating to the port and logistics activities which had been classified as a discontinued operation (Note 3.09), and whose Parent was Dragados SPL.

The most significant changes in the scope of consolidation in 2009 were as follows:

On 30 July 2009, the ACS Group, through Dragados, S.A., the company heading the Construction area launched a takeover bid in the Varsovia stock market on shares representing 65.53% of the share capital of the Polish construction company Przedsiębiorstwo Robót Inżynieryjnych "Pol-Aqua" Spółka Akcyjna (hereinafter Pol-Aqua), at a price of 27 zlotys per share. On 21 October 2009 this transaction was completed, and the group acquired an ownership interest of 66% in the share capital of Pol-Aqua for 486.6 million zlotys (EUR 117,665 thousand). Commencing on this date, in accordance with IFRS 3, it became necessary to measure the assets and liabilities from Pol-Aqua at fair value ("purchase price allocation"). The detail of the allocation of the purchase price was as follows:

| | Carrying Amount | Allocation of Assets | Fair Value of Assets |
|--|-----------------|----------------------|----------------------|
| Thousands of euros | | | |
| Tangible assets - property, plant and equipment | 55,647 | | 55,647 |
| Other intangible assets | 154 | 78,400 | 78,554 |
| Remainder of non-current assets | 7,560 | | 7,560 |
| Current assets | 149,298 | | 149,298 |
| Non-current liabilities (deferred taxes) | | (14,895) | (14,895) |
| Current liabilities | (161,388) | | (161,388) |
| Total net assets | 51,271 | 63,505 | 114,776 |
| Non-controlling interests | | | (39,024) |
| Total fair value of the net assets acquired | | | 75,752 |
| Purchase price | | | 117,665 |
| Goodwill | | | 41,913 |

The main assets to which a reasonable value was attributed are intangible assets relating to the Company's construction order book and client base. This Company's sales for 2010 amounted to EUR 320,399 thousand and its net loss amounted to EUR -1,734 thousand at the year-end exchange rate. In 2009, all of the Company's sales amounted to EUR 309,619 thousand and its net profit amounted to EUR 911 thousand, (at the year-end exchange rate).

On 22 December 2009, Dragados Construction USA, Inc. closed the acquisition of the American construction company Police Construction Inc., with its head office in Phoenix, Arizona (United States). The transaction totaled USD 113 million (EUR 78,757 thousand). This company specializing in civil engineering operates in the states of Arizona, Utah, Nevada and California.

The detail of the allocation of the purchase price at the fair value of the assets and liabilities, after the final allocation assessed subsequent to the 12 month period set forth in IFRS 3, is as follows:

| | Carrying Amount | Allocation of Assets | Fair Value of Assets |
|--|-----------------|----------------------|----------------------|
| Thousands of euros | | | |
| Tangible assets - property, plant and equipment | 9,633 | 8,306 | 17,939 |
| Other intangible assets | | 10,458 | 10,458 |
| Remainder of non-current assets | 348 | | 348 |
| Current assets | 38,753 | | 38,753 |
| Current liabilities | (31,860) | | (31,860) |
| Total net assets | 16,874 | 18,764 | 35,638 |
| Total fair value of the net assets acquired | | | 35,638 |
| Purchase price | | | 78,757 |
| Goodwill | | | 43,119 |

The main assets to which a reasonable value was attributed are intangible assets relating to the Company's construction order book and client base. In 2010 the Company's sales amounted to EUR 102,394 thousand and its net profit amounted to EUR 45,000 thousand, both at the year-end exchange rate. In 2009 sales amounted to EUR 137,135 thousand and its net profit amounted to EUR 12,055 thousand (at the year-end exchange rate).

On 30 December 2009 Dragados Construction, USA, Inc. acquired the US company John P. Picone, Inc. with headquarters in New York (USA). The transaction was structured in such a manner that on the aforementioned date, 80% of the company's share capital was obtained for US \$113.6 million. The acquisition of the remaining 20% of the share capital is to be completed in four years for an agreed upon US \$25.4 million. This company specializes in civil engineering, and mainly tunnels and infrastructures relating to water. According to several different private rankings, it is one of the three main companies in New York engaging in this type of construction work, whose main customers are the "New York Department of Environmental Protection" and the "New York Metropolitan Transportation Authority".

The detail of the allocation of the final purchase price of the assets and liabilities at fair value is as follows:

| | Carrying Amount | Allocation of Assets | Fair Value of Assets |
|--|-----------------|----------------------|----------------------|
| Thousands of euros | | | |
| Tangible assets - property, plant and equipment | 7,748 | 1,407 | 9,155 |
| Other intangible assets | | 18,581 | 18,581 |
| Remainder of non-current assets | 652 | | 652 |
| Current assets | 159,467 | 666 | 160,133 |
| Non-current liabilities (deferred taxes) | (170) | | (170) |
| Current liabilities | (130,017) | | (130,017) |
| Total net assets | 37,680 | 20,654 | 58,334 |
| Total fair value of the net assets acquired | | | 58,334 |
| 80% of purchase price | | | 79,384 |
| Commitment to pay 20% of purchase price | | | 16,717 |
| Goodwill | | | 37,767 |

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The main assets to which a reasonable value was attributed are intangible assets relating to the Company's construction order book and client base.

This Company's sales for 2010 amounted to EUR 228,604 thousand and its net profit amounted to EUR 12,131 thousand, both values at the year-end exchange rate. In 2009 This Company's annual sales amounted to EUR 176,071 thousand and its net profit amounted to EUR 16,689 thousand (at the year-end exchange rate).

In relation to the acquisitions of the American companies, no deferred taxes were recognised in association with the allocation of the value of aforementioned assets, since there were no differences between the carrying costs and tax costs in the country of origin.

Since the differences between the final allocation of the goodwill arising from the 2009 acquisitions and the provisional allocation recognised in the consolidated financial statements for 2009 were not material, the group did not restate the 2009 consolidated financial statements in order to retroactively apply the effect of the final allocation assessed.

However, for information purposes, the main effects in relation to the 2009 consolidated financial statements that would have arisen from retroactively applying the final allocation are detailed below:

| Financial Assets and Liabilities | Effect Positive / (Negative) |
|---|-------------------------------------|
| Thousands of euros | |
| Goodwill | 22,035 |
| Other intangible assets | (18,797) |
| Other assets | (3,942) |
| Equity of the Parent | (13,093) |
| Profit/loss for the year 2009 | (1,312) |
| Other liabilities | 4,325 |

No significant business combinations have arisen subsequent to the end of the reporting period and prior to the preparation of the current Consolidated Financial Statements.

On 26 February 2009 (following approval of the merger of Gas Natural and Unión Fenosa by the competent authorities), the remaining 35.3061% of the shares of Unión Fenosa was sold for EUR 5,824.8 million (equivalent to EUR 18.05 per share, net of the dividend received from Unión Fenosa in January 2009), which gave rise to a net gain of EUR 1,005 million, recognised under "Profit after tax and non-controlling interests from discontinued operations".

Appendix IV contains information on the remaining acquisitions and disposals, as well as increases and decreases in ownership interest affecting the scope of consolidation.

3. Accounting policies

The principal accounting policies used in preparing the Group's consolidated financial statements, in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union, were as follows:

3.01. Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

Any excess of the cost of the investments in the consolidated companies over the corresponding underlying carrying amounts acquired, adjusted at the date of first-time consolidation, is allocated as follows:

- Those attributable to specific assets and liabilities of the companies acquired, by increasing the value of the assets (or reducing the value of the liabilities) whose market values were higher (lower) than the carrying amounts at which they had been recognised in their statements of financial position and whose accounting treatment was similar to that of the same assets (liabilities) of the Group: amortisation, accrual, etc. Those attributable to specific intangible assets, by recognizing them explicitly in the consolidated statement of financial position provided that the fair value at the date of acquisition can be measured reliably.
- Goodwill is only recognised when it has been acquired for consideration and represents, therefore, a payment made by the acquirer in anticipation of future economic benefits from assets of the acquired company that are not capable of being individually identified and separately recognised.
- Goodwill acquired on or after 1 January 2004, is measured at acquisition cost and that acquired earlier is recognised at the carrying amount at 31 December 2003.

In both cases, at the end of each reporting period goodwill is reviewed for impairment (i.e. a reduction in its recoverable amount to below its carrying amount) and any impairment is written down with a charge to "Impairment and net gains or losses on the disposal of fixed assets" in the consolidated income statement, since, as stipulated in IFRS 3, goodwill is not amortised.

An impairment loss recognised for goodwill must not be reversed in a subsequent period.

On disposal of a subsidiary or jointly controlled entity, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Goodwill arising on the acquisition of companies with a functional currency other than the Euro is translated to Euros at the exchange rates prevailing at the date of the consolidated statement of financial position, and changes are recorded as either exchange gains or losses or impairment losses.

Any deficiency of the cost of investments in consolidated companies and associates below the related underlying carrying amounts acquired, adjusted at the date of first-time consolidation, is classified as negative goodwill and is allocated as follows:

- If the negative goodwill is attributable to specific assets and liabilities of the companies acquired, by increasing the value of the liabilities (or reducing the value of the assets) whose market values were higher (lower) than the carrying amounts at which they had been recognised in their statements of financial position and whose accounting treatment was similar to that of the same assets (liabilities) of the Group: amortisation, accrual, etc.
- The remaining amounts are presented under "Other Profit or Loss" in the consolidated income statement for the year in which the share capital of the subsidiary or associate is acquired.

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3.02. Other intangible assets

The other intangible assets are identifiable non-cash assets without physical substance which arise as a result of a legal transaction or which are developed internally by the consolidated companies. Only assets whose cost can be estimated reliably and from which the consolidated companies consider it probable that future economic benefits will be generated are recognised.

Intangible assets are measured initially at acquisition or production cost and are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. These assets are amortised over their useful life.

The ACS Group recognises any impairment loss on the carrying amount of these assets with a charge to "Impairment and Gains on the Disposal of Non-Current Assets" in the consolidated income statement. The criteria used to recognise the impairment losses on these assets and, where applicable, the reversal of impairment losses recognised in prior years are similar to those used for tangible assets - property, plant and equipment (Note 3.06).

3.02.01. Development Expenditure

Development expenditure is only recognised as intangible assets if all of the following conditions are met:

- a) an identifiable asset is created (such as computer software or new processes);
- b) it is probable that the asset created will generate future economic benefits; and
- c) the development cost of the asset can be measured reliably.

Internally generated intangible assets are amortised on a straight-line basis over their useful lives (over a maximum of five years). Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the year in which it is incurred.

3.02.02. Administrative Concessions

Concessions may only be recognised as assets when they have been acquired by the Group for consideration (in the case of concessions that can be transferred) or for the amount of the expenses incurred to directly obtain the concession from the State or from the related public agency.

Concessions are generally amortised on a straight-line basis over the term of the concession.

In the event of non-compliance, leading to the loss of the concession rights, the carrying amount of the concession is written off.

3.02.03. Computer Software

The acquisition and development costs incurred in relation to the basic computer systems used in the Group's management are recorded with a charge to "Other Intangible Assets" in the consolidated statement of financial position.

Computer system maintenance costs are recognised with a charge to the consolidated income statement for the year in which they are incurred.

Computer software may be contained in a tangible asset or have physical substance and, therefore, incorporate both tangible and intangible elements. These assets will be recognised as tangible assets - property, plant and equipment if they constitute an integral part of the related tangible asset, which cannot operate without that specific software.

Computer software is amortised on a straight-line basis over a period of between three and four years from the entry into service of each application.

3.02.04. Remaining intangible assets

The remaining intangible assets relate to the Company's construction order book and client base. Only assets whose cost can be estimated reliably and from which the consolidated companies consider it probable that future economic benefits will be generated are recognised.

These intangible assets are measured at fair value on the date of their acquisition, which is mostly based on independent expert reports, and the assets are amortised in the 5 to 10 year period in which profit will be contributed to the Group.

3.03. Tangible assets - property, plant and equipment

Lands and buildings acquired for use in the production or supply of goods or services or for administrative purposes are stated in the statement of financial position at acquisition or production cost less any accumulated depreciation and any recognised impairment losses.

Capitalised costs include borrowing costs relating to external financing incurred only during the period of construction of the assets, provided that it is probable that they will give rise to future economic benefits for the Group. The capitalised borrowing costs relate both to specific financing expressly for the acquisition of assets and to general financing in accordance with the criteria of IAS 23. Investment income earned on the temporary investment of specific borrowings pending their investment on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other interest costs are recognised in profit or loss in the year in which they are incurred.

Replacements or renewals of complete items that lead to a lengthening of the useful life of the assets or to an increase in their economic capacity are recognised as additions to Tangible assets - property, plant and equipment, and the items replaced or renewed are derecognised.

Periodic maintenance, upkeep and repair expenses are recognised in profit or loss on an accrual basis as incurred.

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is calculated, using the straight-line method, on the basis of the acquisition cost of the assets less their residual value; the land on which the buildings and other structures stand has an indefinite useful life and, therefore, is not depreciated.

The period tangible assets - property, plant and equipment depreciation charge is recognised in the consolidated income statement and is basically based on the application of depreciation rates determined on the basis of the following average years of estimated useful life of the various assets:

| | Years of Estimated Useful Life |
|--|---------------------------------------|
| Structures | 33-50 |
| Plant and machinery | 3-20 |
| Other fixtures, tools and furniture | 3-14 |
| Other items of Tangible assets - property, plant and equipment | 4-12 |

Notwithstanding the foregoing, the fixed assets relating to certain service contracts which reverse back to the contracting body at the end of the term of the contract are depreciated over the lesser of the contract term or the useful life of the assets.

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Assets held under finance leases are recognised in the corresponding asset category at the current value of the minimum payments to be made including their residual value, and are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are depreciated on a basis similar to that of owned assets. If there is no reasonable certainty that the lessee will ultimately obtain ownership of the asset upon the termination of the lease, the asset is depreciated over the shorter of its useful life or the term of the lease.

Interest relating to the financing of assets held under finance leases is charged to consolidated profit for the year in accordance with the effective interest method, on the basis of the repayment of the debt. All other interest costs are recognised in profit or loss in the year in which they are incurred.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated income statement.

The future costs that the Group will have to incur in respect of decommissioning, restoration and environmental rehabilitation of certain facilities are capitalised to the cost of the asset, at present value, and the related provision is recognised. The Group reviews each year its estimates of these future costs, adjusting the value of the provision recognised based on the related studies.

3.04. Non-current assets in projects

This heading includes the amount of investments, mainly in transport, energy and environmental infrastructures which are operated by ACS Group subsidiaries and which are financed by the project finance method (limited recourse financing applied to projects).

These financing structures are applied to projects capable in their own right of providing sufficient guarantee to the participating financial institutions with regard to the repayment of the funds borrowed to finance them. Thus, each project is performed through specific companies in which the project's assets are financed, on the one hand, through a contribution of funds by the developers, which is limited to a determined amount, and on the other, generally of a larger amount, through borrowed funds in the form of long-term debt. The debt servicing of these credit facilities or loans is mainly supported by the cash flows generated by the project in the future, and also by real guarantees on the project assets.

Non-current assets in projects are valued at the costs directly allocable to construction incurred through their entry into operation (studies and designs, expropriations, reinstatement of services, project execution, project management and administration expenses, installations and facilities and similar items), and the portion relating to other indirectly allocable costs, to the extent that they relate to the construction period.

Also included in the cost are the borrowing costs accrued prior to the entry into operation of the assets arising from external financing used to acquire such assets. The capitalised borrowing costs relate to specific financing expressly for the acquisition of assets.

Repair and maintenance expenses which do not lead to a lengthening of the useful life of the assets or an extension of their production capacity are expensed currently.

The residual value, useful life and method used to calculate the amortisation of the company's assets are periodically reviewed to assure that the amortisation method applied is consistent with the pattern of consumption of the benefits arising from the use of the non-current assets in projects.

This heading also includes the amounts relating to concessions to which IFRIC 12 has been applied. These mainly relate to investments in transport, energy and environmental infrastructures operated by ACS Group subsidiaries and financed by the method known as “Project Finance” (limited recourse financing applied to projects), regardless of whether the demand group is assumed by the group or the financial institution. The related loans are generally secured by the project cash flows.

The main features to be considered in relation to non-current assets in projects are as follows:

- The assets under concession are owned by the grantor in most cases.
- The grantor controls or regulates the service offered by the concession operator and the conditions under which it should be provided.
- The assets are operated by the concession operator as established in the concession tender specifications for an established concession period. At the end of this period, the assets are returned to the grantor, and the concession operator has no right whatsoever over these assets.
- The concession operator receives revenues for the services provided either directly from the users or through the grantor.

Generally, there are two clearly differentiated phases: the first where the concessionaire renders construction or improvement services recognised based on degree of completion in accordance with IAS 11 “Construction Contracts”, with a balancing entry as either an intangible or financial asset, and a second phase where a series of maintenance or operating services are rendered for the aforementioned infrastructures recognised in accordance with IAS 18 “Revenue”.

Either an intangible asset or financial asset is recognised depending on whether demand risk is assumed by the concessionaire or the financing party, respectively, since the concessionaire has an unconditional contractual right to charge for construction or improvement services. The fee amounts paid are also recognised under these asset items.

Combinations may also exist where the demand risk is shared between the concessionaire and the financing party. This figure is irrelevant at the ACS Group.

Intangible asset

For concessions classified as intangible assets the provisions made for dismantling, removal or restoration are capitalised at the commencement of the concession, in addition to measures for improving and expanding capacity from which income is projected in the initial contract. The amortisation of these assets and the discounting of the aforementioned provisions are recognised in profit and loss. Period provisions for infrastructure replacements and repairs are systematically recognised in the income statement as the obligation is incurred.

The interest arising from the financing of infrastructures is recognised in profit or loss, excluding the interest accrued during the construction phase in the intangible asset model, which is capitalised until the infrastructures enter into operation.

Intangible assets are amortised on the basis of the expected consumption pattern, which is understood as the trend and best estimate of the production units for each of the different activities. Quantitatively, the most important concession business is highway construction, and the related assets are amortised on the basis of concession traffic.

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Financial asset

The concessions classified as financial assets are recognised at the fair value of the construction or improvement services rendered. According to the amortised cost method, the related income is recognised according to the interest rate of the accounts receivable arising from forecasted flows of concession collections and payments, presenting them as the net amount of sales on the accompanying income statement. As has been stated above, for the rendering of maintenance or operating services, the income and expenses are posted to the income statement according to IAS 18 "Ordinary income", as well as the financing expenses related to the concession that by their nature are recorded on the accompanying consolidated income statement.

The interest income corresponding to the concessions to which the accounts receivable model is applied is recognised as sales, since it is deemed that said income pertains to the ordinary activity thereof.

Replacements or renewals of complete items that lead to a lengthening of the useful life of the assets or to an increase in their economic capacity are recognised as additions to tangible assets - property, plant and equipment, and the items replaced or renewed are derecognised.

The work performed by the Group for its fixed assets are assessed at the production cost, with the exception of the work carried out for concession companies that are assessed at the sale price.

Concession operators cover all the investment made on completion of the concession term by way of amortisation.

The fixed assets under projects are amortised based upon their pattern of use that is generally determined in the case of highways by the forecasted traffic for each period. However, there may be certain contracts that are characterised by having a term lower than the useful life of the fixed assets under the same project, in which case they are amortised based upon said term.

Companies periodically assess, at least at the closing of each period, whether there are signs of deterioration of any asset or set of assets from Tangible assets - property, plant and equipment, in order to proceed with the funding or reversal of the provisions, as indicated in Note 3.06, for the deterioration of the assets to adjust their net book value to their usage value.

The companies consider that the periodic maintenance plans of their facilities, whose cost is allocated to expenses in the year they are incurred, are sufficient to ensure that the assets used are reverted in good working condition on completion of the concession term and that, accordingly, no significant expenses will arise as a result of the reversion.

3.05. Investment property

The Group classifies as investment property the investments in land and structures held either to earn rentals or for capital appreciation, rather than for their use in the production or supply of goods or services or for administrative purposes; or for their sale in the ordinary course of business. Investment property is measured initially at cost, which is the fair value of the consideration paid for the acquisition thereof, including transaction costs. Subsequently, accumulated depreciation, and where applicable, impairment losses are deducted from the initial cost.

In accordance with IAS 40, the ACS Group has elected not to periodically revalue its investment property on the basis of its market value, but rather to recognise it at cost, net of the related accumulated depreciation, following the same criteria as for plant, property and equipment".

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Amortisation of these assets, on the same basis as other property assets, commences when the assets are ready for their projected use.

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its sale or disposal by any other means.

Gains or losses arising from the retirement, sale or disposal of the investment property by other means are determined as the difference between the net disposal proceeds from the transaction and the carrying amount of the asset, and is recognised in profit or loss in the period of the retirement or disposal.

Investment property is depreciated on a straight-line basis over its useful life, which is estimated to range from 25 to 50 years based on the features of each asset, less its residual value, if material.

3.06. Impairment of tangible assets - property, plant and equipment and intangible assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, as well as its investment properties, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset itself does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of the impairment loss is recognised as income immediately.

3.07. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and overheads incurred in bringing the inventories to their present location and condition.

Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

The cost of inventories is calculated by using the weighted average cost formula. Net realisable value is the estimated selling price less the estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The Group assesses the net realisable value of the inventories at year-end and recognises the appropriate loss if the inventories are overstated. When the circumstances that previously caused inventories to be written down no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

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3.08. Non-current and other financial assets

Except in the case of financial assets at fair value through profit or loss, financial assets are initially recognised at fair value, plus directly attributable transaction costs. The Group classifies its financial investments in four categories regardless of whether they are long- or short-term, excluding investments in associates and assets held for sale.

In the statement of financial position, financial assets maturing within no more than 12 months are classified as current assets and those maturing within more than 12 months as non-current assets.

3.08.01. Loans and receivables

These are non-derivative financial assets with fixed or determinable payments not traded in an active market. After their initial recognition, they are measured at amortised cost using the effective interest method.

The amortised cost is understood to be the initial cost of a financial asset or liability minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount. In the case of financial assets, amortised cost also includes any reduction for impairment.

The effective interest rate is the discount rate that exactly matches the net carrying amount of a financial instrument to all its estimated cash flows of all kinds through its residual life.

Deposits and guarantees given are recognised at the amount delivered to meet contractual commitments, regarding gas, water and lease agreements.

Period changes for impairment and reversals of impairment losses on financial assets are recognised in the consolidated income statement for the difference between their carrying amount and the present value of the recoverable cash flows.

3.08.02. Held-to-maturity investments

These include non-derivative financial assets with fixed or determinable payments and with a fixed maturity date that the Group has the positive intention and ability to hold to the date of maturity. After their initial recognition, they are also measured at amortised cost.

3.08.03. Financial assets at fair value through profit or loss

These include the financial assets held for trading and financial assets managed and measured using the fair value model. These assets are measured at fair value in the consolidated statement of financial position and changes are recognised in the consolidated income statement.

3.08.04. Available-for-sale investments

These are non-derivative financial assets designated as available for sale or not specifically classified within any of the previous categories. These relate mainly to investments in the share capital of companies not included in the scope of consolidation.

After their initial recognition at acquisition cost, these investments are measured at fair value, and the gains and losses from changes in fair value are recognised directly in equity until the asset is disposed of or it is determined that it has become impaired, at which time the cumulative gains or losses previously recognised in equity under the heading "Adjustments for changes in value" are recognised in the profit or loss for the year of the related financial assets.

The fair value of investments actively traded in organised financial markets is determined by reference to their closing market price at year-end. Investments for which there is no active market and whose fair value may not reliably be determined are valued at cost or at a lesser cost in the event that impairment is evidenced.

3.08.05. Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership, as in the case of firm sales, transfers of trade receivables in factoring transactions in which no credit or interest risk is retained, sales of financial assets in relation to which repurchase agreements have been entered into at fair value or securitizations of financial assets in which the assignor does not retain subordinated financing or grant any type of guarantee or assume any other type of risk.

On the contrary, the Group does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received where the Group retains substantially all the risks and rewards of ownership of the transferred asset, as in the case of draft discounting facilities, recourse factoring, the sale of financial assets in relation to which a repurchase agreement is entered into at a fixed price or at the sale price plus interest, and the securitisation of financial assets in which the assignor retains subordinated financing or other types of guarantees covering substantially all of the projected losses.

3.08.06. Fair value hierarchy

The assets and liabilities measured at fair value are broken down by levels in accordance with IFRS 7.

- Level 1:* Quoted prices (not adjusted) on active markets for identical assets or liabilities.
- Level 2:* Data other than the listed price included in Level 1 that is observable for the asset or liability instrument, both directly (i.e., the prices) and indirectly (i.e. derived from the prices).
- Level 3:* Data for the asset or liability instrument that is not based upon observable market data.

3.09. Non-current assets held for sale, liabilities relating to non-current assets held for sale and discontinued operations

At 31 December 2010, the non-current assets held for sale related mainly to renewable asset or energy (wind farms and solar thermal plants), whether domestic or international, following the decision made by the Executive Committee of the ACS Group in November 2010, to sell these lines of business. Also included are certain power transmission lines in Brazil which were sold in the first months of 2011, as well as the port and logistics assets whose sale has not yet been finalised (international assets, Sintax and Rebarsa). Since these are not a separate line of business for the ACS Group, all of the aforementioned activities are not considered to be discontinued operations, for which reason the corresponding reclassifications have not been performed in the accompanying consolidated income statement. On 31 December 2010, the non-current assets held for sale and the discontinued operations related to the port and logistics services involved in a formal sale process which was finalised in December 2010. Finally, the sale of the energy activities was completed in 2009, for which reason the income statement is affected.

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The breakdown of the result of the profit from discontinued operations by line of business in the years ended 31 December of 2010 and 2009 is as follows:

| | 31/12/2010 | | 31/12/2009 | |
|--|---------------|------------------|---------------|------------------|
| | SPL | Energy | SPL | Total |
| Thousands of euros | | | | |
| Revenue | 540,964 | 1,261,600 | 543,238 | 1,804,838 |
| Operating expenses | (476,965) | (826,484) | (493,985) | (1,320,469) |
| Net operating income | 63,999 | 435,116 | 49,253 | 484,369 |
| Profit before tax | 31,090 | 334,244 | 34,000 | 368,244 |
| Corporate income tax | (13,496) | (86,053) | (6,137) | (92,190) |
| Profit after tax from discontinued operations | 2,350 | - | (1,630) | (1,630) |
| Profit attributed to non-controlling interests | (126) | (168,143) | 1,532 | (166,611) |
| Profit after tax and non-controlling interests (*) | 19,818 | 80,048 | 27,765 | 107,813 |
| Profit before tax from the disposal of discontinued operations | 41,192 | 1,452,226 | - | 1,452,226 |
| Tax on the disposal of discontinued operations | (17,788) | (447,079) | - | (447,079) |
| Net profit from the disposal of discontinued operations (**) | 23,404 | 1,005,147 | - | 1,005,147 |
| Profit after tax and non-controlling interests from discontinued operations | 43,222 | 1,085,195 | 27,765 | 1,112,960 |

(*) Relating to the ordinary operations of the energy line of business up to February 2009.

(**) Included in this figure are EUR 11,355 thousand of expenses relating to adjustments for changes in value of discontinued operations.

The detail of the assets and liabilities relating to the discontinued operations at 31 December 2009 is as follows:

| | 31/12/2009 |
|--|------------------|
| | SPL |
| Thousands of euros | |
| Tangible assets - property, plant and equipment | 388,338 |
| Intangible assets | 169,876 |
| Non-current assets in projects | 180,301 |
| Financial Assets | 122,775 |
| Deferred tax and other non-current assets | 34,931 |
| Current assets | 236,163 |
| Assets held for sale from discontinued operations | 1,132,384 |
| Non-current liabilities | 590,402 |
| Current liabilities | 209,876 |
| Liabilities relating to assets held for sale from discontinued operations | 800,278 |
| Non-controlling interest from discontinued operations | 55,522 |

Since the ACS Group continued to have control over the subsidiaries of Dragados Servicios Portuarios y Logísticos, S.L. (Parent of the line of business), at the end of the 2009 reporting period it continued to recognise “Non-controlling interests” related to this holding until the of the ownership interest was completed.

The income and expenses recognised under the heading “Adjustments for changes in value” in the consolidated statement of changes in equity, which relate to operations considered to be discontinued in 2009 (referring only to the port and logistics line of business), is as follows:

| | 31/12/2009 |
|---|-----------------|
| | SPL |
| Thousands of euros | |
| Available-for-sale financial assets | - |
| Exchange differences | 272 |
| Cash flow hedges | (11,057) |
| Adjustments for changes in Value | (10,785) |

The breakdown of the effect on the fully consolidated income statement of the discontinued operations in 2010 and 2009 is the following:

| | 31/12/2010 | 31/12/2009 |
|--|-----------------|------------------|
| Thousands of euros | | |
| Income and expenses recognised directly in equity | 570 | 5,539 |
| Arising from cash flow hedges | | |
| Energy | - | 6,532 |
| SPL | 3,536 | (3,109) |
| Exchange differences | | |
| SPL | (1,905) | 5,818 |
| Tax effect | (1,061) | (3,702) |
| Transfers to profit or loss | (11,355) | (174,799) |
| Arising from the measurement of financial instruments | | |
| Energy | - | (582,662) |
| Arising from cash flow hedges | | |
| Energy | - | 46,301 |
| SPL | (19,331) | 1,941 |
| Exchange differences | | |
| Energy | 2,177 | 225,057 |
| Tax effect | 5,799 | 134,564 |
| Total profit/loss for the year from discontinued operations | (10,785) | (169,260) |

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The breakdown of the effect of the discontinued operations on the 2010 and 2009 statements of cash flows is as follows:

| | 31/12/2010 | | 31/12/2009 | |
|--|----------------|------------------|-----------------|------------------|
| | SPL | Energy | SPL | Total |
| Thousands of euros | | | | |
| Cash flows from operating activities | (31,229) | - | 36,965 | 36,965 |
| Cash flows from investing activities | 132,088 | 5,824,811 | - | 5,824,811 |
| Cash flows from financing activities | 31,229 | (2,260,200) | (76,340) | (2,336,540) |
| Cash flows from discontinued operations | 132,088 | 3,564,611 | (39,375) | 3,525,236 |

The lines of business relating to the renewable energy assets (wind farms and solar thermal plants), whether domestic or international, as well as certain power transmission lines in Brazil, are included under the industrial activity segment. Certain of the remaining port and logistics assets which are still in the process of being sold are included in the Environmental activity segment.

In addition to the assets and liabilities relating to the renewable energy line of business, transmission lines and certain port and logistics assets, also included as non-current assets and liabilities relating to non-current assets are certain immaterial assets and liabilities held for sale from among the ACS Group companies.

The breakdown of the main assets and liabilities relating to non-current assets held for sale at 31 December 2010 is as follows:

| | 31/12/2010 | | | Total |
|---|----------------|-----------------------|-----------------------|------------------|
| | SPL | Renewable Energies | Transmission Lines | |
| Thousands of euros | | | | |
| Tangible assets - property, plant and equipment | 77,820 | 19,204 | - | 97,024 |
| Intangible assets | 68,589 | 93,667 | - | 162,256 |
| Non-current assets in projects | - | 3,626,348 | 159,082 | 3,785,430 |
| Financial Assets | 13,675 | 89,888 | 4,821 | 108,384 |
| Deferred tax and other non-current assets | 192 | 57,412 | 3,339 | 60,943 |
| Current assets | 71,356 | 276,793 | 13,960 | 362,109 |
| Non-current assets held for sale | 231,632 | 4,163,312 | 181,202 | 4,576,146 |
| Non-current liabilities | 28,471 | 3,204,215 | 68,320 | 3,301,006 |
| Current liabilities | 36,505 | 237,495 | 15,044 | 289,044 |
| Liabilities relating to non-current assets held for sale | 64,976 | 3,441,710 | 83,364 | 3,590,050 |
| Non-controlling interests held for sale | 18,843 | 13,794 | 47,940 | 61,734 |

The net debt recognised under assets and liabilities held for sale at 31 December 2010 amounts to EUR 2,869.9 million in renewable energies and EUR 63.6 million in transmission lines. In the case of SPL, the effect is a net cash of EUR 19.5 million.

The income and expenses recognised under the heading "Adjustments for changes in value" in the consolidated statement of changes in equity, which relate to the lines of business considered as held for sale in 2010 is as follows:

| | 31/12/2010 | | | |
|---|--------------|-----------------------|-----------------------|------------------|
| | SPL | Renewable Energies | Transmission Lines | Total |
| Thousands of euros | | | | |
| Available-for-sale financial assets | - | - | - | - |
| Exchange differences | (31) | 223 | 12,890 | 13,082 |
| Cash flow hedges | (220) | (114,977) | - | (115,197) |
| Adjustments for changes in Value | (251) | (114,754) | 12,890 | (102,115) |

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through sale rather than through continuing use. For this to be the case, the assets or disposal groups must be available for immediate sale in their present condition, and their sale must be highly probable.

Discontinued operations represent Group components that have been sold or disposed of by any other means, or that have been classified as held for sale. These components comprise groups of operations and cash flows that can be distinguished, operationally and for financial reporting purposes, from the rest of the Group. They represent separate lines of business or geographic areas.

They also include subsidiaries acquired solely with a view to resale.

3.10. Equity

An equity instrument represents a residual interest in the assets of the Group after deducting all of its liabilities.

Capital and other equity instruments issued by the Parent are recognised in equity at the proceeds received, net of direct issue costs.

3.10.01. Share Capital

Ordinary shares are classified as capital. There are no other types of shares.

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

3.10.02. Treasury shares

Note 15.04 summarises the transactions performed with treasury shares in 2010 and 2009. Such shares are recognised as a reduction of equity in the accompanying statement of financial position at 31 December of 2010 and 2009.

If the Group were to acquire or sell treasury shares, the amount paid or received for the treasury shares would be directly recognised in equity. No loss or gain from the purchase, sale, issue or amortisation of the Group's own equity instruments is recognised in the consolidated income statement for the year.

The shares of the Parent are measured at average acquisition cost.

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3.10.03. Stock Options

The Group has granted options on ACS, Actividades de Construcción y Servicios, S.A. shares to certain employees.

In accordance with IFRS 2, the options granted are deemed to be equity-settled share-based payment transactions and are therefore measured at fair value at the grant date and are expensed over the vesting period with a credit to equity, based on the periods of irrevocability of the options.

Since market prices are not available, the value of the share options has been determined using valuation techniques taking into consideration all factors and conditions that would have been applied in an arm's length transaction between knowledgeable parties (Note 28.03).

3.11. Official grants

The ACS Group has received grants from various government agencies mainly to finance investments in tangible assets - property, plant and equipment relating to environmental activity. Evidence of compliance with the conditions established in the related grant resolutions was provided to the relevant competent agencies.

Government grants given to the Group to acquire assets are carried to the income statement of the same period and on the same basis as those applied to depreciate the asset relating to the aforementioned grants.

Government grants to compensate costs are recognised as income on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate.

Government grants receivable as compensation for expenses or losses already incurred, or for the purpose of giving financial support with no future related costs, are recognised as income in the period in which they become receivable.

3.12. Financial liabilities

Financial liabilities are classified in accordance with the content of the contractual arrangements, bearing in mind the economic substance thereof.

The main financial liabilities held by the Group companies relate to held-to-maturity financial liabilities which are measured at amortised cost.

The financial risk management policies of the ACS Group are detailed in Note 21.

3.12.01. Bank borrowings, debt and other securities

Interest-bearing bank loans and overdrafts are recognised at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are recognised in profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Loans are classified as current items unless the Group has the unconditional right to defer repayment of the debt for at least 12 months from the end of the reporting period.

3.12.02. Trade and other payables

Trade payables are not interest bearing and are stated at their nominal value, which does not differ significantly from their fair value.

3.12.03. Current/Non-current classification

In the accompanying consolidated statement of financial position debts due to be settled within 12 months are classified as current items and those due to be settled within more than 12 months as non-current items.

Loans due within 12 months but whose long-term refinancing is assured at the Group's discretion, through existing long-term credit loan facilities, are classified as non-current liabilities.

Limited recourse financing of projects and debts is classified based on the same criteria, and the detail thereof is shown in Note 18.

3.12.04. Retirement benefit obligations

a) Post-employment benefit obligations

Certain Group companies have post-employment benefit obligations of various kinds to their employees. These obligations are classified by group of employees and may relate to defined contribution or defined benefit plans.

Under the defined contribution plans, the contributions made are recognised as expenditure under "Staff costs" in the consolidated income statements as they accrue, whereas for the defined benefit plans actuarial studies are conducted once a year by independent experts using market assumptions and the expenditure relating to the obligations is recognised on an accrual basis, classifying the normal cost for the current employees over their working lives under "Staff costs" and recognizing the associated finance cost, in the event that the obligation were to be financed, by applying the rates relating to investment-grade bonds on the basis of the obligation recognised at the beginning of each year (Note 21).

The defined benefit pension obligations arising from the companies incorporated as a result of the merger by absorption of Grupo Dragados in 2003, are funded by Group life insurance policies, in which investments have been assigned, and whose flows coincide in time and amount with the payment schedule of the insured benefits. Based on the valuation made, at 31 December 2010 the amounts required to cover the obligations to current and retired employees amounted to EUR 36,442 thousand (EUR 47,478 thousand in 2009) and EUR 194,728 thousand (EUR 194,676 thousand in 2009) respectively, at 31 December 2010. The actuarial assumptions used in the 2010 and 2009 valuations are those indicated below:

| | |
|--|---------------|
| Annual rate of increase of maximum social security pension benefit | 2.00% |
| Annual wage increase | 2.35% |
| Annual CPI (Consumer Price Index) growth rate | 2.00% |
| Mortality table (*) | PERM/F-2000 P |

(*) Guaranteed assumptions which will not vary

The applicable interest rates from the date of the externalisation of these pension obligations have ranged from a maximum of 5.93% to a minimum of 3.02%. In 2010 the interest rate applied was 4.81%, and in 2009 the rate was 3.27%.

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The aforementioned pension obligations, which are recognised under “Staff costs” in the income statement for 2010 amounted to EUR 146 thousand in 2010 (EUR 289 thousand in 2009) since the increase in the social security contribution was higher than the average increase in salary for the collective in question.

Additionally, ACS, Actividades de Construcción y Servicios, S.A. and other ACS Group companies have alternative pension system obligations to certain members of the management team and the Board of Directors of the parent. These obligations have been formalised through several group savings insurance policies which provide benefits in the form of a lump sum. The contribution required in this connection amounted to EUR 4,483 thousand in 2010, and was recognised under “Staff costs” in the 2009 income statement. The obligation assumed in this respect in 2009 amounted to EUR 4,330 thousand. The portion relating to the Parent’s Directors who performed executive duties in 2010 amounted to EUR 2,152 thousand (EUR 2,025 thousand in 2009) (Note 34).

b) Other employee benefit obligations

The expense relating to termination benefits is recognised in full when there is an agreement or when the interested parties have a valid expectation that such an agreement will be reached that will enable the employees, individually or collectively and unilaterally or by mutual agreement with the company, to cease working for the Group in exchange for a termination benefit. If a mutual agreement is required, a provision is only recognised in situations in which the Group considers that it will give its consent to the termination of the employees.

3.12.05. Termination benefits

Under current legislation, the Spanish consolidated companies and certain foreign companies are required to pay termination benefits to employees terminated without just cause. There are no redundancy plans making it necessary to record a provision in this connection.

3.13. Provisions

The Group’s consolidated financial statements include all the material provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the consolidated financial statements, but rather are disclosed, as required by IAS 37.

Provisions, which are quantified on the basis of the best information available on the consequences of the event giving rise to them and are reviewed and adjusted at the end of each year, are used to cater for the specific obligations for which they were originally recognised. Provisions are fully or partially reversed when such obligations cease to exist or are reduced.

Litigation and/or claims in process

At the end of 2010 different litigation and claims were in process against the consolidated companies forming the ACS Group arising from the ordinary course of their operations, which unless indicated below, are not representative on an individual level. The Group’s legal advisers and directors consider that the outcome of litigation and claims will not have a material effect on the financial statements for the years in which they are settled.

Provisions for termination benefits to employees

Also, pursuant to current legislation, a provision is recognised to meet the cost of termination of temporary employees with a contract for project work.

Provisions for completion of construction projects

Inspection fee expenses, estimated costs for site clearance and other expenses that may be incurred from completion of the project through final settlement thereof are accrued over the execution period on the basis of production volumes and are recognised under "Current Provisions" on the liability side of the consolidated statements of financial position.

Dismantling of non-current assets and environmental restoration

The Group is obliged to dismantle certain facilities at the end of their useful life, such as those associated with the closing of landfills, and to ensure the environmental restoration of the sites where they were located. The related provisions have been made for this purpose and the present value of the cost that these tasks would represent has been estimated, a concession asset being recorded as a balancing item.

Other provisions

Other provisions include mainly provisions for warranty costs.

3.14. Risk management policy

The ACS Group is exposed to certain risks which it manages by applying risk identification, measurement, concentration limitation and monitoring systems.

The main principles defined by the ACS Group for its risk management policy are as follows:

- Compliance with corporate governance standards.
- Establishment by the Group's various lines of business and companies of the risk management controls required to assure that market transactions are performed in accordance with the policies, standards and procedures of the ACS Group.
- Special attention to the management of financial risk, basically including interest rate risk, foreign currency risk, liquidity risk and credit risk (Note 21).

The ACS Group risk management is of a preventative nature and is aimed at the medium- and long-term taking into account the most probable scenarios with respect to the performance of the variables affecting each risk.

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3.15. Derivative financial instruments

The Group's activities are exposed mainly to financial risks of changes in foreign exchange rates and interest rates. The transactions performed are in line with the risk management policy defined by the Group.

Derivatives are initially recognised at acquisition cost in the consolidated statement of financial position and the required value adjustments are subsequently made to reflect their fair value at all times. These adjustments are recorded under "Financial Instrument Receivables" in the consolidated statement of financial position if they are positive and under "Financial Instrument Payables" if they are negative. Gains and losses from fair value changes are recognised in the consolidated income statement, unless the derivative has been designated and is highly effective as a hedge, in which case it is recognised as follows:

Fair value hedges

The hedged item and hedging instrument are both measured at fair value, and changes in fair value are recognised in the consolidated income statement under "Changes in the Fair Value of Financial Instruments".

Cash flow hedges

Changes in the fair value of the derivatives are recognised, in respect of the effective portion of the hedges, in equity under "Adjustments for Changes in Value" in the accompanying consolidated statement of financial position. Hedges are considered to be effective or efficient for derivatives in relation to which the effectiveness test results are within a range of 80% to 125%. The cumulative gain or loss recognised in this account is transferred to the consolidated income statement to the extent that the underlying has an impact on this account in relation to the hedged risk, and the related effect is deducted from the same heading in the consolidated income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and when the host contracts are not carried at fair value with unrealised gains or losses reported in the income statement.

The fair value of the derivative financial instruments is calculated as follows:

- For derivatives whose underlying is quoted in an organised market, valuation is based on a Value at Risk (VaR) analysis, which determines the asset's expected value, taking into consideration its exposure to risk for a certain confidence level on the basis of market performance, the asset's characteristics and the potential loss arising under a scenario which is highly unlikely to occur. The analysis is based on applying a normal distribution to the daily evolution of the asset's price and the use of the expected volatility required on the basis of the derivative's characteristics to establish the probability associated to the required confidence level. For the purposes of this calculation, the periods required to undo this position without affecting the market are taken into account. The outstanding Financial costs associated with each derivative evaluated is deducted from the values obtained.
- Derivatives not traded in organised markets are valued using normal financial market techniques, i.e., discounting the expected cash flows in the contract in view of its characteristics, such as the notional amount and the collection and payment schedule, based on spot and forward market conditions at the reporting date. Interest rate swaps are measured using zero-coupon curves, which is determined on the basis of the deposits and swaps traded at a given time through a bootstrapping process through which the discount factors are obtained. For derivatives with caps and floors or combinations thereof, occasionally tied to the fulfilment of special obligations, the interest rates used are the same as in the case of interest rate swaps. However, in order to allow for the random exercise of options, the Black-Scholes methodology is used, as is standard practice in the financial market.

3.16. Revenue recognition

Revenue is recognised to the extent that the economic benefits associated with the transaction flow to the Group. Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for the goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Sales of goods are recognised when substantially all the risks and rewards arising from their ownership have been transferred.

Revenue associated with the rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period date, provided the outcome of the transaction can be estimated reliably.

In an agency relationship, when the reporting company acts as a commission agent, the gross inflows of economic benefits for amounts collected on behalf of the principal do not result in increases in equity for the company. Therefore, these inflows are not revenue and, instead, revenue is the amount of commissions.

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholder rights to receive payment have been established.

Following is a disclosure of specific revenue recognition criteria that exist for certain activities carried on by the Group:

3.16.01. Construction business

In the construction business, the outcome of a construction contract is recognised by the percentage of completion method, by reference to the stage of completion of the contract work.

In the construction industry estimated revenues and costs of construction projects are susceptible to changes during the performance period which cannot be readily foreseen or objectively quantified. In this sense, production each year is valued at certification price of the units completed in the period that, since they are covered in the contract entered into with the owners, or in approved addenda or amendments thereto, do not give rise to any doubts regarding their certification. In addition, production is valued at certification price of other project units that have already been completed for which management of the consolidated companies consider there is reasonable assurance of recovery.

Should the amount of production from inception, valued at certification price, of each project be greater than the amount certified up to the end of the reporting period date, the difference between the two amounts is recorded under the heading "Trade and other receivables" on the asset side of the consolidated statement of financial position. Should the amount of production from inception be lower than the amount of the certificates issued, the difference is recorded as "Customer advances" under the heading "Trade and other payables" on the liability side of the consolidated statement of financial position.

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Machinery or other fixed assets acquired for a specific project are depreciated over the estimated project execution period and on the basis of the consumption pattern thereof. Permanent facilities are depreciated on a straight-line basis over the project execution period. The other assets are depreciated in accordance with the general criteria indicated in these notes to the financial statements.

Late-payment interest arising in relation to delays in the collection of certification amounts is recognised when collected.

3.16.02. Industrial, environment and other service businesses

Group companies recognise as the outcome from the rendering of services for each year the difference between production (valued at the sale price of the services provided during the period, which are covered by the initial contract entered into with the customer or in approved modifications or addenda thereto, and of services which have not yet been approved but there is reasonable assurance of recovery) and the costs incurred in the year.

Price increases recognised in the initial contract entered into with the customer are recognised as revenue on an accrual basis, regardless of whether they have been approved annually by it.

Late-payment interest is recognised as financial income when finally approved or collected.

3.17. Expense recognition

An expense is recognised in the consolidated income statement when there is a decrease in the future economic benefits as a result of a reduction of an asset, or an increase in a liability, which can be measured reliably. This means that an expense is recognised simultaneously to the recognition of the increase in a liability or the reduction of an asset.

Additionally, an expense is recognised immediately when a disbursement does not give rise to future economic benefits or when the requirements for recognition as an asset are not met.

Also, an expense is recognised when a liability is incurred and no asset is recognised, as in the case of a liability relating to a guarantee.

In the specific case of expenses associated with commission income when the commission agent does not have any inventory risk, as in the case of certain Group logistics service companies, the cost to sell or to render the related service does not constitute an expense for the company (commission agent) since the latter does not assume the inherent risks. In these cases, as indicated in the section on revenue recognition, the sale or service rendered is recognised for the net amount of the commission.

3.18. Offsetting

Asset and liability balances must be offset and, therefore, the net amount thereof is presented in the consolidated statement of financial position only when they arise from transactions in which, contractually or by law, offsetting is permitted and the Group intends to settle them on a net basis, or to realise the asset and proceed with the payment of the liability simultaneously.

3.19. Corporation tax

The corporation tax expense represents the sum of the current tax expense and the change in deferred tax assets and liabilities.

The current income tax expense is calculated by aggregating the current tax arising from the application of the tax rate to the taxable profit for the year, after deducting the tax credits allowable for tax purposes, plus the change in deferred tax assets and liabilities.

Deferred tax assets and liabilities include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, unless the temporary difference arises from the initial recognition of goodwill or the initial recognition (except in the case of a business combination) of other assets and liabilities in a transaction that affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for temporary differences to the extent that it is considered probable that the consolidated companies will have sufficient taxable profits in the future against which the deferred tax asset can be utilised, and the deferred tax assets do not arise from the initial recognition (except in a business combination) of other assets and liabilities in a transaction that affects neither accounting profit nor taxable profit. The other deferred tax assets (tax loss and tax credit carryforwards) are only recognised if it is considered probable that the consolidated companies will have sufficient future taxable profits against which they can be utilised.

The deferred tax assets and liabilities recognised are reassessed at each reporting period in order to ascertain whether they still exist, and the appropriate adjustments are made on the basis of the findings of the analyses performed.

Spanish companies in which the Parent owns more than 75% of their share capital file consolidated tax returns in accordance with the current regulations as part of Tax Group 30/99.

3.20. Earnings per share

Basic earnings per share are calculated by dividing net profit attributable to the Parent by the weighted average number of ordinary shares outstanding during the year, excluding the average number of shares of the Parent held by the Group companies (Note 31.01).

Diluted earnings per share are calculated by dividing net profit attributable to ordinary shareholders adjusted by the effect attributable to the dilutive potential ordinary shares by the weighted average number of ordinary shares outstanding during the year, adjusted by the weighted average number of ordinary shares that would have been outstanding assuming the conversion of all the potential ordinary shares into ordinary shares of the Parent. For these purposes, it is considered that the shares are converted at the beginning of the year or at the date of issue of the potential ordinary shares, if the latter were issued during the current period.

At 31 December 2010 and 2009, basic earnings per share were the same as diluted earnings per share, since none of the aforementioned circumstances arose given that it was not necessary to increase capital as foreseen in relation to the takeover bid for Hochtief A.G. (Note 10).

3.21. Foreign currency transactions

The Group's functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be "Foreign Currency Transactions" and are recognised by applying the exchange rates prevailing at the date of the transaction.

Foreign currency transactions are initially recognised in the functional currency of the Group by applying the exchange rates prevailing at the date of the transaction.

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At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates prevailing at the end of the reporting period date. Non-cash items measured at historical cost are translated to euros at the exchange rates prevailing on the date of the transaction.

Any exchange differences arising on settlement or translation at the closing rates of monetary items are recognised in the consolidated income statement for the year, except for items that form part of an investment in a foreign operation, which are recognised directly in equity net of taxes until the date of disposal.

On certain occasions, in order to hedge its exposure to certain foreign currency risks, the Group enters into forward currency contracts and options (Note 21 for details of the Group's accounting policies in respect of such derivative financial instruments).

On consolidation, the assets and liabilities of the Group's foreign operations are translated to euros at the exchange rates prevailing at the end of the reporting period date. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly. Any exchange differences arising are classified as equity. Such Exchange differences are recognised as income or as expenses in the year in which the operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign company are treated as assets and liabilities of the foreign company and translated at the closing rate.

3.22. Entities and branches located in hyperinflationary economies

None of the functional currencies of the consolidated subsidiaries and associates located abroad relate to hyperinflationary economies as defined by IFRSs. Accordingly, at the 2010 and 2009 accounting close it was not necessary to adjust the financial statements of any of the subsidiaries or associates to correct for the effect of inflation.

3.23. Consolidated statement of cash flows

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

Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.

Operating activities: the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.

Investing activities: the acquisition and disposal of non-current assets and other investments not included in cash and cash equivalents.

Financing activities: activities that result in changes in the size and composition of the equity and borrowings of the Group that are not operating activities.

In view of the diversity of the Group's businesses and activities, the Group opted to report cash flows using the indirect method.

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

| | 2010 | 2009 |
|--|------------------|---------------|
| Thousands of euros | | |
| Dividends | (245,701) | (206,101) |
| Financial costs | 808,463 | 660,999 |
| Financial income | (246,866) | (171,627) |
| Profit (loss) from disposals | (583,253) | (4,295) |
| Results of companies accounted for using the equity method | (222,216) | (212,680) |
| Other effects | 82,817 | (23,327) |
| Total | (406,756) | 42,969 |

Additionally, in the preparation of the statement of cash flows for 2009, investment payments relating to the novation of the equity swap of Iberdrola amounting to EUR 2,315,918 thousand were included as cash flows. The same amount was also recognised as a cash flow from financing activities under "Refund and Repayment" in 2009. This criteria was followed in order to facilitate the necessary information relating to the novation agreement of the aforementioned equity swap carried out in 2009.

3.24. Entry into force of new accounting standards

In 2010, the following interpretations of standards already adopted by the European Union came into force, and, if applicable, were used by the Group in the preparation of the accompanying consolidated financial statements:

(1) "Standards" and "Interpretation" already adopted by the European Union whose application is mandatory in 2010:

| Standards and Interpretations of Standards: | | Mandatory application in the year commencing: |
|--|--|--|
| Amendment of IAS 27 | Consolidated and separate financial statements | 1 July 2009 |
| Revised IFRS 3 | Business combinations | 1 July 2009 |
| Amendment of IAS 39 | Eligible hedged items | 1 July 2009 |
| Improvements to IFRS 2009 | Improvement of the International Financial Reporting Standards | 1 January 2010 |
| Amendment of IFRS 2 | Group Cash-settled Share-based Payment Transactions | 1 January 2010 |

| Interpretations of Standards: | | Mandatory application in the year commencing: |
|--------------------------------------|---|--|
| IFRIC12 | Service concession arrangements | 29 March 2009 |
| IFRIC 16 | Hedges of a Net Investment in a Foreign Operation | 1 July 2009 |
| IFRIC 15 | Agreements for the Construction of Real Estate | 1 January 2010 |
| IFRIC 17 | Distribution of Non-cash Assets to Owners | 1 November 2009 |
| IFRIC 18 | Transfers of Assets from Customers | 1 November 2009 |

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Following is a brief summary thereof:

IFRIC 12 – “Service Concession Arrangement” (initially effective for annual periods beginning after 1 January 2008). This interpretation was issued on 30 November 2006 and adopted by the European Union on 26 March 2009, its application being mandatory for annual periods beginning after 29 March 2009.

This interpretation which became effective for the Group in the annual period beginning after 1 January 2010, specifies the accounting practices to be followed by private operators in relation to public service concession arrangements and regulates the accounting treatment of public/private service concession arrangements by the operator of a service concession operator. It establishes different accounting methods (the Intangible Asset Model, the Financial Asset Model and the Combined Model), based upon the agreements reached between the Operator and the Grantor and the transfer of the concession demand risk.

When the cash flows of the operator are guaranteed by the grantor (in which case the latter assumes the demand risk), the operator will recognise a financial asset for the contractual right to receive cash or another financial asset from another company. If on the contrary, the grantor grants the operator a right to charge users of the public service, the revenue is conditional upon the use (the operator assumes the demand risk) and in this case, it will recognise an intangible asset for the license that it obtains. The case may also arise where both parties share the demand risk, so that the operator accounts for the consideration in part as a financial asset and in part as an intangible asset (giving rise to a combined or split model).

On 1 January 2010, the Group applied this interpretation retroactively, restating the financial statements from 2009 for comparison purposes in these summarised financial statements. Therefore, these differ from those included in the 2009 consolidated financial statements. The comparison included in the accompanying notes was also restated, also presenting the statement of financial position at the beginning of the comparison period (1 January 2008), in accordance with the requirements of IAS 1.

The effect of the application of IFRIC 12 and the voluntary application of the IAS 31 equity method on Equity At 31 December 2009, was a decrease of EUR 82,247 in equity, including a net loss of EUR 5,343 million. Most of the effect on equity (decrease of EUR 75,429 thousand) relates to the effect on Abertis Infraestructuras, S.A. a company accounted for using the equity method.

IAS 27 (revised in January 2008 and adopted on 12 June 2009) - **“Consolidated and separate financial statements”** (mandatory application for annual periods subsequent to 1 July 2009). The revised standard requires the effects of all transactions with non-controlling interest to be recognised in equity as long as there are no changes in control, and consequently these transactions no longer have an effect on goodwill nor do they result in a gain or loss. The amendment also provides the accounting treatment to be applied when control is lost. The non-controlling interest which is retained should be measured at fair value, and the effect should be recognised in profit or loss.

IFRS 3 (revised in January 2008 and adopted on 12 June 2009) - **“Business combinations”** (mandatory for annual periods subsequent to 1 July 2009). Acquisition methods are maintained for business combinations. However, significant amendments are included such as the following:

In the case of step acquisitions, on the date that control is obtained, the fair values of the acquired entity's assets and liabilities are measured, including the portion already held. Any resulting differences to previously recognised assets and liabilities are recognised in profit or loss.

All acquisition costs are recognised at fair value at the acquisition date. Contingent considerations classified as liabilities are measured at fair value at the end of the reporting period, and any changes are recognised in profit or loss.

It introduces an accounting policy choice applicable to business combinations, consisting in measuring non controlling interests either at fair value or at the non-controlling interest's proportionate share of net assets of the acquiree.

Transactions costs are expensed (previously they could be capitalised to acquisition cost).

IFRS 16 – “Hedges of a Net investment in a Foreign Operation” (effective as of 1 October 2008, although it is finally applicable for annual periods beginning after 1 July 2009). It clarifies the accounting treatment to be applied to hedges of a net investment.

With the exception of the effect of the application of IFRIC 12 described above, the application of the remaining standards that became effective in 2010 has not had a material effect on the consolidated financial statements.

Standards and Interpretations which had not yet entered into force at the date of the preparation of the financial statements:

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

| Standards and Interpretations of Standards: | | Mandatory application in the year commencing |
|--|---|---|
| Approved by the EU: | | |
| Amendment of IAS 32 | Financial instruments: Presentation-Classification of Rights Issues | 1 February 2010 |
| Revision of IAS 24 | Related Party Disclosures | 1 January 2011 |
| Not yet approved by the EU: | | |
| IFRS 9 | Financial instruments: Classification and Measurement | 1 January 2013 |
| Improvements IFRS 2010 | Improvement of the International Financial Reporting Standards | Mainly 1 January 2011 |
| Amendment of IFRS 7 | Financial instruments: Breakdown-Transfer of financial assets | 1 July 2011 |
| Amendment of IAS 12 | Income taxes – deferred taxes relating to investment property | 1 January 2012 |

| Interpretations of Standards: | | Mandatory application in the year commencing |
|--|---|---|
| Approved for their use by the EU: | | |
| Amendment to IFRIC 14 | Prepayments of minimum funding requirements | 1 January 2011 |
| IFRIC 19 | Extinguishing financial liabilities with equity | 1 July 2010 |

IAS 32 – amendment of “Financial instruments: Presentation”. Amends the accounting treatment of the rights, options and warrants denominated in a currency other than the functional currency.

IAS 24 – revision of “Related Party Disclosures”. It amends the definition of the related party and reduces the information requirements for the related companies only because they are under control, common control or under significant influence of the Government.

IFRS 9. “Financial instruments: Classification and Measurement”. It replaces the classification and measurement requirements of IAS 39.

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IFRS 7 – revision of “Financial instruments: Breakdown-Transfers of financial assets”. It increases and reinforces the breakdown of transfers of financial assets.

IAS 12 – revision of “Income Tax-Deferred taxes relating to Investment Property”. Regarding the calculation of deferred taxes relating to investment properties in accordance with the fair value model of IAS 40.

The entry into force of the aforementioned standards not yet effective at the date of the presentation of these financial statements is not expected to have a significant impact on the Group.

All mandatory accounting policies and measurement bases with a material effect on the consolidated financial statements were applied in the preparation thereof.

4. Intangible assets

4.01. Goodwill

The detail by line of business of the changes in goodwill in 2010 and 2009 is as follows:

| Line of Business | Balance at 31/12/2009 | Change in consolidation method | Additions | Disposals and Allocations | Impairment | Exchange differences | Balance at 31/12/2010 |
|---------------------|-----------------------|--------------------------------|---------------|---------------------------|--------------|----------------------|-----------------------|
| Thousands of euros | | | | | | | |
| Parent | 780,939 | - | - | - | - | - | 780,939 |
| Construction | 142,971 | - | 23,527 | (778) | (126) | 10,174 | 175,768 |
| Industrial Services | 57,126 | 1,622 | 12,090 | (6,104) | - | - | 64,734 |
| Environment | 127,383 | (115) | 767 | (69) | - | (33) | 127,933 |
| Total | 1,108,419 | 1,507 | 36,384 | (6,951) | (126) | 10,141 | 1,149,374 |

| Line of Business | Balance at 01/01/2009 | Change in consolidation method | Additions | Disposals and Allocations | Impairment | Exchange differences | Balance at 31/12/2009 |
|---------------------|-----------------------|--------------------------------|----------------|---------------------------|--------------|----------------------|-----------------------|
| Thousands of euros | | | | | | | |
| Parent | 780,939 | - | - | - | - | - | 780,939 |
| Construction | 55,129 | - | 100,764 | (12,439) | - | (483) | 142,971 |
| Industrial Services | 52,484 | - | 4,728 | (86) | - | - | 57,126 |
| Environment | 206,104 | (74,854) | 3,861 | (7,305) | (238) | (185) | 127,383 |
| Total | 1,094,656 | (74,854) | 109,353 | (19,830) | (238) | (668) | 1,108,419 |

The most significant additions amounting to EUR 23,527 thousand in 2010 relate to the Construction area and specifically, the recalculation of goodwill, after the 12 month period provided in IFRS 3, which arose in 2009 on the acquisitions of Pol-Aqua, John P. Picone, Inc. and Pulice Construction, Inc. (Note 2.02.f).

The change in the scope of consolidation in 2009 relates to the consideration of the port and logistics services as discontinued operations.

In the case of goodwill, annually the ACS group compares the carrying amount of the company or cash-generating unit to the value in use obtained by means of the cash flow discounting measurement method.

The most significant goodwill amounting to EUR 780,939 thousand arose from the merger with the Dragados Group in 2003. It relates to the amount paid in excess of the value of the assets on the acquisition date, and was assigned mainly to the cash generating units of the construction and industrial services area. The ACS Group assessed the recoverability thereof in 2009 and in 2010.

For the purposes of the testing the impairment of the goodwill of the operating businesses of the Dragados Group, excluding concessions, the cash flow discounting method was used to obtain a valuation based on internal projections for each of the business units for the 2011-2015 period, following which perpetual growth rates from 0% to 1% were applied for the different group divisions. The discount rate used (weighted average cost of capital or WACC) was 9.7% for Construction, 5.6% for the Environment and 12.9% for Industrial Services. The concession arrangements have been valued at market rates.

The combined result of the cash flow discounting valuation of the operating businesses and the valuation of the concession businesses significantly exceeds the carrying value plus the goodwill of the Dragados Group. Similarly, said value has been compared to the valuations of analysts through the sum of the parts, and the value of the ACS Group on the market, there being no signs of impairment in any of the analysed cases.

The remaining goodwill, excluding that generated by the merger between ACS and the Dragados Group, is very fragmented. Thus, in the case of the Industrial area, the total Goodwill on the statement of financial position amounts to EUR 64,733 thousand, which relates to 20 companies from this business area, the most significant relating to the acquisition of SICE for EUR 11,709 thousand.

In the Environmental area, total goodwill amounts to EUR 127,934 million relating to 44 different companies, the largest being related to the purchase of the portion corresponding to the minority interests of Tecmed, now merged into Urbaser, for EUR 38,215 thousand.

In the Construction area, goodwill totals EUR 175,768 thousand, the most relevant arising on the acquisitions from 2009 (Note 2.02.f), as well as the acquisition of Schiavone in 2008, whose goodwill amounts to EUR 44,637 thousand.

In these areas, the calculated impairment tests are based upon scenarios similar to those that have been described for each area of activity or the case of Dragados Group Goodwill, taking into account the necessary adjustments based upon the peculiarities, geographic markets and specific circumstances of the affected companies.

According to the estimates and projections available to the Directors of the Group and of each of the companies concerned, the projected cash flows attributable to these cash-generating units (or groups of units) to which the goodwill is allocated will make it possible to recover the net value of the goodwill recognised at 31 December 2010 and 2009. No relevant impairment has been recognised for the Goodwill for 2010 and 2009.

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4.02. Other intangible assets

The changes in this consolidated statement of financial position heading in 2010 and 2009 were as follows:

| | Development Expenditure | Computer software | Concessions | Remaining intangible assets | Total other intangible Assets | Accumulated Amortisation | Impairment losses | Total Other Intangible Assets Net |
|---------------------------------------|----------------------------|----------------------|----------------|-----------------------------------|-------------------------------------|-----------------------------|----------------------|---|
| Thousands of euros | | | | | | | | |
| Balance at 01 January 2009 | 6,989 | 47,658 | 181,414 | 313,030 | 549,091 | (91,166) | (80) | 457,845 |
| Changes in the scope of consolidation | - | (15,334) | (103,428) | 114,259 | (4,503) | 6,955 | - | 2,452 |
| Additions or charges for the year | 2,017 | 4,403 | 32,645 | 116,158 | 155,223 | (20,412) | 17 | 134,828 |
| Disposals or reductions | (187) | (2,363) | (33,482) | (2,490) | (38,522) | 6,920 | 3 | (31,599) |
| Exchange differences | (1) | 89 | (10) | (53) | 25 | (43) | - | (18) |
| Transfers from/to other assets | 2,067 | 148 | (1,578) | 5,630 | 6,267 | (2,824) | 10 | 3,453 |
| Balance at 31 December 2009 | 10,885 | 34,601 | 75,561 | 546,534 | 667,581 | (100,570) | (50) | 566,961 |
| Changes in the scope of consolidation | - | 20 | 2 | 793 | 815 | (770) | - | 45 |
| Additions or charges for the year | 95 | 3,018 | 73,982 | 40,074 | 117,169 | (22,366) | (19,252) | 75,551 |
| Disposals or reductions | (279) | (1,551) | (2) | (99,004) | (100,836) | 2,129 | 2,277 | (96,430) |
| Exchange differences | - | 90 | - | 5,973 | 6,063 | (78) | (324) | 5,661 |
| Transfers from/to other assets | (2,505) | 351 | 5,485 | (90,384) | (87,053) | 7,242 | (7,619) | (87,430) |
| Balance at 31 December 2010 | 8,196 | 36,529 | 155,028 | 403,986 | 603,739 | (114,413) | (24,968) | 464,358 |

In 2010 there were no changes in other intangible assets resulting from significant changes in the scope of consolidation. The changes in scope of consolidation in 2009 relate mainly to the consideration of port and logistics services as a discontinued operation and the allocations of intangible assets relating to the acquisitions of the companies Pol-Aqua, Pulice Construction, Inc. and John P. Picone, Inc. which amounted to EUR 98,222 thousand and were included under "Remaining intangible assets" finally being reallocated in 2010 (Note 2.02.f.). The business combinations have focused on businesses characterised by the existence of a significant construction order book and client base, among others, many of which expire in the short-medium term and are subject to periodic renewals (on tacit occasions), thus establishing a recurring relationship over time with its most significant clients. In these cases, the ACS Group deems that, according to IFRS 3, part of the gain must be allocated to said contracts and generally to the contractual relationships with clients. The assessment of the order book signed on the acquisition date of the contractual relationships with clients, takes the planned margins (EBITDA) after taxes, the CAPEX forecasts and the signed contractual period as a reference. Said assessment gives rise to the generation of an intangible asset, which shall be amortised over the remaining term of the contract and the term of the aforementioned contractual relationship, which tends to be limited to 10 years, proportionately to the estimated cash flows.

The intangible assets identified above, correspond in their entirety to the assessment of the order book of signed contracts on the acquisition date and the contractual relationships with certain key clients of the acquired companies. They are amortised on a straight-line basis over the estimated period in which they generate the cash flows for the company.

Investments in 2010 amounted to EUR 117,936 thousand, of which EUR 117,169 thousand relate to separate acquisitions and EUR 767 thousand to assets acquired through business combinations. Noteworthy were the acquisitions relating to the capitalisation of the concession project of the RSU treatment plant of Marsella (EVERE) for EUR 66,822 thousand, whose completion date is 2030.

In 2009 investments amounted to EUR 272,384 thousand of which EUR 155,223 thousand relate to separate acquisitions and EUR 117,161 thousand to assets acquired through business combinations.

Disposals, retirements and reductions correspond mainly to the recalculation of the allocations of goodwill arising from the 2009 acquisitions, the aforementioned allocations having decreased in Pulice by (EUR 46,901 thousand) and in Picone by (EUR 23,873 thousand).

In 2010, the net transfers to other assets amounted to EUR 87,430 thousand, mainly relating to "Remaining intangible assets". In Industrial Services they correspond to the classification of renewable energies as assets held for sale (solar thermal plants and wind farms) as well as certain transmission lines in Brazil for EUR 87,474 thousand.

Fully amortised intangible assets in use at 31 December 2010, amounted to EUR 32,558 thousand (EUR 35,621 thousand at 31 December 2009). There were no items temporarily taken out of use at 31 December 2010 or 31 December 2009.

In 2010 the impairment losses relating to "Other intangible assets" amounted to EUR 19,268 thousand and related to the Construction area, while in 2009 there were no significant losses. Impairment losses have not reverted to the income statements of 2010 and 2009.

No significant development expenditure was recognised as an expense in the 2010 and 2009 consolidated income statement.

There were no intangible assets whose title was restricted in 2010 and 2009.

At 31 December 2009 and 2010, the amount of assets with an indefinite useful life other than those reported as goodwill was not material

5. Tangible assets - property, plant and equipment

The changes in this consolidated statement of financial position heading in 2010 and 2009 were as follows:

| | Land and Buildings | Plant and Machinery | Other tangible assets - property, plant and equipment | Advances and Tangible assets - property, plant and equipment in the course of construction | Total Tangible assets - property, plant and equipment | Accumulated depreciation | Impairment losses | Total Tangible assets - property, plant and equipment Net |
|---------------------------------------|--------------------|---------------------|---|--|---|--------------------------|-------------------|---|
| Thousands of euros | | | | | | | | |
| Balance at 01 January 2009 | 558,844 | 1,312,303 | 734,024 | 193,179 | 2,798,350 | (1,324,830) | (5,514) | 1,468,006 |
| Changes in the scope of consolidation | (162,211) | (156,003) | (75,947) | (25,165) | (419,326) | 148,188 | 80 | (271,058) |
| Additions or period charges | 56,043 | 94,806 | 65,175 | 61,081 | 277,105 | (191,884) | (12,910) | 72,311 |
| Disposals or Reductions | (12,069) | (54,612) | (33,736) | (10,423) | (110,840) | 89,738 | 79 | (21,023) |
| Exchange differences | 468 | 3,437 | 1,622 | (652) | 4,875 | (2,748) | (102) | 2,025 |
| Transfers from/to other assets | 76,512 | 8,976 | 8,057 | (110,059) | (16,514) | 5,302 | - | (11,212) |
| Balance at 31 December 2009 | 517,587 | 1,208,907 | 699,195 | 107,961 | 2,533,650 | (1,276,234) | (18,367) | 1,239,049 |
| Changes in the scope of consolidation | 5,385 | 24,207 | 2,457 | 6,669 | 38,718 | (577) | (5) | 38,136 |
| Additions or period charges | 13,627 | 79,357 | 108,611 | 67,685 | 269,280 | (218,395) | (5,364) | 45,521 |
| Disposals or Reductions | (1,568) | (44,414) | (44,070) | (3,483) | (93,535) | 42,740 | 375 | (50,420) |
| Exchange differences | 1,558 | 5,115 | 5,452 | 3,142 | 15,267 | (6,324) | 14 | 8,957 |
| Transfers from/to other assets | (48,086) | 3,637 | 9,496 | (25,400) | (60,353) | (2,279) | (450) | (63,082) |
| Balance at 31 December 2010 | 488,503 | 1,276,809 | 781,141 | 156,574 | 2,703,027 | (1,461,069) | (23,797) | 1,218,161 |

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Of which the following are leased assets:

| | Land and Buildings | Plant and Machinery | Other tangible assets - property, plant and equipment | Total tangible assets - property, plant and equipment | Accumulated Depreciation | Total Tangible assets - property, plant and equipment Net |
|------------------------------------|--------------------|---------------------|---|---|--------------------------|---|
| Thousands of euros | | | | | | |
| Balance at 31 December 2009 | 3,143 | 17,776 | 34,784 | 55,703 | (12,386) | 43,317 |
| Balance at 31 December 2010 | 3,228 | 19,153 | 34,372 | 56,753 | (14,106) | 42,647 |

There were no significant changes in the scope of consolidation in 2010. In 2009, these changes related mainly to the consideration of the port and logistics services as a discontinued operation.

The most significant additions under this heading in 2010 by line of business related to the Industrial Services Area and amounted to EUR 90,892 thousand (EUR 48,279 thousand in 2009), and included, inter alia, the acquisitions of new transport items for EUR 38,704 thousand; The additions relating to the Environmental area amounted to EUR 98,241 thousand in 2010 (EUR 134,220 thousand in 2009), which were earmarked mostly for acquisitions and the replacement of machinery and tools in relation to the urban services in Prat de Llobregat, Chiclana, Barcelona zona este, Coria del Rio, Aranda de Duero and San Martín de Vega, mainly, and tangible assets - property, plant and equipment in the course of construction at the Oil Treatment Plant in Alfaró (La Rioja), Oil Treatment Plant in Algeciras (Dramar) and the investments in land and buildings for the machinery pool in Madrid; in the Construction area additions amounted to EUR 77,685 thousand (EUR 79,883 thousand in 2009), and mainly consisted in the acquisition of new machinery (tunnel boring machine, tampers and asphalt plants) and equipment for the development of new projects.

The most noteworthy additions in 2009 related to the Environment area and amounted to EUR 134,220 thousand which were mostly investments in land and buildings for the machinery pool and for the solid urban waste treatment plants and landfills for the amount of EUR 47,926 thousand. In addition to this area, the investments in machinery and tools amounted to EUR 50,890 thousand in 2009 for equipping the Landfill of Las Lomas El Colorado in Chile and urban services in Palencia, Vila-Seca, Prat de Llobregat, La Laguna and San Sebastián de los Reyes. Under "Advances and Tangible assets - property, plant and equipment in the Course of Construction", noteworthy were the investments in different oil treatment plants in Spain and an urban solid waste treatment plant in the United Kingdom amounting to EUR 44,685 thousand.

In 2010 and 2009 gains on the disposal of non-current assets totaled a net carrying amount of EUR 50,395 thousand and EUR 21,023 thousand, respectively

In 2010 there were no operating costs directly relating directly of advances and tangible assets - property, plant and equipment in the course of construction capitalised (EUR 2,230 thousand in 2009).

Fully depreciated tangible assets - property, plant and equipment in use amounted to EUR 606,832 thousand in 2010 (EUR 531,187 thousand in 2009).

The Group has taken out insurance policies to cover the possible risks to which its tangible assets - property, plant and equipment are subject and the claims that might be filed against it for carrying on its business activities. These policies are considered to adequately cover the related risks.

The indemnities received for claims covered by insurance policies recognised in profit or loss were not significant in 2010 or 2009.

The Group has mortgaged land and buildings with a carrying amount of EUR 75,816 thousand (EUR 672 thousand in 2009) to secure banking facilities granted to the Group.

At 31 December 2010, the Group had recognised a net EUR 360,002 thousand relating to tangible assets - property, plant and equipment owned by its foreign companies and branches of the Group (EUR 350,703 thousand in 2009).

At 31 December 2010, the Group had entered into contractual commitments for the future acquisition of tangible assets - property, plant and equipment valued at EUR 25,484 thousand, in 2009 the Group had not entered into any contractual commitments for the future acquisition of tangible assets - property, plant and equipment.

The impairment losses recognised in profit and loss at 31 December 2010 amounted to EUR 2,823 thousand and mainly related to the impairment of machinery owned by the Construction area (EUR 285 thousand in 2009). The impairment losses reversed and recognised in profit and loss income in 2010 amounted to EUR 55 thousand (EUR 389 thousand in 2009).

6. Non-current assets in projects

The balance of “non-current assets in projects” in the consolidated statement of financial position at 31 December 2010, includes the costs incurred by the fully consolidated companies in the construction of transport, service and power plant infrastructures whose operation constitutes the purpose of their respective concessions. These amounts related to tangible assets - property, plant and equipment associated with projects financed by means of “project finance” figure and those of concessions identified as intangible assets or those that are included as a financial asset according to the criteria discussed in Note 03.24 above: The Group considers it to be more appropriate present its infrastructure projects in a grouped manner, although they are broken down by type of asset (intangible or financial) in this note.

| Type of Infrastructure | End Date of Operation | Investment | Accumulated depreciation | Net Carrying Amount of Non-Current Assets in Projects |
|--------------------------|-----------------------|------------------|--------------------------|---|
| Thousands of euros | | | | |
| Highways / Roads | 2011-2044 | 1,093,819 | (51,179) | 1,042,640 |
| Energy transport | 2035-2039 | 416,296 | - | 416,296 |
| Waste treatment | 2015-2038 | 571,644 | (179,345) | 392,299 |
| Desalination Plants | 2024 | 150,797 | - | 150,797 |
| Police stations | 2024-2032 | 82,901 | - | 82,901 |
| Transfer stations | 2026-2050 | 86,814 | (4,468) | 82,346 |
| Photovoltaic Plants | 2026 | 46,097 | (2,021) | 44,076 |
| Water management | 2028-2037 | 47,363 | (5,903) | 41,460 |
| All other infrastructure | - | 175,172 | (47,701) | 127,471 |
| Total | | 2,670,903 | (290,617) | 2,380,286 |

All of the project investments made by the ACS Group at 31 December 2010, and the related changes in the balance of this heading in 2010 are as follows

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| | 2010 | | | 2009 | | |
|---------------------------------------|------------------|--------------------------|---------------------|------------------|--------------------------|---------------------|
| | Investment | Accumulated depreciation | Net Carrying Amount | Investment | Accumulated depreciation | Net Carrying Amount |
| Thousands of euros | | | | | | |
| Beginning balance | 4,963,554 | (461,030) | 4,502,524 | 3,907,560 | (337,200) | 3,570,360 |
| Changes in the scope of consolidation | (166,203) | - | (166,203) | (213,079) | 5,926 | (207,153) |
| Additions or period charges | 1,797,941 | (160,077) | 1,637,864 | 1,374,118 | (131,186) | 1,242,932 |
| Exchange differences | 14,355 | (1,286) | 13,069 | 54,672 | 1,921 | 56,593 |
| Disposals or Reductions | (42,191) | 28,760 | (13,431) | (82,750) | 3,491 | (79,259) |
| Transfers | (3,896,553) | 303,016 | (3,593,537) | (76,967) | (3,982) | (80,949) |
| Ending balance | 2,670,903 | (290,617) | 2,380,286 | 4,963,554 | (461,030) | 4,502,524 |

| Type of Infrastructure | End date of operation | Investment | Accumulated Depreciation | Net Carrying Amount of Non-Current Assets in Projects |
|------------------------|-----------------------|------------------|--------------------------|---|
| Thousands of euros | | | | |
| Highways / Roads | 2011-2050 | 723,792 | (51,179) | 672,613 |
| Waste treatment | 2015-2038 | 476,132 | (165,376) | 310,756 |
| Water management | 2028-2029 | 41,006 | (5,903) | 35,103 |
| Transfer stations | 2026 | 8,666 | (4,468) | 4,198 |
| Other infrastructures | - | 27,053 | (2,961) | 24,092 |
| Total | | 1,276,649 | (229,887) | 1,046,762 |

| | 2010 | | | 2009 | | |
|----------------------------------|------------------|--------------------------|------------------|----------------|--------------------------|----------------|
| | Investment | Accumulated depreciation | Net value | Investment | Accumulated depreciation | Net value |
| Thousands of euros | | | | | | |
| Beginning balance | 901,478 | (211,205) | 690,273 | 722,511 | (162,450) | 560,061 |
| Changes in scope | - | - | - | 118,055 | (10,728) | 107,327 |
| Additions or charges in the year | 377,027 | (33,176) | 343,851 | 42,383 | (40,632) | 1,751 |
| Exchange differences | 566 | (492) | 74 | (3,687) | 2,589 | (1,098) |
| Disposals or reductions | (22,850) | 17,844 | (5,006) | (688) | 1,256 | 568 |
| Transfers | 20,428 | (2,858) | 17,570 | 22,904 | (1,240) | 21,664 |
| Ending balance | 1,276,649 | (229,887) | 1,046,762 | 901,478 | (211,205) | 690,273 |

The changes in this heading in 2010 and 2009 were as follows:

| Type of Infrastructure | End Date of operation | Concession Arrangement Right to Charge Users |
|------------------------|-----------------------|---|
| Thousands of euros | | |
| Energy transport | 2035-2039 | 413,031 |
| Highways / Roads | 2034-2044 | 370,027 |
| Desalination Plants | 2024 | 150,797 |
| Police Stations | 2024-2032 | 82,901 |
| Transfer stations | 2040-2050 | 78,148 |
| Photovoltaic Plants | 2032 | 603 |
| Other infrastructures | - | 10,219 |
| Total | | 1,105,726 |

| | 2010 | 2009 |
|---------------------------------------|------------------|----------------|
| Thousands of euros | | |
| Beginning balance | 661,156 | 570,743 |
| Changes in the scope of consolidation | (169,468) | (240,964) |
| Investment | 444,064 | 289,997 |
| Financial Income | 93,841 | 41,869 |
| Collections | (8,059) | (591) |
| Disposals or Reductions | (4,365) | (49,686) |
| Exchange differences | 6,019 | 49,788 |
| Transfers from/to other assets | 82,537 | - |
| Ending balance | 1,105,726 | 661,156 |

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

The concession assets identified as intangible assets given that the Group assumes the related demand risk, and the changes in the balance of this heading in 2010 were as follows:

| Type of Infrastructure | End date of operation | Investment | Accumulated Depreciation | Net Carrying Amount of Non-Current Assets in Projects |
|------------------------|-----------------------|----------------|--------------------------|---|
| Thousands of euros | | | | |
| Waste treatment | 2019-2035 | 95,512 | (13,969) | 81,543 |
| Photovoltaic Plants | 2026 | 45,494 | (2,021) | 43,473 |
| Security | 2028 | 64,128 | (32,025) | 32,103 |
| Wind Farms | 2020-2026 | 12,722 | (277) | 12,445 |
| Water management | 2037 | 6,357 | - | 6,357 |
| Energy transport | 2038 | 3,265 | - | 3,265 |
| Thermal Solar Plants | 2020 | 1,998 | - | 1,998 |
| Other infrastructures | - | 59,052 | (12,438) | 46,614 |
| Total | | 288,528 | (60,730) | 227,798 |

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| | 2010 | | | 2009 | | |
|---------------------------------------|------------------|--------------------------|------------------|------------------|--------------------------|------------------|
| | Investment | Accumulated depreciation | Net Carrying | Investment | Accumulated depreciation | Net Carrying |
| Thousands of euros | | | | | | |
| Beginning balance | 3,400,920 | (249,825) | 3,151,095 | 2,614,306 | (174,750) | 2,439,556 |
| Changes in the scope of consolidation | 3,265 | - | 3,265 | (90,170) | 16,654 | (73,516) |
| Additions or charges for the year | 891,068 | (126,901) | 764,167 | 1,000,460 | (90,554) | 909,906 |
| Exchange differences | 7,770 | (794) | 6,976 | 8,571 | (668) | 7,903 |
| Disposals or Reductions | (14,976) | 10,916 | (4,060) | (32,376) | 2,235 | (30,141) |
| Transfers | (3,999,519) | 305,874 | (3,693,645) | (99,871) | (2,742) | (102,613) |
| Ending balance | 288,528 | (60,730) | 227,798 | 3,400,920 | (249,825) | 3,151,095 |

The concession assets identified as financial given that Group does not assume the demand risk, and the changes in the balance of this heading in 2010, were as follows:

The breakdown of the financial assets finance by means of "project finance" not meeting the requirements for recognition in accordance with IFRIC 12, and the changes in the balance of this heading in 2010 were as follows:

In 2010, most noteworthy of all of the project investments were those in thermal solar power plants and photovoltaic plants amounting to EUR 633,056 thousand (EUR 654,908 thousand in 2009), investments in wind powered facilities amounting to EUR 240,707 thousand (EUR 270,762 thousand in 2009) and investments in power lines amounting to EUR 201,906 thousand (EUR 54,414 thousand in 2009). However, as a result of the sales process of the renewable energies the balances corresponding to solar thermal plants, wind farms and certain transmission lines in Brazil were transferred to assets held for sale. In 2010 and 2009 no sales of fixed assets in significant projects took place.

In addition, most noteworthy of the investments in Concessions in 2010 were the investment in I 595 Express, Llc. Highway amounting to EUR 172,169 thousand (EUR 153,832 thousand in 2009), the investment in the Diagonal Artery amounting to EUR 225,450 thousand (EUR 6,380 thousand in 2009) and the investment in the Pirineo Highway amounting to EUR 91,492 thousand (EUR 1,898 thousand in 2009).

The change in the scope of consolidation relates mainly to the consideration of port and logistics services as discontinued operations in 2009.

Interest capitalised in 2010 amounted to EUR 2,717 thousand (EUR 845 thousand in 2009). Said capitalisation was performed by applying an average capitalisation rate of 3.26% in 2010 (2.40% in 2009).

There were no significant impairment losses recognised in the 2010 and 2009 financial statements. The financing relating to non-current assets in projects is explained in Note 18.

At 31 December 2010 and 31 December 2009, the Group had entered into contractual commitments for the acquisition of non-current assets or the completion of projects amounting to EUR 954,902 thousand and EUR 903,512 thousand respectively, which mainly relate to the Group's current concession agreements

The concession operator's obligations include, inter alia, the maintenance of restricted cash balances, known as reserve accounts and included under the heading "Other Current Financial Assets" (Note 10.04).

7. Investment property

The changes in this heading in 2010 and 2009 were as follows:

| | 2010 | 2009 |
|--------------------------------|---------------|---------------|
| Thousands of euros | | |
| Beginning balance | 61,021 | 70,885 |
| Sales | - | (6,775) |
| Charges for the year | (3,121) | (3,122) |
| Impairment Losses | (675) | - |
| Transfers from/to other assets | (49) | 33 |
| Ending balance | 57,176 | 61,021 |

The Group's investment property relate mostly to subsidized housing in Madrid earmarked for lease by the lessee IVIMA (Madrid Housing Institute) and maturing from 2023 to 2024. The other investment property relates to housing, car parks and commercial premises earmarked for lease.

The rental income earned from investment property amounted to EUR 8,785 thousand in 2010 (EUR 9,078 thousand in 2009). The average occupancy level of the aforementioned assets was 93% with an average rentable area of 108,943 square meters in the year.

The direct operating expenses arising from investment properties included under "Other Operating Expenses" amounted to EUR 9,626 thousand (EUR 5,776 thousand in 2009).

There were no contractual commitments for the acquisition, construction or development of investment property, or for repairs, maintenance and improvements.

At the beginning of 2010, the gross carrying amount was EUR 70,515 thousand and accumulated depreciation (increased by accumulated impairment losses) amounted to EUR 9,494 thousand. At year-end, the gross carrying amount and accumulated depreciation were EUR 70,515 thousand and EUR 13,339 thousand respectively. There were no material differences with respect to fair value in the accompanying consolidated financial statements.

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8. Joint ventures

The main aggregates included in the accompanying consolidated financial statements relating to joint ventures operated by means of Spanish UTEs (Unincorporated Joint Ventures) and EIG's (Economic Interest Groupings) for 2010 and 2009, in proportion to the percentage of ownership interest in the share capital of each joint venture, are as follows:

| | UTE's, EIG's | | Companies | |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Balance 31/12/2010 | Balance 31/12/2009 | Balance 31/12/2010 | Balance 31/12/2009 |
| Thousands of euros | | | | |
| Non-current assets | 359,801 | 380,879 | 309,474 | 270,546 |
| Current assets | 4,519,076 | 3,649,746 | 182,244 | 180,981 |
| Non-current liabilities | 134,603 | 83,352 | 190,050 | 125,247 |
| Current liabilities | 4,267,427 | 3,640,227 | 168,740 | 230,690 |
| Revenue | 4,312,606 | 3,969,656 | 230,672 | 248,423 |
| Profit for the year | 309,841 | 231,683 | 14,529 | 25,554 |

In accordance with the opinion set forth in IAS 31, the Companies are accounted for using the equity method (Note 02.01).

The identification data relating to the main ACS Group companies and unincorporated joint ventures (UTEs) are detailed in Appendix II.

9. Investments in companies accounted for by the equity method

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

| | 2010 | 2009 |
|--|------------------|------------------|
| Thousands of euros | | |
| Beginning balance | 4,193,671 | 3,958,041 |
| Additions | 206,475 | 89,347 |
| Disposals | (1,732,223) | (33,892) |
| Elimination of unrealised gains | (358,501) | - |
| Change in consolidation method | (5,314) | 16,889 |
| Profit for the year | 222,216 | 212,680 |
| Changes in the equity of associates | | |
| Exchange differences/ Other | 32,500 | 199,160 |
| Cash flow hedges | (34,748) | (69,725) |
| Available-for-sale financial assets | (61,200) | 92,095 |
| Transfer to non-current assets held for sale | (12,488) | (107,547) |
| Distribution of dividends | (117,029) | (163,377) |
| Ending balance | 2,333,359 | 4,193,671 |

The detail, by company, of the Investments accounted for by the equity method is as follows:

| Company | 2010 | | | | 2009 | | | |
|--|-------------|---------------------|---------------------|-----------------------|-------------|---------------------|---------------------|-----------------------|
| | % ownership | Share of Net Assets | Profit for the Year | Total Carrying Amount | % ownership | Share of Net Assets | Profit for the Year | Total Carrying Amount |
| Thousands of euros | | | | | | | | |
| Hochtief Aktiengesellschaft | 27,25% | 1,522,380 | 72,322 | 1,594,702 | 29,98% | 1,494,479 | 51,388 | 1,545,867 |
| Admirabilia, S.L. | 99.00% | 236,291 | 2,930 | 239,221 | - | - | - | - |
| Metro de Sevilla Sociedad Concesionaria Junta de Andalucía Guadalmetro, S.A. | 34.01% | 40,875 | 1,962 | 42,837 | 34.01% | 40,267 | 576 | 40,843 |
| Nordeste Transmissora de Energia, Ltda. | 49.99% | 34,749 | 2,783 | 37,532 | 49.99% | 32,683 | 6,633 | 39,316 |
| Interligação Elétrica Norte e Nordeste, S.A. | 25.00% | 35,837 | (320) | 35,517 | 25.00% | 18,801 | (690) | 18,111 |
| KDM S.A. | 50.00% | 26,625 | 3,316 | 29,941 | 50.00% | 19,605 | 3,295 | 22,900 |
| STE - Sul Transmissora de Energia, Ltda. | 49.90% | 25,476 | 2,751 | 28,227 | 49.90% | 21,084 | 3,039 | 24,123 |
| Porto Primavera, Ltda. | 33.33% | 26,722 | 940 | 27,662 | 33.33% | 25,428 | 1,987 | 27,415 |
| Concesionaria Jauru Trans. de Energia | 33.00% | 27,506 | 88 | 27,594 | 33.00% | 3,477 | (627) | 2,850 |
| Cleon, S.A. | 25.00% | 25,223 | (87) | 25,136 | 25.00% | 25,000 | 223 | 25,223 |
| Servicios Urbanos e Medio Ambiente S.A. | 38.50% | 20,576 | 4,015 | 24,591 | 50.00% | 19,593 | 3,716 | 23,309 |
| Escal UGS S.L. | 66.67% | 21,650 | (8) | 21,642 | 66.67% | 3,668 | (21) | 3,647 |
| Cachoeira Paulista Transmisora de Energia, S.A. | 33.00% | 17,334 | 3,492 | 20,826 | 33.00% | 8,864 | 2,465 | 11,329 |
| Interligação Elétrica Sul ,S.A. | 49.90% | 19,846 | 36 | 19,882 | - | - | - | - |
| TP Ferro Concesionaria, S.A. | 50.00% | 19,573 | - | 19,573 | 50.00% | 23,014 | (7,937) | 15,077 |
| Vila do Conde Trans. de energia | 33.33% | 13,488 | 757 | 14,245 | 33.33% | 13,148 | 1,914 | 15,062 |
| Urbaser United Kingdom Ltd. | 50.00% | 11,935 | 1,568 | 13,503 | 50.00% | 12,718 | 3,563 | 16,281 |
| Abertis Infraestructuras, S.A. (*) | 10.33% | (115,954) | 115,954 | - | 25.83% | 1,825,256 | 132,059 | 1,957,315 |
| Other associates | - | 101,011 | 9,717 | 110,728 | - | 393,907 | 11,097 | 405,004 |
| Total | - | 2,111,143 | 222,216 | 2,333,359 | - | 3,980,991 | 212,680 | 4,193,671 |

(*) In 2010 indirect investee via Admirabilia, S.L.

- Admirabilia S.L. (Abertis Infraestructuras, S.A.)

The main change relates to the sale on 10 August and executed on 31 August 2010, under the agreement reached with the investment fund advisor CVC Capital Partners, of the 25.83% of the ownership interest in Abertis Infraestructuras, S.A. at a price of EUR 15 per share to two companies: Admirabilia, S.L. and Trebol International, B.V. Under this agreement Admirabilia, S.L. acquired a 10.28% share in Abertis through a contribution and sale, and Trebol acquired the remaining 15.55% through a sale. The share capital of Admirabilia, S.L. was distributed among the partners at a rate of 99% for the ACS Group and 1% for Trebol.

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After having eliminated the profit earned by companies of the same ACS Group (included in the table relating to the changes in these investments and amounting to EUR 358,501 thousands), thus reducing the carrying amount of the company, the gain on the disposal of the company net of taxes amounted to EUR 519,977 thousands, which was recognised under "Impairment and Gains or Losses on the Disposal of Financial Instruments" in the accompanying consolidated income statement. In relation to said transaction, the ACS Group is entitled to additional compensation, which has not been considered in the calculation of the gain on the transaction, for the ownership interest sold in the event that certain corporate transactions are performed in the future at Abertis Infraestructuras, S.A. On the other hand, there are no agreements between shareholders giving rise to the transfer of risks and benefits associated to this ownership interest nor does the ACS Group maintain risks associated with the ownership interest in Abertis, which is considered to be an associate, since the Group continues to significant influence on the management of the company through its positions on the board of directors.

In relation to the goodwill arising from the ownership interest in Abertis Infraestructuras, S.A. through Admirabilia, S.L., the ACS Group has tested the goodwill for impairment. In this regard, as a result of the fact that the investee company is listed on the Spanish electronic stock market and the value of the transaction described above, the analysis has been conducted in comparison with the listing of the company at the closing of the period, which is higher than the consolidated carrying cost, and accordingly it is deemed that there are no signs of impairment.

- Ownership Interest in Hochtief, A.G.

On 16 September 2010, ACS Actividades de Construcción y Servicios, S.A., decided to launch a Takeover Bid targeting all of the shareholders of the German company Hochtief A.G., payable in shares at a rate of 8 shares of ACS for every 5 shares of Hochtief. This exchange ratio is a result of the average market price of both companies in the three previous months.

In relation to the equity swap arising from the Takeover Bid, the shares other than treasury shares were used first (which on 31 December 2010 represented approximately 6.2% of the share capital). If these shares had been insufficient to cover the acceptance level, the ACS Group could deliver newly issued shares as resolved by the General Shareholders' Meeting held on 19 November 2010, to contingently increase and for a maximum of 50% of the ACS capital (which has not been necessary given the volume of acceptance of the bid).

On 1 December 2010, ACS, Actividades de Construcción y Servicios, S.A. published the voluntary bid document, which was amended on 15 December through a new document whereby the bid was increased to 9 shares of ACS for 5 shares of Hochtief, A.G. The bid period expired on 29 December 2010, and the following additional period expired on 18 January 2011. Finally, once the period for possible withdrawals was finalised on 1 February 2011, they finally accepted the bid for a total of 2,805,599 shares, which represent 3.6436% of the share capital of Hochtief, A.G. (after the 10% increase in the share capital of this company on 10 December 2010).

From the end of the additional bid acceptance period to the end of the withdrawal period, the ACS Group acquired 1,999,241 shares of Hochtief, A.G. which represent 2.60%, which along with the shares that already held, amounted to 25,788,840 shares re'set33.492% of the share capital of Hochtief, A.G. On 4 February 2011, the takeover bid was settled through the physical delivery of the ACS shares to the Hochtief, A.G. shareholders, who accepted (Note 8.02).

On 31 December 2010, the Group held an ownership interest of 27.25% in the share capital of Hochtief, A.G., with a book value of EUR 1,585,164 thousand at this date. As a result of the capital increase of Hochtief mentioned above, the ownership interest of the ACS Group became diluted, dropping from 29.98% to 27.25% at 31 December 2010. This dilution led to recognition of a loss of EUR 38,045 thousand under the heading "Impairment and gains or losses on the disposal of financial instruments" in the accompanying consolidated income statement. Said effect was recorded in the value of the ownership interest as an addition to the capital increase and withdrawal due to the dilution effect.

Additionally, ACS Actividades de Construcción y Servicios, S.A. signed two equity swaps in 2010, to be settled only for differences in relation to the 2.99% and the 2.35% of the share capital of Hochtief A.G. Said equity swaps were finally completely settled in the month of February 2011. On 31 December 2010, the fair value of the same was covered under the heading "Financial instrument receivables" of the assets of the accompanying consolidated statement of financial position, having recorded its valuation effect from the period on the income statement, due to not having been considered as hedging (Note 22).

In relation to said ownership interest in Hochtief, A.G., a company listed on the Frankfurt Stock Exchange, as a result of the performance of its listing, which stood at EUR 62.74 in the last quarter and at EUR 63.54 at the closing of period ended on 31 December 2010, amounts lower than its acquisition cost, the ACS Group has considered the possibility of the existence of signs of impairment, and therefore it has proceeded to perform the corresponding test. To perform said test, the Group based its calculations on public market information as far as the business plan of three analysts (since as a result of the takeover bid, many of the analysts are restricted) to 2012, making their own projections between 2013 and 2015, using a perpetual growth rate (g) of 0.66% and discounting at a rate (weighted average cost of capital or WACC) of 8.7%. A sensitivity analysis has also been conducted by considering different sales growth scenarios, discount rates and perpetual growth rates. Both in the baseline and in the rest of the considered scenarios, the recoverable value of this investment would in any case be above its book value.

In addition to the above test, a calculation has been performed that is based upon the same criteria as the previous period, being based upon public information from the same three market analysts. Said calculation includes the analysts' valuation of the different business segments of the German group, identified as services and real estate activities, construction for Europe and America, valuation of Hochtief for the concession business and the stock market valuation for Asia/Pacific construction. Given this calculation, neither has the need to fund a provision for impairment of the Hochtief, A.G. ownership interest been clearly stated, placing its fair value above the cost of the ownership interest. In the opinion of the Group, there are no reasonable changes in the main scenarios that may cause an impairment problem of the ownership interest in Hochtief, A.G.

The market value of the ACS Group's ownership interest in Hochtief A.G. and Abertis Infraestructuras, S.A., according to their listings at the closing of the period, amounted to EUR 1,333,323 thousand and EUR 1,207,493 thousand respectively.

In addition to the aforementioned impairment tests of Abertis Infraestructuras, S.A. and Hochtief, A.G., the Group has performed the corresponding impairment tests to verify the recoverability of the rest of the assets. In order to carry out said impairment tests, the Group considered the future cash flow projections as well as discount dividend model and external market valuations for each of the holdings, according to the available information, which it has not arisen, especially in reference to the implicit goodwill, the need for an impairment provision at the closing of 2010 and 2009.

The assets, liabilities, attributable equity, sales and profit for the year the companies included under this heading, as well as the ownership interest of the ACS Group in this company are presented in Appendix III.

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10. Financial assets

The detail of the balance of this heading in the consolidated statement of financial position in 2010 and 2009 is as follows:

| | 31/12/2010 | | 31/12/2009 | |
|------------------------|------------------|------------------|------------------|------------------|
| | Non-Current | Current | Non-Current | Current |
| Thousands of euros | | | | |
| Equity Instruments | 6,519,418 | 1,225 | 4,367,741 | 4,246 |
| Loans to associates | 457,090 | 64,277 | 186,382 | 231,533 |
| Other loans | 456,291 | 364,403 | 396,334 | 155,745 |
| Debt securities | 2,666 | 514,631 | 6,630 | 362,127 |
| Other financial assets | 73,105 | 2,557,682 | 55,170 | 2,004,244 |
| Total | 7,508,570 | 3,502,218 | 5,012,257 | 2,757,895 |

10.01. Equity Instruments

The detail, by company of the balance of this heading at 31 December 2010 and 2009 is as follows:

| | 31/12/2010 | 31/12/2009 |
|---------------------------|------------------|------------------|
| Thousands of euros | | |
| Iberdrola, S.A. | 6,389,423 | 4,203,960 |
| Xfera Móviles, S.A. | 79,206 | 79,206 |
| Other smaller investments | 99,923 | 104,201 |
| Impairments | (49,134) | (19,626) |
| Total | 6,519,418 | 4,367,741 |

In accordance with IAS 39 these investments are considered to be available-for-sale financial assets. They have been measured at cost since there is no reliable market for them except for in the case of Iberdrola, S.A.

Iberdrola, S.A.

The Group's most significant equity instrument relates to Iberdrola. In 2010, the ACS Group acquired 477,457,327 shares for an amount of EUR 2,752,517 thousand, reaching at 31 December 2010, a total of 1,107,736,286 shares representing 20.20% of the share capital of Iberdrola, S.A. On said date, the average consolidated cost of the Iberdrola, S.A. shares, before the market value adjustment, amounted to EUR 7.31 per share. Among these purchases is included the increase to the equity swap contract, whose main characteristics are included in the following paragraph, through the acquisition of 21,600 thousand shares for a total amount of EUR 116,500 thousand, fundamentally maintaining the same conditions. At 31 December 2009, the ACS Group held 630,278,959 shares representing 12.0% of the share capital of Iberdrola, S.A. (11.49% of the share capital of Iberdrola on 31 December 2010).

The most significant movement in 2009 in relation to this ownership interest arose because the ACS Group entered into a novation of the equity swap for 4.88% of the shares of Iberdrola, S.A. it held at 31 December 2008. This novation extends the period for the exercise of the equity swap (which is currently March 2011); the exercise of voting rights inherent to the underlying shares shall correspond to ACS, Actividades de Construcción y Servicios, S.A. and accordingly, the financial institution commits to being represented at all Shareholders' Meetings held by Iberdrola, S.A. by the representative appointed by ACS, who is entitled to vote freely. The equity swap may now only be settled by the physical handing over of shares, unless the

market price of the share is less than EUR 4.00 in which case ACS, Actividades de Construcción y Servicios, S.A. may settle the swap by means of differences. Accordingly, the ACS Group now holds 12.0% of the voting rights in the electricity utility directly and indirectly. As a result of this novation, the Company recognised the investment through an equity swap at fair value on the asset side of the statement of financial position under "Non-Current Financial Assets". The financing relating to this asset was recognised under "Project Finance with Limited Recourse" in the accompanying statement of financial position at 31 December 2009.

The full transaction was financed, on the one hand, by means of a syndicated loan and a credit line with different banks, secured by the shares of Iberdrola, S.A. and with a subordinated loan of ACS, Actividades de Construcción y Servicios, S.A. (Note 18), and the other hand by an "equity swap", which includes a coverage ratio over the market value of the underlying shares of Iberdrola, S.A., and if this ratio were not to be met, the agreement could be terminated. The Group contributed funds to meet this ratio at 31 December 2010 and 2009 (Note 10.04).

In accordance with IAS 39, this ownership interest was adjusted to market value at the end of the reporting period to take effect on the equity up to an amount of EUR 6,389,423 thousand (EUR 4,203,960 thousand on 31 December 2009). The difference in total accumulative value for the amount of EUR 1,196,879 thousand, net of taxes, is included under the heading "Adjustments for changes in value – Financial assets available for sale" of the equity on the accompanying statement of financial position.

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

The ACS Group analyses the existence of signs of value impairment in every case. If these signs appear, the calculations and estimates are performed that are deemed necessary, in order to conclude whether there is a significant or prolonged drop in the fair value of the investment and, where appropriate and if necessary, fund the corresponding impairment loss. In addition, we should point out that as the IASB has concluded, an international agency that is responsible for preparing the International Financial Reporting Standards, there is a broad diversity on the market as far as the practical application of the concepts of significant or prolonged drop, and in any case, professional judgment on the part of the Company Management is required in determining said concepts. In fact, and in order to eliminate this diversity in the practical application of these IASB concepts, through the issuing of the International Financial Reporting Standard 9 on Financial Instruments, it has amended the international standard related to calculating the impairment, causing that all fair value variations in financial instruments classified as "Available for sale" be recognised in the Equity of the Company, without the possibility of said adjustment being recycled on the income statement. Finally, we should indicate that as is mentioned in Note 03.24, this new standard still does not apply in Spain since it has not been endorsed by the EU.

ACS has declared that its investment in Iberdrola is a strategic and long-term holding. In fact, and in order to reinforce the strategic nature thereof, during 2010 it has performed purchases of Iberdrola shares for the amount of EUR 2,752,617 thousand, having reached an ownership interest at closing of 20.2%, with the average weighted age of the ownership interest standing at 16 months and the average cost of the holding being EUR 7.31 per share. The closing market price for 2010 was 21.1% below said cost, although one must consider that the stock market valuation does not fairly reflect the value of a 20.2% block of Iberdrola, which additionally represents the largest shareholder of the Company. In the current context of the financial markets, given the average age of the ownership interest and the drop in the aforementioned market price, and considering the strategic context of the interest, the Group does not deem that a significant or prolonged drop has taken place that means value impairment.

The ACS Group deems that, even though there are signs of impairment, since the market price of Iberdrola has continued to fall in 2010, there is no objective evidence of impairment in the Iberdrola ownership interest, since paragraph 59 of IAS states that "a financial asset or a group of financial assets will be impaired, and an impairment loss will have occurred if, and on if, there is objective evidence of the impairment as a result of one or more events that have occurred after the initial recognition of the asset (an "event that causes the loss"), and that event or events causing the loss has (have) an impact on the estimated future cash flows of the financial asset or the group of financial assets, which may be reliably estimated".

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Neither from the reading of the Iberdrola 2010 financial statements, nor from other information provided by the same Iberdrola and by the Iberdrola shareholders represented in its Board of Directors, have events been identified causing losses that may have an impact on the estimated future cash flows on said investment. Likewise, we want to point out that, according to the information published by the same Iberdrola, the stock market capitalisation at 31 December 2010 was 1.09 times its book value, its EBITDA has grown by 10.5% over that of the 2009 period and its net recurring profit experienced growth of 5.6% in 2010, reaching EUR 2,581.9 million.

Therefore, since there is no objective evidence of impairment, in the event that, according to the divided discount and cash flow calculations, the recoverable value of the investment should be greater than the book value, the ACS Group deems that the drop in the market price above the aforementioned levels and periods must not involve the recognition of an impairment loss.

In any event, given that there are signs of impairment due to the Iberdrola market price being below the weighted average cost, the Company has performed an impairment test internally on its ownership interest in Iberdrola based upon the future dividend discount method and other available information on its investee Iberdrola. The use of this methodology starts from the consideration that, both the gain/loss of ACS due to its holding in Iberdrola, such as the cash flows derived from said interest come mainly from the dividends received by Iberdrola. Despite being the number one shareholder of Iberdrola, by not having access to detailed information related to the strategic plan, it deems that the public information based on the future dividend discount of the company as more coherent for the calculation of the recoverable amount of the investment.

In this regard, Iberdrola's shareholder compensation policy has remained very stable over the last years (recurring payout of 67.4% on the net profit in the last two years) and there are no signs that there will be significant changes, since the company made its intentions public on 24 February 2010 when it presented its 2010-2012 strategic plan, to keep the shareholder compensation in line with the increase of the company's net profit (the company makes estimates in its strategic plans on this figure). The main scenarios start from the last dividend paid by the company and the growth in the dividend estimate is based upon the strategic plan presented by Iberdrola for the next 3 years and perpetual growth of 3% from then on (in this regard, we should point out that the annual accumulative growth rate of the dividends paid by Iberdrola in the 1989-2009 period was 5.8% and the growth estimates of "The Economist Intelligence Unit" (dated 7 December 2010) in real terms of the GDP for Spain (2.2% in 2015) and inflation (2% in 2015). The discount rate of its equity was 8.12%.

The impairment test has a high sensitivity to variations in the discount rate, growth in residual value and performance of the company dividends. Therefore variations of a certain relevancy in the same rates could give rise to an impairment being recorded.

Even when being in possession of said 20.2% (an amount which in itself and according to the current accounting standards, must be interpreted as a presumption that ACS exercises significant influence over Iberdrola), for the time being and to date it has not been possible to secure a position on the Iberdrola Board of Directors. The ACS Group has taken this circumstance to the courts by challenging the resolutions reached in the General Shareholders' Meeting of Iberdrola in March 2010. However, it is the intention of ACS to gain access to Iberdrola's Board of Directors, which would mean the direct qualification of the investment in Iberdrola as an associate. This is a very peculiar and absolutely exceptional circumstance, on which the Group's Management is fully confident that the court will give a decision favourable to the interests of the ACS Group, even though on the approval date of these financial statements there is a ruling from the lower mercantile court against the interests of the ACS Group.

Finally, and in order to complete the analysis on the need (or not) of impairment of the investment that the Group has made, several valuations have been requested from well-established independent experts that clearly show a valuation of the investment that is greater than the average cost of EUR 7.31 per share. The valuations do not include any premium that in all cases would be included in a corporate transaction for an ownership interest such as the one held by the ACS Group in Iberdrola.

In accordance with the above, the Directors of the ACS Group deem that there are no factors that would mean the existence of impairment at the closing of the 2010 period, placing its recoverable value above the cost of the ownership interest. Therefore, upon having analysed the existing signs of impairment on the investment at closing and concluding, based upon the above arguments, that there is no significant or prolonged drop in the fair value of the investment, the valuation adjustments in the amount of EUR 1,196,901 thousand have been maintained under said heading, without recording any impairment against the period profits.

Xfera Móviles, S.A.

At 31 December 2010 and 2009, the ACS Group had a 17% ownership interest in the capital of Xfera Móviles, S.A. through ACS Telefonía Móvil, S.L. after the sale of part of its interest in 2006 to the Telia Sonera Group. In relation to this sales transaction, there is an unrecognised contingent price, and in certain scenarios, puts and calls on the ACS interest, which conditions for exercising are unlikely to be met.

The book value of the holding and loans in Xfera Móviles S.A. on 31 December 2010 amounted to EUR 198,376 thousand (EUR 188,346 thousand on 31 December 2009) after the contributions made, including the participation loans associated with the same for the amount of EUR 119,170 thousand included under the heading "Other non-current loans". Said book value corresponds to the contributions made after 2006, with the Group having posted in previous periods very relevant provisions in relation to said ownership interest.

To perform the calculation of the recoverable value of this investment, the ACS Group has used a valuation through the cash flow discount method, according to the internal projections of the company for the 2011-2015 period, using the weighted average cost of capital (WACC) of 8.93% as the discount rate and a perpetual growth rate of 2%. A sensitivity analysis has likewise been performed, considering different discount rates, a perpetual growth rate and even deviations have been considered up to 50% in the estimates of the company's business plan. Both in the baseline and in the rest of the scenarios considered, the recoverable value of this investment would in any case be above its book value. This conclusion is consistent with the Xfera valuations published by analysts and by its controlling shareholder. Notwithstanding the above, considering that Xfera is in the last stages of its launch phase, the Group has taken a conservative approach and not revaluated its ownership interest to the estimated market value.

Other investments

Other investments include, inter alia, non-controlling interests held by the ACS Group in the company Accesos de Madrid Concesionaria Española, S.A., and the collection rights on the future dividends of Sociedad Autovía de la Mancha, S.A., which are recognised as an equity instrument since it is conceptually considered to better reflect the true and fair image since it corresponds to the future dividends of the shadow toll concession, for a maximum period of 30 years, which is guaranteed by the flows generated by said Company.

The Group has assessed the recoverability of the assets recognised under this heading, by funding the corresponding impairment based upon the recoverability analysis performed.

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10.02. Loans to Associates

The detail of the balances of "Loans to Associates" and of the scheduled maturities at 31 December 2010, is as follows:

| | Current | | Non-Current | | | Total non-current |
|------------------------|---------------|---------------|-------------|---------------|---------------------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 and subsequent years | |
| Thousands of euros | | | | | | |
| Euro loans | 28,539 | 20,821 | - | 199 | 364,784 | 385,804 |
| Foreign currency loans | 35,738 | 35,738 | - | 10,629 | 60,657 | 71,286 |
| Total | 64,277 | 20,821 | - | 10,828 | 425,441 | 457,090 |

Among the loans to associates, noteworthy was the current loan granted to the transmission line in Brazil, Brillante Transmissora de Energia for EUR 34,104 thousand. Non-current loans include the loan granted to Escal UGS, S.L. for the amount of EUR 75,916 thousand. Among the non-current loans granted in Euros, of significance are the loan granted to Circunvalación de Alicante, S.A. for EUR 41,967 thousand in 2010 (EUR 32,197 thousand in 2009), to TP Ferro Concesionaria, S.A. for EUR 29,713 thousand in 2010 (EUR 28,571 thousand in 2009), and also to Intercambiador de Transportes de Plaza Castilla, S.A. for EUR 27,637 thousand in 2010 (EUR 27,399 thousand in 2009), with maturities in 2034, 2035 and 2039 respectively. In relation to foreign currency loans, noteworthy is the loan granted to Sociedad Concesionaria Vespucio Norte Express, S.A. in Chilean Pesos for EUR 45,106 thousand, which matures after 2011.

The detail of the balances of "Loans to Associates" and of the scheduled maturities at 31 December 2009, is as follows:

| | Current | | Non-Current | | | Total non-current |
|------------------------|----------------|---------------|-------------|----------|---------------------------------|----------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 and subsequent years | |
| Thousands of euros | | | | | | |
| Euro loans | 229,295 | 14,933 | - | - | 122,887 | 137,820 |
| Foreign currency loans | 2,238 | 48,562 | - | - | - | 48,562 |
| Total | 231,533 | 63,495 | - | - | 122,887 | 186,382 |

On 31 December 2009, the Euro loan granted by ACS, Servicios Comunicaciones y Energía, S.L. to Escal UGS for EUR 142,714 thousand, maturing in 2010, is worth noting due to its importance.

These loans bear market interest.

10.03. Other loans

The detail of the balances of "Other Loans" and of the scheduled maturities at 31 December 2010, is as follows:

| | Current | | Non-Current | | | Total non-current |
|------------------------|----------------|----------------|---------------|---------------|---------------------------|-------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 and subsequent years | |
| Thousands of euros | | | | | | |
| Euro loans | 362,628 | 163,907 | 40,737 | 37,515 | 198,010 | 440,169 |
| Foreign currency loans | 1,775 | 6,839 | - | - | 9,283 | 16,122 |
| Total | 364,403 | 170,746 | 40,737 | 37,515 | 207,293 | 456,291 |

The detail of the balances of "Other Loans" and of the scheduled maturities at 31 December 2009, is as follows:

| | Current | | Non-Current | | | Total non-current |
|------------------------|----------------|---------------|----------------|---------------|---------------------------|-------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 and subsequent years | |
| Thousands of euros | | | | | | |
| Euro loans | 154,544 | 28,177 | 133,543 | 20,522 | 211,415 | 393,657 |
| Foreign currency loans | 1,201 | 2,039 | 638 | - | - | 2,677 |
| Total | 155,745 | 30,216 | 134,181 | 20,522 | 211,415 | 396,334 |

At 31 December 2010 and 2009, this heading included the portion of the contributions made by the ACS Group to meet the financing arrangement ratios associated with the acquisitions of 22.80% of Hochtief, A.G. and 6.58% of Iberdrola, S.A. are covered as current loans, which surpass the amounts of the credit lines forming part of this financing and that amount to EUR 287,797 thousand (EUR 108,441 thousand in 2009) (Note 18).

Also classified under this statement of financial position heading are surplus cash investments relating to short-term debt securities.

Non-current loans included refinanced loans to local government entities amounting to EUR 229,611 thousand at 31 December 2010 (EUR 158,009 thousand at 31 December 2009), as well as the participation loan to Xfera Móviles, S.A. for an amount of EUR 119,170 thousand (EUR 109,140 thousand at 31 December 2009) (Note 10.01).

These loans bear interest at a rate tied to Euribor less a market spread.

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10.04. Other financial assets

This statement of financial position heading relates to short-term deposits amounting to EUR 2,465,888 thousand (EUR 1,891,484 thousand on 31 December 2009). Of this amount, noteworthy is the EUR 947,299 thousand (EUR 712,052 thousand at 31 December 2009), contributed by the ACS Group to meet the coverage ratio relating to the acquisition of Iberdrola, S.A. shares through the use of derivative financial instruments. These amounts are remunerated at market rates and their availability depends upon the meeting of coverage ratios. This amount is recognized under the current financial liabilities incurred to meet these commitments. The Group has considered that due to the existence of the coverage ratios on the value of the Iberdrola, S.A. and Hochtief A.G. shares in the loans for the financing of the aforementioned shares (including the equity swap on Iberdrola, S.A.) The Company believe the aforementioned amounts are most fairly presented under this heading rather than under the cash heading, since when the shares are delisted, these amounts would be used to meet and maintain the aforementioned ratios.

The balance of this heading also includes the current account with the asset securitisation funds (Note 12) and the balance of the reserve account relating to project activity.

11. Inventories

| | Balance at 31/12/2010 | Balance at 31/12/2009 |
|--|-----------------------|-----------------------|
| Thousands of euros | | |
| Merchandise | 222,291 | 219,962 |
| Raw materials and other procurements | 215,538 | 234,349 |
| Work in progress | 38,223 | 54,899 |
| Finished goods | 4,211 | 5,583 |
| By-products, waste and recovered materials | 217 | 209 |
| Advances to suppliers and subcontractors | 137,545 | 138,725 |
| Total | 618,025 | 653,727 |

Inventories with a carrying amount of EUR 10,423 thousand have been pledged or mortgaged in 2010 (EUR 12,050 thousand in 2009) as security for the repayment of debts.

The total impairment losses on inventories recognised and reversed in the income statement relating to the different ACS Group companies, amounted to EUR 2,360 thousand and EUR 1,311 thousand respectively in 2010 (EUR 2,000 thousand and EUR 2,053 thousand respectively in 2009).

12. Trade and other receivables

The carrying amount of trade and other receivables reflects their fair value, the detail, by line of business, being as follows:

| 2010 | Construction | Industrial Services | Environment | Concessions | Corporation and adjustments | Balance at 31/12/2010 |
|--|------------------|---------------------|------------------|---------------|-----------------------------|-----------------------|
| Thousands of euros | | | | | | |
| Trade receivables for sales and services | 2,059,849 | 2,504,544 | 999,468 | 26,370 | 5,455 | 5,595,686 |
| Receivable from Group companies and associates | 238,803 | 144,271 | 18,740 | 974 | (117,504) | 285,284 |
| Other receivables | 260,895 | 378,680 | 166,012 | 25,305 | 178,383 | 1,009,275 |
| Current tax assets | 8,581 | 18,165 | 793 | 1,930 | 19,525 | 48,994 |
| Total | 2,568,128 | 3,045,660 | 1,185,013 | 54,579 | 85,859 | 6,939,239 |

| 2009 | Construction | Industrial Services | Environment | Concessions | Corporation and adjustments | Balance at 31/12/2009 |
|--|------------------|---------------------|------------------|---------------|-----------------------------|-----------------------|
| Thousands of euros | | | | | | |
| Trade receivables for sales and services | 2,374,007 | 2,590,735 | 938,969 | 14,016 | 6,010 | 5,923,737 |
| Receivable from Group companies and associates | 146,789 | 71,814 | 11,551 | 216 | (86,053) | 144,317 |
| Other receivables | 274,705 | 438,568 | 177,673 | 15,197 | (15,636) | 890,507 |
| Current tax assets | 6,450 | 22,466 | 12,280 | 2,975 | 77,469 | 121,640 |
| Total | 2,801,951 | 3,123,583 | 1,140,473 | 32,404 | (18,210) | 7,080,201 |

Trade receivables for sales and services – Net trade receivables balance

The detail of trade receivables for sales and services-net trade receivables balance, by line of business, at 31 December 2010 and 2009, is as follows:

| 2010 | Construction | Industrial Services | Environment | Concessions | Corporation and adjustments | Balance at 31/12/2010 |
|---|------------------|---------------------|----------------|---------------|-----------------------------|-----------------------|
| Thousands of euros | | | | | | |
| Trade receivables and notes receivable | 1,800,424 | 1,919,418 | 855,670 | 26,456 | 10,066 | 4,612,034 |
| Completed work pending certification | 298,426 | 679,412 | 163,676 | 2 | 16 | 1,141,532 |
| Allowances for doubtful debts | (39,001) | (94,286) | (19,878) | (88) | (4,627) | (157,880) |
| Trade receivables for sales and services | 2,059,849 | 2,504,544 | 999,468 | 26,370 | 5,455 | 5,595,686 |
| Advances received on orders (Note 23) | (1,093,189) | (1,545,279) | (6,516) | - | 1 | (2,644,983) |
| Total net trade receivables balance | 966,660 | 959,265 | 992,952 | 26,370 | 5,456 | 2,950,703 |

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| 2009 | Construction | Industrial Services | Environment | Concessions | Corporation and adjustments | Balance at 31/12/2009 |
|---|------------------|---------------------|----------------|---------------|-----------------------------|-----------------------|
| Thousands of euros | | | | | | |
| Trade receivables and notes receivable | 2,038,576 | 1,945,540 | 768,026 | 14,033 | 10,621 | 4,776,796 |
| Completed work pending certification | 377,482 | 725,424 | 193,839 | 2 | 17 | 1,296,764 |
| Allowances for doubtful debts | (42,051) | (80,229) | (22,896) | (19) | (4,628) | (149,823) |
| Trade receivables for sales and services | 2,374,007 | 2,590,735 | 938,969 | 14,016 | 6,010 | 5,923,737 |
| Advances received on orders (Note 23) | (1,080,539) | (1,390,358) | (9,419) | (633) | - | (2,480,949) |
| Total net trade receivables balance | 1,293,468 | 1,200,377 | 929,550 | 13,383 | 6,010 | 3,442,788 |

At 31 December 2010, retentions held by customers for work in progress amounted to EUR 143,984 thousand (EUR 126,467 thousand in 2009).

The Group companies assign trade receivables to financial entities, without the possibility of recourse against them in the event of non-payment. The balance of receivables was reduced to EUR 436,930 thousand in this connection at 31 December 2010 (EUR 443,047 thousand at 31 December 2009).

Substantially all the risks and rewards associated with the receivables, as well as control over the receivables, were transferred through the sale and assignment of the receivables, since no repurchase agreements have been entered into between the Group companies and the credit institutions that have acquired the assets, and the credit institutions may freely dispose of the acquired assets without the Group companies being able to limit this right in any manner. Consequently, the balances receivable relating to the receivables assigned or sold under the aforementioned conditions were derecognised in the consolidated statement of financial position. The Group companies continued to manage collection during the period to maturity.

The balance of "Trade Receivables and Notes Receivable" was reduced by the amounts received from the CAP-TDA2 "Fondo de Titulización de Activos", a securitization SPV which was set up on 19 May 2010.

The ACS Group companies fully and unconditionally assign receivables to the securitization SPV. By means of this mechanism, at the date of assignment, the Company charges a set price (cash price) which does not reverse back to the securitization SPV for any reason. This securitization SPV, which is subject to Spanish law, transforms the receivables into marketable bonds. It is managed by a management company called Titulización de Activos, Sociedad Gestora de Fondos de Titulización, S.A..

The amount of the receivables sold to the Securitisation Fund was EUR 284,002 thousand at 31 December 2010 (EUR 302,358 thousand at 31 December 2009), of which EUR 52,417 thousand (EUR 65,592 thousand at 31 December 2009) were recognised as a current account with the Securitisation Fund included under heading "Other Current Financial Assets, Other Loans" (Note 10.04).

Clients with net sales of over 10% include public authorities, which account for 61% of the net balance of clients of the ACS Group at 31 December 2010.

Change in the allowances for doubtful debts

The following is a breakdown by line of business, of the changes in the "Allowances for Doubtful Debts" in 2010 and 2009:

| Allowances for doubtful debts | Construction | Industrial Services | Environment | Concessions | Corporation and adjustments | Total |
|---|-----------------|---------------------|-----------------|-------------|-----------------------------|------------------|
| Thousands of euros | | | | | | |
| Balance at 31 December 2008 | (35,866) | (53,589) | (41,835) | (16) | (4,628) | (135,934) |
| Charges for the year | (1,270) | (26,935) | (19,010) | - | (1,929) | (49,144) |
| Reversals/Excesses | 8,766 | 17,062 | 9,541 | - | 792 | 36,161 |
| Changes in the scope of consolidation and other | (13,681) | (16,768) | 28,408 | (3) | 1,138 | (906) |
| Balance at 31 December 2009 | (42,051) | (80,230) | (22,896) | (19) | (4,627) | (149,823) |
| Charges for the year | (265) | (25,025) | (11,565) | (71) | - | (36,926) |
| Reversals/Excesses | 3,241 | 13,081 | 5,366 | - | - | 21,688 |
| Changes in the scope of consolidation and other | 74 | (2,111) | 9,218 | 2 | (2) | 7,181 |
| Balance at 31 December 2010 | (39,001) | (94,285) | (19,877) | (88) | (4,629) | (157,880) |

A concentration of credit risk is not considered to exist since the Group has a large number of customers engaging in various activities. The main client of Construction and Environmental activities are Spanish public authorities.

The breakdown between public and private sector, domestic and foreign, of the net balance of advance payments received from clients on 31 December 2010 is as follows:

| | Domestic | Exports | Total |
|--------------------|------------------|----------------|------------------|
| Thousands of euros | | | |
| Public Sector | 1,798,989 | 89,765 | 1,888,754 |
| Private Sector | 808,880 | 253,069 | 1,061,949 |
| Total | 2,607,869 | 342,834 | 2,950,703 |

Group Management considers that the carrying amount of trade receivables reflects their fair value. The management of receivables and determining the need for a allowance is done at the level of each company that makes up the Group, since each company best knows its exact position and the relationship with each of the clients. However, certain guidelines are established at the level of each line of business, on the basis that each client has specific characteristics depending on the business activity that is performed. In this regard, for the Construction area, the accounts receivable from public authorities do not have final recoverability problems of significances, and in the case of international activity, this is carried out fundamentally with the public authorities of the foreign country, which reduces the possibility of experiencing significant insolvency. On the other hand, for private clients there is an established guarantee policy prior to the beginning of construction, which significantly reduces the risk of insolvency.

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In the Environmental Area, the main issues related to arrears from local public authorities. In these cases, the affected companies renegotiate with the local public authorities involved for the collection of the receivable, if it is not possible to recover the receivable in the short term, by setting a long-term payment schedule. At 31 December 2010, this amount was EUR 230 million, which is included under the heading "Other loans", and matures as follows:

| | 2011 | 2012 | 2013 | 2014 and Subsequent years | Total |
|------------------|------|------|------|---------------------------|-------|
| Million of euros | 26 | 23 | 21 | 160 | 230 |

On the other hand, the existence of arrears and of a possible default are low since, besides the local authorities in which the Group also has the right to request late interest, as far as private clients are concerned, they are assigned a maximum level of risk before contracting a service.

In the Industrial area, of most significance are private contracts, for which a maximum level of risk is assigned and collection conditions are based upon the solvency profile that is analysed initially for that client and for a specific project depending on the size of the same. In the case of private foreign clients, the policy involves establishing advance payments at the beginning of the project and short-term collection periods that allow positive management of working capital.

13. Other current assets

This heading in the statement of financial position fundamentally includes short-term accruals of prepaid expenses and interest.

14. Cash and cash equivalents

The "Cash and cash equivalents" heading includes the Group's cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets reflects their fair value and there are no restrictions as far as to their use.

15. Equity

15.01. Capital

At 31 December 2010, the share capital of the Parent amounted to EUR 157,332 thousand and was represented by 314,664,594 fully subscribed and paid shares with a par value of EUR 0.5 each, all with the same voting and dividend rights.

The General Shareholders' Meeting held on 25 May 2009 resolved to redeem 3,979,380 treasury shares. This resolution was registered at the Mercantile Register on 1 July 2009, with the share capital being the same as currently.

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

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

and in the event of incomplete subscription, cancel the capital increase or increase capital solely by the amount of the subscribed shares.

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

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

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

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

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.

The General Shareholders' Meeting held on 19 November 2010 agreed to increase the share capital to 157 thousand ordinary shares with a par unit value of EUR 0,50 each in order to be fully paid through the non-cash contributions consisting of Hochtief, A.G. shares, made by the shareholders of Hochtief, A.G. who accepted the takeover bid. Given the volume of acceptance of the takeover bid, it was not necessary to increase capital.

The shares representing the capital of ACS, Actividades de Construcción y Servicios, S.A. are listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and traded through the Spanish electronic stock market.

Apart from the Parent, the companies included in the scope of consolidation whose shares are listed on securities markets are Hochtief A.G. on the German Stock Exchanges and Dragados y Construcciones Argentina, S.A.I.C.I., on the Buenos Aires Stock Exchange (Argentina).

At 31 December 2010, the shareholders with an ownership interest over 10% in the Parent were Corporación Financiera Alba, S.A. with an ownership interest of 23.307%, Corporación Financiera Alcor, S.A. with an ownership interest of 13.860% and Inversiones Vesán, S.A. with an ownership interest of 12.521%.

15.02. Share premium

The share premium at 31 December 2010 and 2009 amounted to EUR 897,294 thousand. There have been no changes in the share premium account in the past two years.

The Consolidated Companies Law expressly permits the use of the share premium balance to increase capital and establishes no specific restrictions as to its use.

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15.03. Cumulative earnings and other reserves

The detail of this heading at 31 December 2010 and 2009 is as follows:

| | Balance at 31/12/2010 | Balance at 31/12/2009 |
|------------------------------------|-----------------------|-----------------------|
| Thousands of euros | | |
| Reserves of the Parent | 1,364,904 | 1,222,931 |
| Reserves at Consolidated Companies | 2,753,815 | 1,635,989 |
| Total | 4,118,719 | 2,858,920 |

15.03.01. Reserves of the Parent

This heading includes the reserves set up by the Group's Parent, mainly in relation to retained earnings, and if applicable, in compliance with the various applicable legal provisions.

The detail of this heading at 31 December 2010 and 2009 is as follows:

| | Balance at 31/12/2010 | Balance at 31/12/2009 |
|--|-----------------------|-----------------------|
| Thousands of euros | | |
| Legal reserve | 35,287 | 35,287 |
| Voluntary reserves | 961,200 | 845,152 |
| Reserve for redenomination of share capital in euros | 162 | 162 |
| Goodwill reserve | 82,416 | 41,208 |
| Other retained earnings | 285,839 | 301,122 |
| Total | 1,364,904 | 1,222,931 |

Legal reserve

Under Consolidated Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

The legal reserve recognised by the Group's Parent, which amounts to EUR 35,287 thousand, has reached the stipulated level at 31 December 2010 and 2009.

Voluntary reserves

These are reserves, the use of which is not limited or restricted, freely set up by means of the allocation of the Parent's profits, after the payment of dividends and the funding of the legal reserve or other restricted reserves in accordance with current legislation.

Pursuant to Consolidated Companies Law, the distribution of profits is prohibited unless the amount of the available legal reserves is at least the amount of the research and development expenses that appear in the assets of the statement of financial position. In this case the reserves allocated to meet this requirement are considered to be restricted reserves.

15.03.02. Reserves at Consolidated Companies

The detail, by line of business, of the balances of these accounts in the consolidated statement of financial position after considering the effect of the consolidation adjustments, is as follows:

| | Balance at 31/12/2010 | Balance at 31/12/2009 |
|---------------------|-----------------------|-----------------------|
| Thousands of euros | | |
| Construction | 265,078 | 297,085 |
| Industrial Services | 542,546 | 495,022 |
| Environment | 552,306 | 477,897 |
| Concessions | (177,413) | (115,855) |
| Corporation | 1,571,298 | 481,840 |
| Total | 2,753,815 | 1,635,989 |

Certain Group companies have clauses in their financing agreements (this is standard practice in project financing) that place restrictions on the distribution of dividends until certain ratios are met.

15.04. Treasury shares

The changes in "Treasury shares" heading in 2010 and 2009 were as follows:

| | 2010 | | 2009 | |
|---------------------------------|-------------------|--------------------|------------------|--------------------|
| | Number of shares | Thousands of euros | Number of shares | Thousands of euros |
| At beginning of the year | 9,835,633 | 350,747 | - | - |
| Purchases | 10,200,612 | 350,047 | 15,473,056 | 535,793 |
| Sales | (493,862) | (17,303) | (1,658,043) | (53,857) |
| Redemption | - | - | (3,979,380) | (131,189) |
| At end of year | 19,542,383 | 683,491 | 9,835,633 | 350,747 |

At 31 December 2010, the Group held 19,542,383 of the Parent, with a par value of EUR 0.5 each, representing 6.21% of the share capital, with a carrying value per consolidated books of EUR 683,491 thousand which is recorded under the heading "Treasury Shares and Equity Interests" in the accompanying consolidated statement of financial position. At 31 December 2009, the Group owned 9,835,633 shares of the Parent with a par value of EUR 0.5 each, representing 3.13% of the share capital, with a carrying value per consolidated books of EUR 350,747 thousand which is recorded under the heading "Treasury Shares and Equity Interests" in the consolidated statement of financial position.

The average purchase price of ACS shares in 2010 was EUR 34.32 per share and the average selling price of the shares in 2010 was EUR 35.04 per share (EUR 34.63 and EUR 32.48 per share respectively, in 2009).

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As resolved by the General Shareholders' Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 25 May 2009, 3,979,380 treasury shares were redeemed for a par value of EUR 1,990 thousand and a book value of EUR 131,189 thousands.

On 4 February 2011, as a result of the completion of the takeover bid on Hochtief, A.G., the ACS Group delivered 5,050,085 ACS shares as compensation for the Hochtief, A.G. shares that took part in the same.

15.05. Interim dividend

A the meeting on 16 December 2010, the Parent's Board of Directors resolved to distribute an interim dividend of EUR 0.90 per share, totalling EUR 283,198 thousand, which was paid on 8 February 2011. For this purpose, the Parent prepared the liquidity statement required under Article 216 of the Consolidated Companies Law in this connection.

A the meeting on 7 December 2009, the Parent's Board of Directors resolved to distribute an interim dividend of EUR 0.90 per share, totalling EUR 283,198 thousand, which was paid on 12 January 2010. For this purpose, the Parent prepared the liquidity statement required under Article 216 of the Consolidated Companies Law in this connection.

This interim dividend paid is recognised under the heading "Interim Dividend" and is deducted from "Equity Attributable to the Parent" included at 31 December 2010 and 2009 under the heading "Other Current Liabilities" of the consolidated statement of financial position.

15.06. Adjustments for changes in value

The changes in the balance of this heading in 2010 and 2009 were as follows:

| | 2010 | 2009 |
|-------------------------------------|--------------------|--------------------|
| Thousands of euros | | |
| Beginning balance | (1,006,148) | (1,000,532) |
| Hedging instruments | (54,928) | (43,938) |
| Available-for-sale financial assets | (465,736) | (195,134) |
| Exchange differences | 186,146 | 233,456 |
| Ending balance | (1,340,666) | (1,006,148) |

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

Available-for-sale financial assets include the unrealised losses and gains arising from changes in fair value net of the related tax effect. The main changes arose from the ownership interest in Iberdrola, S.A., in relation to which a negative balance amounting to EUR 1,196,879 thousand was recognised at 31 December 2010 (EUR 799,893 thousand at 31 December 2009).

The exchange differences on 1 January 2004 were recognised in the transition to IFRSs as opening reserves. Consequently, the amount presented in the Group's consolidated statement of financial position at 31 December 2009 relates exclusively to the difference arising from 2004 to 2009, net of the tax effect, between the closing and opening exchange rates; on non-cash items whose fair value is adjusted against equity and on the translation to Euros of the balances in the functional currencies of fully and proportionally consolidated companies, as well as companies accounted for using the equity method, whose functional currency is not the Euro.

Following are the main exchange differences by currency:

| | Balance at 31/12/2010 | Balance at 31/12/2009 |
|--|-----------------------|-----------------------|
| Thousands of euros | | |
| Brazilian real | 129,444 | 66,184 |
| Argentine peso | (16,524) | (17,358) |
| Colombian peso | 7,395 | (5,060) |
| Venezuelan bolívar | (11,106) | 1,199 |
| US dollar | 13,858 | (1,229) |
| Polish zloty | 7,244 | 2,875 |
| Algerian dinar | (2,999) | (2,664) |
| Other currencies | 339 | (16,458) |
| Exchange difference of companies for using the equity method | 67,258 | (18,726) |
| Total | 194,909 | 8,763 |

15.07. Non-controlling Interests

The detail, by line of business, of the balance of "Non-controlling Interests" heading in the consolidated statement of financial position at 31 December 2010 and 2009 is presented below:

| Line of Business | Balance at 31/12/2010 | | | Balance at 31/12/2009 | | |
|---------------------|---------------------------|--|-------------------------------------|---------------------------|--|-------------------------------------|
| | Non-Controlling interests | Profit attributed to Non-Controlling interests | Profit from discontinued operations | Non-Controlling interests | Profit attributed to Non-Controlling interests | Profit from discontinued operations |
| Thousands of euros | | | | | | |
| Construction | 35,632 | 1,049 | - | 67,989 | 3,674 | - |
| Industrial Services | 108,452 | 35,434 | - | 92,685 | 19,095 | - |
| Environment | 61,173 | 4,700 | 126 | 86,298 | 7,347 | (1,532) |
| Concessions | 16,262 | 1,011 | - | 12,330 | 393 | - |
| Energy | - | - | - | (168,143) | - | 168,143 |
| Total | 221,519 | 42,194 | 126 | 91,159 | 30,509 | 166,611 |

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This heading in the accompanying consolidated statement of financial position reflects the proportional share of the equity of the companies in which the Group minority shareholders have an interest. Its changes in 2010, by item, were as follows:

| Thousands of euros | |
|--|----------------|
| Balance at 31 December 2009 | 288,279 |
| Profit for the year from continuing operations | 42,194 |
| Profit for the year from discontinued operations | 126 |
| Dividends received | (15,374) |
| Change in the scope of consolidation | (38,585) |
| Capital variations and other | (17,355) |
| Valuation adjustments | 4,554 |
| Balance at 31 December 2010 | 263,839 |

The changes in 2009, by item, were as follows:

| Thousands of euros | |
|--|------------------|
| Balance at 31 December 2008 | 6,510,080 |
| Profit for the year from continuing operations | 30,509 |
| Profit for the year from discontinued operations | 166,611 |
| Dividends received | (13,315) |
| Change in the scope of consolidation | (6,309,086) |
| Capital variations and other | 8,398 |
| Valuation adjustments | (104,918) |
| Balance at 31 December 2009 | 288,279 |

The composition of this balance at 31 December 2010, by business segment, is as follows:

| Line of Business | Share Capital | Reserves | Profit Year | Profit discontinued operations | Total |
|---------------------|----------------|---------------|---------------|--------------------------------|----------------|
| Thousands of euros | | | | | |
| Construction | 6,324 | 29,308 | 1,049 | - | 36,681 |
| Industrial Services | 95,699 | 12,753 | 35,434 | - | 143,886 |
| Environment | 22,328 | 38,845 | 4,700 | 126 | 65,999 |
| Concessions | 27,911 | (11,649) | 1,011 | - | 17,273 |
| Total | 152,262 | 69,257 | 42,194 | 126 | 263,839 |

The composition of the balance at 31 December 2009, by business segment, was as follows:

| Line of Business | Share Capital | Reserves | Profit for the year | Profit from discontinued operations | Total |
|---------------------|----------------|-----------------|---------------------|-------------------------------------|----------------|
| Thousands of euros | | | | | |
| Construction | 8,905 | 59,084 | 3,674 | - | 71,663 |
| Industrial Services | 82,455 | 10,230 | 19,095 | - | 111,780 |
| Environment | 49,795 | 36,503 | 7,347 | (1,532) | 92,113 |
| Concessions | 18,176 | (5,846) | 393 | - | 12,723 |
| Energy | - | (168,143) | - | 168,143 | - |
| Total | 159,331 | (68,172) | 30,509 | 166,611 | 288,279 |

At 31 December 2010, the shareholders with an ownership interest equal to or exceeding 10% of the subscribed share capital of the Group's main subsidiaries were as follows:

| Group Company | Percentage of ownership | Shareholder |
|--|-------------------------|---|
| Construction | | |
| John P. Picone, Inc. | 20.00% | John P. Picone (*) |
| Construirail, S.A. | 49.00% | Renfe Operadora |
| Industrial Services | | |
| Artemis Transmissora de Energia, Ltda. | 49.00% | Eletrosul Centrais Eléctricas, S.A. (44%) |
| Beni Saf Water Company Spa. | 49.00% | Algerian Energy Company -SPA |
| Emurtel, S.A. | 49.90% | Ginés Heredia (20%) José María Rodríguez (29.9%) |
| Energias Ambientales, S.A. (Easa) | 33.33% | Enel Unión Fenosa Energías Renovables, S.A. |
| Procme, S.A. | 25.00% | José Reis Costa |
| Serpista, S.A. | 49.00% | Temg Mantenimiento, S.A. (10%) Iberia, S.A. (39%) |
| Sistemas Sec, S.A. | 49.00% | Compañía Americana de Multiservicios Limitada |
| Uirapuru Transmissora de Energia, Ltda. | 49.00% | Eletrosul Centrais Electricas, S.A. |
| Environment | | |
| Centro de Transferencias, S.A. | 30.00% | Emgrisa |
| Ecoparc de Barcelona, S.A. | 33.60% | Comsa Medio Ambiente S.L.(28.30%) |
| Residuos Industriales de Zaragoza, S.A. | 30.00% | Marcor Ebro, S.A. |
| Residuos Sólidos Urbanos de Jaén, S.A. | 40.00% | Diputación Provincial de Jaen |
| Tirmadrid, S.A. | 33.64% | Unión Fenosa Energías Especiales, S.A. (18.64%) Endesa Cogeneración y Renovables, S.A. (15%) |
| Urbana de Servicios Ambientales, S.L. | 30.00% | Construcciones Sánchez Domínguez (20%) Unicaja (10%) |
| Vertederos de Residuos, S.A. | 16.03% | Fomento de Construcciones y Contratas, S.A. |
| Concessions | | |
| Autovía de La Mancha S.A. Conces. JCC Cast-La Mancha | 25.00% | CYOP, S.A. |
| Concesionaria Santiago Brión, S.A. | 30.00% | Francisco Gómez y CIA, S.L. (15%) Extraco Construcciones e Proyectos, S.A. (15%) |
| Intercambiador de Transportes de Príncipe Pío, S.A. | 30.00% | Empresa de Blas y Compañía, S.L. |

(*) There is a purchase commitment of 20% for which the corresponding liability has been recorded.

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16. Grants

The changes that took place in 2010 and 2009 under this heading were as follows:

| | 2010 | 2009 |
|---------------------------------------|---------------|---------------|
| Thousands of euros | | |
| Beginning balance | 90,524 | 65,365 |
| Changes in the scope of consolidation | 3 | 18,753 |
| Additions | 5,249 | 11,772 |
| Transfers | (22,278) | (2,130) |
| Recognition in income statement | (3,549) | (3,236) |
| Ending balance | 69,949 | 90,524 |

The capital grants that have been allocated to the 2010 income statement (recorded under the heading "Allocation of grants for non-financial assets and others" of the income statement) amounted to EUR 3,549 thousand (EUR 3,236 thousand in 2009). The temporary allocation is broken down below:

| | 2010 | | | 2009 | | |
|--------------------------|-------|--------|--------|-------|--------|--------|
| | <1 | 2-5 | >5 | <1 | 2-5 | >5 |
| Thousands of euros | | | | | | |
| Grants related to assets | 9,390 | 16,578 | 43,981 | 9,159 | 19,366 | 61,999 |

17. Bank borrowings, obligations and other negotiable securities

17.01. Obligations and other negotiable securities

At 31 December 2010 and 2009, the ACS Group did not have debts in Group negotiable securities, either long or short term.

17.02. Loans

The balances of bank borrowings at 31 December 2010, as well as the maturities planned for repayment, are the following:

| | Current | | Non current | | | Total non current |
|---------------------------|------------------|------------------|----------------|---------------|---------------------|-------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 and subsequent | |
| Thousands of euros | | | | | | |
| Euro loans | 1,959,046 | 3,481,070 | 816,054 | 13,684 | 264,493 | 4,575,301 |
| Foreign currency loans | 167,827 | 91,558 | 1,185 | 27,703 | 15 | 120,461 |
| Finance lease obligations | 9,812 | 6,197 | 4,227 | 3,734 | 7,857 | 22,015 |
| Total | 2,136,685 | 3,578,825 | 821,466 | 45,121 | 272,365 | 4,717,777 |

The balances of bank borrowings At 31 December 2009, as well as the maturities planned for repayment, are the following:

| | Current | | Non current | | | Total non current |
|---------------------------|------------------|----------------|------------------|---------------|---------------------|-------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 and subsequent | |
| Thousands of euros | | | | | | |
| Euro loans | 1,955,486 | 270,841 | 2,489,941 | 25,531 | 106,388 | 2,892,701 |
| Foreign currency loans | 115,565 | 48,287 | 1,582 | 332 | 28,286 | 78,487 |
| Finance lease obligations | 8,004 | 7,322 | 4,628 | 3,136 | 9,088 | 24,174 |
| Total | 2,079,055 | 326,450 | 2,496,151 | 28,999 | 143,762 | 2,995,362 |

During 2010 and 2009 the ACS Group satisfactorily complied with the payment of all amounts of its financial debt at its maturity. Likewise, until the date of preparation of these consolidated financial statements, no default in its financial obligations has taken place.

The ACS Group's most significant bank loans are as follows:

In July 2010 the extension to the period and the increase to the syndicated credit of ACS, Actividades de Construcción y Servicios, S.A. took place, which was signed on 30 July 2009, in which Caja Madrid acted as the agent bank, for a total amount of EUR 1,594,450 thousand with a maturity of July 2012. This replaced the one signed in 2005 for the amount of EUR 1,500 thousand that matured on July 22, 2010. This new loan likewise accrues a variable interest rate that is tied to Euribor plus a spread, and requires that certain ratios be maintained that the Group is observing, as with the previous syndicated loan. In relation to this loan, a financial interest rate swap contract has been signed, which hedges an amount of EUR 1,500,000 thousand, maturing in July 2012.

In addition, in relation to the purchases of Iberdrola, S.A. shares carried out in 2010, financing has been obtained at ACS, Actividades de Construcción y Servicios, S.A. that finally matures on 27 June 2012 with a balance of EUR 628,117 thousand at 31 December 2010. At the same time as this financing, a prepaid forward share contract was signed with payments only in cash, with the ACS Group being able to make advance payments or payments in full at any time (Note 10.01). In relation to said financing, the shares of Iberdrola, S.A. are under a guarantee.

Additionally, the Parent has arranged bilateral long-term loans with different credit institutions for a book amount of EUR 348,795 thousand (EUR 360,000 thousand in 2009), at an interest rate tied to Euribor plus a market spread.

Likewise, in May 2010 the extension to the period and the amount of the syndicated loan of Urbaser, S.A. entered into force, signed in December 2009 for a total amount of EUR 750,000 thousand and maturing in May 2012, which replaces the loan of EUR 650,000 thousand signed by Urbaser, S.A. on 26 May 2005. This loan requires that certain ratios be complied with, which the Urbaser Group is observing. This loan maintains different interest rate hedging contracts for the total financing, with maturities that are equal to the notional amounts, in May 2012.

The ACS group has signed a loan, through the Corporate Funding, S.L. company, maturing on 30 December 2013 for a nominal amount of EUR 600,000 thousand, with a financing cost tied to the Euribor plus a spread and real guarantee on the Iberdrola, S.A. shares acquired. The main characteristics of this financing contract include the existence of a hedging ratio on the market value of the Iberdrola, S.A. shares, in such a way that if it is not maintained, the Group should provide additional assets. In the event it does not provide them, this could be grounds for executing the created pledge. Both at 31 December 2010 and at the date of the preparation of these financial statements, this hedging ratio was being met.

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The ACS Group held mortgage loans for an amount of EUR 57,580 thousand on 31 December 2010 (EUR 15,203 thousand on 31 December 2009).

At 31 December 2010, the Group companies had been granted lines of credit with limits of EUR 3,636,110 thousand (EUR 3,666,296 thousand in 2009), of which the amount of EUR 1,528,887 thousand (EUR 1,687,530 thousand at 31 December 2009) had not been draw upon, which sufficiently meets any need of the Group according to the short-term existing commitments.

At 31 December 2010, the current and non-current bank borrowings in foreign currency amounted to EUR 288,288 thousand (EUR 194,052 thousand in 2009), of which EUR 120,867 thousand were in US dollars (EUR 104,493 thousand in 2009), EUR 42,626 thousand were in Chilean pesos (EUR 28,905 thousand in 2009), EUR 23,255 thousand were in Moroccan dirham, EUR 47,744 thousand were in Brazilian reals (EUR 14,653 thousand in 2009), EUR 8,120 thousand in Polish zlotys (EUR 12,111 thousand in 2009).

Foreign currency loans and credits are recognised at their equivalent Euro value at each year-end, calculated at the exchange rates prevailing at 31 December.

In 2010 the Group's Euro loans and credits bore average annual interest at 2.92%, (3.32% in 2009). For the loans and credits denominated in foreign currency, the interest was 3.51% (3.76% in 2009).

Following its risk management policy, the ACS Group attempts to achieve a reasonable balance between long-term financing for the Group's strategic investments (above all, project financing and limited recourse financing as described in Note 18) and short-term financing for the management of working capital. The impact of interest rate variations on the financing expense is indicated in Note 21.

17.03. Financial lease obligations

The total amount of pending payments under finance leases at 31 December 2010 and 2009 is as follows:

| 2010 | Less than one year | Between two and five years | More than five years | Balance at 31/12/2010 |
|---|-----------------------|-------------------------------|-------------------------|--------------------------|
| Thousands of euros | | | | |
| Present value of minimum lease payments | 9,813 | 14,158 | 7,858 | 31,829 |
| Unaccrued finance charges | 702 | 1,158 | 391 | 2,251 |
| Total amounts payable under finance leases | 10,515 | 15,316 | 8,249 | 34,080 |

| 2009 | Less than one year | Between two and five years | More than five years | Balance at 31/12/2009 |
|---|-----------------------|-------------------------------|-------------------------|--------------------------|
| Thousands of euros | | | | |
| Present value of minimum lease payments | 8,004 | 15,086 | 9,088 | 32,178 |
| Unaccrued finance charges | 529 | 1,172 | 511 | 2,212 |
| Total amounts payable under finance leases | 8,533 | 16,258 | 9,599 | 34,390 |

It is the Group's policy to lease certain of its fixtures and equipment under finance leases. The average lease term is three to four years. Interest rates are set at the contract date. All leases are on a fixed repayment basis. Contingent lease payments were not significant at 31 December 2010 or at 31 December 2009. All lease obligations are in euros

The Group's finance lease obligations are secured by the lessors' charges on the leased assets.

18. Limited recourse financing of projects and debts

The heading "Limited recourse financing of projects and debts" on the liability side of the statement of financial position includes the financing amount associated with projects, in addition to the financing for the acquisition of Iberdrola, S.A. and Hochtief, A.G. The breakdown, by type of asset, as of 31 December 2010, is as follows:

| | Current | Non-Current | Total |
|-----------------------------|------------------|------------------|------------------|
| Thousands of euros | | | |
| Iberdrola, S.A. | 2,099,255 | 2,590,215 | 4,689,470 |
| Hochtief Aktiengesellschaft | 16,945 | 858,867 | 875,812 |
| Project financing | | | |
| Highways | 2,850 | 807,347 | 810,197 |
| Waste treatment | 26,071 | 169,743 | 195,814 |
| Desalination Plants | 334 | 133,051 | 133,385 |
| Energy transport | 20,828 | 89,748 | 110,576 |
| Police station | 4,053 | 69,354 | 73,407 |
| Transfer stations | 1,843 | 52,565 | 54,408 |
| Photovoltaic Plants | 2,053 | 33,997 | 36,050 |
| Water management | 3,761 | 30,041 | 33,802 |
| Other infrastructures | 8,433 | 25,178 | 33,611 |
| | 2,186,426 | 4,860,106 | 7,046,532 |

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The breakdown, by type of asset, as of 31 December 2009, is as follows:

| | Current | Non-Current | Total |
|-----------------------------|----------------|------------------|------------------|
| Thousands of euros | | | |
| Iberdrola, S.A. | 46,342 | 4,424,047 | 4,470,389 |
| Hochtief Aktiengesellschaft | 16,431 | 740,731 | 757,162 |
| Project financing | | | |
| Wind Farms | 57,134 | 1,181,279 | 1,238,413 |
| Thermal Solar Plants | 28,667 | 1,128,370 | 1,157,037 |
| Highways | 2,502 | 391,624 | 394,126 |
| Desalination Plants | 1,563 | 206,797 | 208,360 |
| Waste treatment | 19,207 | 160,961 | 180,168 |
| Energy transport | 87,787 | 81,820 | 169,607 |
| Transfer stations | 9,128 | 80,299 | 89,427 |
| Police station | 2,826 | 51,433 | 54,258 |
| Water management | 4,032 | 33,582 | 37,615 |
| Photovoltaic Plants | 1,499 | 28,041 | 29,540 |
| Other infrastructures | 931 | 82,918 | 83,849 |
| | 278,049 | 8,591,902 | 8,869,951 |

The breakdown by maturity of the non-current financing at 31 December 2010 and 2009 is as follows:

| | Maturity in | | | | Total |
|-----------------------------|-------------|--------|---------|---------------------------|-----------|
| | 2012 | 2013 | 2014 | 2015 and Subsequent Years | |
| Thousands of euros | | | | | |
| Balance at 31 December 2010 | 3,509,221 | 52,995 | 236,177 | 1,061,713 | 4,860,106 |

| | Maturity in | | | | Total |
|-----------------------------|-------------|---------|---------|---------------------------|-----------|
| | 2011 | 2012 | 2013 | 2014 and Subsequent Years | |
| Thousands of euros | | | | | |
| Balance at 31 December 2009 | 4,625,620 | 888,188 | 151,956 | 2,926,138 | 8,591,902 |

The following financing is highlighted due to its relative importance:

- Financing of the acquisition of Iberdrola, S.A.

For the acquisition of 6.58% of Iberdrola, S.A., limited recourse financing was obtained through a syndicated loan, signed on 28 December 2006 for an amount of EUR 2,486,900 thousand (of which EUR 72,000 thousand in 2010 and EUR 360,000 thousand in 2009 was repaid in advance), and a line of credit from the Banco Bilbao Vizcaya Argentaria, S.A. with a guarantee from the participating banks, for the amount of EUR 331,600 thousand. Both tranches have a single and final maturity date of 28 December 2011, with a financing cost tied to Euribor plus a spread, and have a real guarantee

from the shares acquired. The balance at 31 December 2010 amounted to a total of EUR 2,096,100 thousand (EUR 2,163,198 thousand at 31 December 2009). On 10 February 2011, Residencial Monte Carmelo, S.A. signed a financing contract in which twenty-seven financial institutions participated, and in which BBVA is acting as the agent bank, for an amount of EUR 2,058,972 thousand, which will enter into force on 28 December 2011, the maturity date of the previous financing, which increases the financing by three years until 28 December 2014. With this transaction, the ACS Group is ensuring the liquidity of its operations.

In relation to said financing, different interest rate swap contracts were entered into to hedge 90% of the initial amount of the syndicated loan, with a maturity of July 2011.

The main characteristics of the financing contract include the maintenance of a hedging ratio over the market value of the shares of Iberdrola, S.A. If this ratio were not maintained, the created pledge could be executed. If the aforementioned hedging ratio were not maintained, ACS, Actividades de Construcción y Servicios, S.A. would be required to provide funds up to a limit of EUR 331,600 thousand in the form of a subordinated loan. Both at 31 December 2010 and at the date of the preparation of these financial statements, this hedging ratio was being met (Note 10.04).

The rest of the investment was financed with subordinated debt of the Parent.

In addition to the financing mentioned in the above paragraph, and as a result of the novation of the equity swap that the ACS Group holds in Iberdrola, S.A. (Note 10.01), the liability tied to the same for the amount of EUR 2,430,619 thousand (EUR 2,306,918 thousand on 31 December 2009) was recorded for the financing, which currently matures in March 2012 (after the extension to the maturity date and the increase to the amount by EUR 116,500 thousand signed on 30 June 2010), which has the 5.069% stake in Iberdrola, S.A. as a guarantee. It bears interest at a rate tied to Euribor. As with the aforementioned loan, the ACS Group must comply with a hedging ratio on said ownership interest. Both at 31 December 2010 and at the date of the preparation of these financial statements, this hedging ratio was being met (Note 10.04).

The transaction signed by Roperfeli, S.L. on 21 December 2010 is also covered within the non-recourse financing for the acquisition of Iberdrola shares, for an amount of EUR 300,000 thousand, maturing on 21 June 2012, with a financing cost tied to the Euribor plus a spread and real guarantee on the Iberdrola, S.A. shares acquired. The main characteristics of this financing contract include the maintenance of a hedging ratio over the market value of the shares of Iberdrola, S.A. If this ratio were not maintained, the created pledge could be executed. If the aforementioned hedging ratio were not maintained, ACS, Actividades de Construcción y Servicios, S.A. would be required to provide funds up to a limit of EUR 42,000 thousand in the form of a subordinated loan. Both at 31 December 2010 and at the date of the preparation of these summary financial statements, this hedging ratio was being met.

In addition to the financing described herein, there is financing for the purchase of Iberdrola, S.A. that is covered in Note 17.

- Financing of the acquisition of Hochtief, A.G.

The acquisition of 22.80% of Hochtief, A.G. in 2007 was done through financing in which BBVA acted as the agent bank, for a total amount of EUR 948,000 thousand, divided into two tranches. Tranche A consisted of a loan for EUR 632,000 thousand (of which EUR 16,000 thousand in 2010 and EUR 71,000 thousand in 2009 was paid in advance) and Tranche B consisted of a loan for EUR 316,000 thousand, which consists of a current account credit line. Both tranches have a real guarantee from the shares acquired and a financing cost tied to the Euribor, with a single and final maturity date of 24 July 2012.

The main characteristics of the financing contract include the maintenance of a hedging ratio over the market value of the shares of Hochtief, A.G. If this ratio were not to be met, the pledge could be executed. If the aforementioned hedging ratio were not maintained, ACS, Actividades de Construcción y Servicios, S.A. would be required to provide funds up to a total limit of EUR 316,000 thousand in the form of a subordinated loan. Both at 31 December 2010 and at the date of the preparation of these consolidated financial statements, this coverage ratio was met.

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The remainder of the investment was made through a participation loan from ACS, Actividades de Construcción y Servicios, S.A. amounting to EUR 326,000 thousand, the sole and final maturity date of which is 31 October 2012. This loan has a dual interest component and earns interest at both a fixed and variable rate, on the basis of the company's net profit.

For the hedging of the ratios in the Hochtief A.G. and Iberdrola, S.A. financing, the Group has contributed funds at an amount of EUR 590,904 thousand at 31 December 2010 (EUR 413,416 thousand at 31 December 2009). These funds are lowering the limited recourse financing and the portion that exceeds the amount of the lines of credit is covered on the asset side of the statement of financial position under the heading "Other current financial assets" (Note 10.04).

Project financing

The most relevant variation under This heading in the statement of financial position corresponds to the reclassification of the wind farms, solar thermal plants and certain power transmission lines to assets held for sale (Note 3.09).

The following items are noteworthy in project financing at 31 December 2010:

- Highways, mainly related to:
 - On 3 March 2009, the financing was closed for the I-595 in the State of Florida (United States) for \$ 1,389 million in two tranches. The first was through a bank loan signed with 13 institutions for \$ 781 million with a 10-year term and 100% hedging of 6.5775% for Tranche A (\$ 525 million) and hedging of 7.1375% for Tranche B (\$ 256 million), during construction, and the second through a loan from the Federal Government (TIFIA) of \$ 608 million with a 33-year term and a fixed rate of 3.64%. The balance draw upon At 31 December 2010 was EUR 329,397 thousand.
 - La Mancha Highway: In April 2008 the entire debt of the La Mancha Highway concessionaire was refinanced. On April 17, 2008, the long-term loan agreement was signed for a total amount of EUR 110,000 thousand, with Dexia Sabadell S.A. The new loan obtained an A1 rating from Moody's and an A- rating from S&P, being the second highway on a worldwide scale to obtain this rating. The loan finally matures in October 2031. Hedging has been taken out for EUR 93,500 thousand at a fixed interest rate. The balance draw upon at 31 December 2010 amounted to EUR 101,460 thousand.
 - Investor in La Mancha Highway: It signed a loan agreement with the Dexia Sabadell S.A. institution for an amount of EUR 53,600 thousand. Hedging has been taken out for EUR 45,560 thousand at a fixed interest rate, and finally matures in 2032.
 - Santiago Brión: On 19 December 2005, the company signed a commercial loan with Société Générale, S.A. and Dexia Sabadell Banco Local, S.A. for an amount of EUR 35,000 thousand. It likewise signed a loan agreement for an amount of EUR 54,000 thousand with BEI. They are repaid in 46 half-yearly instalments. The maturity of both loans will take place on 15 December 2032. The interest rate of the loan with Société is the three-month Euribor plus a spread. In the case of the BEI loan, the interest rate is the BEI rate plus the spread.
 - On 18 March 2010, the financing was closed for the Diagonal Interchange project in Catalonia, for EUR 249 million with Santander, West LB, La Caixa, Banesto, Dexia Sabadell, Banco Espirito Santo and Société Générale. It is "mini perm" financing at 8 years (on which date there is an obligation to have refinanced the loan amount). The refinancing risk in the eighth year for the banks is covered by a guarantee from the Administration through which it will provide the necessary amount of money to the concessionaire to repay the unpaid amounts that have not been able to be refinanced when the debt matures.

- On 30 April 2010, financing was closed for the Pirineo Highway in Navarra for EUR 152 million at 26 years, provided by Santander, BBVA, West LB, Banco Popular, Dexia Sabadell, Caja Navarra and Caja Rural de Navarra.
- On 14 July 2010, financing was closed for the South Fraser Perimeter Road in the Province of British Columbia (Canada) for \$ 200 million in Canadian dollars at 19-years with Santander, Société Générale, Unicredit, ING, Crédit Agricole and Caixanova.
- Desalination plants This pertains to the financing of Beni Saf Water Company, Spa, which is done with a syndicated loan at a fixed rate of 3.75%, maturing in 2024.
- Waste treatment: The Ecoparc de Barcelona, S.A. plant is highlighted for its importance. On 30 July 2009, a loan was formalised for the amount of EUR 53,000 thousand at a variable interest rate tied to the Euribor plus a market differential and a maturity of 30 July 2024. Its purpose is the refinancing of the construction, administration and operation of the Metropolitan Complex for Integral Municipal Waste Treatment located in the Free Trade Zone of Barcelona.

The Group has arranged various interest rate hedges in connection with the aforementioned financing (Note 22).

The average interest rate for this financing amounted to 4.11% per annum in 2010 and 4.53% in 2009.

The debts relating to this type of financing are secured by project assets and include clauses requiring that certain ratios be complied with by the project and which were being met at 31 December 2010.

19. Other financial liabilities

The composition of the balances of this heading in the consolidated statement of financial positions is as follows:

| | Balance at 31/12/2010 | | Balance at 31/12/2009 | |
|--|-----------------------|---------------|-----------------------|---------------|
| | Non-Current | Current | Non-Current | Current |
| Non-bank borrowings at a reduced interest rate | 39,053 | 5,786 | 38,622 | 5,988 |
| Debts with Associates | 4,258 | 4,118 | 201 | 72 |
| Others | - | 3,721 | 10,752 | 18,485 |
| Total | 43,311 | 13,624 | 49,575 | 24,545 |

The “Non-Bank Borrowings at a Reduced Interest Rate” are loans at reduced or zero interest rates granted by the Ministry of Industry, Tourism and Commerce and dependent agencies. The effect of the financing at market interest rates would not be material.

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20. Provisions

The changes in non-current provisions in 2010 were as follows:

| Non-current | Provision for pensions and similar obligations | Provision for taxes | Provision for liabilities | Provisions from actions on infrastructure | Total |
|---|---|------------------------|------------------------------|---|------------------|
| Thousands of euros | | | | | |
| Balance at 31 December 2009 | 238 | 52,255 | 320,266 | 21,285 | 394,044 |
| Additions or period charges | 1,805 | 2,530 | 99,355 | 9,481 | 113,171 |
| Reversals and applications | - | (40,490) | (58,514) | (1,620) | (100,624) |
| Increases due to the passing of time and the effect of exchange rates on discount rates | - | - | (35) | 825 | 790 |
| Exchange differences | - | (54) | (134) | - | (188) |
| Changes in the scope of consolidation | - | - | 50 | - | 50 |
| Balance at 31 December 2010 | 2,043 | 14,241 | 360,988 | 29,971 | 407,243 |

The Group companies maintained provisions recorded on the liability side of the accompanying consolidated statement of financial position, for those current obligations that have arisen due to past events. At the maturity of said obligations and in order to pay them, the companies deem it probable that an outflow of financial resources will likely take place. Their funding is done at the beginning of the corresponding obligation and the recognised amount is the best estimate, on the date of the accompanying financial statements, of the present value of the future payment necessary to cancel the obligation, with the variation in the period corresponding to the financial update impacting the financial results.

The following is detailed information on the Group's provisions, distributed into three large groups:

Provisions for pensions and similar obligations

Except for what is indicated in Note 3.12.04, the Group's Spanish companies generally do not have established pension plans that are complementary to those of Social Security. However, in accordance with the provisions of the Consolidated Text of the Law Regulating Pension Plans and Funds, in those specific cases where there are similar obligations, the companies proceed to outsource the commitments for pensions and other similar obligations with their personnel, and as far as this section is concerned, there are liabilities in the Group. Some foreign companies of the Group have taken on the commitment of supplementing their retirement benefits and other similar obligations of their employees. The valuation of the accrued obligations, and where appropriate, the affected assets has been performed by independent actuarial experts, through generally accepted and recognized actuarial methods and techniques, on the accompanying consolidated statement of financial position, under the heading "Non-current provisions" in the item "Pensions and similar obligations", according to the criteria established by the IFRSs. Said provisions come from several companies of the Industrial subgroup and the Environmental subgroup, amounting to EUR 2,043 thousand at the end of the period. The forecasted calendar for the outflow of these amounts is tied to the number of years the personnel involved have been with the company, and in any event it is insignificant in relation to the consolidated financial statements of the ACS Group.

Provision for taxes

They include the amounts estimated by the Group to deal with the resolution of the challenges filed in relation to settlements of various taxes, contributions and rates, fundamentally the property tax and other possible contingencies, as well as the estimated amounts to meet the probable and certain responsibilities and pending applications, which payment is not yet fully calculable as far as its exact amount or is uncertain as far as the date when it will take place, since it depends on the fulfilment of certain conditions. Said provisions have been funded according to the specific probability analyses that the tax

contingency or corresponding challenge could be contrary to the interests of the ACS Group, under the consideration of the country in which it originates, and according to the tax rates referred to therein. Given that the calendar of outflows of said provisions depend on certain events, in some cases related to the legal rulings or rulings from similar agencies, the Group does not financially update the same, given the uncertainty of the actual time when they may take place or the associated risk may disappear.

Provisions for responsibilities

They mainly pertain to the following concepts:

Provision for litigation

They cover the risks of the ACS Group companies that are involved as a party in certain cases of litigation due to the same responsibilities for the activities they carry out. The litigation cases that may be significant in number are irrelevant in amounts when considered individually and there are none that are especially notable with the exception of the litigation related to the lawsuit by Boliden-Apirsa in 2004. Said provisions are funded according to the analysis of the litigation or claims, in accordance with the reports prepared by the legal advisers of the ACS Group. As in the case of the tax provisions, said amounts are not updated, as far as that at the moment of realisation or disappearance of the associated risk, it depends upon circumstances tied to legal rulings or arbitration, upon which it is impossible to quantify the moment when they will be resolved. Likewise, they are not removed until either at the time when the rulings are firm and it proceeds with the payment of the same, or there is no doubt of the disappearance of the associated risk.

Additionally, and in accordance with the opinion of the external lawyers responsible for the legal aspects of this matter, the Group considers that there is no material economic risk relating to the lawsuit filed by Boliden-Apirsa in 2004. In relation to this matter, the Madrid Court of First Instance and the Provincial Court of Madrid have dismissed the lawsuit filed by Boliden-Apirsa. This judgment has been subject to an extraordinary appeal to the Supreme Court.

Environmental provisions

The ACS Group is developing an environmental policy that is based not only on strict compliance with current legislation on environmental improvement and protection, but that goes beyond that through the establishment of preventive planning and analysis and minimisation of the environmental impact of the activities carried out by the Group, including the provisions to cover the probable environmental risks that may arise.

Contractual and legal guarantees and obligations

It covers the provisions for paying the expenses of obligations arising from the contractual and legal commitments that are not environmental in nature. A significant part of the provisions is established by increasing the value of those assets related to the obligations undertaken in activities performed through an administrative concession, whose effect on profits takes place when amortising said asset according to the amortisation coefficients. Additionally, provisions are included that involve highway concession companies, regarding the cost of future expropriations that shall be assumed by the concession companies, according to the agreements set with the companies providing the concessions, as well as the present value of the committed investments in the concession contracts, according to the respective economic/financial models.

The funding of the same is mainly due to the provisions of sealing and post-closing maintenance, as well as the amounts associated with the highway concession contracts and other activities initiated in the form of a concession. The inflows for the period mainly pertain to companies, which have initiated their activities and give rise to the contractual obligation of sealing or replacement. The applications and reversals originate in the sealing of different basins associated with waste treatment concessions of Group companies, in addition to the payment of amounts associated with expropriations of lands affected by real estate assets.

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Said provisions are funded as the associated commitments arise, with their usage calendar being either associated with the number of tonnes treated in the case of waste treatment concessions and the progress in filling the different basins, or in the case of concessions of other activities, being associated with the use of infrastructure and/or wear and tear of the same. Said calendars are analysed according to the Economic/Financial Model of each concession, considering the historical information of the same for the purpose of adjusting possible deviations that could arise in the calendar included in the models thereof.

Provision for settlement of losses of works

This pertains to the losses budgeted for construction works, as well as for the expenses arising from the same, once they are finished until the final settlement takes place, determined systematically based upon a percentage over the production value, throughout the execution of the works, according to the experience in construction activities.

The breakdown of the provision for responsibilities, by business areas, is the following:

| Line of Business | |
|-------------------------|----------------|
| Thousands of euros | |
| Construction | 62,857 |
| Industrial Services | 91,991 |
| Environment | 126,254 |
| Concessions | 20,171 |
| Corporation | 59,715 |
| Total | 360,988 |

During 2010, the most relevant variation took place due to the reversal of the provisions associated with tax risks, fundamentally with the deduction for exporting activities, once the judgment was given largely in favour of the ACS Group at the TEAC and the audit was completed by the tax authorities in the month of July 2010. Said reversal is covered under the heading "Other profit or loss" from the consolidated income statement for the amount of EUR 39.9 million.

The total amount of the payments arising from litigation made by the ACS Group during 2010 and 2009 was not significant in relation to these consolidated summary financial statements.

The changes in current provisions during 2010 were as follows:

| Currents | Provision for termination benefits | Provision for completion of works | Provision for other traffic operations | Total |
|------------------------------------|---|--|---|----------------|
| Thousands of euros | | | | |
| Balance at 31 December 2009 | 13,013 | 112,447 | 142,915 | 268,375 |
| Additions or period charges | 5,901 | 25,921 | 27,082 | 58,904 |
| Applications | (4,313) | (15,152) | (46,004) | (65,469) |
| Reversals | (252) | (11,691) | (13,901) | (25,844) |
| Exchange differences | 139 | (841) | (1,920) | (2,622) |
| Balance at 31 December 2010 | 14,488 | 110,684 | 108,172 | 233,344 |

21. Financial risk management and capital management

In view of its activities, the ACS Group is exposed to different financial risks, mainly arising from the ordinary course of its operations, the borrowings to finance its operating activities, and its investments in companies and activities with functional currencies other than the Euro. The financial risks to which the operating units are subject include interest rate, foreign currency, liquidity and credit risks.

Interest rate risk on cash flows

This risk arises from changes in future cash flows from borrowings bearing interest at floating rates (or with current maturity and likely renewal) as a result of fluctuations in market interest rates.

The objective of the management of this risk is to mitigate the impact on the cost of the debt arising from fluctuations in interest rates. For this purpose financial derivatives which guarantee fixed interest rates or rates with a narrow range of fluctuation are arranged for a substantial portion of the borrowings that may be affected by this risk (Note 22).

The sensibility of the profit/loss and equity of the ACS Group to the variation in the interest rate, considering the existing hedging instruments, as well as the financing at fixed interest rates, is as follows:

| Year | Increase / decrease in interest rate (basis points) | Effect on profit or loss (before tax) | Effect on equity (after tax) |
|------------------|---|---------------------------------------|------------------------------|
| Million of euros | | | |
| 2010 | + 50 | (12.8) | 123.9 |
| | - 50 | 12.8 | (123.9) |
| 2009 | + 50 | (12.2) | 74.3 |
| | - 50 | 12.2 | (74.3) |

Foreign currency risk

The foreign currency risk arises mainly from the foreign operations of the ACS Group which makes investments and carries out business transactions in functional currencies other than the Euro, and from loans granted to Group companies in currencies other than those of the countries in which they are located.

To hedge risk inherent to structural investments in foreign businesses with a functional currency other than the Euro, the Group attempts to take on debt in the same functional currency as the assets being financed.

For the hedging of net positions in currencies other than the Euro in the performance of contracts in force and contracts in the backlog, the Group uses different financial instruments for the purpose of mitigating exposure to foreign currency risk (Note 22).

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In this regard, the main currencies against the Euro in which there were transactions in 2010 and 2009 were the Brazilian real and the US dollar, and the sensitivity was as follows:

| | | 2010 | | 2009 | |
|------------------|---------------------------------------|------|-------|------|-------|
| | | 5% | -5% | 5% | -5% |
| Million of euros | | | | | |
| Brazilian real | Effect on profit or loss (before tax) | 2.4 | -2.4 | 1.6 | -1.6 |
| | Effect on profit or loss (before tax) | 34.5 | -34.5 | 26.1 | -26.1 |
| US dollar | Effect on profit or loss (before tax) | 12.2 | -12.2 | 0.7 | -0.7 |
| | Effect on profit or loss (before tax) | 37.4 | -37.4 | 23.7 | -23.7 |

The exposure to the different currencies of the financial assets and liabilities of the ACS Group are presented below:

| Balance at 31 December 2010 | US dollar (USD) | Brazilian real (BRL) | Moroccan Dirham (MAD) | Chilean peso (CLP) | Mexican peso (MXP) | Australian dollar (AUD) | Argentine peso (ARS) | Alegerian dinar (DZD) | Egyptian pound (EGP) | Peruvian sol (PEN) | Indian rupee (INR) | Other currencies | Balance at 31/12/2010 |
|---|-----------------------|----------------------------|-----------------------------|--------------------------|--------------------------|-------------------------------|----------------------------|-----------------------------|----------------------------|--------------------------|--------------------------|---------------------|--------------------------|
| Thousands of euros | | | | | | | | | | | | | |
| Marketable securities (portfolio of short long-term investments) | 887 | 5,965 | 5 | 52,380 | 44,961 | 4,889 | - | 13 | - | 15,622 | - | 12,367 | 137,089 |
| Loans to associates | 58 | 143,857 | 40 | 60,678 | 14,446 | - | 628 | 432 | 48,471 | 1,661 | 54,512 | 2,257 | 327,040 |
| Other loans | - | 307 | 167 | 702 | 1,862 | 5 | 6,159 | - | - | 895 | - | 5,308 | 15,405 |
| Bank borrowings (non-current) | 346,443 | 25,619 | 24,230 | - | - | - | 930 | - | - | - | - | 10,670 | 407,892 |
| Bank borrowings (current) | 34,728 | 87,120 | (590) | (14,971) | 11,811 | 1 | 9,534 | 20,646 | 44,427 | 6,000 | 81,976 | 23,474 | 304,156 |

| Balance at 31 December 2009 | US dollar (USD) | Brazilian real (BRL) | Moroccan Dirham (MAD) | Chilean peso (CLP) | Mexican peso (MXP) | Australian dollar (AUD) | Argentine peso (ARS) | Alegerian dinar (DZD) | Egyptian pound (EGP) | Peruvian sol (PEN) | Indian rupee (INR) | Other currencies | Balance at 31/12/2009 |
|---|-----------------------|----------------------------|-----------------------------|--------------------------|--------------------------|-------------------------------|----------------------------|-----------------------------|----------------------------|--------------------------|--------------------------|---------------------|--------------------------|
| Thousands of euros | | | | | | | | | | | | | |
| Marketable securities (portfolio of short and long-term investments) | - | - | 29 | 817 | - | 7,440 | - | - | 13 | - | - | 353 | 8,652 |
| Loans to associates | - | 17,582 | - | 47,871 | - | - | - | - | - | - | - | - | 65,453 |
| Other loans | 80,438 | 5,909 | 1,811 | 1,068 | 31,888 | 3 | 7,749 | - | - | 12,367 | 39 | 7,480 | 148,752 |
| Bank borrowings (non-current) | 29,156 | 61,436 | - | - | 88 | - | 1,088 | - | - | - | - | 6,711 | 98,479 |
| Bank borrowings (current) | 166,539 | 47,100 | 33,337 | (18,703) | 4,970 | - | 8,791 | 522 | - | - | - | 10,940 | 253,496 |

Liquidity risk

This risk results from the timing gaps between fund requirements for business investment commitments, debt maturities, working capital requirements, etc. and the funds arising from cash generated in the course of the Group's ordinary operations, different forms of bank financing, capital market operations and divestments.

The Group's objective with respect to the management of liquidity risk is to maintain a balance between the flexibility, term and conditions of the credit facilities arranged on the basis of projected short, medium, and long-term fund requirements. In this regard, the use of project financing and limited recourse debt, such as what is described in Note 18 and short-term financing for working capital is the most prevalent.

In this respect, the financing of Residencial Monte Carmelo, S.A. (holder of 6.576% of Iberdrola shares) appears as short-term financing at 31 December 2010, since its maturity was 28 December 2011, but on 10 February 2011 said company signed a financing contract in which twenty-seven financial institutions participated, and in which BBVA is acting as the agent bank, for an amount of EUR 2,058,972 thousand, which will enter into force on 28 December 2011, the maturity date of the previous financing, which increases the financing by three years until 28 December 2014. With this transaction, the ACS Group is ensuring the liquidity of its operations and refinances the most significant debt that would mature in 2011.

Credit risk

This risk mainly relates to the non-payment of trade receivables. The objective of credit risk management is to reduce the impact of credit risk exposure as much as possible by means of the preventive assessment of the solvency rating of the Group's potential customers. When contracts are being performed, the credit rating of the outstanding amounts receivable is periodically evaluated and the estimated recoverable doubtful receivables are adjusted and written down with a charge to the income statement for the year. Credit risk has historically been very low.

Additionally, the ACS Group is exposed to the risk of possible defaults by its counterparties in the financial derivatives transactions and in depositing cash. The Corporate Management of the ACS Group establishes selection criteria for the counterparties based upon the credit quality of the financial institutions, which translates into a portfolio of institutions with high quality credit and solvency. In this regard, there were no significant impacts in 2010 or in 2009.

Capital management

The Group's objectives in relation to capital management are to maintain an optimal financial-equity structure in order to reduce the cost of capital, while safeguarding the Company's ability to continue operating with an adequately stable debt-to-equity ratio.

The capital structure is controlled fundamentally through the debt ratio, being calculated as equity over net financial debt, which is understood to be:

- + Net recourse debt:
 - + Long-term bank debt
 - + Short-term bank debt
 - + Issuing of bonds and obligations
 - Cash and other current financial assets
- + Debt from project financing.

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The Group Directors consider the level of leverage at 31 December 2010 and 2009 to be appropriate, which is shown below:

| | 31/12/2010 | 31/12/2009 |
|---|------------------|------------------|
| Thousands of euros | | |
| Net recourse debt | 956,610 | 219,353 |
| Non-current bank borrowings | 4,717,777 | 2,995,362 |
| Current bank borrowings | 2,136,685 | 2,079,055 |
| Other financial liabilities | 56,935 | 74,120 |
| Other current financial assets and cash | (5,954,787) | (4,929,184) |
| Project financing | 7,046,531 | 8,869,951 |
| Equity | 4,442,386 | 4,507,920 |
| Leverage | 180% | 202% |
| Leverage to net recourse debt | 22% | 5% |

Fair value estimate

The breakdown of the assets and liabilities of the ACS Group at 31 December 2010 and 2009, assessed at fair value according to the hierarchy levels mentioned in Note 03.08.06 is as follows:

| | Value at 31/12/2010 | Level 1 | Level 2 | Level 3 |
|---|------------------------|------------------|----------------|---------|
| Thousands of euros | | | | |
| Financial assets measured at fair value | 6,449,189 | 6,389,423 | 59,766 | - |
| Equity Instruments (Iberdrola) | 6,389,423 | 6,389,423 | - | - |
| Financial instrument receivables | 59,766 | - | 59,766 | - |
| Financial liabilities measured at fair value | 240,435 | - | 240,435 | - |
| Financial instrument payables | 240,435 | - | 240,435 | - |

| | Value at 31/12/2009 | Level 1 | Level 2 | Level 3 |
|---|------------------------|------------------|----------------|---------|
| Thousands of euros | | | | |
| Financial assets measured at fair value | 4,225,687 | 4,203,960 | 21,737 | - |
| Equity Instruments (Iberdrola) | 4,203,960 | 4,203,960 | - | - |
| Financial instrument receivables | 21,727 | - | 21,737 | - |
| Financial liabilities measured at fair value | 319,959 | - | 319,904 | - |
| Financial instrument payables | 319,959 | - | 319,904 | - |

22. Derivative financial instruments

The ACS Group's different lines of business expose it to financial risks, mainly foreign currency and interest rate risks. In order to minimise the impact of these risks and in accordance with its risk management policy (Note 21), the ACS Group entered into various financial derivative contracts, most of which have long-term maturities.

The breakdown, by maturity, of the notional amounts of the aforementioned hedging transactions, on the basis of the nature of the contracts, at 31 December 2010 and 2009, is as follows:

| Financial Year 2010 | Notional value | 2011 | 2012 | 2013 | 2014 | 2015 | Subsequent years | Net fair value |
|----------------------------|-----------------------|------------------|------------------|---------------|---------------|-------------|-------------------------|-----------------------|
| Thousands of euros | | | | | | | | |
| Interest Rate | 8,355,248 | 3,263,300 | 2,149,862 | 72,793 | 33,783 | - | 2,835,510 | (170,506) |
| Exchange Rate | 43,672 | 43,672 | - | - | - | - | - | (8,523) |
| Price | 32,022 | 32,022 | - | - | - | - | - | 3,602 |
| Non-classified hedges | 215,777 | 215,777 | - | - | - | - | - | (5,242) |
| Total | 8,646,719 | 3,554,771 | 2,149,862 | 72,793 | 33,783 | - | 2,835,510 | (180,669) |

The notional value associated with the assets and liabilities held for sale corresponds to the activities related to renewable energies, which at 31 December 2010 were as follows:

| | Notional value | 2011 | 2012 | 2013 | 2014 | 2015 | Subsequent years |
|--------------------|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------------------|
| Thousands of euros | | | | | | | |
| Interest Rate | 2,033,089 | 485,090 | 14,143 | 13,126 | 16,490 | - | 1,504,240 |

| Financial Year 2009 | Notional value | 2010 | 2011 | 2012 | 2013 | 2014 | Subsequent years | Net fair value |
|----------------------------|-----------------------|------------------|------------------|----------------|----------------|---------------|-------------------------|-----------------------|
| Thousands of euros | | | | | | | | |
| Interest Rate | 6,656,646 | 1,921,199 | 2,268,696 | 644,092 | 117,508 | 46,733 | 1,658,418 | (305,565) |
| Exchange Rate | 547,120 | 416,065 | 131,055 | - | - | - | - | 4,349 |
| Price | 21,907 | - | 21,907 | - | - | - | - | 3,662 |
| Non-classified hedges | 167,349 | - | 167,349 | - | - | - | - | (613) |
| Total | 7,393,022 | 2,337,264 | 2,589,007 | 644,092 | 117,508 | 46,733 | 1,658,418 | (298,167) |

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The following table shows the fair value of the hedging instruments based on the nature of the contract, at 31 December 2010 and 2009:

| | 2010 | | 2009 | |
|-----------------------|---------------|----------------|---------------|----------------|
| | Assets | Liabilities | Assets | Liabilities |
| Thousands of euros | | | | |
| Interest Rate | | | | |
| Cash flows | 3,150 | 173,656 | 13,726 | 319,291 |
| Non-efficient | - | - | - | - |
| Exchange Rate | - | 8,523 | 4,349 | - |
| Price | 8,188 | 4,586 | 3,662 | - |
| Non-classified hedges | 48,428 | 53,670 | - | 613 |
| Total | 59,766 | 240,435 | 21,737 | 319,904 |

The Group has no hedges of investments in foreign operations, since the foreign currency risk is covered with transactions carried out in local currencies, and the most significant foreign investments were made with non-current financing, in which the interest rates on project financing debt are hedged.

Cash flow hedges (interest rate)

The objective of using these derivatives was to limit changes in interest rates on its project borrowings and to guarantee fixed interest rates, mainly by entering into interest rate swaps as the borrowings are arranged and used.

The majority of the hedges are performed through interest rate swaps which mature on the same date as or slightly earlier than the underlying amounts hedged.

Hedges of this type are mainly related to the various syndicated loans within the Group and to project financing and other long-term financing, both at 31 December 2010 and 31 December 2009 (Notes 17 and 18).

In relation to syndicated loans, the following hedges exist:

- Loan of EUR 1,594 million. It has various interest rate swaps to hedge EUR 1,500 million, which mature in July 2012.
- The syndicated financing of the Urbaser Group is hedged by interest rate swaps amounting to EUR 750,000 thousand, which mature in May 2012.

Noteworthy are the following hedges in relation to project financing and limited recourse debt:

- Interest rate hedging of the amount of the syndicated loan that financed the purchase of 6.576% of Iberdrola, S.A., maturing in July 2011.
- Hedging of the loan to acquire the 22.80% of Hochtief, A.G. for EUR 632,000 thousand and maturing in July 2012 through an interest rate swap.
- The I-595 Express concession has two interest rate swaps for Tranches A and B of the senior debt for the amount of US\$ 780,587 thousand with a final maturity in 2018 and 2031, respectively.
- Autovía de La Mancha and Inversora de La Mancha have hedges amounting to EUR 139,060 thousand through swap contracts with a final maturity in 2032.

- The Concesionaria Santiago Brión, S.A. has entered into two interest rate swaps amounting to EUR 27,000 thousand and with a final maturity in 2032.
- Autovía del Pirineo has hedges amounting to EUR 151,162 thousand through swap contracts with a final maturity in 2030.
- The Diagonal Interchange has hedges amounting to EUR 249,000 thousand through swap contracts with a final maturity in 2017.
- Fraser Transportation Group has hedges amounting to \$ 169,260 thousand in Canadian dollars through swap contracts with a final maturity in 2033.

The derivative liabilities of the solar thermal plants and wind farms were reclassified to liabilities tied to assets held for sale. In this regard there is hedging through an interest rate swap of 75% - 100% of the financing of the solar thermal plants, and maturing between 2019 and 2022, and project finance hedging of wind farms. These relate mostly to interest rate swaps maturing between 2011 and 2024.

Cash flow hedges (exchange rate)

The foreign currency risk relates mainly to contract work in which payables and/or receivables are in a currency other than the functional currency.

The most significant derivatives contracted to hedge these risks relate to exchange rate insurance contracts for industrial projects abroad amounting to EUR 43,672 thousand in 2010 and maturing in 2011 (EUR 547,120 thousand in 2009 and maturing between 2010 and 2011).

Derivative Instruments not classified as hedges

The assets and liabilities for non-hedging financial instruments cover the fair value assessment of those derivatives that do not meet the condition of hedging. In this regard, the most important liability pertains to the derivative covered in the externalisation with the financial institution of the 2010 Stock Option Plan for an amount of EUR 53,670 thousand at 31 December 2010, covered under the heading "Variation in the fair value of financial instruments" of the accompanying consolidated income statement. The financial institution acquired on the market, and therefore holds the shares for their delivery to the beneficiary directors of the Plan, according to the conditions covered therein, at the exercise price of the option.

In the contract with the financial institution, the latter does not assume the derivative risk in the drop of the listed share price below the exercise price. The exercise price of the option for the 2010 Plan is EUR 34.155/share. Therefore, this risk of a drop in the market price below the option price is assumed by ACS, Actividades de Construcción y Servicios, S.A. and was not subject to any hedging with another financial institution. This right in favour of the financial institution (which we call a "put") is recorded at fair value at each closing, and therefore the Group accounts for a liability to take effect on the income statement with respect to the valuation in the previous period, which in the case of the 2010 Plan is zero because it was newly created. With respect to the risk of a rise in the market price of the share, it is neither for the financial institution or the Group, since in this case the directors will exercise their "call" right and will acquire the shares directly from the financial institution, who undertakes by virtue of the contract, to sell them to the beneficiaries at the exercise price. Consequently, upon completing the Plan if the shares are at a higher market price than the value of the option, the derivative will be worth zero at the end of the same.

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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 stock.

Assets for derivatives not qualified as hedging include the fair value assessment of derivatives over financial instruments in Hochtief, A.G. that are settled by differences for an amount of EUR 30,005 thousands at 31 December 2010, which amount was also recorded as a profit under the heading "Variation in fair value of financial instruments" of the 2010 consolidated income statement (Note 9).

At the end of December 2010, the ACS Group bought a firm interest of 1.9% of Iberdrola, S.A. shares, which granted it all of the voting and economic rights associated with the same. To finance this acquisition, the ACS Group structured the transaction through the signing of a prepaid forward share with a financial institution, with a maturity up to 27 June 2012, with cancellations only in cash, with the ACS Group being able to perform its early or complete cancellation at any time. As a result of said financing, which has the Iberdrola shares as a guarantee (pledge) and underlying asset and its cancellation only in cash, the derivative related to said contract has been assessed at fair value, with a profit of EUR 18,423 thousands being recorded at the end of the period under the heading "Changes in the fair value of financial instruments" of the accompanying consolidated income statement.

23. Trade and other payables

It mainly includes the unpaid amounts for commercial purchases and related costs, as well as the customer advances for contract work that amounted to EUR 2,644,983 thousand in 2010 (EUR 2,480,949 thousand in 2009) (Note 12).

Information on the payment deferrals made to suppliers. Additional provision three. "Duty to inform" of Law 15/2010 of 5 July

In relation to the information required by additional provision three of Law 15/2010 of 5 July for these first financial statements prepared after the entry into force of the Law, on 31 December 2010 an amount of EUR 67,007 thousand of the unpaid balance to suppliers in commercial operations accumulated a deferment greater than the legal period for payment.

This balance refers to the suppliers of Spanish companies of the consolidated block, which by their nature are trade creditors with suppliers of goods and services, included in the current liabilities of the consolidated statement of financial position at 31 December 2010. The suppliers of fixed assets and financial lease creditors are not included in this balance.

The maximum legal period applicable to Spanish companies of the consolidated block according to Law 3/2004 of 29 December, whereby measures are established for fighting delinquency in commercial transactions, ranges from 85 to 120 days.

24. Other current liabilities

The breakdown of this heading at 31 December 2010 and 2009 is as follows:

| | Balance at 31/12/2010 | Balance at 31/12/2009 |
|---------------------------------------|-----------------------|-----------------------|
| Thousands of euros | | |
| Advance payments received | 27,283 | 24,426 |
| Payable to fixed asset suppliers | 166,424 | 39,458 |
| Interim dividend payable (Note 15.05) | 283,198 | 283,198 |
| Deposits and sureties received | 9,356 | 6,616 |
| Others | 170,009 | 221,979 |
| Total | 656,270 | 575,677 |

25. Segments

25.01. Basis of segmentation

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 constitute the reporting segments.

25.01.01. Primary segments – business segments

The business segments used to manage the ACS Group are as follows:

- **Construction.** Engaging in the construction of civil works, and residential and non-residential building construction.
- **Industrial Services.** This segment is engaged in the development of applied engineering services, installations and the maintenance of industrial infrastructures in the energy, communications and control systems sectors.
- **Environment.** This segment groups together environmental services and the outsourcing of integral building maintenance services.
- **Concessions.** This segment mainly engages in transport infrastructure concessions.
- **Corporation.** This segment groups together strategic investments in energy (Unión Fenosa, S.A. and Iberdrola, S.A), telecommunications (Xfera Móviles, S.A.) and concessions (Abertis Infraestructuras, S.A.) activities.

25.01.02. Geographical segments

The ACS Group is managed by business segments and the management based on geographical segments is irrelevant. Accordingly, a distinction is made between Spain and the rest of the world, in accordance with the stipulations of IAS 8.

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25.02. Basis and methodology for business segment reporting

The reporting structure is designed in accordance with the effective management of the different segments composing the ACS Group. Each segment has its own resources based on the entities engaging in the related business, and accordingly, has the assets required to operate the business.

Each of the business segments relates mainly to a legal structure, in which the companies report to a holding company representing each activity for business purposes. Accordingly, each legal entity has the assets and resources required to perform its business activities in an autonomous manner.

Segment reporting for these businesses is presented below.

25.02.01. Income statement by business segment: Financial Year 2010

| | Construction | Concessions | Environment | Industrial Services | Corporation and adjustments | Group Total |
|---|------------------|-----------------|------------------|---------------------|-----------------------------|--------------------|
| Thousands of euros | | | | | | |
| Revenue | 5,593,117 | 110,174 | 2,561,828 | 7,157,818 | (43,273) | 15,379,664 |
| Changes in inventories of finished goods and work in progress | (27,080) | - | 41,800 | (443) | 284 | 14,561 |
| Capitalised expenses of in-house work on assets | 5,839 | 21,770 | 8,073 | 273 | 1,075 | 37,030 |
| Procurements | (3,758,134) | (7,835) | (546,172) | (4,356,747) | 54,401 | (8,614,487) |
| Other operating income | 274,051 | (1,056) | 56,379 | 44,972 | (18,005) | 356,341 |
| Staff costs | (1,067,907) | (24,032) | (1,554,612) | (1,360,540) | (28,767) | (4,035,858) |
| Other operating expenses | (605,467) | (65,448) | (265,769) | (679,150) | (20,993) | (1,636,827) |
| Depreciation and amortisation charge | (93,065) | (11,914) | (119,340) | (179,079) | (1,276) | (404,674) |
| Allocation of grants relating to non-financial assets and others | - | 174 | 2,742 | 633 | - | 3,549 |
| Impairment and gains on the disposal of non-current assets | (19,612) | 16 | 1,436 | (62) | 1 | (18,221) |
| Other profit or loss | (4,535) | (1,054) | (1,391) | (8,933) | 11,791 | (4,122) |
| Operating profit | 297,207 | 20,795 | 184,974 | 618,742 | (44,762) | 1,076,956 |
| Financial income | 46,547 | 12,744 | 33,231 | 119,052 | 281,312 | 492,886 |
| Financial costs | (66,143) | (53,793) | (83,490) | (240,267) | (364,770) | (808,463) |
| Changes in the fair value of financial instruments | - | (460) | 7 | - | (93) | (546) |
| Exchange differences | 11,406 | 1,551 | 1 | 12,243 | 18 | 25,219 |
| Impairment and gains or losses on the disposal of financial instruments | 25,135 | (5,850) | (245) | 39,129 | 478,054 | 536,223 |
| Financial profit | 16,945 | (45,808) | (50,496) | (69,843) | 394,521 | 245,319 |
| Results of companies accounted for using the equity method | 5,299 | (16,098) | 14,010 | 27,662 | 191,343 | 222,216 |
| Profit before tax | 319,451 | (41,111) | 148,488 | 576,561 | 541,102 | 1,544,491 |
| Income tax | (97,997) | 20,201 | (34,742) | (141,587) | 21,163 | (232,962) |
| Profit for the year from continuing operations | 221,454 | (20,910) | 113,746 | 434,974 | 562,265 | 1,311,529 |
| Profit after tax from discontinued operations | - | - | 43,348 | - | - | 43,348 |
| Profit for the year | 221,454 | (20,910) | 157,094 | 434,974 | 562,265 | 1,354,877 |
| Profit attributed to non-controlling interests | (1,049) | (1,011) | (4,700) | (35,434) | - | (42,194) |
| Profit from discontinued operations attributed to non-controlling interests | - | - | (126) | - | - | (126) |
| Profit attributed to the parent | 220,405 | (21,921) | 152,268 | 399,540 | 562,265 | 1,312,557 |

25.02.02. Income statement by business segment: Financial Year 2009

| | Construction | Concessions | Environment | Industrial Services | Corporation and adjustments | Group Total |
|---|------------------|-----------------|------------------|---------------------|-----------------------------|--------------------|
| Thousands of euros | | | | | | |
| Revenue | 6,077,673 | 73,491 | 2,469,789 | 6,849,570 | (83,171) | 15,387,352 |
| Changes in inventories of finished goods and work in progress | (13,631) | - | 3,534 | 892 | 12 | (9,193) |
| Capitalised expenses of in-house work on assets | 12,768 | 10,210 | 112,854 | 4,079 | 1,938 | 141,849 |
| Procurements | (4,252,752) | (5,358) | (635,634) | (4,203,913) | 101,076 | (8,996,581) |
| Other operating income | 275,324 | 3,104 | 74,119 | 61,415 | (24,838) | 389,124 |
| Staff costs | (924,069) | (19,327) | (1,472,525) | (1,338,365) | (23,972) | (3,778,258) |
| Other operating expenses | (711,190) | (44,262) | (259,318) | (697,165) | (8,405) | (1,720,340) |
| Depreciation and amortisation charge | (85,572) | (12,149) | (115,092) | (129,278) | (1,153) | (343,244) |
| Allocation of grants relating to non-financial assets and others | - | 168 | 2,543 | 525 | - | 3,236 |
| Impairment and gains on the disposal of non-current assets | 1,653 | (1) | (803) | (511) | 1 | 339 |
| Other profit or loss | (23,063) | 46 | 6,792 | (18,116) | (5,177) | (39,518) |
| Operating profit | 357,141 | 5,922 | 186,259 | 529,133 | (43,689) | 1,034,766 |
| Financial income | 59,555 | 13,990 | 32,433 | 63,780 | 208,188 | 377,946 |
| Financial costs | (66,517) | (42,898) | (67,419) | (147,454) | (336,711) | (660,999) |
| Changes in the fair value of financial instruments | - | (197) | (238) | (277) | (1,613) | (2,325) |
| Exchange differences | 3,542 | (949) | (1,639) | (4,619) | (12) | (3,677) |
| Impairment and gains or losses on the disposal of financial instruments | (1,534) | (288) | 745 | 20,475 | 3,424 | 22,822 |
| Financial profit | (4,954) | (30,342) | (36,118) | (68,095) | (126,724) | (266,233) |
| Results of companies accounted for using the equity method | (2,180) | (10,466) | 13,529 | 28,350 | 183,447 | 212,680 |
| Profit before tax | 350,007 | (34,886) | 163,670 | 489,388 | 13,034 | 981,213 |
| Income tax | (104,922) | 13,361 | (37,874) | (123,578) | 135,537 | (117,476) |
| Profit for the year from continuing operations | 245,085 | (21,525) | 125,796 | 365,810 | 148,571 | 863,737 |
| Profit after tax from discontinued operations | - | - | 26,233 | - | 1,253,338 | 1,279,571 |
| Profit for the year | 245,085 | (21,525) | 152,029 | 365,810 | 1,401,909 | 2,143,308 |
| Profit attributed to non-controlling interests | (3,674) | (393) | (7,347) | (19,095) | - | (30,509) |
| Profit from discontinued operations attributed to non-controlling interests | - | - | 1,532 | - | (168,143) | (166,611) |
| Profit attributed to the parent | 241,411 | (21,918) | 146,214 | 346,715 | 1,233,766 | 1,946,188 |

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25.02.03. Statement of financial position by business segment: Financial Year 2010

| Assets | Construction | Concessions | Environment | Industrial Services | Corporation and adjustments | Group Total |
|---|---------------------|--------------------|--------------------|----------------------------|------------------------------------|--------------------|
| Thousands of euros | | | | | | |
| Non-current assets | 1,760,402 | 1,686,639 | 2,129,142 | 1,489,937 | 8,928,885 | 15,995,005 |
| Intangible assets | 801,020 | 11,033 | 420,336 | 106,229 | 275,114 | 1,613,732 |
| Goodwill | 681,588 | - | 127,938 | 64,734 | 275,114 | 1,149,374 |
| Other intangible assets | 119,432 | 11,033 | 292,398 | 41,495 | - | 464,358 |
| Tangible assets - property, plant and equipment/ investment property | 545,893 | 4,347 | 523,623 | 197,836 | 3,638 | 1,275,337 |
| Non-current assets in projects | 110,498 | 1,143,686 | 405,073 | 722,333 | (1,304) | 2,380,286 |
| Non-current financial assets | 121,569 | 455,608 | 767,852 | 406,356 | 8,090,544 | 9,841,929 |
| Other non-current assets | 181,422 | 71,965 | 12,258 | 57,183 | 560,893 | 883,721 |
| Current assets | 5,410,297 | 131,827 | 1,902,853 | 9,175,356 | 1,569,189 | 18,189,522 |
| Inventories | 437,275 | 60 | 33,501 | 154,886 | (7,697) | 618,025 |
| Trade and other receivables | 2,568,128 | 54,580 | 1,185,014 | 3,045,661 | 85,856 | 6,939,239 |
| Other current financial assets | 1,012,109 | 25,888 | 327,964 | 674,644 | 1,461,613 | 3,502,218 |
| Other current assets | 60,232 | 1,369 | 11,845 | 26,321 | 997 | 100,764 |
| Cash and cash equivalents | 1,332,553 | 49,930 | 112,897 | 928,770 | 28,420 | 2,452,570 |
| Non-current assets held for sale | - | - | 231,632 | 4,345,074 | - | 4,576,706 |
| Total assets | 7,170,699 | 1,818,466 | 4,031,995 | 10,665,293 | 10,498,074 | 34,184,527 |

| Equity and liabilities | Construction | Concessions | Environment | Industrial Services | Corporation and adjustments | Group Total |
|---|---------------------|--------------------|--------------------|----------------------------|------------------------------------|--------------------|
| Thousands of euros | | | | | | |
| Equity | 746,387 | 148,684 | 1,075,838 | 1,011,476 | 1,460,001 | 4,442,386 |
| Equity attributed to the parent | 709,706 | 131,254 | 1,009,839 | 867,590 | 1,460,158 | 4,178,547 |
| Non-controlling interests | 36,681 | 17,430 | 65,999 | 143,886 | (157) | 263,839 |
| Non-current liabilities | 576,236 | 1,237,006 | 1,365,467 | 712,863 | 6,879,433 | 10,771,005 |
| Grants | - | 6,334 | 52,613 | 11,002 | - | 69,949 |
| Non-current financial assets | 392,637 | 1,013,293 | 1,110,134 | 504,862 | 6,600,268 | 9,621,194 |
| Bank borrowings, debt instruments and other held-for-trading liabilities | 297,425 | 149,531 | 928,460 | 191,176 | 3,151,185 | 4,717,777 |
| Project finance with limited recourse | 69,355 | 859,912 | 181,266 | 300,490 | 3,449,083 | 4,860,106 |
| Other financial liabilities | 25,857 | 3,850 | 408 | 13,196 | - | 43,311 |
| Financial instrument payables | 9,878 | 81,818 | 6,796 | 20,055 | 121,888 | 240,435 |
| Other non-current liabilities | 173,721 | 135,561 | 195,924 | 176,944 | 157,277 | 839,427 |
| Current liabilities | 5,848,076 | 432,776 | 1,590,690 | 8,940,954 | 2,158,640 | 18,971,136 |
| Current financial assets | 642,998 | 256,782 | 518,982 | 578,048 | 2,339,925 | 4,336,735 |
| Bank borrowings, debt instruments and other held-for-trading liabilities | 631,857 | 195,546 | 486,619 | 542,196 | 280,467 | 2,136,685 |
| Project finance with limited recourse | 4,056 | 4,692 | 28,211 | 33,268 | 2,116,199 | 2,186,426 |
| Other financial liabilities | 7,085 | 56,544 | 4,152 | 2,584 | (56,741) | 13,624 |
| Trade and other payables | 4,918,258 | 158,292 | 914,526 | 4,570,672 | (407,011) | 10,154,737 |
| Other current liabilities | 286,820 | 17,702 | 92,206 | 267,160 | 225,726 | 889,614 |
| Liabilities relating to non-current assets held for sale | - | - | 64,976 | 3,525,074 | - | 3,590,050 |
| Total equity and liabilities | 7,170,699 | 1,818,466 | 4,031,995 | 10,665,293 | 10,498,074 | 34,184,527 |

25.02.04. Statement of financial position by business segment: Financial Year 2009

| Assets | Construction | Concessions | Environment | Industrial Services | Corporation and adjustments | Group Total |
|---|---------------------|--------------------|--------------------|----------------------------|------------------------------------|--------------------|
| Thousands of euros | | | | | | |
| Non-current assets | 1,793,682 | 1,050,695 | 1,888,180 | 4,461,869 | 8,285,704 | 17,480,130 |
| Intangible assets | 830,008 | 5,585 | 368,942 | 195,730 | 275,115 | 1,675,380 |
| Goodwill | 648,791 | - | 127,388 | 57,126 | 275,114 | 1,108,419 |
| Other intangible assets | 181,217 | 5,585 | 241,554 | 138,604 | 1 | 566,961 |
| Tangible assets - property, plant and equipment/ investment property | 558,412 | 13,558 | 517,830 | 206,517 | 3,753 | 1,300,070 |
| Non-current assets in projects | 105,339 | 573,776 | 382,926 | 3,441,839 | (1,356) | 4,502,524 |
| Non-current financial assets | 113,800 | 406,020 | 599,788 | 523,041 | 7,563,279 | 9,205,928 |
| Other non-current assets | 186,123 | 51,756 | 18,694 | 94,742 | 444,913 | 796,228 |
| Current assets | 5,659,770 | 275,649 | 2,620,911 | 4,789,485 | 535,249 | 13,881,064 |
| Inventories | 451,871 | 66 | 39,015 | 165,608 | (2,833) | 653,727 |
| Trade and other receivables | 2,801,951 | 32,404 | 1,140,474 | 3,123,583 | (18,211) | 7,080,201 |
| Other current financial assets | 1,153,679 | 186,211 | 186,431 | 678,803 | 552,771 | 2,757,895 |
| Other current assets | 58,427 | 1,127 | 9,117 | 14,312 | 1,001 | 83,984 |
| Cash and cash equivalents | 1,193,842 | 55,841 | 113,490 | 805,594 | 2,521 | 2,171,288 |
| Non-current assets held for sale | - | - | 1,132,384 | 1,585 | - | 1,133,969 |
| Total assets | 7,453,452 | 1,326,344 | 4,509,091 | 9,251,354 | 8,820,953 | 31,361,194 |

| Equity and liabilities | Construction | Concessions | Environment | Industrial Services | Corporation and adjustments | Group Total |
|---|---------------------|--------------------|--------------------|----------------------------|------------------------------------|--------------------|
| Thousands of euros | | | | | | |
| Equity | 821,699 | 265,493 | 1,125,893 | 886,185 | 1,408,650 | 4,507,920 |
| Equity attributed to the parent | 750,036 | 252,608 | 1,033,779 | 774,407 | 1,408,811 | 4,219,641 |
| Non-controlling interests | 71,663 | 12,885 | 92,114 | 111,778 | (161) | 288,279 |
| Non-current liabilities | 594,872 | 688,452 | 1,121,666 | 3,295,933 | 7,353,240 | 13,054,163 |
| Grants | - | 5,486 | 69,426 | 15,612 | - | 90,524 |
| Non-current financial assets | 367,434 | 495,963 | 879,706 | 2,892,127 | 7,001,609 | 11,636,839 |
| Bank borrowings, debt instruments and other held-for-trading liabilities | 266,474 | 9,726 | 705,371 | 176,961 | 1,836,830 | 2,995,362 |
| Project finance with limited recourse | 74,964 | 486,237 | 174,134 | 2,691,788 | 5,164,779 | 8,591,902 |
| Other financial liabilities | 25,996 | - | 201 | 23,378 | - | 49,575 |
| Financial instrument payables | 8,301 | 31,288 | 8,811 | 109,601 | 161,903 | 319,904 |
| Other non-current liabilities | 219,137 | 155,715 | 163,723 | 278,593 | 189,728 | 1,006,896 |
| Current liabilities | 6,036,881 | 372,399 | 2,261,532 | 5,069,236 | 59,063 | 13,799,111 |
| Current financial assets | 947,832 | 292,209 | 564,174 | 580,575 | (3,141) | 2,381,649 |
| Bank borrowings, debt instruments and other held-for-trading liabilities | 781,382 | 288,259 | 544,456 | 374,413 | 90,545 | 2,079,055 |
| Project finance with limited recourse | 3,797 | 3,922 | 19,297 | 188,259 | 62,774 | 278,049 |
| Other financial liabilities | 162,653 | 28 | 421 | 17,903 | (156,460) | 24,545 |
| Trade and other payables | 4,798,835 | 65,457 | 799,088 | 4,128,574 | (18,822) | 9,773,132 |
| Other current liabilities | 290,214 | 14,730 | 97,995 | 360,087 | 81,026 | 844,052 |
| Liabilities relating to non-current assets held for sale | - | 3 | 800,275 | - | - | 800,278 |
| Total equity and liabilities | 7,453,452 | 1,326,344 | 4,509,091 | 9,251,354 | 8,820,953 | 31,361,194 |

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The breakdown of revenue from Construction is as follows:

| | 2010 | 2009 |
|-----------------------|------------------|------------------|
| Thousands of euros | | |
| Domestic | 3,725,947 | 4,690,353 |
| Civil works | 2,329,457 | 2,954,069 |
| Building construction | 1,396,490 | 1,736,284 |
| International | 1,867,170 | 1,387,320 |
| Total | 5,593,117 | 6,077,673 |

The breakdown of revenue from Industrial Services is as follows:

| | 2010 | 2009 |
|------------------------------|------------------|------------------|
| Thousands of euros | | |
| Networks | 738,661 | 867,973 |
| Specialised Installations | 2,352,883 | 2,345,883 |
| Integrated Projects | 2,704,773 | 2,414,798 |
| Control Systems | 1,121,127 | 1,096,375 |
| Renewable energy: Generation | 308,939 | 191,652 |
| Eliminations | (68,565) | (67,111) |
| Total | 7,157,818 | 6,849,570 |

Of the total revenues from Industrial Services, EUR 2,674,806 thousand related to international operations in 2010 (EUR 2,304,835 thousand in 2009), representing 37.4% and 32.3% respectively.

The breakdown of revenue from Environmental activity is as follows:

| | 2010 | 2009 |
|---------------------|------------------|------------------|
| Thousands of euros | | |
| Environment | 1,498,495 | 1,486,181 |
| Integrated Services | 1,049,374 | 983,608 |
| Logistics services | 13,959 | - |
| Total | 2,561,828 | 2,469,789 |

Of the total revenues from Environmental activity, EUR 293,418 thousand related to international operations in 2010 (EUR 259,297 thousand in 2009), representing 11.5% and 10.5%, respectively.

The reconciliation of ordinary income by business segment with the ordinary consolidated income at 31 December 2010 and 2009 is as follows:

| Ordinary income | 2010 | | | 2009 | | |
|--|-------------------|-------------------------------|-------------------|-------------------|-------------------------------|-------------------|
| | Income external | International income Segments | Total Income | Income external | International income Segments | Total Income |
| Thousands of euros | | | | | | |
| Construction | 5,599,408 | 5,209 | 5,604,617 | 6,055,906 | 21,767 | 6,077,673 |
| Concessions | 104,397 | 5,777 | 110,174 | 71,953 | 1,538 | 73,491 |
| Environment | 2,556,514 | 5,315 | 2,561,829 | 2,464,867 | 4,922 | 2,469,789 |
| Industrial Services | 7,111,488 | 34,830 | 7,146,318 | 6,788,178 | 61,392 | 6,849,570 |
| Corporation | 7,857 | - | 7,857 | 6,448 | - | 6,448 |
| (-) Adjustment and elimination of ordinary income between segments | - | (51,131) | (51,131) | - | (89,619) | (89,619) |
| Total | 15,379,664 | - | 15,379,664 | 15,387,352 | - | 15,387,352 |

The reconciliation of the profit/loss by business segment with the consolidated profit/loss before taxes at 31 December 2010 and 2009 is as follows:

| Profit before tax | 31/12/2010 | 31/12/2009 |
|---|------------------|----------------|
| Thousands of euros | | |
| Segments | | |
| Construction | 221,454 | 245,085 |
| Concessions | (20,910) | (21,525) |
| Environment | 157,094 | 152,029 |
| Industrial Services | 434,974 | 365,810 |
| Total profits for reported segments | 792,612 | 741,399 |
| (+/-) Non-assigned profit | 562,139 | 1,235,298 |
| (+/-) Elimination of internal profit (between segments) | - | - |
| (+/-) Other profit | - | - |
| (+/-) Income tax and/or profit from discontinued operations | 189,740 | (995,484) |
| Profit before tax | 1,544,491 | 981,213 |

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The net revenue by geographic area at 31 December 2010 and 2009 is as follows:

| Revenue per geographic area | 2010 | 2009 |
|-----------------------------|-------------------|-------------------|
| Thousands of euros | | |
| Domestic market | 10,487,864 | 11,412,672 |
| Foreign market | 4,891,800 | 3,974,680 |
| a) European Union | 1,191,105 | 1,167,473 |
| b) OECD countries | 2,139,200 | 1,292,186 |
| c) Other countries | 1,561,495 | 1,515,021 |
| Total | 15,379,664 | 15,387,352 |

Inter-segment sales are made at market prices and in conditions of free competition.

The breakdown of certain of the Group's consolidated balances based on the geographical location of the companies that gave rise to them is as follows:

| | Spain | | Rest of the World | |
|------------------------------|------------------|--------------------|-------------------|----------------|
| | 2010 | 2009 | 2010 | 2009 |
| Thousands of euros | | | | |
| Revenue | 10,487,864 | 11,412,672 | 4,891,800 | 3,974,680 |
| Segment assets | 27,633,874 | 25,442,611 | 6,550,653 | 5,918,583 |
| Total net investments | 2,055,185 | (2,142,808) | 269,176 | 835,512 |

The additions to non-current assets by business segment is as follows:

| | 2010 | 2009 |
|-----------------------------|------------------|------------------|
| Thousands of euros | | |
| Construction | 120,982 | 136,030 |
| Concessions | 544,818 | 198,194 |
| Environment | 185,297 | 232,493 |
| Industrial Services | 1,246,293 | 1,123,894 |
| Corporation and Adjustments | 1,220 | 2,923 |
| Total | 2,098,610 | 1,693,534 |

26. Tax position

26.01. Consolidated Tax Group

Pursuant to current legislation, ACS, Actividades de Construcción y Servicios, S.A. is the Parent of the 30/99 Tax Group, which includes as subsidiaries those dependent Spanish companies in which it has at least a 75% stake, whether directly or indirectly, and meets all other requirements provided for in Spanish legislation regulating the tax consolidation regime.

The Group's other subsidiaries file individual tax returns in accordance with the tax legislation in force in each country.

26.02. Tax audit

In 2010 the Audit of the State Tax Administration Agency that was initiated in 2009 in relation to the consolidated Corporation Tax of the 30/99 Tax Group, for the periods from 2003 to 2005, as well as the rest of the domestic taxes of the main companies belonging to the ACS Group. The Audit on the years 2001 and 2002 of the former 24/97 Tax Group has also concluded, whose Parent was Dragados Group, in the matter of deductions for exporting activities, reinitiated by a Decision from the Central Economic-Administrative Court. From these combined audits, certificates have been prepared in accordance with the consolidated Corporation Tax with a tax instalment of EUR 43,962 thousand, which fundamentally includes the partial adjustment of the aforementioned deduction for exporting activities and certain temporary differences recoverable in future periods, as well as late interest in the amount of EUR 11,789 thousand and penalties in the amount of EUR 538 thousand.

Said certificates do not have an impact on the consolidated income statements of the Group, since their amount was covered with the existing provisions on the consolidated statement of financial positions of the Group at the beginning of the period (Note 20).

In view of the possible varying interpretations that can be made of the applicable tax legislation, the outcome of the tax audits of the open years that could be conducted by the tax authorities in the future could give rise to tax liabilities which cannot be objectively quantified at the present time. However, the Directors of the ACS Group consider that the liabilities that might arise, if any, would not have a material effect on the Group profits.

26.03. Reconciliation of the current income tax expense to accounting profit

The reconciliation of the income tax expense resulting from the application of the standard tax rate in force in Spain to the current tax expense recognised, as well as the determination of the average effective tax rate, are as follows:

| | 2010 | 2009 |
|--|-----------|-----------|
| Thousands of euros | | |
| Consolidated profit before tax | 1,544,491 | 981,213 |
| Net profit from equity accounted investments | (222,216) | (212,680) |
| Permanent differences | (86,771) | (35,105) |
| Taxable profit | 1,235,504 | 733,428 |
| Tax at 30% | 370,651 | 220,028 |
| Tax credits and tax relief | (145,048) | (112,440) |
| Effect of different standard tax rate in other countries | 4,804 | 17,005 |
| Current income tax expense | 230,407 | 124,593 |
| Effective rate, excluding equity method | 17.43% | 16.21% |

The tax credits mainly correspond to the deduction for double taxation of dividends of Iberdrola, S.A., which amounted to EUR 73,709 thousand in 2010 and EUR 60,527 thousand in 2009, as well as to the deduction for reinvestment of gains and other tax incentives for investment. The permanent differences in 2010 are mainly due to the tax exemption applicable to the gains obtained from the sale of assets abroad and the application of provisions not deducted in prior periods without previously recording the deferred tax.

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26.04. Detail of income tax expense

The composition of the Corporation Tax expense is as follows:

| | 2010 | 2009 |
|--|----------------|----------------|
| Thousands of euros | | |
| Current income tax expense (table 26.3) | 230,407 | 124,593 |
| Expense/(Income) relating to adjustments to current tax | 13,175 | 5,159 |
| Expense/(Income) relating to adjustments to prior years' tax | (9,904) | (7,080) |
| Expense/(Income) relating to the effect of legislative changes on deferred taxes | 172 | (822) |
| (Income) arising from the application of deferred tax assets of prior years | (1,237) | (4,627) |
| Deferred tax expense | 349 | 253 |
| Ending corporation tax expense balance | 232,962 | 117,476 |

26.05. Tax recognised in equity

Independently of the Corporation Tax recognised in the consolidated income statement, the Group directly recognised EUR 186,136 thousand in 2010 (EUR 175,634 thousand in 2009) on its consolidated equity. These amounts correspond mainly to the tax impact of adjustments of assets available for sale for EUR 173,373 thousand in 2010 (EUR 226,439 thousand in 2009) and the cash flow derivatives for EUR 12,763 thousand in 2010 (EUR 33,506 thousand in 2009).

26.06. Deferred taxes

The breakdown of the main deferred tax assets and liabilities recognised by the Group and of the changes therein during 2010 and 2009 is as follows:

| | Balance at 31 December 2009 | Current movement Year | Charge/Credit to Equity | | | | Business combinations | | Balance at 31 December 2010 | |
|---------------------------|-----------------------------------|-----------------------------|--|---|--|---------|--------------------------------------|---------------------------------|-----------------------------------|---------------------------|
| | | | Foreign currency Exchange differences | Charge/ credit to asset and liability revaluation reserve | Available-for- sale financial assets | Others | Reclassification held for sale | Acquisitions for the year | | Disposals for the year |
| Thousands of euros | | | | | | | | | | |
| Assets | | | | | | | | | | |
| For temporary differences | 638,142 | 2,660 | - | 24,310 | 52,669 | (4,074) | (57,412) | - | 1 | 656,296 |
| For fiscal losses | 17,479 | 10,695 | 12 | 226 | - | (121) | - | 2,812 | (667) | 30,436 |
| For tax credits | 118,870 | 18,501 | - | - | - | (148) | - | - | - | 137,223 |
| Liabilities | | | | | | | | | | |
| Temporary differences | 371,116 | 70,129 | 1,016 | 1,227 | 3,317 | (5,896) | (134,038) | - | (36,036) | 270,835 |

| | Balance at 31 December 2008 | Current movement Year | Charge/Credit to Equity | | | | Business combinations | | Balance at 31 December 2009 |
|---------------------------|-----------------------------------|-----------------------------|--|---|--|--------|---------------------------------|---------------------------|-----------------------------------|
| | | | Foreign currency Exchange differences | Charge/ credit to asset and liability revaluation reserve | Available-for- sale financial assets | Others | Acquisitions for the year | Disposals for the year | |
| Thousands of euros | | | | | | | | | |
| Assets | | | | | | | | | |
| For temporary differences | 622,746 | (2,357) | 346 | 20,055 | 10,183 | 7,321 | - | (20,152) | 638,142 |
| For fiscal losses | 16,573 | 6,583 | (1) | 1,060 | - | - | - | (6,736) | 17,479 |
| For tax credits | 46,849 | 71,486 | - | - | - | - | 1,524 | (989) | 118,870 |
| Liabilities | | | | | | | | | |
| Temporary differences | 228,108 | 157,961 | (2) | 17,057 | (49,920) | 2,217 | 55,330 | (39,635) | 371,116 |

Deferred tax assets and liabilities have not been offset.

The composition of the balances of deferred taxes and advance payments at the period closing due to temporary differences are as follows:

| | 2010 | 2009 |
|---|----------------|----------------|
| Thousands of euros | | |
| Deferred Tax Assets | | |
| Asset valuation adjustments and impairment losses | 358,588 | 345,881 |
| Other provisions | 119,068 | 98,778 |
| Pension costs | 25,580 | 28,795 |
| Income with different tax and accounting accruals | 92,315 | 109,853 |
| Business combinations | 2,489 | 0 |
| Others | 58,256 | 54,835 |
| Total | 656,296 | 638,142 |
| Deferred Tax Liabilities | | |
| Assets recognised at an amount higher than their tax base | 167,417 | 297,576 |
| Income with different tax and accounting accruals | 30,861 | 41,063 |
| Others | 72,557 | 32,477 |
| Total | 270,835 | 371,116 |

Deferred tax liabilities originating from assets recorded for an amount greater than their tax value are fundamentally due to the application of the unrestricted amortisation tax system, and its reduction in the period basically originates from the reclassification of certain ownership interests, such as assets held for sale.

In addition to the amounts recognised on the asset side of the statement of financial position, as detailed in the table above, the Group has other deferred tax assets and tax loss and tax credit carryforwards not recognised on the asset side of the statement of financial position because it is not possible to predict the corresponding future flows of profits, for insignificant amounts.

The temporary differences arising in connection with investments in associates and interests in joint ventures are not material.

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27. Income

The distribution of net revenue by business segment corresponding to the Group's ordinary operations is as follows:

| | 2010 | 2009 |
|-----------------------|-------------------|-------------------|
| Thousands of euros | | |
| Construction | 5,593,117 | 6,077,673 |
| Industrial Services | 7,157,818 | 6,849,570 |
| Environment | 2,561,828 | 2,469,789 |
| Concessions | 110,174 | 73,491 |
| Corporation and other | (43,273) | (83,171) |
| Total | 15,379,664 | 15,387,352 |

In 2010, foreign currency transactions relating to sales and services rendered amounted to EUR 3,901,923 thousand (EUR 3,075,063 thousand in 2009) and those relating to purchases and services received amounted to EUR 2,204,771 thousand (EUR 2,104,346 thousand in 2009).

The distribution of the net revenue relating to the Group's ordinary operations by the main countries where it operates, excluding the domestic market, is as follows:

| | 31/12/2010 | 31/12/2009 |
|--------------------|------------------|------------------|
| Thousands of euros | | |
| Mexico | 1,035,126 | 590,138 |
| United States | 923,911 | 659,608 |
| Poland | 459,045 | 385,488 |
| Brazil | 397,066 | 319,442 |
| Portugal | 349,409 | 445,451 |
| Chile | 258,317 | 258,216 |
| Argentina | 194,657 | 220,150 |
| France | 169,019 | 169,242 |
| Canada | 158,385 | 35,493 |
| Others | 946,865 | 891,452 |
| Total | 4,891,800 | 3,974,680 |

The order backlog by line of business at 31 December 2010, was as follows:

| | 2010 | 2009 |
|---------------------|-------------------|-------------------|
| Thousands of euros | | |
| Construction | 11,087,450 | 11,340,290 |
| Industrial Services | 6,846,214 | 6,517,936 |
| Environment | 10,843,713 | 10,722,582 |
| Total | 28,777,377 | 28,580,808 |

Under the heading of “Capitalised expenses of in-house work on assets” in the 2010 income statement, the expenses are covered that been capitalised for EUR 37,030 thousand (EUR 141,849 thousand in 2009) for work performed on tangible and intangible assets, mainly in projects.

Likewise, the group mainly recognizes the amounts invoiced to UTEs (Unincorporated Joint Ventures) as “Other operating income” for the Construction activities as well as the operating grants received.

28. Expenses

28.01. Procurements

The composition of this heading is as follows:

| | 2010 | 2009 |
|---|------------------|------------------|
| Thousands of euros | | |
| Consumption of merchandise | 1,931,874 | 1,600,162 |
| Consumption of raw materials and other consumables used | 1,588,058 | 1,610,818 |
| Contract work carried out by other companies | 5,095,315 | 5,785,608 |
| Impairment of merchandise, raw materials and other provisions | (760) | (7) |
| Total | 8,614,487 | 8,996,581 |

28.02. Staff costs

The detail of staff costs is as follows:

| | 2010 | 2009 |
|-----------------------|------------------|------------------|
| Thousands of euros | | |
| Wages and salaries | 3,145,543 | 2,918,438 |
| Social security costs | 839,087 | 803,492 |
| Other staff costs | 42,216 | 44,104 |
| Allowances | 9,012 | 12,224 |
| Total | 4,035,858 | 3,778,258 |

The allocation of the personnel expense to the income statement related to the share option plans was EUR 6,177 thousands in 2010 and EUR 1,734 thousands in 2009. These amounts are covered under the heading “Wages and salaries”.

The average number of employees at Group companies throughout 2010 was 141,429 people (136,622 people in 2009).

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

| Category | Average number of persons at 31/12/2010 | | | Average number of persons at 31/12/2009 | | |
|--------------------------|---|---------------|----------------|---|---------------|----------------|
| | Men | Women | Total | Men | Women | Total |
| University graduates | 5,445 | 1,981 | 7,426 | 4,300 | 1,430 | 5,729 |
| Lower degree graduates | 4,448 | 2,489 | 6,937 | 4,146 | 1,898 | 6,044 |
| Non-graduate personnel | 8,930 | 3,636 | 12,566 | 8,518 | 2,740 | 11,258 |
| Administrative personnel | 2,362 | 3,226 | 5,588 | 2,069 | 3,145 | 5,214 |
| Other staff | 66,516 | 42,397 | 108,913 | 65,991 | 42,385 | 108,377 |
| Total | 87,701 | 53,728 | 141,429 | 85,024 | 51,598 | 136,622 |

The distribution of the average number of employees in the period, by line of business, was as follows:

| | 2010 | 2009 |
|-----------------------|----------------|----------------|
| Number of employees | | |
| Construction | 18,946 | 18,013 |
| Industrial Services | 40,630 | 40,843 |
| Environment | 81,457 | 77,437 |
| Concessions | 342 | 271 |
| Corporation and other | 54 | 57 |
| Total | 141,429 | 136,622 |

28.03. Share-based payment systems

At the closing of 31 December 2010, ACS, Actividades de Construcción y Servicios, S.A. maintained two share option plans: the 2010 Plan and the 2005 Plan. During 2009, there were two share option plans: the 2005 Plan and the 2004 Plan. The most salient features of these share option plans are the following:

2004 Plan

The Board of Directors of ACS, Actividades de Construcción y Servicios, S.A., in a session held on 1 July 2004, in keeping with the resolutions adopted in the 20 May 2004 session of the Annual General Shareholders Meeting, set up a Share Option Plan with the following features:

- Number of shares covered under the Plan: 7,038,000 Shares.
- Beneficiaries: 33 directors: 1 director with 1,710,000 shares; 6 directors with between 900,000 and 300,000 shares; 16 directors with 108,000 shares, 10 directors with between 75,000 and 45,000 shares.
- Acquisition price: EUR 13.91 per share.

The options were exercised in three equal parts, accumulative at the beneficiary's option in the fourth, fifth and sixth year after 1 May 2004, inclusively. However, in the case of the termination of an employee for causes other than just cause or the beneficiary's own will, the options will be exercisable six months following the event in question, in the cases of death, retirement, early retirement or permanent disability, and following 30 days in all other cases. Tax withholdings and taxes will be borne by the beneficiaries.

The share options under the 2004 Plan executed in the 2010 period were 2,720 thousand at the exercise price of EUR 13,91 per share and have finished being executed in their entirety. The weighted average market price was EUR 34.68 per share, with 4,318,000 shares having been exercised up to 31 December 2009.

2005 Plan

At the Annual General Meeting held on 19 May 2005, the shareholders of ACS, Actividades de Construcción y Servicios, S.A. agreed to authorise the Board of Directors to modify the previous Share Option Plan by increasing the number of share options of the Parent and maintaining the conditions of the previous Plan. Accordingly, the features of this plan subsequent to this increase are as follows:

- Number of shares: 7,076,925 shares.
- Beneficiaries: 39 directors – 1 director with 1,400,000 shares, 6 directors with between 950,000 and 350,000 shares, 7 directors with between 178,000 and 100,000 shares and 25 directors with between 83,769 and 19,825 shares.
- Acquisition price: EUR 24.10 per share.

The options will be exercisable in three equal parts and may be accumulated at the beneficiary's option in the fourth, fifth and sixth year after 1 May 2005. The rest of the conditions are the same as for the 2004 Plan.

With respect to the 2005 Plan (increase to the 2004 Plan), the options executed during 2010 were 795,632 with a weighted average market price of EUR 35.24 per share, with 3,918,525 options pending execution. During 2010, no new options were granted, nor did options corresponding to this plan expire or become cancelled. All of the options pending execution from the 2005 Plan are may be executed at the exercise price of EUR 24.10 per share up to 30 April 2011. In 2009 2,362,768 shares were exercised.

2010 Plan

The Executive Committee held on 27 May 2010, in execution of the resolution adopted by the General Shareholders' Meeting on 25 May 2009, and at the proposal of the Appointments and Compensation Committee, agreed to establish a share option plan with the following features:

- Number of shares: 6,203,454 shares
- Beneficiaries: 57 directors: 1 director with 936,430 shares; 4 directors with between 752,320 and 351,160 shares; 8 directors with 92,940 shares, 16 directors with 69,708 shares and 28 directors with 46,472 shares.
- Acquisition price: EUR 34.155 per share.

The options will be exercisable in halves and equal parts and may be accumulated at the beneficiary's option in the fourth and fifth year after 1 May 2010, inclusively. However, in the case of the termination of an employee for causes other than just cause or the beneficiary's own will, the options will be exercisable six months following the event in question, in the cases of death, retirement, early retirement or permanent disability, and following 30 days in all other cases. The tax withholdings and the taxes to be paid as a result of exercising the options will be at the sole expense and responsibility of the beneficiary. The exercise method is the same as in the 2004 and 2005 plans and is settled through equity instruments.

In relation to the three aforementioned plans, in all cases, the stock options will always to be exercised by means of equity instruments and never in cash. However, as indicated in Note 22, since the Group has hedged the commitments arising from these plans with a financial institution, in no case shall the exercise thereof involve the issue of equity instruments additional to those outstanding at 31 December 2010 and 31 December 2009. In this respect and in accordance with IFRS 2, "Share-Based Payments" of EUR 6,177 thousand were charged to income in 2010 for these plans (EUR 1,734 thousand in 2009) with a credit to equity. Additionally, these costs do not imply the recognition of income by the directors for tax purposes until the options are exercised, as provided in the various option plans and the legislation in force. The Parent has outsourced said commitments with a financial institution (Note 22). For the calculation of the total cost of the aforementioned share plans, the Parent considered at the time of granting the plan, the financial cost of the same based upon futures curve on the notional value of each of them, the effect of the estimate of future dividends during the period of the same as well as the "put" value granted to the financial institution by applying the Black Scholes formula. Said cost is distributed over the years of plan irrevocability.

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The stock market price of ACS shares at 31 December 2010 and 2009 was EUR 35,075 and EUR 34.81 per share respectively.

28.04. Operating leases

The most significant information relating to the operating leases held by the Group as lessee is as follows:

| | 2010 | 2009 |
|---|---------|---------|
| Thousands of euros | | |
| Lease payments under operating leases recognised in profit for the year | 432,150 | 490,719 |

At the end of the reporting period date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, with the following maturities:

| | 2010 | 2009 |
|----------------------------|---------|---------|
| Thousands of euros | | |
| Within one year | 74,689 | 59,821 |
| Between two and five years | 109,033 | 101,020 |
| More than five years | 59,531 | 46,080 |

The Group has no material operating leases as lessor.

28.05. Changes in the fair value of financial instruments

This heading includes the effect on the income statement of those derivative instruments which do not meet the efficiency criteria provided in IAS 39, or which are not hedging instruments. The most relevant impacts in the negative effect are due to the fair value assessment of the derivative related to the share option plans (Note 22) that is partially offset by the reasonable assessments of the equity swaps of Hochtief A.G. (Note 9) and of the derivative related to the prepaid forward share of Iberdrola (Notes 10 and 18).

28.06. Financial income

The EUR 245,702 thousand corresponding to the dividend from the ownership interest held in the capital of Iberdrola, S.A. in 2010 is covered as the most relevant item under this heading (EUR 206,102 thousand for dividends from the 12% ownership interest in Iberdrola, S.A. in 2009).

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

In the period ended on 31 December 2010, the earnings from the sale of Abertis Infraestructuras, S.A. in the amount of EUR 519,977 thousand, the sale of the ownership interests in different Brazilian concession companies of a total of 8 power transmission lines with a combined earnings of EUR 38,799 thousand and the sale of its ownership interest in the Platinum Corridor Highway in South Africa with before tax earnings of EUR 57,856 thousand are noteworthy.

On the other hand, covered under this heading are the losses due to the dilution effect caused by the capital increase of Hochtief A.G. for the amount of EUR 38,045 thousand (Note 9) as well as the effect on the income statement of the provisions made in certain concession assets.

No relevant transactions took place in 2009.

30. Distribution of profit

The distribution of the Parent's net profit for 2010 that the Board of Directors will propose for at the Annual General Shareholders' Meeting for their approval, is as follows:

| Thousands of euros | |
|----------------------|----------------|
| To goodwill reserve | 41,208 |
| To voluntary reserve | 24,325 |
| To dividends | 645,062 |
| Total | 710,595 |

The proposed supplementary dividend is subject to approval by shareholders at the Annual General Shareholders' Meeting and is not included as a liability in these financial statements.

For the dividend corresponding to 2010, an interim dividend of EUR 0.90 per share was already approved in 2010 for a total of EUR 283,198 thousand that reduce the equity of the ACS Group at 31 December 2010. The Board of Directors presented in its Individual Report of the Parent the liquidity status that is required by the Capital Consolidated Companies Law in its Article 277.

31. Earnings per share

31.01. Basic earnings per share

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

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Accordingly:

| | 31/12/2010 | 31/12/2009 | Variation (%) |
|--|-------------|-------------|-----------------|
| Net profit for the year (Thousands of euros) | 1,312,557 | 1,946,188 | (32.56) |
| Average number of shares in circulations | 299,368,861 | 310,976,087 | (3.73) |
| Basic earnings per share (euros) | 4.38 | 6.26 | (30.03) |
| Profit after tax and non-controlling interests of discontinued operations (Thousands of euros) | 43,222 | 1,112,960 | (96.12) |
| Basic earnings per share for discontinued operations (euros) | 0.14 | 3.58 | (96.09) |
| Basic earnings per share for continuing operations (euros) | 4.24 | 2.68 | 58.21 |

31.02. Diluted earnings per share

The diluted earnings per share were the same as basic earnings per share. At 31 December 2010 and 2009, the ACS Group had no common shares that could potentially be diluted since no convertible debt had been issued, the capital increase provided by the takeover bid over Hochtief was not necessary and the compensation systems through delivery of options on shares as stipulated in Note 28.03, the share based payments would not involve an increase in capital for the Group given the manner in which they operate. Therefore, in no case would exercising stock options lead to diluted earnings.

32. Subsequent events

The following are noteworthy subsequent events: the completion of the takeover bid on Hochtief in February 2011 through the exchange of the ACS treasury shares for Hochtief shares, reaching a 33.49% ownership interest at that time as indicated in Note 9. On the date these financial statements were prepared, the ACS Group had reached an ownership interest of approximately 37.6% in the share capital.

In addition, on 10 February 2011, the ACS Group signed a non-recourse financing contract in which BBVA acts as an agent, for the amount of EUR 2,059 million, which expands the financing of Residencial Monte Carmelo, S.A. (a company that holds 6.58% of Iberdrola shares) by three years to 28 December 2014 (Note 18). With this transaction, the Group managed to refinance the most relevant financing debt that would mature in 2011.

In relation to the legal proceedings that are being pursued at Commercial Court of First Instance of Bilbao, in a lawsuit for annulment of the agreement of the General Shareholders' Meeting of Iberdrola on 26 March 2010, whereby the Director chosen by ACS resigned by exercising his right of proportional representation, on 26 January 2011, notification was received of the judgment dismissing the lawsuit, and not being in agreement with the content of said judgment, ACS decided to file the appropriate appeal that shall be ruled upon by the Provincial Court of Biscay.

33. Related party transactions and balances

Transactions between the Parent and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this Note. Transactions between the Group and its associates are disclosed below. Transactions between the Parent and its subsidiaries and associates are disclosed in the individual financial statements.

The Group companies perform all their transactions with related parties at market value. Also, the transfer prices are adequately supported and, therefore, the Parent's Directors consider that there are no material risks in this regard that might give rise to significant liabilities in the future.

33.01. Transactions with associates

During the period, the Group companies performed the following transactions with related parties that do not form part of the Group:

| | 2010 | 2009 |
|---------------------------------|---------|---------|
| Thousands of euros | | |
| Sales of goods and services | 232,191 | 255,674 |
| Purchases of goods and services | 7,394 | 20,040 |
| Accounts Receivable | 814,537 | 582,209 |
| Accounts Payable | 136,861 | 152,371 |

Transactions between Group companies are carried out under normal market conditions.

33.02. Related party balances and transactions

In relation to the related party transactions, the information that is described, corresponding to 2010, is done by following the criteria set forth in Order EHA/3050/2004 of 15 September of the Ministry of Economy and Finance and its application through the circular letter from the Spanish National Securities Market Commission 1/2005 of 1 April.

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

The transactions performed in 2010 are as follows (in thousands of euros):

| 2010 Related transactions | Significant shareholders | | | | | Managers and Directors | | Other related parties | | | | | | |
|--|----------------------------|-------------------------|-------------------------|-----------------|---------------|------------------------|----------------|-------------------------------------|--------------|--------------------|-------------------------------------|----------|---------------|---------------|
| | Alba participaciones, S.A. | Inversiones Vesán, S.A. | Rosán Inversiones, S.L. | Grupo Iberostar | Total | Total | Fidalsar, S.L. | Terratest Técnicas Especiales, S.A. | Indra | Zardoya Otis, S.A. | Unipsa, Correduría de Seguros, S.A. | Geblasa | Total | Total |
| Thousands of euros | | | | | | | | | | | | | | |
| Management or cooperation agreements | - | - | - | - | - | - | - | 3,806 | - | - | - | - | 3,806 | 3,806 |
| Leases | - | - | - | - | - | - | 302 | - | - | - | - | - | 302 | 302 |
| Reception of services | - | - | - | 8 | 8 | - | 50 | 1,548 | 2,999 | 1,762 | - | - | 6,359 | 6,367 |
| Purchase of goods (unfinished or finished) | - | - | - | - | - | - | - | - | - | - | - | 8 | 8 | 8 |
| Other expenses | 15,291 | 2,885 | - | 2,860 | 21,036 | - | - | - | - | - | 52,835 | - | 52,835 | 73,871 |
| Expenses | 15,291 | 2,885 | - | 2,868 | 21,044 | - | 352 | 5,354 | 2,999 | 1,762 | 52,835 | 8 | 63,310 | 84,354 |
| Provision of services | - | - | 428 | 1,019 | 1,447 | 10 | - | - | 1,453 | - | - | - | 1,453 | 2,910 |
| Income | - | - | 428 | 1,019 | 1,447 | 10 | - | - | 1,453 | - | - | - | 1,453 | 2,910 |

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| 2010 Related transactions | Significant shareholders | | | Other related parties | | | | |
|--|--------------------------|----------------|-------------------|--------------------------|--------------------|----------------|----------------|----------------|
| | Banca March | Total | Banco Guipuzcoano | Fidwei Inversiones, S.L. | Lynx Capital, S.A. | Fidalsar, S.L. | Total | Total |
| Thousands of euros | | | | | | | | |
| Other transactions | | | | | | | | |
| Financing agreements: Loans and capital contributions (lender) | 81,003 | 81,003 | 97,079 | - | - | - | 97,079 | 178,082 |
| Guarantees given: | 60,230 | 60,230 | 100,635 | - | - | - | 100,635 | 160,865 |
| Dividends and other distributed profit | - | - | - | 1,311 | 916 | 575 | 2,802 | 2,802 |
| Other transactions | 149,687 | 149,687 | - | - | - | - | - | 149,687 |

The transactions performed during 2009 were as follows (in thousands of euros):

| 2009 Related transactions | Significant shareholders | | | Other related parties | | | | | | | |
|--|--------------------------|-----------------|--------------|-----------------------|-------------------------------------|--------------|--------------------|-------------------------------------|-----------|---------------|---------------|
| | Rosán Inversiones, S.L. | Grupo Iberostar | Total | Fidalsar, S.L. | Terratest Técnicas Especiales, S.A. | Indra | Zardoya Otis, S.A. | Unipsa, Correduría de Seguros, S.A. | Geblassa | Total | Total |
| Thousands of euros | | | | | | | | | | | |
| Expenses and income | | | | | | | | | | | |
| Management or cooperation agreements | - | - | - | - | 3,417 | - | - | - | - | 3,417 | 3,417 |
| Leases | - | - | - | 615 | - | - | - | - | - | 615 | 615 |
| Reception of services | - | 1 | 1 | 43 | 14,896 | 2,268 | 2,170 | - | - | 19,377 | 19,378 |
| Purchase of goods (unfinished or finished) | - | - | - | - | - | - | - | - | 13 | 13 | 13 |
| Other expenses | - | - | - | - | - | - | - | 71,448 | - | 71,448 | 71,448 |
| Expenses | - | 1 | 1 | 658 | 18,313 | 2,268 | 2,170 | 71,448 | 13 | 94,870 | 94,871 |
| Provision of services | 1,968 | 551 | 2,519 | - | - | 1,567 | 279 | - | - | 1,846 | 4,365 |
| Sale of goods (unfinished or finished) | - | - | - | - | - | 1,906 | - | - | - | 1,906 | 1,906 |
| Income | 1,968 | 551 | 2,519 | - | - | 3,473 | 279 | - | - | 3,752 | 6,271 |

| 2009 Related transactions | Significant shareholders | | | Other related parties | | | |
|--|--------------------------|---------------|-------------------|--------------------------|--------------------|---------------|----------------|
| | Banca March | Total | Banco Guipuzcoano | Fidwei Inversiones, S.L. | Lynx Capital, S.A. | Total | Total |
| Thousands of euros | | | | | | | |
| Other transactions | | | | | | | |
| Financing agreements: Loans and capital contributions (lender) | 54,170 | 54,170 | 99,222 | - | - | 99,222 | 153,392 |
| Guarantees given | 67,200 | 67,200 | 80,186 | - | - | 80,186 | 147,386 |
| Dividends and other distributed profit | - | - | - | 2,911 | 1,538 | 4,449 | 4,449 |
| Other transactions | 98,054 | 98,054 | - | - | - | - | 98,054 |

At 31 December 2010, the pending balance with Banca March for credits and loans granted by it to ACS Group companies amounted to EUR 75,398 thousand (EUR 26,316 thousand in 2009). The transactions being maintained on 31 December 2010, according to the information that is available at the ACS Group companies, amounted to EUR 45,277 thousand (EUR 50,255 thousand on 31 December 2009) of guarantees, EUR 756 thousand (EUR 5,346 thousand on 31 December 2009) for factoring transactions and EUR 59,504 thousand (EUR 56,540 thousand on 31 December 2009) of confirming transactions to suppliers.

At 31 December 2010, the balance pending with the Banco Guipuzcoano amounted to EUR 64,007 (EUR 24,148 thousand in 2009) for loans and credits granted to ACS Group companies. On the other hand, the balance of the transactions that said bank maintained on 31 December 2010, according to the information available at the different Group companies, amounted to EUR 85,486 thousand (EUR 79,986 thousand on 31 December 2009) in guarantees, EUR 8,864 thousand (EUR 13,761 thousand on 31 December 2009) in discounted bills and EUR 27,052 thousand (EUR 28,989 thousand on 31 December 2009) in confirming transactions with suppliers.

Under significant shareholders, Banca March has been considered, for being the shareholder of the main direct shareholder of ACS, Actividades de Construcción y Servicios, S.A., which is Corporación Financiera Alba, S.A. Banca March, as a financial institution, has performed transactions that are normal in its line of business, such as the granting of loans, providing guarantees for tenders and/or execution of works, non-recourse confirming and factoring transactions to different companies of the ACS Group.

The Iberostar Group is broken down due to its tie as the direct shareholder of ACS Actividades de Construcción y Servicios, S.A. As a company related to tourism and travel agencies, said Group has provided services to ACS Group companies within its business operations. The ACS Group has likewise mainly performed air conditioning activities in hotels owned by Iberostar.

Rosán Inversiones, S.L. is broken down due to its tie to the Chair and the Managing Director of the Company, who holds a significant ownership interest through Inversiones Vesán, S.A., since it has received services from some Group companies related to a construction contract, of which the Board was informed at the time of its contract and subsequent amendments.

With the three above shareholders (Corporación Financiera Alba, S.A, Iberostar Hoteles y Apartamentos, S.L. and Inversiones Vesán, S.A.), ACS, Actividades de Construcción y Servicios, S.A., signed share loan commitment contracts whereby they made available to the company EUR 93,113,937 shares of ACS (which represented 29.59% of the share capital) so that along with its treasury shares and/or shares that it may issue, they could be used in the aforementioned takeover bid on Hochtief. Finally, these shares were not authorized by the German regulator in the prospectus that gave rise to the approval of the takeover bid. The amount corresponding to the expenses incurred for ACS by said share loan commitment are covered under the section "Other expenses" of the corresponding table of 2010 for a combined amount of EUR 21,036 thousand.

In relation to the transactions with other related parties, these are stated explicitly as a result of the tie between certain directors of ACS, Actividades de Construcción y Servicios, S.A. and companies in which they are shareholders or hold a position in upper management. Thus, the transactions with Fidalser, S.L., Terratest Técnicas Especiales, S.A., Fidwei Inversiones, S.L., and Lynx Capital, S.A. are described due to the tie that the Board Member Pedro López Jiménez has with them. The transactions with Indra are listed due to the ties with the Board Member Javier Monzón. The transactions with Geblasa due to its tie to the Board Member Julio Sacristán, the transactions with Zardoya Otis, S.A. due to its tie to the Board Member Jose María Loizaga. The transactions with Banco Guipuzcoano are described due to the tie to the Board Member Javier Echenique. The transactions with Unipsa, Compañía de Seguros, S.A. are listed due to the tie to Banca March, even though in this case the figures that are listed are the agency premiums with ACS Group companies, even though these are not compensation for the insurance brokerage services.

Under the heading "Other transactions" all those transactions have been included that do not fit in the different specific sections covered in periodic public information according to the standards published by the CNMV. In 2010, the "Other transactions" that are covered exclusively affect Banca March, to the extent that it is the main shareholder of Corporación Financiera Alba, S.A., which is the direct shareholder of the ACS Group. Banca March, as a financial institution, within its normal business transactions, provides different financial services to different ACS Group companies for a total amount of EUR 149,687 thousand (EUR 98,054 thousand in 2009) and in this case correspond to confirming facilities for suppliers, for

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an amount of EUR 148,597 thousand (EUR 91,538 thousand in 2009) and for advance payments on invoices and assignment of credits for an amount of EUR 1,090 thousand (EUR 6,516 thousand in 2009).

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

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

34. Board of Directors and Senior Executives

In 2010 and 2009 the members of the Board of Directors de ACS, Actividades de Construcción y Servicios, S.A. received the following remuneration for membership of the Board of Directors of the Parent or of those of Group companies or for being senior executives of the Group companies.

| | 2010 | 2009 |
|--|---------------|---------------|
| Thousands of euros | | |
| Fixed remuneration | 3,563 | 3,535 |
| Variable remuneration | 3,629 | 3,596 |
| Bylaw-stipulated directors' emoluments | 3,559 | 5,897 |
| Others | 121 | 158 |
| Total | 10,872 | 13,186 |

Additionally, the amounts charged to the income statement for stock options for members of the Board of Directors with executive posts amounted to EUR 1,324 thousand in 2010 and EUR 587 thousand in 2009. The increase between years is owing to the new stock options plan approved in the 2010 financial year. These amounts relate to share options, which do not imply the recognition of income by the beneficiaries until the date on which the options are exercised, as provided for under current legislation.

Gains for funds, pension plans and life insurance are as follows:

| Other Benefits | 2010 | 2009 |
|--|-------|-------|
| Thousands of euros | | |
| Pension funds and plans: Contributions | 2,152 | 2,025 |
| Pension funds and plans: Obligations assumed | 2,152 | 2,025 |
| Life insurance premiums | 16 | 16 |

The amount recognised under "Pension Funds and Plans: Contributions" relates to disbursements by the Company during the year. The amount recognised under "Pension Funds and Plans: Obligations Assumed" relates, in addition to the foregoing, to obligations charged to income in the year under this category, even if they had been disbursed prior to the corresponding year. The obligations accepted by pension schemes coincide with corresponding paragraphs, due to all these obligations being externalised to an insurance company. Therefore, the ACS Group has not incurred any obligation pending payment beyond the contribution of the annual premium.

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

The remuneration of the Directors, in accordance with the type thereof, including the amounts charged to the income statement for stock options, is as follows:

| | 2010 | 2009 |
|-------------------------------------|---------------|---------------|
| Thousands of euros | | |
| Executive directors | 9,541 | 8,844 |
| Non-executive nominee directors | 1,675 | 1,721 |
| Non-executive independent directors | 713 | 705 |
| Other Non Executive Directors | 267 | 2,503 |
| Total | 12,196 | 13,773 |

34.01. Transactions with members of the Board of Directors

Transactions with members of the Board of Directors or with companies in which they have an ownership interest giving rise to linkage with ACS Group are indicated in Note 33.02 on transactions with related parties.

34.02. Remuneration of Senior Executives

The remuneration of the Group's Senior Executives in 2010 and 2009, excluding those who are simultaneously executive directors, was as follows:

| | 2010 | 2009 |
|-------------------------------|--------|--------|
| Thousands of euros | | |
| Salaries (fixed and variable) | 30,842 | 25,059 |
| Pension Plans | 2,221 | 2,138 |
| Life insurance | 56 | 52 |

The amounts recognised in the income statement as stock options granted to Group Senior Executives, amount to EUR 4,853 thousand at 31 December 2010 and EUR 1,147 thousand at 31 December 2009, and are recognised under "Total remuneration" indicated above. The increase between the periods is due to the increase in the number of senior executives, which has increased by 27.5%, as well as the new stock options plan approved in the 2010 financial year. Likewise, as indicated for directors, these amounts relate to stock options, which do not imply the recognition of income by the beneficiaries until the date on which the options are exercised, as provided for under current legislation.

There are no other ACS Group transactions made with Senior Executives beyond the above paragraph on remuneration.

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35. Other disclosures concerning the Board of Directors

In accordance with the provisions set forth under Article 229 of the Capital Companies Act, companies with the same, similar or complementary types of business as that constituting the ACS, Actividades de Construcción y Servicios, S.A. corporate purpose are indicated below, in the capital thereof members of the Board of Directors hold an interest at the end of 2010, as well as the functions which, if appropriate, were exercised therein:

| Owner | Investee Company | Activity | Ownership Interest | Functions |
|---|---|--|--------------------|-----------------------------------|
| Pablo Vallbona Vadell | Abertis Infraestructuras, S.A. | Concessions | 0.001% | Director |
| Antonio García Ferrer | Ferrovial, S.A. | Construction | 0.0000045 | None |
| Joan David Grimà Terré | Cory Environmental Management Limited | Environment | 0.00% | Director |
| Pedro López Jiménez | GTCEISU Construcción, S.A. | Special Foundations | 45% | Chairman (through Fapindus, S.L.) |
| Santos Martínez-Conde Gutiérrez-Barquín | Fomento de Construcciones y Contratas, S.A. | Construction and Services | 0.004% | None |
| Santos Martínez-Conde Gutiérrez-Barquín | Técnicas Reunidas, S.A. | Construction of Industrial Facilities | 0.002% | None |
| Santos Martínez-Conde Gutiérrez-Barquín | Repsol YPF, S.A. | Energy | 0.001% | None |
| Santos Martínez-Conde Gutiérrez-Barquín | Indra Sistemas, S.A. | Information technologies and defence systems | 0.002% | None |
| Santos Martínez-Conde Gutiérrez-Barquín | Endesa, S.A. | Energy | 0.000% | None |
| Santos Martínez-Conde Gutiérrez-Barquín | Ferrovial, S.A. | Construction and Services | 0.001% | None |
| Santos Martínez-Conde Gutiérrez-Barquín | Telefónica, S.A. | Telephony | 0.001% | None |
| Santos Martínez-Conde Gutiérrez-Barquín | Abertis Infraestructuras, S.A. | Concessions | 0.001% | None |
| Santos Martínez-Conde Gutiérrez-Barquín | Iberdrola Renovables, S.A. | Energy | 0.000% | None |
| Santos Martínez-Conde Gutiérrez-Barquín | Gas Natural SDG, S.A. | Energy | 0.001% | None |
| Santos Martínez-Conde Gutiérrez-Barquín | Enagas, S.A. | Energy | 0.002% | None |
| Santos Martínez-Conde Gutiérrez-Barquín | Iberdrola, S.A. | Energy | 0.001% | None |
| Julio Sacristán Fidalgo | Abertis Infraestructuras, S.A. | Concessions | 0.00% | None |
| José Luis del Valle Pérez | Del Valle Inversiones, S.A. | Real Estate | 33.33% | Director acting severally |
| José Luis del Valle Pérez | Inversiones Montecarmelo, S.A. | Real Estate | 23.49% | None |
| José Luis del Valle Pérez | Sagital, S.A. | Private security and integral building maintenance | 5.10% | None |
| Florentino Pérez Rodríguez | Abertis Infraestructuras, S.A. | Concessions | 0% | Deputy Chairman |

Additionally, and pursuant to the aforementioned text, indicated below is the detail of the activities performed by the directors, as independent professionals or as members of the Board of Directors, that are identical, similar or complementary to the activity that constitutes the corporate purpose of ACS, Actividades de Construcción y Servicios, S.A. in 2010.

| Name | Activity Performed | Type of arrangement | Company through which the Activity is Performed | Position or Function at the Company Concerned |
|-----------------------------|--------------------------------|--------------------------|---|--|
| Pablo Valbona Vadell | Concessions | Employee | Abertis Infraestructuras, S.A. | Director |
| Pablo Valbona Vadell | Holding company | Employee | Corporación Financiera Alba, S.A. | Deputy Chairman |
| Antonio García Ferrer | Construction | Employee | Dragados, S.A. | Director |
| Antonio García Ferrer | Industrial Services | Employee | ACS, Servicios , Comunicaciones y Energía, S.L. | Director |
| Antonio García Ferrer | Urban services and concessions | Employee | ACS, Servicios y Concesiones, S.L. | Director |
| José María Aguirre González | Engineering and Assembly Work | Employee | Cobra Gestión de Infraestructuras, S.L. | Chairman |
| José María Aguirre González | Industrial Services | Employee | ACS, Servicios , Comunicaciones y Energía, S.L. | Deputy Chairman |
| Manuel Delgado Solís | Construction | Employee | Dragados, S.A. | Director |
| Javier Echenique Landiribar | Industrial Services | Employee | ACS, Servicios , Comunicaciones y Energía, S.L. | Director |
| Javier Echenique Landiribar | Finance | Employee | Banco Sabadell | Deputy Chairman |
| Javier Echenique Landiribar | Energy | Employee | Repsol YPF, S.A. | Director |
| Javier Echenique Landiribar | Role | Employee | Ence, S.A. | Director |
| Pedro José López Jiménez | Role | Employee | Ence, S.A. | Director |
| Juan March de la Lastra | Holding company | Employee | Corporación Financiera Alba, S.A. | Director |
| Juan March de la Lastra | Information Technologies | Employee | Indra Sistemas, S.A. | Director |
| José María Loizaga Viguri | Lifts | Employee | Zardoya Otis, S.A. | Deputy Chairman |
| José María Loizaga Viguri | Venture Capital | Independent Professional | Cartera Industrial REA, S.A. | Chairman |
| Agustín Batuecas Torrego | Transport interchange | Employee | Interchange Transport Avenida de América | Chairman |
| Agustín Batuecas Torrego | Rail transport of goods | Employee | Continental Rail, S.A. | Individual representing Continental Auto, S.L. Chairman and CEO |
| Agustín Batuecas Torrego | Transport interchange | Employee | Intercambiador de Transportes Príncipe Pío S.A. | Individual representing Iridium Concesiones de Infraestructuras, S.A. Chairman and CEO |
| Agustín Batuecas Torrego | Transport interchange | Employee | Intercambiador de Transportes Plaza de Castilla, S.A. | Individual representing Iridium Concesiones de Infraestructuras, S.A. Chairman and CEO |
| Agustín Batuecas Torrego | Rail transport of goods | Employee | Construirail, S.A. | Director |

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| Name | Activity Performed | Type of arrangement | Company through which the Activity is Performed | Position or Function at the Company Concerned |
|---|--------------------------------|---------------------|--|---|
| Agustín Batuecas Torrego | Transport by railway | Employee | Logitren | Joint Administrator |
| Pedro José López Jiménez | Industrial Services | Employee | ACS Servicios, Comunicaciones y Energía | Director |
| Pedro José López Jiménez | Construction | Employee | Dragados, S.A. | Deputy Chairman |
| Pedro José López Jiménez | Urban services and concessions | Employee | ACS, Servicios y Concesiones, S.L. | Director |
| Pedro José López Jiménez | Special Foundations | Employee | GTCEISU Construcción, S.A. | Chairman (through Fapindus, S.L.) |
| Santos Martínez-Conde Gutiérrez-Barquín | Finance | Employee | Banca March, S.A. | Director |
| Santos Martínez-Conde Gutiérrez-Barquín | Steel | Employee | Acerinox, S.A. | Director |
| Santos Martínez-Conde Gutiérrez-Barquín | Holding company | Employee | Corporación Financiera Alba, S.A. | CEO |
| Javier Monzón de Cáceres | Urban services and concessions | Employee | ACS, Servicios y Concesiones, S.L. | Director |
| Javier Monzón de Cáceres | Information Technologies | Employee | Indra Sistemas, S.A. | Chairman |
| Julio Sacristán Fidalgo | Motorway Concessions | Employee | Autopistas Aumar, S.A.C.E. | Director |
| Miquel Roca i Junyent | Infrastructure Concessions | Employee | Abertis Infraestructuras, S.A. | Non-Director secretary |
| Miquel Roca i Junyent | Finance | Employee | Banco Sabadell, S.A. | Non-Director secretary |
| Miquel Roca i Junyent | Energy | Employee | Endesa | Independent non-executive board member |
| Álvaro Cuervo García | Stock Exchange | Employee | BME-Bolsas y Mercados Españoles, S.A. | Director |
| José Luis del Valle Pérez | Urban services and concessions | Employee | ACS, Servicios y Concesiones, S.L. | Director-Secretary |
| José Luis del Valle Pérez | Industrial Services | Employee | ACS, Servicios, Comunicaciones y Energía, S.L. | Director-Secretary |
| José Luis del Valle Pérez | Construction | Employee | Dragados, S.A. | Director-Secretary |
| José Luis del Valle Pérez | Engineering and Assembly Work | Employee | Cobra Gestión de Infraestructuras, S.L. | Director-Secretary |
| José Luis del Valle Pérez | Engineering and Assembly Work | Employee | Sociedad Española de Montajes Industriales, S.A. | Director-Secretary |
| José Luis del Valle Pérez | Infrastructure Concessions | Employee | Iridium Concesiones de Infraestructuras, S.A. | Director |
| José Luis del Valle Pérez | Integral Maintenance | Employee | Clece, S.A. | Director |

| Name | Activity Performed | Type of arrangement | Company through which the Activity is Performed | Position or Function at the Company Concerned |
|----------------------------|----------------------|---------------------|---|---|
| José Luis del Valle Pérez | Concessions | Employee | Saba Aparcamientos, S.A. | Director |
| José Luis del Valle Pérez | Urban Services | Employee | Urbaser, S.A. | Director |
| José Luis del Valle Pérez | Investments | Employee | Del Valle Inversiones, S.A. | Director acting severally |
| José Luis del Valle Pérez | Motorway Concessions | Employee | Iberpistas, S.A.C.E. | Director-Secretary |
| José Luis del Valle Pérez | Concessions | Employee | Admirabilia, S.L. | Director |
| José Luis del Valle Pérez | Concessions | Employee | Trebol International | Director |
| Joan David Grimà Terré | Environment | Employee | Cory Environmental Management Limited | Director |
| Francisco Verdú Pons | Holding company | Employee | Corporación Financiera Alba, S.A. | Director |
| Francisco Verdú Pons | Finance | Employee | Banca March, S.A, | Deputy Chairman |
| Florentino Pérez Rodríguez | Concessions | Employee | Abertis Infraestructuras, S.A. | Deputy Chairman |
| Sabina Fluxá Thienemann | Tourism | Employee | Iberostar Hoteles y Apartamentos, S.L. | Director |

In 2010 ACS Group had commercial relationships with companies in which some of its directors held positions of responsibility. All of these commercial dealings have been carried out in the normal course of business under market conditions and corresponding to the common operations of the Group.

Members of the Board of Directors of the Parent have at no point during the year been in a situation of conflict of interest.

36. Guarantees undertaken with third parties and other contingent liabilities

At 31 December 2010, ACS Group had provided guarantees to third parties in connection with its activities for the sum of EUR 12,290,249 thousands (EUR 9,509,682 thousands in 2009).

The Group's Directors consider that no material liabilities additional to those recognised in the accompanying consolidated financial statement will arise as a result of the transactions described in this note.

The contingent liabilities include that relating to the normal liability of the companies with which the Group carries out its business activities. Normal liability is that concerning compliance with the contractual obligations undertaken in the course of construction, industrial services or urban services by the companies themselves or the joint ventures (UTES) in which they participate.

This coverage is achieved by means of the corresponding guarantees provided to secure the execution of the contracts, compliance with the obligations undertaken in the concession contracts, etc.

Lastly, the various Group companies are exposed to the risk of having court and out-of-courts claims filed against them. In this regard, in relation to one of the Group's investee concessionary companies there is a potential purchase option entitlement by non-controlling shareholders that the Group and its legal advisors understand to be in breach of the conditions established for execution, and for such reason no liabilities have been registered in the accompanying consolidated financial statements. In these cases, the Directors of the Group companies consider that the possible effect on the financial statements would not be material.

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37. Environmental information

ACS Group combines its business objectives with the protection of the environment and the appropriate management of the expectations of its interest groups in this area. The environmental policy of ACS is suited to its business, activities and processes and is intended to be a framework which, on the one hand, defines the general lines to follow (principles) and, on the other, refer to the specifications of each line of business and each project (coordination).

These principles are the ACS Group overall environmental commitments, which are sufficiently flexible so as to span the policy and planning elements developed by the companies in the different business areas. These span commitments required by the standard widely used in the companies' environmental management systems, ISO 14001:

- Commitment to compliance with legislation
- Commitment to preventing pollution
- Commitment to ongoing improvement
- Commitment to transparency, with communication and training for the Group's employees, suppliers, clients and other stakeholders.

In order for these commitments to be viable, in terms of coordination of policy and its roll-out, the most important environmental aspects are identified for each business at corporate level, on the basis of the evaluations made under each company's management system. These aspects make up the environmental priorities of ACS Group for which objectives and improvement programmes are established.

The ACS Group environmental management model in each company uses ISO standard 14001 as its point of reference. The liability to monitor ACS Group environmental performance is application for the Environmental Management of each of the companies, that will undertake to develop policies and action plans in accordance with the environmental priorities identified. In general, all ACS Group companies share a series of characteristics in terms of environmental impact management:

- 87.13% of ACS Group turnover in 2010 is certified under ISO standard 14001.
- 798 environmental audits were carried out in 2010 – 3.8% more than in 2009. In 2010, a total of 1,219 environmental incidents took place which led to a total of 32 sanctions being initiated. These figures are somewhat lower than those registered in 2009.
- Environment planning is carried out under the framework of the environmental policy and priorities of each company. Annually, plans and programs are established to cover the objectives and goals set by units and ACS Group companies.
- Environmental planning goes beyond environmental legislation, in particular in such countries where legislation is not very tight, generally in developing countries where internationally recognised best practices are proactively implemented.

Key environmental measures focus on four key areas on which ACS Group explicitly positions itself: the fight against climate change, fostering of eco-efficiency, saving water and respect for biodiversity.

The main environmental indicators of ACS Group have been:

The main environmental measures taken year 2010 include:

| | 2010 | 2009 |
|---|--------------|--------------|
| Water consumption (m ³) | 6,070,019.99 | 6,412,181.14 |
| Production certified by ISO 14001 (%) | 87.13 | 85.22 |
| Direct emissions (Scope 1) (tCO ₂ eq) | 1,998,929.38 | 1,958,109.13 |
| Indirect emissions (Scope 2) (tCO ₂ eq) | 108,948.84 | 108,612.92 |
| Indirect emissions due to employee travel (Scope 3) (tCO ₂ eq) | 4,391.79 | 4,487.88 |
| Non-hazardous waste managed (t) | 42,506,754 | 46,850,080 |
| Hazardous waste managed (t) | 200,949 | 174,241 |

The main environmental measures taken year 2010 include:

Construction

Construction activities developed by ACS Group can, at times, exercise a large impact on the environment. Although generally this impact is temporary in nature, ACS Group companies dedicated to construction attempt to minimise the impact generated on their surroundings. The principal objective is to identify possible impacts during the initial phase of projects, minimising or entirely avoiding their effect on the environment.

The main effect that construction area projects exercise on the environment concern water consumption, the generation of construction and demolition waste, the movement of excavated soil, and the visual impact. For all these effects, ACS Group has active management systems which seek to minimise them during their development phase.

The main environmental management indicators in the construction area have been:

| Withdrawal of water by source | 2010 | 2009 |
|--------------------------------------|---------------------|---------------------|
| (m ³) | | |
| Obtained from the public network | 1,088,140.29 | 1,342,148.80 |
| Obtained from other sources | 782,776.95 | 675,179.71 |
| Total | 1,870,917.24 | 2,017,328.51 |

| Excavated soil | 2010 | 2009 |
|-----------------------|---------------|---------------|
| (t) | | |
| Excavated Soil | 35,383,578.81 | 39,708,190.41 |

| Valorisation rate of construction and demolition waste (RCD) | 2010 | 2009 |
|---|-------------|-------------|
| (%) | | |
| Valorisation (reuse + recycled) | 65.1 | 58.5 |
| Reuse on total produced | 6 | 20.2 |
| Recycling on total produced | 59.1 | 38.3 |
| Deposited at dumpsite | 34.9 | 41.5 |

At 31 December 2010 and 2009 there were no assets or expenses incurred of a significant amount.

Environment

The main effects on the environment generated by the companies in the ACS Group Environmental Services area concern the emission of greenhouse gases, resulting from waste transport vehicles and by the gases generated in the dumps and treatment plants managed by the company.

Other significant environmental impacts relate to leachates generated at dumpsites and the management of waste generated.

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The main environmental management indicators in the Environment area have been:

| Total disposal of waste water | 2010 | 2009 |
|--------------------------------------|------------------|------------------|
| (m ³) | | |
| To the public network | 1,063,835 | 1,186,005 |
| Deposited in the sea or rivers/lakes | 6,605,013 | 6,453,624 |
| Total | 7,668,848 | 7,639,629 |

| Generation of waste | 2010 | 2009 |
|---|-------------|-------------|
| (t) | | |
| Urban solid waste | 8,861,924 | 8,744,068 |
| Industrial waste | 363,810 | 393,311 |
| Hospital waste | 6,135 | 4,947 |
| Mineral oils | 991,276 | 925,911 |
| Gas neutralising products | 5,357 | 5,335 |
| Acids | 136 | 25 |
| Other: pruning remains and other to dumps, RDF to incineration, treated water, material sent for composting, etc. | 61,226,021 | 18,378,384 |

| Direct emission of greenhouse gases (tCO₂eq) | 2010 | 2009 |
|--|--------------|--------------|
| Environment | 1,815,753.78 | 1,811,806.73 |

The main environmental assets correspond to purifying installations, biogas, incineration and leachate systems and investments in automated bulk cargo terminals to prevent and reduce environmental pollution and to minimise damage to the environment. At 31 December 2010, the value of these assets, net of depreciation, was EUR 21,207 thousand (EUR 22,359 thousand in 2009). The reduction is due to the consideration of port and logistics activities as discontinued.

The environmental expenses incurred both in 2010 as in 2009 are not material.

Industrial Services

Industrial Services activities present two principal impacts on the environment: CO₂ emissions and waste creation. In this respect, managers are not only concerned with the reduction of waste, but also the appropriate treatment and recycling of the waste inevitably produced by the environmental management departments of each of the Group companies.

Each company in the Industrial Services area carries out its own plans to improve its energy efficiency and minimise its consumption materials, and establishes the relevant Environmental Management plan in accordance with the applicable environmental standards. For projects carried out in developing countries, the same environmental principles are applied as those in Spanish projects.

Principal environmental management indicators in the Industrial Services area were as follows:

| Materials used | 2010 | 2009 |
|--|-------------|-------------|
| (t) | | |
| Cables | 9,075 | 36,379 |
| Concrete | 143,109 | 120,831 |
| Iron | 2,614 | 3,205 |
| Iron | 34,713 | 36,883 |
| Gases | 279 | 319 |
| Gasoil | 10,601 | 10,102 |
| Wood | 601 | 349 |
| Lights | 601 | 714 |
| Paper | 182 | 206 |
| IT systems | 5 | 4 |
| Asphalt agglomerate | 3,984 | 4,445 |
| Aluminium | 1,115 | 664 |
| Reflexive materials | 2,970 | 740 |
| Copper | 597 | 394 |
| Dry goods | 22,603 | 26,913 |
| Electronic and electrical material | 2,101 | 1,179 |
| Plastic | 121 | 63 |
| Other | 2,274 | 1,276 |
| Direct emission of greenhouse gases (tCO₂eq) | 2010 | 2009 |
| Industrial Services | 125,577.98 | 80,439.34 |

At 31 December 2010 and 2009 there were no assets or expenses incurred of a significant amount.

38. Auditors' fees

Fees for financial audit services provided to the various companies of the consolidated ACS Group in 2010 amounted to EUR 5,346 thousand (EUR 4,429 thousand in 2009). Of this amount, EUR 3,749 thousand (EUR 3,306 thousand in 2009) corresponded to the principal auditor, Deloitte, S.L.

Likewise, the Group paid EUR 2,555 thousand (EUR 1,141 thousand in 2009) to audit firms for other services, mainly accounting services. Of this sum, EUR 1,219 thousand (EUR 800 thousand in 2009) corresponded to the principal auditor, Deloitte, S.L. Tax assessment services billed by the principal auditor amounted to EUR 56 thousand in 2010 (EUR 62 thousand in 2009). Tax assessment services billed by other auditors amounted to EUR 304 thousand (EUR 75 thousand in 2009).

39. Explanation added for translation to English

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

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Appendix I. Subsidiaries

| Company | Registered Office | Activity | Auditor | % Effective Ownership |
|--|---|-------------------------------|---------------------------|-----------------------------|
| PARENTS | | | | |
| ACS, Actividades de Construcción y Servicios, S.A. | Avda. de Pio XII, 102. 28036 Madrid. Spain | Parent | Deloitte | - |
| ACS Colombia, S.A. | Santa Fé de Bogotá. Colombia | Construction | Elquin Infante Lomba | 100.00% |
| ACS Telefonía Móvil, S.L. | Avda. de Pio XII, 102. 28036 Madrid. Spain | Holding Company | - | 100.00% |
| Aurea Fontana, S.L. | Avda. de Pio XII, 102. 28036 Madrid. Spain | Holding Company | Deloitte | 100.00% |
| Cariátide, S.A. | Avda. de Pio XII, 102. 28036 Madrid. Spain | Holding Company | Deloitte | 100.00% |
| Corporate Funding, S. L. | Avda. de Pio XII, 102. 28036 Madrid. Spain | Holding Company | Deloitte | 100.00% |
| Major Assets, S. L. | Avda. de Pio XII, 102. 28036 Madrid. Spain. | Holding Company | - | 100.00% |
| Novovilla, S.L. | Avda. de Pio XII, 102. 28036 Madrid. Spain | Holding Company | - | 100.00% |
| PR Pisa, S.A. | Avda. de Pio XII, 102. 28036 Madrid. Spain | Holding Company | - | 100.00% |
| Residencial Monte Carmelo, S.A. | Avda. de Pio XII, 102. 28036 Madrid. Spain | Holding Company | Deloitte | 100.00% |
| Roperfeli, S.L. | Avda. de Pio XII, 102. 28036 Madrid. Spain | Holding Company | Deloitte | 100.00% |
| Villa Aurea, S.L. | Avda. de Pio XII, 102. 28036 Madrid. Spain | Holding Company | Deloitte | 100.00% |
| Villanova, S.A. | Avda. de Pio XII, 102. 28036 Madrid. Spain | Holding Company | - | 100.00% |
| CONSTRUCTION | | | | |
| Acainsa, S.A. | C/ Orense, 34-1º. 28020 Madrid. Spain | Real state development | - | 100.00% |
| Aparcamiento Tramo C. Rambla-Coslada, S.L. | C/ Orense, 34-1º. 28020 Madrid. Spain | Operation of carparks | - | 100.00% |
| Besalco Dragados, S.A. | Avda. Tajamar nº 183 piso 1º Los Condes. Santiago de Chile. Chile | Construction | Ernst & Young | 50.00% |
| Castellano Leonesa de Minas, S.A. | Avda. Camino de Santiago, 50-28050 Madrid. Spain | Minig- Inactive | - | 100.00% |
| Cesionario Vallés Occidental, S.A. | Avda. Josep Tarradellas, nº 34-36. 08029 Barcelona. Spain | Concession | Deloitte | 100.00% |
| Colonial Leasing Corporation | 150 Meadowlands Parkway Seacaucus New Jersey 07068. U.S.A. | Vehicle Rental | J.H.Cohn LLP | 100.00% |
| Comunidades Gestionadas, S.A. (COGESA) | C/ Orense, 34-1º. 28020 Madrid. Spain | Real state development | Deloitte | 100.00% |
| Concesionaria San Rafael, S.A. | C/ Diputado José Rivas, s/n. 07816 Sant Antonio de Port. Ibiza. Spain | Concession | Deloitte | 100.00% |
| Consorcio Dragados Compax Dos S.A. | Avda. Vitacura 2939 ofc 2201. Las Condes. Santiago de Chile Chile | Construction | Quezada & Díaz | 55.00% |
| Consorcio Dragados Compax, S.A. | Avda. Vitacura 2939 ofc. 2201. Las Condes. Santiago de Chile. Chile. | Construction | Quezada & Díaz | 60.00% |
| Consorcio Tecdra, S.A. | Avda. Vitacura 2939 ofc. 2201. Las Condes. Santiago de Chile. Chile. | Construction | Quezada & Díaz | 100.00% |
| Construcciones y Servicios del Egeo, S.A. | Alamanas,1 151 25 Maroussi. Atenas. Greece. | Construction | - | 100.00% |
| Constructora Dycven, S.A. | Veracruz Edif. Torreón, 3º, Urbaniz. Las Mercedes. Caracas. Venezuela | Construction | Deloitte | 100.00% |
| Constructora Vespucio Norte, S.A. | Avda. Vitacura 2939 ofc. 2201. Las Condes. Santiago de Chile. Chile. | Construction | Ernst & Young | 54.00% |
| Construirail, S.A. | C/ Orense, 11. 28020 Madrid. Spain | Logistics service | PricewaterhouseCoopers | 51.00% |
| Continental Rail, S.A. | C/ Avda. de América, 2, piso 17 B. 28002 Madrid. Spain | Rail Transport | PricewaterhouseCoopers | 100.00% |
| Drace Medio Ambiente, S.A. | Avda. Camino de Santiago, 50. 28050 Madrid. Spain. | Environment | Deloitte | 100.00% |
| Drace USA, Inc. | 2711 Centerville Road, Suite 400, Wilmington. New Castle. Delaware. U.S.A. | Construction | - | 100.00% |
| Dragados Canadá, Inc. | Suite 1400 40 Elgin Street. Ottawa. Ontario. Canada | Construction | BDO | 100.00% |
| Dragados Construction USA, Inc. | 500 Fifth Avenue, 38 th. Floor. New York, NY 10110. U.S.A. | Holding company | J.H.Cohn LLP | 100.00% |
| Dragados CVV Constructora, S.A. | Avda. Vitacura 2939 ofc. 2201. Las Condes. Santiago de Chile. Chile. | Construction | Deloitte | 80.00% |
| Dragados Inversiones USA, S.L. | Avda. Camino de Santiago, 50 - 28050 Madrid. Spain. | Holding company | - | 100.00% |
| Dragados Ireland Limited | The Oval ,Block 3, end floor 160, Shelbourn Road Dublin 4. Dublin. Ireland. | Construction | - | 100.00% |
| Dragados Obra Civil y Edificac México S.A de C.V. | C/ Hamburgo, 172, piso 1. Juarez Distrito Federal 06000 Mexico | Construction | - | 100.00% |
| Dragados UK Ltd. | Hill House 1 Little New Street. London EC4A3TR United Kingdom | Construction | Deloitte | 100.00% |
| Dragados USA, Inc. | 500 Fifth Avenue, 38 th. Floor. New York, NY 10110. U.S.A | Construction | BDO Seid Man | 100.00% |
| Dragados, S.A. | Avda. Camino de Santiago, 50. 28050 Madrid. Spain | Construction | Deloitte | 100.00% |
| Dycasa S.A. | Avda. Leandro N. Alem. 986. Buenos Aires. Argentina | Construction | Estudio Torrent Auditores | 66.10% |
| Eix Diagonal Construccions, S.L. | Avda. Camino de Santiago, 50. 28050 Madrid. Spain. | Construction | - | 100.00% |
| Flota Proyectos Singulares, S.A. | Avda. Camino de Santiago, 50. 28050 Madrid. Spain. | Construction | Deloitte | 100.00% |
| Gasoductos y Redes Gisca, S.A. | C/ Orense, 11. 28020 Madrid. Spain | Petroleum and water pipelines | PricewaterhouseCoopers | 52.50% |
| Geocisa USA Inc. | 2711 Centerville Road, Suite 400, Wilmington, New Castle - Delaware. U.S.A. | Construction | - | 100.00% |

| Company | Registered Office | Activity | Auditor | % Effective Ownership |
|---|--|--|--------------------------------|-----------------------|
| Geotecnia y Cimientos, S.A. | C/ Los Llanos de Jerez, 10-12. 28823 Coslada. Madrid. Spain | Construction | Deloitte | 100.00% |
| Gestifisa, S.A. | C/ Orense, 34 1º. 28020 Madrid. Spain | Real state development | - | 100.00% |
| Hullera Oeste de Sabero, S.A. | Avda. Camino de Santiago, 50. 28050 Madrid. Spain | Minig- Inactive | - | 100.00% |
| Inmobiliaria Alabega, S.A. | C/ Orense, 34-1º. 28020 Madrid. Spain | Real state development | - | 100.00% |
| John P. Picone Inc. | 31 Garden Lane. Lawrence. NY 11559 U.S.A. | Construction | J.H.Cohn Llp | 80.00% |
| Lucampa, S.A. | C/ Orense, 34-1º. 28020 Madrid. Spain | Real state development | - | 100.00% |
| Manteniment i Conservació del Vallés, S.A. | Avda. Josep Tarradellas, 34-36. 08209 Barcelona. Spain | Concessions | Deloitte | 100.00% |
| Newark Real Estate Holdings, Inc. | 500 Fifth Avenue, 38 th. Floor. New York, NY 10110. U.S.A | Real state development | - | 100.00% |
| Pol-Aqua, S.A. | Dworska 1, 05-500 Piaseczno k/. Varsovia. Polonia. | Construction | Ernst & Young | 66.00% |
| Protide, S.A. | C/ Ramiro Valbuena, 12. 24002 León. Spain | Real state development | - | 100.00% |
| Pulice Construction, Inc. | 2033 W Mountain View Rd. Phoenix. AZ 85021 Phoenix. U.S.A. | Construction | Mayer Joffman McCann p.c. | 100.00% |
| Remodelación Ribera Norte, S.A. | Avda. Josep Tarradellas, nº 34-36. 08029 Barcelona. Spain | Concessions | Deloitte | 100.00% |
| Residencial Leonesa, S.A. | C/ Orense, 34-1º. 28020 Madrid. Spain | Real state development | - | 100.00% |
| Schiavone Construction Company | 150 Meadowlands Parkway Seacaucus. New Jersey 07068. U.S.A. | Construction | J.H.Cohn Llp | 100.00% |
| Servia Conservación y Mantenimiento, S.A. | Avda. Camino de Santiago, 50. 28050 Madrid. Spain | Construction | - | 51.00% |
| Sicsa Rail Transport, S.A. | Avda. del Puerto, 189 - 5º. 46022 Valencia. Spain | Combined transport | Deloitte | 76.00% |
| Soluc Edific Integrales y Sostenibles, S.A. (SEIS) | Avda. Camino de Santiago, 50. 28050 Madrid. Spain | Construction | Deloitte | 100.00% |
| Sussex Realty, LLC. | 31 Garden Lane Lawrence, NY 11559. U.S.A. | Real state development | J.H.Cohn Llp | 90.00% |
| Técnicas e Imagen Corporativa, S.L. | Avda. de Paris, 1 - 19200 Azuqueca de Henares.Guadalajara.Spain | Design of signs and corporate image | Deloitte | 100.00% |
| Tecsa Empresa Constructora, S.A. | Avda. Madariaga, 1, 4º. 48014 Bilbao. Spain | Construction | Deloitte | 100.00% |
| Tedra Australia Pty. L.T.D. | Level 5,Mayne Building 390 ST Kilda Road -Melbourne 3004 Australia | Construction | C.S. Beh, Chartered Accountant | 100.00% |
| Vías y Construcciones, S.A. | C/ Orense, 11. 28020 Madrid. Spain | Construction | Deloitte | 100.00% |
| INDUSTRIAL SERVICES | | | | |
| ACS Industrial Services, LLC. | 3511 Silverside road suite 105 Wilmington Delaware 19810 County of New Castle | Energy production | - | 100.00% |
| ACS Perú | Avenida Víctor Andrés Belaúnde 887 Distrito: Carmen de Le Legua Reinoso | Auxiliary Services | - | 100.00% |
| ACS Servicios Comunicac y Energía de México SA CV | C/ Juan Racine, 112 Piso 8. 11510 Mexico DF | Construction | - | 100.00% |
| ACS Servicios Comunicaciones y Energía, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Industrial Services | Deloitte | 100.00% |
| Actividades de Instalaciones y Servicios, Cobra, S.A. | Calle 21 nº 7070, Parque Empresarial Montevideo. Bogotá. Colombia | Auxiliary electricity, gas and communication distribution services | - | 100.00% |
| Actividades de Montajes y Servicios, S.A. | Poligono Pocomaco, parcela G-2 Nave 3. 15190 Mesoiro. La Coruña. Spain | Industrial installation and assembly | - | 100.00% |
| Actividades de Montajes y Servicios, S.A. de C.V. | C/ Melchor Ocampo, 193 Torre C, Piso 14, Letra D Colonia Verónica Anzures. Mexico | Auxiliary electricity, gas and communication distribution services | BDO | 100.00% |
| Actividades de Servicios e Instalaciones Cobra, S.A. | 2 Avda. 13-35 Zona 17, Ofibodegas los Almendros Nº 3. 01017 Ciudad de Guatemala. Guatemala | Auxiliary electricity, gas and communication distribution services | - | 100.00% |
| Actividades de Servicios e Instalaciones Cobra, S.A. | Avda. Amazonas 3459-159 e Iñaquito Edificio Torre Marfil. Oficina 101. Ecuador | Electricity services (transport) | - | 100.00% |
| Agadirver | Rua Rui Teles Palhinha, 4. Leião. 2740-278 Porto Salvo. Portugal | Asset-holding company | - | 74.54% |
| Agrupación Offshore 60, S.A. de C.V. | Juan Racine n 112, piso 8, Col. Los Morales 11510 Mexico D.F. | Manufacturing of metallic structures | KMPG Cardenas Dosal, S.C. | 100.00% |
| Agua Energia e Meio Ambiente, Ltda. | Rua Marechal Camera, 160 sala 1621. Rio de Janeiro. Brazil. | Water treatment plants, desalinations plants and energy generation | - | 100.00% |
| Al-Andalus Wind Power, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Energy production | Deloitte | 100.00% |
| Albares Renovables, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Promotion, management, energy production | - | 60.00% |
| Albatros Logistic, Maroc, S.A. | Rue Ibnou El Coutia. Lotissement At Tawfiq hangar 10 Casablanca. Marruecos | Distribution Logistics | - | 75.00% |

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| Company | Registered Office | Activity | Auditor | % Effective Ownership |
|--|---|--|---|-----------------------------|
| Albatros Logistic, S.A. | C/ Franklin Naves, 16-22. 28906 Getafe. Madrid. Spain | Distribution Logistics | Deloitte | 100.00% |
| Albufera Projetos e Serviços, Ltda. | Av. Presidente Wilson 231, Sala 1701 Parte. Rio de Janeiro. Brazil | Electrical installations | - | 50.00% |
| Aldebarán S.M.E., S.A. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Electricity generation | Deloitte | 100.00% |
| Aldeire Solar, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Energy production | - | 100.00% |
| Aldeire Solar-2, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Energy production | - | 100.00% |
| Alfrani, S.L. | C/ Baron del Solar, 18. 30520 Jumilla. Murcia. Spain | Electric assemblies | - | 100.00% |
| Altomira Eólica, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Energy production | - | 100.00% |
| Andasol 1, S.A. | Plaza Rodrigo s/n. 18514 Aldeire Granada. Spain | Energy production | Deloitte | 100.00% |
| Andasol 2, S.A. | Plaza Rodrigo s/n. 18514 Aldeire Granada. Spain | Energy production | Deloitte | 100.00% |
| Andasol 3 Central Termosolar Tres, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Energy production | - | 100.00% |
| Andasol 4 Central Termosolar Cuatro, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Energy production | - | 100.00% |
| Andasol 5 Central Termosolar Cinco, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Energy production | - | 100.00% |
| Andasol 6 Central Termosolar Seis, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Energy production | - | 100.00% |
| Andasol 7 Central Termosolar Siete, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Energy production | - | 100.00% |
| Antennea Technologies, S.L. | C/ Sepúlveda, 6. 28108 Alcobendas. Madrid. Spain | Telecommunications | - | 100.00% |
| Apadil Armad. Plást. y Acces. de Iluminación, S.A. | E.N. 249/4 Km 4.6 Trajouce. São Domingos de Rana. 2775, Portugal | Design, manufacture and installation of corporate image | Deloitte | 100.00% |
| API Fabricación, S.A. | Raso de la Estrella, s/n. 28300 Aranjuez. Spain | Manufacturing | Deloitte | 100.00% |
| API Movilidad, S.A. | Avda. de Manoteras, 26. 28050 Madrid. Spain | Road maintenance | Deloitte | 100.00% |
| Applied Control Technology, LLC. | 5005 N. Stateline Av. Texarcana Texas TX 75503. EE. UU. | Electrical installations | - | 70.00% |
| Araraquara Transmissora de Energia, S.A. | Av. Marechal Camara, 160 Sala 1036 (parte) Rio de Janeiro. Brazil | Electrical installations | - | 100.00% |
| Araucária Projetos e Serviços de Construção, Ltda. | Av. Presidente Wilson 231, Sala 1701 Parte. Rio de Janeiro. Brazil | Electrical installations | Canarim Auditores | 50.00% |
| Argencobra, S.A. | Nicaragua 5935 2- Piso. CP C1414BWK Buenos Aires. Argentina | Auxiliary electricity, gas and communication distribution services | Oswaldo Jorge Paulino / Alejandra Tempestini | 100.00% |
| Artemis Transmissora de Energia, Ltda. | Rua Deputado Antonio Edu Vieira 999 Florianopolis Estado Santa Catarina. Brazil | Electricity concession | BDO | 51.00% |
| Asistencia Offshore, S.A. | Bajo de la Cabezueta, s/n.11510 Puerto Real. Cadiz. Spain. | Engineering services | - | 100.00% |
| Atil-Cobra, S.A. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Sale and assembly of industrial and air-conditioning installations | Deloitte | 100.00% |
| Atlántica V Parque Eólico, S.A. | Avda. Marechal Camara, 160. Rio de Janeiro. Brazil. | Electricity generation | - | 99.99% |
| Audeli, S.A. | C/ Anabel Segura 11, edificio 2 C. Madrid 28108. Spain. | Air transport | Deloitte | 73.00% |
| B.I. Josebeso, S.A. | Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela | Industrial cleaning | - | 82.80% |
| Barra do Peixe Montagens e Serviços, Ltda. | Avd. Marechal Camera, 160 sala 1621. Rio de Janeiro. Brazil. | Services | - | 99.90% |
| Benisaf Water Company, Spa | 29 Bis Rue Abou Nouas, Hydra - Alger. Argel. Argelia. | Concessions | - | 51.00% |
| Benq | Rua Rui Teles Palhinha 4 - 3º Leião 2740-278 Porto Salvo. Portugal | Inactive | Oliveira, Reis & Associados, Sroc, Ltda | 74.54% |
| Berea Eólica, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Energy production | - | 70.00% |
| Biobeiraner, Lda. | 3475-031 Caramulo.Fresquesia do Guardao - Conelho de Tondela. Portugal. | Electricity generation | - | 21.75% |
| Biodemira, Lda. | Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278. Porto Salvo. Portugal. | Electricity generation | - | 75.00% |
| Bioparque Mira, Lda. | Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278. Porto Salvo. Portugal. | Biomass | - | 75.00% |
| Biorio, Lda. | Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278. Porto Salvo. Portugal. | Electricity generation | - | 75.00% |
| Biotecneira SGPS S.A. | Rua Rui Teles Palhinha 4 - 3º Leiao 2740-278. Porto Salvo. Portugal. | Holding company | Oliveira, Reis & Associados, Sroc, Ltda | 74.54% |
| Bonal Serveis Eléctrics i Electrònics, S.A. | Pl. Girona. Avda. Mas de Vila 39-41. 17457 Riudellots de la Selva. Girona. Spain | Regulación de sistemas de tráfico y alumbrado | Deloitte | 100.00% |
| BTOB Construccion Ventures, S.L. | C/ Teide, 4-1º Plta. 28709 San Sebastián de los Reyes. Madrid. Spain | Regulation of traffic and lighting systems | - | 100.00% |
| C. A. Weinfel de Suministro de Personal | Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela | Industrial cleaning | - | 82.80% |
| Cabeço das Pedras | Rua Rui Teles Palhinha 6 - 3º. Leião 2740-278 Porto Salvo. Portugal | Energy production | Oliveira, Reis & Associados, Sroc, Ltda | 74.54% |
| Cachoeira Montages e Serviços, Ltda. | Marechal Camera,160 Rio de Janeiro. Brazil 20020 | Electrical assembly and service | - | 100.00% |
| Calidad e Inspecciones Offshore, S.L. | Bajo de la Cabezueta, s/n.11510 Puerto Real. Cadiz. Spain. | Other services | - | 100.00% |
| California Sun Power, LLC. | 818 West Seventh Street Los Angeles California 90017. U.S.A | Energy production | - | 100.00% |
| Calvache Eólica, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Energy production | - | 70.00% |

| Company | Registered Office | Activity | Auditor | % Effective Ownership |
|---|--|--|---|-----------------------|
| Carta Valley Wind Power, LLC. | 2711 Centerville Road Suite 400.Wilmington county of New Castle delaware 19808. EE. UU. | Energy production | - | 100.00% |
| Castellwind Asturias, S.L. | C/ Celestino Junquera, 2, oficina 56. Gijón Spain | Energy generation | - | 65.63% |
| Catalana de Treballs Públics, S.A. | Gran Capitán, 4. 08034 Barcelona. Spain | Auxiliary electricity and communication distribution services | Deloitte | 100.00% |
| Cataventos Acarau, Ltda. | Fazenda Libra Acarau S/N. 62.580-000.Acarau, Estado do Cear. Brazil. | Electricity generation | - | 75.00% |
| Cataventos de Paracuru, Ltda. | Sítio Freixeiras S/N. 62.680-000. Paracuru, Estado do Cear. Brazil. | Electricity generation | - | 75.00% |
| Cataventos Embuaca, Ltda. | Fazenda Bodes S/N Praia da Embuaca. 62.690-000. Trairi, Estado do Cear. Brazil. | Electricity generation | - | 75.00% |
| Catxeré Transmissora de Energia, S.A. | Av. Marechal Camara, 160 Sala 1036 (parte) Rio de Janeiro. Brazil | Electrical installations | - | 100.00% |
| CCR Platforming Cangrejera S.A. de C.V. | C/ Juan Racine, 112 Piso 8. 11510. | Construction | - | 68.00% |
| Central Térmica de Mejillones, S.A. | Avda. José Pedro Alessandri 2323 Macul. Santiago de Chile. Chile. | Engineering, supply and construction of Central Termica de Mejillones | BDO | 100.00% |
| Centro de Control Villadiego, S.L. | José Luis Bugallal Marchesi, 20. 15008 La Coruña. Spain | Generation of electricity | - | 100.00% |
| Chaparral Wind Power, S.L. | Cardenal Marcelo Spínola 10. Madrid 28016. Spain | Generation of renewable energy | - | 100.00% |
| CIL | Avda. Marechal Camera 160. Rio de Janeiro. Brazil | Distribution of electricity | - | 100.00% |
| CM- Construções, Ltda. | Rua, XV de Novembro 200, 14º Andar San Paulo. Brazil CPE 01013-000 | Energy production | - | 74.54% |
| Cme Águas, S.A. | Rua Rui Teles Palhinha, 4. Leião 2740-278 Porto Salvo. Portugal | Operation of a landfill | Oliveira, Reis & Associados, Sroc, Ltda | 74.54% |
| CME Al Arabia, Ltda. | PO BOX 42651. 11551 Riad. Arabia Saudi. | Industrial Services | - | 37.50% |
| Cme Angola, S.A. | Av. 4 de Fevereiro, 42. Luanda. Angola. | Asset-holding company (inactive) | - | 74.54% |
| Cme Business | Brazil | Asset-holding company (inactive) | - | 74.54% |
| CME Cabo Verde, S.A. | Achada Santo António.Praia. Cabo Verde. | Industrial services | - | 75.00% |
| CME Chile, SPA. | Puerto Madero 9710, Of 35-36A. Pudahuel. Chile. | Industrial services | - | 75.00% |
| Cme Madeira, S.A. | Rua Alegria N.º 31-3º. Madeira. Portugal | Industrial services | Oliveira, Reis & Associados, Sroc, Ltda | 38.02% |
| CME- Participações SGPS, S.A. | Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278 Porto Salvo. Portugal. | Holding company | - | 75.00% |
| CME Perú, S.A. | Av. Víctor Andrés Belaunde 395. San Isidro. Lima. Per. | Industrial services | - | 75.00% |
| CME Roménia | Rumania | Different installations | - | 74.54% |
| Cobra Bahia Instalações e Serviços | Cuadra 4, 10 Estrada do Coco/Bahia Brazil 47680 | Electrical assemblies and installations | - | 100.00% |
| Cobra Bolívia, S.A. | Rosendo Gutierrez, 686 Sopocachi. Bolivia | Development of electronic systems | - | 100.00% |
| Cobra Chile, S.A. | José Pedro Alexandri, 2323 Macul. Santiago de Chile. Chile | Electrical assemblies and installations | BDO | 100.00% |
| Cobra Concesiones Brasil, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Infrastructures operation | - | 100.00% |
| Cobra Concesiones, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Services | - | 100.00% |
| Cobra CSP USA, Inc. | 2711 Centerville Road, Suite 400, Wilmington.County of Newcastle. Delaware 19808. U.S.A. | Thermal solar plant | - | 100.00% |
| Cobra Energy, Ltd | 60 Solonos street, Atenas. Greece | Electricity, water treatment, management of renewable natural resources, various public sector and private sector works. | - | 100.00% |
| Cobra Gestión de Infraestructuras, S.L.U | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Industrial services | Deloitte | 100.00% |
| Cobra Gibraltar Limited | Suites 21&22 Victoria House, 26 Main Street.Gibraltar. | Assemblies and services | - | 100.00% |
| Cobra Industrial Services, Inc. | 3511 Silverside road suite 105.Wilmington Delaware 19810 County of New Castle. U.S.A. | Energy production | - | 100.00% |
| Cobra Infraestructuras Hidráulicas, S.A. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Construction | Deloitte | 100.00% |
| Cobra Ingeniería de Montajes, S.A. | Fernando Villalon, 3. 41004 Sevilla. Spain. | Installations and assemblies | - | 100.00% |
| Cobra Instalaciones México, S.A. de C.V. | C/ Melchor Ocampo, 193 Colonia Verónica Anzures. Mexico | Auxiliary electricity, gas and communication distribution services | BDO | 100.00% |
| Cobra Instalaciones y Serv. India PVT | B-324 New Friends Colony New Delhi-110 025. India | Catenary | - | 100.00% |
| Cobra Instalaciones y Servicios Internacional, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Holding company | Deloitte | 100.00% |

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| Company | Registered Office | Activity | Auditor | % Effective Ownership |
|---|--|--|---|-----------------------------|
| Cobra Instalaciones y Servicios República Dominicana | Av. Anacanoa Hotel Dominican Fiesta Santo Domingo, DN. Santo Domingo. Dominican Republic. | Auxiliary electricity, gas and communication distribution services | - | 100,00% |
| Cobra Instalaciones y Servicios, S.A. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Industrial services | Deloitte | 100.00% |
| Cobra Instalaçoes y Servicios, Ltda. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Industrial services | Deloitte | 100.00% |
| Cobra Inversiones y Gestión, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Holding company | - | 100.00% |
| Cobra La Rioja Sur | Concepción Arenal 2630 CP 1426 Capital Federal Buenos Aires. Argentina | Electricity | - | 100.00% |
| Cobra Perú II, S.A. | Avda. Víctor Andrés Belaúnde 887 Distrito: Carmen de Le Legua Reinoso. Peru. | Electrical installations | - | 100.00% |
| Cobra Perú, S.A. | Avda. Víctor Andrés Belaúnde 887 Distrito: Carmen de Le Legua Reinoso. Peru | Auxiliary electricity and communication distribution services | Deloitte | 100.00% |
| Cobra Servicios Auxiliares, S.A. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Reading of electricity meters and other services | Deloitte | 100.00% |
| Cobra Sistemas de Seguridad, S.A. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Sale and installation of security systems | - | 100.00% |
| Cobra Sistemas y Redes, S.A. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Installation of communication and control services | - | 100.00% |
| Cobra Solar del Sur, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Electrical assemblies and installations | - | 100.00% |
| Cobra Sun Power USA, Inc. | 2711 Centerville Road Suite 400.Wilmington Country of New Castle Delaware 19808. U.S.A. | Energy production | - | 100.00% |
| Cobra Telecomunicaciones Chile | José Pedro Alexandri, 2323 Macul. Santiago de Chile. Chile | Installations and assembly | - | 100.00% |
| Cobra Termosolar USA, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Energy production | - | 100.00% |
| Cobra-Udisport Conde de Guadalhorce, S.L. | Paseo Cerrado de Calderón, 18. Edif.Mercurio 1ª Pta. 29018 Málaga. Spain | Operation, maintenance and provision of public service at Centro Deportivo Guadalhorce | - | 51.00% |
| COICISA Industrial, S.A. de C.V. | Melchor Ocampo, 193 Verónica Anzures 11300. Méjico. | Generación y transmisión de energía eléctrica | - | 60.00% |
| Coinal Instalaciones y Servicios, S.A. de C.V. | Residencial Palermo, Pasaje 3, polígono G Casa #4 San Salvador, El Salvador | Installations and assemblies | - | 100.00% |
| Coinsmar Instalaciones y Servicios, SARLAU | 210 Boulevard Serketouni Angle Boulevard Roudani nº 13, Maarif 2100. Casablanca. Marruecos | Electricity and civil works | - | 100.00% |
| Concesionaria Angostura Sigüas, S.A. | Avda. Víctor Andrés Belaunde, 887. Lima. Per . | Concessions | - | 60.00% |
| Consortio Especializado Medio Ambiente, S.A.de C.V | Melchor Ocampo,193 piso 14. Méjico D.F. Mejico. | Facility management | - | 60.00% |
| Consortio Sice-Comasca TLP S.A. | Av. Andres Bello 2777 Oficina 701. Las Condes Santiago de Chile. Chile. | Constuction | - | 50.00% |
| Construção e Manutenção Electromecânica S.A. (CME) | Rua Rui Teles Palhinha 4 Leião 2740-278 Porto Salvo. Portugal | Industrial services | Oliveira, Reis & Associados, Sroc, Ltda | 74.54% |
| Construcciones Dorsa, S.A. | Cristóbal Bordiú, 35-5ª oficina 515-517. Madrid. Spain | Construction | - | 99.73% |
| Control y Montajes Industriales CYMI, S.A. | C/ Teide 4, 2ª Planta. 28709 San Sebastián de los Reyes. Madrid. Spain | Electrical installations | Deloitte | 100.00% |
| Control y Montajes Industriales de Méjico, S.A. de C.V. | C/ Juan Racine, 116- 6º. 11510 Mexico D.F | Electrical installations | Deloitte | 100.00% |
| Corporación Ygnus Air, S.A. | C/ Anabel Segura 11, edificio 2 C. Madrid 28108. Spain. | Air transport | Deloitte | 73.00% |
| Cosersa, S.A. | Avda. de Manoteras, 26. 28050 Madrid. Spain | Industrial cleaning | Deloitte | 100.00% |
| Cymi do Brasil, Ltda. | Av. Presidente Wilson 231, sala 1701 20030-020 Rio de Janeiro. Brazil | Electrical installations | - | 100.00% |
| Cymi Holding, S.A. | Av. Presid Wilson 231 Sala 1701 Parte Centro. Rio de Janeiro. Brazil | Holding company | Assurance Auditoria e Contabilidade Ltda. | 100.00% |
| Cymi Investment USA, S.L. | C/ Teide, 4-2ª Pta. 28709 San Sebastián de los Reyes. Madrid. Spain | Holding company | - | 100.00% |
| Cymi Seguridad, S.A. | C/ Teide, 4-2ª Pta. 28709 San Sebastián de los Reyes. Madrid. Spain | Security systems installation | - | 100.00% |
| Delta P I, LLC. | 400-A Georgia Av. Deer Park Texas 77536. USA | Electrical installations | - | 70.00% |
| Depuradoras del Bajo Aragón, S.A. | Paraíso 3- 50410 Cuarte de Huerva. Zaragoza. Spain | Depuración de aguas | Deloitte | 55.00% |
| Desarrollo Informático, S.A. | Avda. de Santa Eugenia, 6. 28031 Madrid. Spain | Water treatment | Deloitte | 100.00% |
| Desarrollos Energéticos Riojanos, S.L. | Pol.Industrial Las Merindades, calle B s/n, Villarcayo. 09550 Burgos. Spain | Computer maintenance | - | 80.00% |
| Dimática, S.A. | C/ Saturnino Calleja, 20. 28002 Madrid. Spain | Sale of computer equipment | - | 100.00% |
| Dinsa Eléctricas y Cymi, S.A. de CV | C/ Juan Racine, 116-6º. 11510 Mexico D.F | Electrical installations | Deloitte | 100.00% |
| Dragados Construc. Netherlands, S.A. | Amsteldijk 166-6 1079 LH Amsterdam. Netherlands | Electrical installations | - | 100.00% |
| Dragados Gulf Construction, Ltda. | P. O Box 3140 Al Khobar 31952 Kingdom of Saudi Arabia | Construction | Deloitte | 100.00% |
| Dragados Industrial, S.A. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Construction | Deloitte | 100.00% |
| Dragados Industrial Algeria S.P.A. | Lot nº7 - Ville Coopérative El Feteh - El Bihar. Alger. Algérie | Industrial maintenance and assemblies | Menguellatti Encha Ellah | 100.00% |

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|---|--|--|--|-----------------------|
| Dragados Industrial Canada, Inc. | 620 Rene Levesque West Suite 1000 H3B 1 N7 Montreal. Quebec. Canada | Electrical installations | - | 100.00% |
| Dragados Offshore de Méjico KU-AZ, S.A de C.V. | Juan Racine n 112, piso 8, Col. Los Morales 11510 Mexico D.F. | Manufacturing of metallic structures | KMPG Cardenas Dosal, S.C. | 100.00% |
| Dragados Offshore de Méjico, S.A. de C.V. | Juan Racine n 112, piso 8, Col. Los Morales 11510 Mexico D.F. | Manufacturing of metallic structures | KMPG Cardenas Dosal, S.C. | 100.00% |
| Dragados Offshore USA, Inc. | One Riverway, Suite 1700.77056 Texas. Houston. EE. UU. | Market research and capturing of markets | - | 100.00% |
| Dragados Offshore, S.A. | Bajo de la Cabezueta, s/n. 11510 Puerto Real. Cádiz. Spain | Manufacturing of metallic structures | Deloitte | 100.00% |
| Dragados Proyectos Industriales de Méjico, S.A. de C.V. | Juan Racine 112 8 piso Colonia Los Morales Mexico (DF) Delegacion Miguel Hidalgo 11510 | Engineering and construction | Deloitte | 100.00% |
| Dyctel Infraestructura de Telecomunicações, Ltda. | C/ Rua Riachuelo, 268. 90010 Porto Alegre. Brazil | Telecommunications | - | 100.00% |
| Dyctel Infraestructuras de Telecomunicaciones, S.A. | C/ La Granja, 29. 28108 Alcobendas. Madrid. Spain | Telecommunications | - | 100.00% |
| Ecocivil Electromur G.E., S.L. | C/ Paraguay, Parcela 13/3. 30169 San Ginés. Murcia. Spain | Civil works | Deloitte | 94.50% |
| Ecovent Parc Eólic, S.A. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Electricity generation | Deloitte | 100.00% |
| El Otero Wind Power, S.L. | Cardenal Marcelo Spínola 10. Madrid 28016. Spain. | Renewable energy generation | - | 100.00% |
| El Recuenco Eólica, S.L. | Cardenal Marcelo Spínola 10. Madrid 28016. Spain. | Renewable energy generation | - | 100.00% |
| Electrén, S.A. | Avda. del Brazil, 6. 28020 Madrid. Spain | Construction especializada | Deloitte | 100.00% |
| Electromur, S.A. | C/ Cuatro Vientos, 1. San Ginés. Murcia. Spain | Electrical installations | Deloitte | 100.00% |
| Electronic Traffic, S.A. | C/ Tres Forques, 147. 46014 Valencia. Spain | Electrical installations | Deloitte | 100.00% |
| Emplogest, S.A. | Rua Alfredo Trindade, 4 Lisboa. 01649 Portugal | Holding company | - | 98.21% |
| Emurtel, S.A. | C/ Carlos Egea, parc. 13-18. Pl. Oeste. Alcantarilla. Murcia. Spain | Telecommunications | Deloitte | 50.10% |
| Enclavamientos y Señalización Ferroviaria, S.A. | C/ La Granja, 29. 28108 Alcobendas. Madrid. Spain | Construction | Deloitte | 100.00% |
| Enelec, S.A. | Av. Marechal Gomes da Costa 27. 1800-255 Lisboa. Portugal | Electrical installations | L. Graça, R. Carvalho & M. Borges, SROC, LDA | 100.00% |
| Energía Sierrezuela, S.L. | Cardenal Marcelo Spínola 10. Madrid 28016. Spain. | Renewable energy generation | - | 100.00% |
| Energía y Recursos Ambientales Internacional, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain. | Renewable energy generation | - | 100.00% |
| Energías Ambientales de Guadalajara, S.L. | Cardenal Marcelo Spínola 10. Madrid 28016. Spain. | Energy production | - | 100.00% |
| Energías Ambientales de Novo, S.A. | José Luis Bugallal Marchesi M-10. 15008 La Coruña. Spain | Electricity generation | Deloitte | 66.67% |
| Energías Ambientales de Oaxaca, S.A. de C.V. | Juan Racine, 112 piso 6 Mexico D.F. | Generation and transmission of electricity | - | 100.00% |
| Energías Ambientales de Outes, S.A. | José Luis Bugallal Marchesi, 20. 15008 La Coruña. Spain | Electricity generation | Deloitte | 100.00% |
| Energías Ambientales de Somozas, S.A. | José Luis Bugallal Marchesi M-10. 15008 La Coruña. Spain | Electricity generation | Deloitte | 51.70% |
| Energías Ambientales de Soria, S.L. | Cardenal Marcelo Spínola 10. Madrid 28016. Spain. | Energy production | - | 100.00% |
| Energías Ambientales de Vimianzo, S.A. | José Luis Bugallal Marchesi M-10. 15008 La Coruña. Spain | Electricity generation | Deloitte | 66.67% |
| Energías Ambientales, S.A. | José Luis Bugallal Marchesi M-10. 15008 La Coruña. Spain | Electricity generation | Deloitte | 66.67% |
| Energías y Recursos Ambientales, S.A. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Electricity generation | Deloitte | 100.00% |
| Enipro, S.A. | Rua Rui Teles Palhinha, 4. Leirão. 2740-278 Porto Salvo. Portugal | Holding company | Oliveira, Reis & Associados, Sroc, Ltda | 74.54% |
| Enq, S.L. | C/ F, nº 13. Pl. Mutilva Baja. Navarra. Spain | Electrical installations | - | 100.00% |
| Eólica del Guadiana, S.L. | C/ Manuel Siurot, 27. 21004 Huelva. Spain. | Energy production | - | 90.00% |
| Eólica Majadillas, S.L. | Cardenal Marcelo Spínola 10. Madrid 28016. Spain. | Renewable energy generation | - | 100.00% |
| Eólica Torrellana, S.L. | Cardenal Marcelo Spínola 10. Madrid 28016. Spain. | Renewable energy generation | - | 100.00% |
| EPC Ciclo Combinado Norte, S.A. de C.V. | Melchor Ocampo, 193, Torre C piso 14D. 11300 Méjico D.F. Mexico | Industrial plants | BDO | 100.00% |
| Equipos de Señalización y Control, S.A. | C/ Severino Covas, 100. Vigo. Pontevedra. Spain | Electrical installations | Deloitte | 100.00% |
| Etra Cataluña, S.A. | C/ Mercuri, 10-12. Cornellá de Llobregat. Barcelona. Spain | Electrical installations | Deloitte | 100.00% |
| Etra Interandina, S.A. | C/ 100, nº 8A-51, Of. 610 Torre B. Santafé de Bogota. Colombia | Electrical installations | Elquin Infante | 100.00% |
| Etra Investigación y Desarrollo, S.A. | C/ Tres Forques, 147. 46014 Valencia. Spain | Research and development | Deloitte | 100.00% |
| Etralux, S.A. | C/ Tres Forques, 147. 46014 Valencia. Spain | Electrical installations | Deloitte | 100.00% |
| Etranorte, S.A. | C/ Erreirruena, pab. G. Pl. Zabalondo. Munguia. Vizcaya. Spain | Electrical installations | Deloitte | 100.00% |
| Extresol 2, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Energy production | Deloitte | 100.00% |
| Extresol 3, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Energy production | - | 100.00% |
| Extresol-1, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Energy production | Deloitte | 100.00% |

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|---|--|--|--|-----------------------------|
| Eyra Energías y Recursos Ambientais, Lda. | Avda Sidonio Pais, 28 Lisboa. Portugal | Electricity generation | - | 98.00% |
| Eyra Instalaciones y Servicios, S.L. | Cardenal Marcelo Spínola,10. 28016 Madrid. Spain. | Renewable energy generation | - | 100.00% |
| Eyra Wind Power USA Inc | 2711 Centerville Road Suite 400.Wilmington county of New Castle delaware 19808. U.S.A. | Energy production | - | 100.00% |
| France Semi, S.A. | 20/22 Rue Louis Armand rdc. 75015 Paris. France. | Assemblies and services | - | 99.73% |
| Fuengirola Fotovoltaica, S.L. | CL Sepulveda, 6 28108 Alcobendas.Madrid. Spain. | Solar facilities construction | - | 100.00% |
| Garby Aprovechamientos Energéticos, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Energy production | - | 100.00% |
| Geida Beni Saf, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Desalination plant | - | 100.00% |
| Gerovitae La Guancha, S.A. | Ctra. del Rosario Km 5,2. La Laguna. 38108 Santa Cruz Tenerife. Islas Canarias. Spain | Manangement and operation of social-health centre | - | 100.00% |
| Gestão de Negócios Internacionais SGPS, S.A. | Rua Rui Teles Palhinha 4 - 3º Lei o 2740-278. Porto Salvo. Portugal. | Holding company | - | 75.00% |
| Global Spa, S.L. | Camino Vell de Bunyola, 37. 07009 Palma de Mallorca. Islas Baleares. Spain | Climate control systems | - | 100.00% |
| Golden State Environmental Tedagua Corporation, S.A. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Electronic systems development | - | 100.00% |
| Gpme, S.A. | Rua Rui Teles Palhinha 4 Leião 2740-278 Porto Salvo. Portugal | Holding company | Oliveira, Reis & Associados, Sroc, Ltda | 74.54% |
| Grafic Planet Digital, S.A.U. | C/ Anable Segura,10 2º.28109 Madrid. Spain. | Printing services | - | 100.00% |
| Guatemala de Tráfico y Sistemas, S.A. | C/ Edificio Murano Center, 14. Oficina 803 3-51. Zona 10. Guatemala | Construction | Interamericana | 100.00% |
| H.E.A Instalações Ltda. | Rua das Patativas, 61 Salvador de Bahia | Air-conditioning, electricity network installation and maintenance | - | 55.00% |
| Hidra de Telecomunicaciones y Multimedia, S.A. | C/ Severo Ochoa, 10. 29590 Campanillas. Málaga. Spain | Telecommunications | - | 100.00% |
| Hidráulica de Cochea, S.A. | Dr Ernesto Perez Balladares, s/n. Chiriqui. Panamá | Assembly and maintenance of hydraulics works | - | 100.00% |
| Hidráulica de Mendre Dos, S.A. | Urbanización Doleguita Calle D Norte, Edificio Plaza Real, Apto/Local 1. Chiriqui. Panamá. | Assembly and maintenance of hydraulics works | - | 75.00% |
| Hidráulica de Mendre, S.A. | Dr. Ernesto Pérez Balladares. Provincia de Chiriqui. Panamá | Hydroelectric plant | - | 100.00% |
| Hidráulica del Chiriqui, S.A. | Dr. Ernesto Pérez Balladares. Provincia de Chiriqui. Panamá | Hydroelectric plant | - | 100.00% |
| Hidráulica San José, S.A. | Dr. Ernesto Perez Balladares, s/n. Chiriqui. Panamá. | Hydraulic projects and associated works | - | 100.00% |
| Hidrogestión, S.A. | Avda. Manoterias, 28. Madrid. Spain | Water distribution | Deloitte | 100.00% |
| Hidrolazan, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Hydroelectric plant | - | 100.00% |
| Humiclíma Caribe Cpor A.Higüey | Ctra Cruce De Friusa, s/n. Higüey. Altigracia. Dominican Republic | Climate control systems | BDO | 100.00% |
| Humiclíma Centro, S.A. | C/ Orense,4 1º planta. 28020 Madrid. Spain | Climate control systems | - | 100.00% |
| Humiclíma Est Catalunya, S.L. | C/ San Quinti, 47. 08041 Barcelona. Spain | Climate control systems | Deloitte | 100.00% |
| Humiclíma Est, S.A. | Camino Vell de Bunyola, 37. 07009 Palma de Mallorca. Islas Baleares. Spain | Climate control systems | Deloitte | 100.00% |
| Humiclíma Jamaica Limited | Corner Lane 6 Montego Bay. St James. Jamaica | Climate control systems | KPMG | 100.00% |
| Humiclíma Magestic Grupo, S.L. | Camino Vell de Bunyola, 37. 07009 Palma de Mallorca. Islas Baleares. Spain | Climate control systems | - | 100.00% |
| Humiclíma Mexico, S.A. de C.V. | Cancun (Quintana De Roo). Mexico | Climate control systems | BDO | 100.00% |
| Humiclíma Panamá, S.A. | Calle 12, Corregimiento de Rio Abajo Panamá. | Works, projects and research services | - | 100.00% |
| Humiclíma Sac, S.A. | Camino Vell de Bunyola, 37. 07009 Palma de Mallorca. Islas Baleares. Spain | Climate control systems | Deloitte | 100.00% |
| Humiclíma Sur, S.L. | C/ Marruecos, 12. Jérez de La Frontera. Cádiz. Spain | Climate control systems | - | 100.00% |
| Humiclíma Valladolid, S.L. | C/ Puente Colgante, 46. Valladolid. Spain | Climate control systems | - | 100.00% |
| Hydro Management, S.L. | Avda.Tenerife General Gutierrez, 9. 30008 Murcia. Spain | Services | Deloitte | 79.63% |
| Iberoamericana de Hidrocarburos, S.A. de C.V. | C/ Melchor Ocampo 193. Colonia Verónica Anzures. Mexico | Industrial plant construction | - | 59.50% |
| ImesAPI, S.A. | Avda. de Manoterias, 26. 28050 Madrid. Spain | Electrical installations,painting and signaling services | Deloitte | 100.00% |
| Imocme, S.A. | Rua Rui Teles Palhinha, 4. Leião. 2740-278 Porto Salvo. Portugal | Holding company | Oliveira, Reis & Associados, Sroc, Ltda | 74.54% |
| Infraest. Energéticas Medioambi. Extremeñas, S.L. | Polígono Industrial Las Capellanías. Parcela 238B. Cáceres. Spain | Services | - | 100.00% |
| Infraestructuras Energéticas Aragonesas, S.L. | C/ Paraíso, 3. 50410 Cuarte de Huerva. Zaragoza. Spain | Assemblies and maintenance services | - | 100.00% |
| Infraestructuras Energéticas Castellanas, S.L. | Aluminio, 17. 47012 Valladolid. Spain | Electricity generation | - | 51.00% |

| Company | Registered Office | Activity | Auditor | % Effective Ownership |
|---|--|--|---|-----------------------|
| Ingeniería de Transporte y Distribución de Energía Eléctrica, S.L. (Intradel) | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain. | Research, consultancy services and electricity transmission lines projects | - | 100.00% |
| Initec Energía, S.A. | Príncipe de Vergara, 120 Planta. 28002 Madrid. Spain | Engineering services | Deloitte | 100.00% |
| Injar, S.A. | C/Catamarca Esq. C/Mendoza Poligono El Sebadal. 35008 Las Palmas. Islas Canarias. Spain | Sale and assembly of industrial and air-conditioning installations | Deloitte | 100.00% |
| Inotec | Angola | Energy production | - | 33.75% |
| Instalaciones y Montajes de Aire Climatizado, S.L. | Camino Vell de Bunyola, 37. 07009 Palma de Mallorca. Islas Baleares. Spain | Climate control systems | - | 100.00% |
| Instalaciones y Servicios Codeni, S.A. | De la Casa del Obrero 1C Bajo, 2C Sur, 75 Varas abajo, Casa #1324 Bolonia Managua. Nicaragua | Electrical assemblies and installations | - | 100.00% |
| Instalaciones y Servicios Codepa, S.A. | Calle 12, Rio Abajo Ciudad de Panamá. Panamá | Electrical assemblies and installations | - | 100.00% |
| Instalaciones y Servicios Codeven, C.A. | Avda.S.Fco Miranda. Torre Parque Cristal. Torre Este, planta 8. Oficina 8-10. Chacao. Caracas. Venezuela | Construction and engineering services | - | 100.00% |
| Instalaciones y Servicios INSERPA, S.A. | Urb. Albrook C./Principal Local 117. Panamá. | Research, projects, R+D services and management of all kind of projects | - | 100.00% |
| Intebe, S.A. | C/ Doctor Alexandre Frias nº 3, 3º C. Cambrils. Tarragona. Spain | Maintenance | - | 99.40% |
| Intesa Ingeniería Industrial, S.A. | Vía de los Poblados, 11. 28033 Madrid. Spain | Engineering | Deloitte | 100.00% |
| Integrated Technical Products, LLC. | 1117 Joseph Street Shreveport Louisiana LA 71107. U.S.A. | Electrical installations | - | 70.00% |
| Invexta Recursos, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Research, exploration and operation of all types of deposits and storage of hydrocarbons | - | 100.00% |
| Iracema Transmissora de Energia, S.A. | Av. Presidente Wilson 231, Sala 1701 Parte. Rio de Janeiro. Brazil | Electricity concession | Assurance Auditores e Consultores | 100.00% |
| Iscobra Instalacoes e Servicos, Ltda. | General Bruce, 810 Rio de Janeiro. Brazil 20921 | Electrical assemblies and installations | - | 100.00% |
| Itumbiara Marimondo, Ltda. | Marechal Camera, 160 Rio de Janeiro. Brazil 20020 | Electrical assembly and services | - | 100.00% |
| La Caldera Energia Burgos, S.L. | Almirante Bonifaz, 3. 09003 Burgos. Spain | Electricity generation | Deloitte | 61.79% |
| Lestenergia | Calçada Da Rabaça, Nº 11. Penamacor. Portugal | Energy production | Oliveira, Reis & Associados, Sroc, Ltda | 74.54% |
| Linhas de Transmissao de Montes Claros, Ltda. | Avda. Marechal Camera, 160 sala 1621. Rio de Janeiro. Brazil | Energy transport | - | 100.00% |
| Linhas de Transmissao do Itatim, Ltda. | Avda. Marechal Camera, 160 sala 1621. Rio de Janeiro. Brazil | Energy transport | - | 100.00% |
| Litrão do Brasil Partipações S.A. | Avda. Marechal Camera 160, sala 1808. Rio de Janeiro. Brazil | Energy transport | - | 75.00% |
| LTE Energia, Ltda. | Pz. Centenario - Av. Nações Unidas 12995. 04578-000. Sao Paulo. Brazil. | Electrical installations | - | 75.00% |
| Lumicán, S.A. | C/ Arco, nº 40. Las Palmas de Gran Canaria. Islas Canarias. Spain | Electrical installations | Deloitte | 100.00% |
| Lusobrisa | Rua Rui Teles Palhinha, 4-3ª. Leirão 2740-278 Porto Salvo. Portugal | Energy production | - | 74.54% |
| Luziana Montagens e Servicos, Ltda. | Av. Marechal Camara, 160. Rio de Janeiro. Brazil | Holding company | - | 100.00% |
| Maessa Telecomunicaciones, S.A. (MAETEL) | C/ Bari, 33 - Edificio 3. 50197 Zaragoza. Spain | Maintenance and assembly | Deloitte | 99.40% |
| Makiber, S.A. | Paseo de la Castellana, 182-2º. 28046 Madrid. Spain | Merchandise export | Deloitte | 100.00% |
| Manchasol 1 Central Termosolar Uno, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Energy production | Deloitte | 100.00% |
| Manchasol 2 Central Termosolar Dos, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Energy production | Deloitte | 100.00% |
| Mant. Ayuda a la Explot. y Servicos, S.A. (MAESSA) | C/ Manzanares, 4. 28005 Madrid. Spain | Industrial maintenance | Deloitte | 100.00% |
| Mantenimiento y Montajes Industriales, S.A. | Edif. Milenium, C/ Teide 5-1º. 28709 San Sebastián de los Reyes. Madrid. Spain | Industrial maintenance and assemblies | Deloitte | 100.00% |
| Mantenimientos Integrales Senax, S.A. | C/ Tarragones, 12.L'Hospitalet de L'Infant. Tarragona.Spain | Assemblies | - | 100.00% |
| Mas Vell Sun Energy, S.L. | C/ Prósper de Bofarull, 5. Reus (Tarragona) | Concession of Energy solar generation | - | 100.00% |
| Masa Algeciras, S.A. | Av. Blas Infante, Edificio Centro Blas Infante, local 8. 11201 Algeciras. Cádiz. Spain | Industrial maintenance and assemblies | Deloitte | 100.00% |
| Masa Galicia, S.A. | Políg. Ind. De la Grela - C/ Guttember, 27, 1º Izqd. 15008 La Coruña. Spain | Industrial maintenance and assemblies | Deloitte | 100.00% |
| Masa Huelva, S.A. | C/ Alonso Ojeda, 1. 21002 Huelva. Spain | Industrial maintenance and assemblies | Deloitte | 100.00% |
| Masa Méjico, S.A. de C.V. | C/ Juan Racine, 112, 8º - Colonia Los Morales, Del. Miguel Hidalgo - 11510 Mexico D.F. | Industrial maintenance and assemblies | Ruiz, Luna y Cia | 100.00% |
| Masa Norte, S.A. | C/ Ribera de Axpe, 50-3º. 48950 Erandio Las Arenas. Vizcaya. Spain | Industrial maintenance and assemblies | Deloitte | 100.00% |

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| Company | Registered Office | Activity | Auditor | % Effective Ownership |
|---|--|--|--|-----------------------------|
| Masa Puertollano, S.A. | Crta. Calzada de Calatrava, km. 3,4. 13500 Puertollano. Ciudad Real. Spain | Industrial maintenance and assemblies | Deloitte | 100.00% |
| Masa Servicios, S.A. | Polig. Ind. Zona Franca, Sector B, Calle B. 08040 Barcelona. Spain | Industrial maintenance and assemblies | Deloitte | 100.00% |
| Masa Tenerife, S.A. | Pº Milicias de Garachico, 1, 4º, Ofic. 51 - Edif. Hamilton. 38002 Sta. Cruz de Tenerife. Islas Canarias. Spain | Industrial maintenance and assemblies | - | 100.00% |
| Mencli, S.L. | C/ Binea Roca s/n, Local 16. 07710 Sant Lluís. Menorca. Islas Baleares. Spain | Climate control systems | - | 100.00% |
| Mexicana de Servicios Auxiliares, S.A. de C.V. | Av. Paseo de la Reforma, 404. Piso 15. 1502. Colonia Juárez. Delegación Cuauhtemoc. 06600 Mexico D.F. Mexico. | Administrative management services | BDO | 100.00% |
| Mexicobra, S.A. | Colonia Polanco C/Alejandro Dumas,160. Mexico D.F. 11500 | Auxiliary electricity, gas and communication distribution services | - | 100.00% |
| Mexsemi, S.A. de C.V. | Avda. Dolores Hidalgo 817 CD Industrial Irapuato Gto. 36541. Mexico | Assemblies | RMS Bogarin, Erhard, Padilla, Alvarez & Martinez | 99.73% |
| Mimeca, C.A. | Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela | Industrial cleaning | - | 82.80% |
| Moeë | Rua Rui Teles Palhinha, 4-3º. Leião 2740-278 Porto Salvo. Portugal | Energy production | Oliveira, Reis & Associados, Sroc, Ltda | 74.54% |
| Moncobra Canarias Instalaciones, S.A. | León y Castillo, 238. 35005 Las Palmas de Gran Canaria. Islas Canarias. Spain | Industrial maintenance and assemblies | - | 100.00% |
| Moncobra Perú | Avda Víctor Andrés Belaúnde 887 Distrito: Carmen de la Legua Reinoso. Peru. | Auxiliary Services | - | 100.00% |
| Moncobra, S.A. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Industrial maintenance and assemblies | Deloitte | 100.00% |
| Monelec, S.L. | C/ Ceramistas, 14. Málaga. Spain | Electrical installations | Deloitte | 100.00% |
| Montrasa Maessa Asturias, S.L. | C/ Camara, nº 54-1º dcha. 33402 Avilés. Asturias. Spain | Maintenance | Alvarez Artime y CIA. | 50.00% |
| Murciana de Tráfico, S.A. | Carril Molino Nerva, s/n. Murcia. Spain | Electrical installations | Deloitte | 100.00% |
| NGS - New Generation Services, Ltda. | Pz. Centenario - Av. Nações Unidas 12995. 04578-000Sao Paulo. Brazil. | Electricity production | - | 75.00% |
| OCP Perú | Avda Víctor Andrés Belaúnde 887 Distrito: Carmen de la Legua Reinoso | Auxiliary Services | - | 100.00% |
| Oficina Técnica de Estudios y Control de Obras, S.A | C/ Guzmán el Bueno, 133-1º. Edificio Britania. 28003 Madrid. Spain | Consultance services | Deloitte | 100.00% |
| Opade Organizac. y Promoc de Actividades Deportivas, S.A. | Avda. de América, 10. Madrid. Spain. | Organization and promotion of sport activities | Deloitte | 100.00% |
| P. E. Sierra de las Carbas, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Electricity generation | Deloitte | 61.79% |
| PE. Marcona, S.R.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Energy production | - | 99.99% |
| PE. Monte das Aguas, S.L. | Comandante Caballero, 8. 33005 Oviedo. Asturias. Spain | Energy production | Deloitte | 60.00% |
| PE. Monte dos Nenos, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Electricity generation | - | 100.00% |
| PE.Donado, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Electricity generation | - | 100.00% |
| PE.Tesosanto, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Electricity generation | - | 61.79% |
| Parque Eólico Bandelera, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Energy production | - | 70.10% |
| Parque Eólico Buseco, S.L. | La Paz, 23-2ºB. Valencia. Spain | Energy production | - | 80.00% |
| Parque Eólico de Valdecarrro, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Electricity generation | - | 100.00% |
| Parque Eólico La Boga, S.L. | Ayuntamiento, 7 Padul. 18640 Granada. Spain | Electricity generation | Deloitte | 75.00% |
| Parque Eólico Marmellar, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Electricity generation | Deloitte | 70.10% |
| Parque Eólico Roderá Alta, S.L. | Melchor Ocampo, 193 Torre C-Colonia Verónica Anzures. Mexico. | Auxiliary electricity, gas and communication distribution services | - | 70.10% |
| Parque Eólico Santa Catalina, S.L. | Avda Argentina,2415 Lima. Peru. | Water treatment plant | Deloitte | 100.00% |
| Parque Eólico Tadeas, S.L. | Rua Rui Teles Palhinha, 4. Leião 2740-278 Porto Salvo. Portugal | Holding company | - | 51.48% |
| Parque Eólico Valcaire, S.L. | Ayuntamiento, 7 Padul. 18640 Granada. España | Generación de electricidad | - | 55.00% |
| Parque Eólico Valdehiero, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. España | Generación electricidad | - | 51.48% |
| Percomex, S.A. | Melchor Ocampo, 193 Torre C Colonia Verónica Anzures. México | Servicios auxiliares de distribución de electricidad, gas y comunicaciones | BDO | 100.00% |
| Planta de Tratamiento de Aguas Residuales, S.A. | Avda Argentina,2415 Lima. Perú | Tratamiento de aguas residuales | - | 100.00% |
| Procme, S.A. | Rua Rui Teles Palhinha, 4. Leião 2740-278 Porto Salvo. Portugal | Sociedad Holding | Deloitte | 74.54% |
| Promservi, S.A. | Avda. de Manoteras, 26. 28050 Madrid. Spain | Real state development | - | 100.00% |
| Recursos Ambientales de Guadalajara, S.L. | Cardenal Marcelo Spínola 10. Madrid 28016. Spain. | Renewable energy generation | - | 100.00% |
| Recursos Eólicos de Mexico, S.A. de C.V. | Juan Racine, 112 piso 6. Mexico D.F. Mexico. | Renewable energy generation. | - | 100.00% |
| Red Top Wind power, LLC. | 2711 Centerville Road Suite 400.Wilmington county of New Castle delaware 19808. U.S.A. | Energy production | - | 100.00% |

| Company | Registered Office | Activity | Auditor | % Effective Ownership |
|--|--|--|------------------------|-----------------------|
| Repotenciación C.T. Manzanillo, S.A. de C.V. | Juan Racine, 112 piso 8. Mexico D.F. Méjico. | Developmen of projects | - | 100.00% |
| Riansares Eólica, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Energy production | - | 70.00% |
| Ribagrande Energía, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Renewable energy generation | - | 100.00% |
| Rioparque, Lda. | Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278. Porto Salvo. Portugal. | Biomass | - | 75.00% |
| Robledo Eólica, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Renewable energy generation | - | 100.00% |
| Roura Cevasa, S.A. | Caracas, 5. Barcelona. Spain | Corporate image | Deloitte | 100.00% |
| Salmantina de Seguridad Vial, S.A. | Cascalajes, 65-69. 37184 Villares de la Reina. Salamanca. Spain | Painting and signposting | Deloitte | 100.00% |
| Sao-Simao Montagens e Servicos de Electricidade, Ltda. | Rua Marechal Camara, 160. Rio de Janeiro. Brazil | Civil works | - | 100.00% |
| Sedmive, C.A. (Soc. Españ. Montajes Indus Venezuela) | Av. Fco Miranda Edif. Parq Cristal Tor Este, p8, of 8-8. Palos Grandes 1070 Caracas. Venezuela | Montajes Eléctricos | Deloitte | 100.00% |
| Seguridad Integral Metropolitana, S.A. | C/ La Granja, 29. 28108 Alcobendas. Madrid. Spain | Security systems maintenance | Deloitte | 90.00% |
| Semi Italia, SRL. | Via Uberto Visconti Di Modrone 3.Milan. Italia. | Electrical assemblies | - | 100.00% |
| Semi Maroc, S.A. | 5 Rue Fakir Mohamed. Casablanca Sidi Belyout. Marruecos | Electrical assemblies | Lhoussaisve El Hanaoui | 99.73% |
| Semi Polska | Ul. Flory 9. Varsovia. Polonia. | Electrical assemblies | - | 100.00% |
| Sermacon Joel, C.A. | Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela | Industrial cleaning | - | 82.80% |
| Sermicro, S.A. | C/ Pradillo, 46. 28002 Madrid. Spain. | Computer maintenance | Deloitte | 100.00% |
| Serpimex, S.A. de C.V. | Juan Racine 112 8 Colonia Los Morales Polanco Delegación Miguel Hidalgo. Mex DF11510 | Human resources services | Deloitte | 100.00% |
| Serpista, S.A. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | | Deloitte | 51.00% |
| Serra do Moncoso Cambas, S.L. | Rua da Constitucion, 30. Culleredo. 15189 La Coruña. Spain | Electricity generation | - | 51.00% |
| Serveis Catalans, Serveica, S.A. | Avda. de Manoterias, 26. 28050 Madrid. Spain | Electrical installations | - | 100.00% |
| Servicios Administrativos Offshore, S.A. de C.V. | Juan Racine Nº 112 Piso 8 Col. Los Morales C.P. 11510 Mexico D.F. | Human resources services | Deloitte | 100.00% |
| Servicios Cymimex, S.A. de C.V. | Juan Racine 112 6º piso Colonia Los Morales 11510. Mexico D.F. Mexico | Electrical installations | Deloitte | 100.00% |
| Servicios Dinsa, S.A. de C.V. | Juan Racine 112 3 piso Colonia Los Morales Mexico (DF) Delegación Miguel Hidalgo 11510 | Human resources services | Deloitte | 100.00% |
| Servicios Logísticos y Auxiliares de Occidente, S.A. | Avda. Ofibodegas Los Almendros, 3 13-35 Guatemala | Auxiliary Services | - | 100.00% |
| Servicios Operativos Offshore, S.A. de C.V. | Juan Racine Nº 112 Piso 8 Col. Los Morales C.P. 11510 Mexico D.F. | Human resources services | Deloitte | 100.00% |
| Servicios Proyectos Industriales de Méjico, S.A. de C.V. | Juan Racine 112 8 piso Colonia Los Morales Mexico (DF) Delegación Miguel Hidalgo 11510 | Human resources services | Deloitte | 100.00% |
| Setec Soluções Energeticas de Transmissao e Controle, Ltda. | Av. Presidente Wilson 231, sala 1701 20030-020 Rio de Janeiro. Brazil | Electrical installations | Canarim Auditores | 100.00% |
| Sice do Brasil, S.A. | C/ Joaquim Eugenio de Lima, 680. Sao Paulo. Brazil | Construction | - | 100.00% |
| Sice Energía, S.L. | C/ Sepúlveda, 6. 28108 Alcobendas. Madrid. Spain | Solar facilities construction | - | 100.00% |
| Sice Hellas Sistemas Tecnológicos Sociedad Unipersonal de Responsabilidad Limitada | C/Omirou. 14562 Kifissia. Greece | Construction | - | 100.00% |
| SICE PTY, Ltd. | Level 5, Mayne Building. 390 St. Kilda Road | Construcción toda clase de obras | Deloitte | 100.00% |
| Sice Puerto Rico, Inc. | Melbourne, Vicotira 3004. Australia | Construction | - | 100.00% |
| Sice South Africa Pty, Ltd. | C/Fordham 275 San Juan PR 00927. University Gardens. Puerto Rico | Construction | - | 100.00% |
| Sice Tecnología y Sistemas, S.A. | C/ PO Box 179. 009 Pretoria, Sudáfrica | Construction | Deloitte | 100.00% |
| SICE, Inc. | C/ Sepúlveda, 6. 28108 Alcobendas. Madrid. Spain | Acquisition and sale of all types of movable assets and securities | - | 100.00% |
| SICE, LLC. | Rublevskoye Shosse 83/1 121467 Moscú. Rusia | Design, construction, installation and maintenance off traffic and trade | - | 100.00% |
| Sidotel, S.A. | Avda. Manoterias, 28. Madrid. Spain | Electrical installations | - | 100.00% |
| Sistemas Integrales de Mantenimiento, S.A. | C/ Teide, 5-1º. 28709 San Sebastián de los Reyes. Madrid. Spain | Industrial maintenance and assemblies | - | 100.00% |
| Sistemas Radiantes F. Moyano, S.A. | C/ La Granja, 72. 28108 Alcobendas. Madrid. Spain | Telecommunications | Deloitte | 100.00% |
| Sistemas Sec, S.A. | C/ Miraflores 383. Santiago de Chile. Chile | Telecommunications | Deloitte | 51.00% |
| Small Medium Enterprises Consulting, B.V. | Claude Debussylaan, 44, 1082 MD.Amsterdam. Netherlands | Holding company | - | 75.00% |

Consolidated Financial Statements

| Company | Registered Office | Activity | Auditor | % Effective Ownership |
|--|--|---|---|-----------------------------|
| Soc Iberica de Construcciones Electricas de Seguridad, S.L. | C/ La Granja 29. 28108 Alcobendas. Madrid. Spain | Security system and fire prevention device installation and maintenance | - | 100.00% |
| Soc. Española de Montajes Industriales, S.A. (SEMI) | C/ Manzanares, 4. 28005 Madrid. Spain | Electric assemblies | Deloitte | 99.73% |
| Sociedad de Generación Eólica Manchega, S.L. | Cardenal Marcelo Spínola 10. Madrid 28016. Spain. | Renewable energy generation | - | 100.00% |
| Sociedad Ibérica de Construcciones Eléctricas, S.A. | C/ Sepúlveda, 6. 28108 Alcobendas. Madrid. Spain | Construction | Deloitte | 100.00% |
| Sociedad Industrial de Construcción Eléctricas, S.A | C/ Aquilino de la Guardia. Edificio IGRA Local 2. Urbanización Bella Vista Panamá | Construction | Interamericana | 100.00% |
| Sociedad Industrial de Construcciones Eléctricas de Costa Rica, S.A. | C/ San Jose Barrio Los Yoses - Final Avenida Diez. 25 m. norte y 100 este. San Jose. Costa Rica | Trade, industry and tourism in general | - | 100.00% |
| Sociedad Industrial de Construcciones Eléctricas Siceandina, S.A. | C/ Chinchinal, 350. Barrio El Inca. Pichincha - Quito (Ecuador) | Construction | - | 100.00% |
| Sociedad Industrial de Construcciones Eléctricas, S.A. de C.V. | Paseo de la Reforma, 404. Despacho 1502, Piso 15 Col. Juarez 06600 Delegación Cuauhtemoc Mexico D.F. | Construction | BDO | 100.00% |
| Sociedad Industrial de Construcciones Eléctricas, S.L., Ltda. | CL 94 NO. 15 32 P 8. Bogot D.C. Colombia | Construction | - | 100.00% |
| Societat Eólica de l' Enderrocada, S.A. | Amistat, 23. 08005 Barcelona. Spain | Electricity generation | Deloitte | 53.30% |
| Société Industrielle de Construction Electrique, S.A.R.L. | Espace Porte D Anfa 3 Rue Bab Mansour Imm C 20000 Casa Blanca. Marruecos | Services for Central Administration | - | 100.00% |
| Soluc Eléctricas Integr de Guatemala, S.A. | Avda. Ofibodegas Los Almendros, 3 13-35 Guatemala | Auxiliary Services | - | 100.00% |
| Soluciones Auxiliares de Guatemala, S.A. | Avda. Ofibodegas Los Almendros, 3 13-35 Guatemala | Auxiliary Services | - | 100.00% |
| Spocbra Instalações e Serviços, Ltda. | Joao Ventura Batista,986 Sao Paulo. Brazil 02054 | Assembles and electrical installations | - | 56.00% |
| Sumipar, S.A. | C/ B Sector B Zona Franca 4. 08040 Barcelona. Spain | Construction | - | 100.00% |
| Tecn. de Sist. Electrónicos, S.A. (Eyssa-Tesis) | Rua General Pimenta do Castro 11-1. Lisboa. Portugal | Electrical installations | Deloitte | 100.00% |
| Tecneira do Paracuru, Ltda. | Sítio Freixeiras, S/N. 62.680-000.Paracuru, Estado do Cear . Brazil. | Electricity generation | - | 75.00% |
| Tecneira Moçambique SA-Tecnologias Energéticas, S.A. | Avda 25 Setembro 1020 1º Andar. Maputo. Moçambique | Energy production | Deloitte | 74.54% |
| Tecneira Novas Eneerias SGPS, S.A. | Rua Rui Teles Palhinha, 4. Leíao 2740 Oeiras. Portugal | Energy production | Oliveira, Reis & Associados, Sroc, Ltda | 74.54% |
| Tecneira Participações SGPS | Tagus Space - Rua Rui Teles Palhinha N42740-278 Porto Salvo | Holding company | - | 74.54% |
| Tecneira, S.A. | Rua Rui Teles Palhinha, 4. Leíao 2740-278 Porto Salvo. Portugal | Energy production | Oliveira, Reis & Associados, Sroc, Ltda | 74.54% |
| Técnicas de Desalinización de Aguas, S.A. | Procesador, 19. Telde 35200 Las Palmas. Islas Canarias. Spain | Desalination plant construction | Deloitte | 100.00% |
| Tecnotel Clima, S.L. | Pg Ind.Valle Guimar Manz, 6. Arafo. Santa Cruz de Tenerife. Islas Canarias. Spain | Climate control systems | - | 100.00% |
| Tecnotel de Canarias, S.A. | Misiones, 13. Las Palmas de Gran Canaria. Spain | Climate control systems | Deloitte | 100.00% |
| Tedagua Internacional, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain. | Civil and private works | - | 100.00% |
| Tedagua Renovables, S.L. | Procesador, 19. Telde 35200 Las Palmas. Islas Canarias. Spain | Services | - | 100.00% |
| Telcarrier, S.A. | C/ La Granja, 29. 28108 Alcobendas. Madrid. Spain | Telecommunications | - | 100.00% |
| Telsa Instalaciones de Telecomunicaciones y Electricidad, S.A. | C/ La Granja, 29. 28108 Alcobendas. Madrid. Spain | Telecommunications | Deloitte | 100.00% |
| Tesca Ingenieria del Ecuador, S.A. | Avda. 6 de diciembre N37-153 Quito. Ecuador | Assemblies | Deloitte | 100.00% |
| TNG Brasil, Ltda. | Av. Dom Luis Paracuru 1200, Bairro de Meireles. 60.160-230. Fortaleza, Estado do Cear. Brazil. | Projects development | - | 75.00% |
| Torre de Miguel Solar, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Energy production | - | 100.00% |
| Trafiurbe, S.A. | Estrada Oct vio Pato C Empresar-Sao Domingo de Rana. Portugal | Painting and signalling services | - | 76.20% |
| Triana do Brasil Projetos e Serviços, Ltda. | Av. Presidente Wilson 231, Sala 1701 Parte. Rio de Janeiro. Brazil | Electrical installations | Canarim Auditores | 50.00% |
| Tucuruí Dourados Montagens e Serviços, Ltda. | Avd. Marechal Camera, 160 sala 1621. Rio de Janeiro. Brazil. | Construction and assembly of electrical facilities | - | 99.00% |
| Uirapuru Transmissora de Energia, Ltda. | Rua Deputado Antonio Edu Vieira 999 Florianopolis Estado Santa Catarina. Brazil | Electricity concession | BDO | 51.00% |
| Urbaenergía Instalaciones y Servicios, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Renewable energy generation | - | 100.00% |
| Urbaenergía, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Electricity generation | Deloitte | 100.00% |
| Valdelagua Wind Power, S.L. | Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain | Renewable energy generation | - | 100.00% |
| Venezolana de Limpiezas Industriales, C.A. (VENELIN) | Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela | Industrial cleaning | Carolina Pueyo | 82.80% |
| Ventos da Serra Produção de Energia, Ltda. | Monte do Poço Branco, Estrada de Sines EN121. 7900-681. Ferreira do Alentejo. Portugal. | Energy production | - | 74.54% |
| Viabal Manteniment i Conservacio, S.A. | Roders, 12. 07141 Marratxi. Islas Baleares. Spain | Painting and signalling services | - | 100.00% |
| Vieyra Energia Galega, S.A. | José Luis de Bugallal Marchesi, 20-1 izq. 15008 La Coruña. Spain | Energy production | - | 50.00% |
| Villanueva Cosolar, S.L. | Guadalajara,14. 19193 Guadalajara. Spain | Energy production | - | 74.54% |

| Company | Registered Office | Activity | Auditor | % Effective Ownership |
|---|--|---|-----------------------------|-----------------------|
| Wayserv SGPS, S.A. | Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278. Porto Salvo. Portugal. | Holding company | - | 75.00% |
| ENVIRONMENT | | | | |
| ACS Servicios y Concesiones, S.L. | Avda. Camino de Santiago, 50. 28050 Madrid. Spain. | Environment | Deloitte | 100.00% |
| Aureca Aceites Usad y Recuper Energét de Madrid, S.L. | Avda. Logroño km 9.800. 28042 Madrid. Spain | Treatment of oils and marpoles | - | 100.00% |
| Blas Moreno, S.L. | Avda. Diagonal, nº 611 - 2º. Barcelona. Spain | Collection of urban solid waste, street cleaning and selective collection | - | 60.00% |
| Centro de Transferencias, S.A. | Polígono Los Barriales, s/n. Valladolid. Spain | Physical and chemical treatment and storage of industrial waste in a safe deposit | Deloitte | 70.00% |
| Claerh, S.A. | Avda. del Descubrimiento. Alcantarilla. Murcia. Spain | Collection and treatment of sanitary waste | - | 51.00% |
| Clece, Inc. | 1111 Brickell Avenue 11Th Floor.Florida.33131. Miami. U.S.A. | Cleaning and maintenance services for buildings | - | 100.00% |
| Clece, S.A. | Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain | Interior cleaning | Deloitte | 100.00% |
| Consenuar, S.A. | Polígono Industrial Finanzauto, c/ Ebro, Arganda del Rey. Madrid. Spain | Management and treatment of hospital waste | Deloitte | 100.00% |
| Cytrar, S.A. de C.V. | Calle Lázaro Cardenas, Km 6 en Hermosillo, Sonora. Mexico | Management and sotrage of industrial waste | Mancera, S.C. Ernst & Young | 100.00% |
| Dramar Andalucía Tratamiento de Marpoles, S.L. | Muelle Isla Verde, s/n. 11207 Algeciras. Cadiz. Spain | Treatment of oils and marpoles | - | 100.00% |
| Ecoentorno Ambiente, S.A. | Camino de la Muñoza, s/n. Ctra. Madrid-Barcelona, km. 15,200 - 28042 Madrid | Waste treatment | - | 51.00% |
| Ecología y Técnicas Sanitarias, S.L. | C/ Josefina Mayor, nº 9. Nave 3. Urb. Industrial El Goro. Telde. Gran Canaria. Islas Canarias. Spain | Collection, transportation, storage and re-delivery of sanitary services | - | 100.00% |
| Ecoparc de Barcelona S.A. | C/ A . Polig. Industrial Zona Franca. Barcelona. Spain | Waste treatment | Deloitte | 66.40% |
| Ecosenda Gestión Ambiental, S.L. | C/ Fray Junipero Serra, 65, 3º. 08030 Barcelona | Urban services and waste treatment | Deloitte | 100.00% |
| Edafología y Restauración del Entorno Gallego, S.L. | C/ Copérnico, s/n 1º-1 dcha Pol. Ind. A Gresla. Coruña. Spain | Waste treatment | - | 100.00% |
| Empordanesa de Neteja, S.A. | Avda. Diagonal, nº 611 - 2º. Barcelona. Spain | Urban waste collection and street cleaning | - | 60.00% |
| Evar, S.A.S. | 1140, Avenue Albert Einstein. 34000 Montpellier Cedex 09. France | Waste treatment | Deloitte | 96.75% |
| Evere, S.A.S. | Av. Albert Einstein. 34000 Montpellier. France | Waste treatment | Deloitte | 99.35% |
| France Auto Service Transport, E.U.R.L. | Place de la Madeleine, 6. 75008 Paris. France | Vehicle logistics | - | 100.00% |
| Gestión Medioambiental de Torrelavega, S.A. | Boulevard Demetrio Herrero, 6. 39300 Torrelavega. Santander. Spain | Operation of urban solid waste dump | - | 60.00% |
| Gestión y Protección Ambiental, S.L. | Condado de Treviño, 19. Burgos. Spain | Collection of used oils | - | 70.00% |
| GPL Limpiezas, S.L. | C/ Diputación, 180-1ª Planta. 08011 Barcelona. Spain | Interior cleaning | - | 100.00% |
| Integra Manteniment, Gestio i Serveis Integrats, Centre Especial de Treball, Catalunya, S.L. | C/ Selva de Mar, 140. 08020 Barcelona. Spain | Interior cleaning | Deloitte | 100.00% |
| Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo Andalucía, S.L. | C/ Industria Edif Metrópoli, 1 Esc 4, Pl MD P20. 41927 Mairena de Aljarafe. Sevilla. Spain | Interior cleaning | Deloitte | 100.00% |
| Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo Galicia S.L. | Avda. Hispanidad, 75. 36203 Vigo. Pontevedra. Spain | Interior cleaning | Deloitte | 100.00% |
| Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo Murcia, S.L. | C/ Velazquez, 3 Bajo Alguazas 30560 Murcia. Spain | Interior cleaning | Deloitte | 100.00% |
| Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo Valencia, S.L. | Avda. Ingeniero Joaquin Benlloch, 65 Bajo. 46026 Valencia. Spain | Interior cleaning | Deloitte | 100.00% |
| Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo, S.L. | C/ Alfonso Gómez, 42 - Nave 1.2.1. 28037 Madrid. Spain | Interior cleaning | Deloitte | 100.00% |
| Interenvases, S.A. | Vial Secundario, s/n. Polígono Industrial de Araia. Bilbao. Spain | Recovery, collection, transport and storage of containers and packages | - | 100.00% |
| Jingtang International Container Terminal Co. Ltd. | Haigang Development Zone of Tangshan of Hebei Province of R.P. China/Hebei Province R.P. China | Port terminal | Deloitte | 52.00% |
| Laboratorio de Gestión Ambiental, S.L. | Avda. de Tenerife 4-6. 28703 San Sebastian de los Reyes. Madrid. Spain | Hazardous toxic waste | - | 92.50% |
| Limpieza Municipales, S.A. | Crta. de Málaga, nº 96 Alhaurin El Grande. Málaga. Spain | Urban services | Eduardo Márquez Garcia | 100.00% |
| Limpiezas Deyse, S.L. | C/ Lérida, 1. Manresa. Barcelona. Spain | Interior cleaning | - | 100.00% |
| Limpiezas Guida, Ltd. | Edifício Luso Galaico - Lugar Das Antas - Fração AE Apartado 62.4930-601 Valença. Portugal. | Cleaning services | - | 100.00% |

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|--|---|--|--------------------------------|-----------------------------|
| Limpiezas Lafuente, S.L. | C/ Ingeniero Joaquin Benlloch, 65 Bajo. 46026 Valencia. Spain | Cleaning services | Andreu Romero y Asociados | 100.00% |
| Librea Serveis Integrats, S.L. | Carlos I, nº 10 - local 2. 07012 Palma de Mallorca. Islas Baleares. Spain | Interior cleaning | Deloitte | 51.00% |
| Mapide, S.A. | C/ Santa Juliana, 16. 28039 Madrid. Spain | Interior cleaning | - | 100.00% |
| Monegros Depura, S.A. | Pza. Antonio Beltrán Martínez, nº 1 - Edificio Trovador, oficina 6 C. 50002 Zaragoza. Spain | Water services | Deloitte | 55.00% |
| Montaje de Aparatos Elevadores y Mantenimiento, S.L. | Avda. de Guadalajara, 36 E Bajo A. 28032 Madrid. Spain | Elevator installation | - | 90.00% |
| Mora la Nova Energía, S. L. | c/ Lincoln, 11. 08006 Barcelona. Spain | Waste treatment | - | 71.00% |
| Net Brill, S.L. | Camino Les Vinyes, 15. Mataró. 08302 Barcelona. Spain | Interior cleaning | - | 100.00% |
| Octeva, S.A.S. | ZA Marcel Doret rue Jacques Monod. 62100 Calais. France | Waste treatment | Deloitte | 68.69% |
| Olimpia, S.A. de C.V. | C/ 6 Oriente - Colonia Francisco Sarabia - Tehuacan, Puebla. Mexico | Urban solid waste collection | Mancera, S.C. Ernst & Young | 100.00% |
| Orto Parques y Jardines, S.L. | Lugar Dócean s/n. Parroquia de Orto. A Coruña. Spain | Collection of urban solid waste, street cleaning, selective collection and dump management | Deloitte | 100.00% |
| Pruvalsa, S.A. | Calle Independencia, Sector centro, Edificio Ariza, piso 2, ofic. 2-2, Valencia, Edo. Carabobo. Venezuela | Waste treatment | Ernst & Young | 82.00% |
| Publimedia Sistemas Publicitarios, S.L. | Avda. de Manoteras, 46 Bis, 2ª Planta 28050 Madrid. Spain | Advertising services | Deloitte | 100.00% |
| Puerto Seco Santander-Ebro, S.A. | C/ Ramón y Cajal, 17. Luceni. Zaragoza. Spain | Management and operation of logistic centers | BDO | 62.50% |
| Recogida de Aceites Usados, S.A. | Pol.Ind. Torrelarragoiti, s/n. 48170 Zamudio. Vizcaya. Spain | Collection of used oils | - | 100.00% |
| Recuperación Crom Industrial, S.A. (RECRISA) | Passeig Verdaguer 118 Igualada - Barcelona. Spain | Recovery | - | 75.00% |
| Recuperación de Rodas e Madeira, S.L. | Camino das Plantas, s/n. 36313 Xestoso. Bembibre. León. Spain | Treatment of oils and marpoles | - | 100.00% |
| Recuperación Int. Residuos de Castilla y León, S.A. | Poligono Industrial Ntra. Sra. de Los Angeles. Parcela 10, nave 8 y 9. Palencia. Spain | Industrial waste management | - | 100.00% |
| Recurba Medio Ambiente, S.A. | Avda. de Tenerife 4-6. 28703 San Sebastian de los Reyes. Madrid. Spain | Galvanic waste treatment | - | 100.00% |
| Remolcadores de Barcelona, S.A. | Muelle Evaristo Fernandez, 28. (Ed. Remolcadores) - 08039 Barcelona. Spain | Harbour towage | Deloitte, S.L. | 75.93% |
| Residuos de la Janda, S.A. | C/ La Barca de Vejer s/n. Vejer de La Frontera. Cádiz. Spain | Collection of urban solid waste, street cleaning, selective collection and dump management | - | 60.00% |
| Residuos Industriales de Teruel, S.A. | Ctra. de Madrid, km. 315,800 Edif. Expo Zaragoza, 3 Ofic. 14 - 50012 Zaragoza. Spain | Construction and operation of a landfill | - | 51.00% |
| Residuos Industriales de Zaragoza, S.A | Ctra de Madrid Edif.Expozaragoza Km. 315.8 3 of 14. 50012 Zaragoza. Spain | Urban services | Deloitte | 70.00% |
| Residuos Sólidos Urbanos de Jaén, S.A. | Palacio de la Excm. Diputación de Jaén. Jaén. Spain | Provision of USW collection, elimination and incineration services | PricewaterhouseCoopers | 60.00% |
| RetraOil, S.L. | Pol. Ind. Tambarria parcela 20. 26540 Alfaro. La Rioja. Spain | Treatment of oils and marpoles | Deloitte | 100.00% |
| Salins Residuos Automoción, S.L. | Calle 31 c/v calle 27 - Nave 715-701, Pl. Catarroja. Valencia. Spain | Treatment of oils and marpoles | - | 80.00% |
| Sanypick Plastic, S.A. | Avda. de Tenerife, 4-6. 28703 San Sebastian de los Reyes. Madrid. Spain | Manufacturing and management of hospital waste containers | Deloitte | 51.00% |
| SCI Sintax | Route de Phaffans. 90380 Roppe. France | Vehicle logistics | - | 100.00% |
| Senda Ambiental, S.A. | Pol. Ind. Montguit-1 C-17 km 24. Barcelona. Spain | Urban services and waste treatment | Deloitte | 100.00% |
| Sermed, S.A. | Avda. de Tenerife, 4-6. 28703 San Sebastian de los Reyes. Madrid. Spain | Sterilization of clinical material | - | 100.00% |
| Servicio Puerto Rada y Antipolución, S.A. | Muelle Evaristo Fernandez, 28.(Ed. Remolcadores) - 08039 Barcelona. Spain | Harbour towage | Deloitte, S.L. | 75.93% |
| Servicios de Aguas de Misiones, S.A. | Avda. López y Planes, 2577. Misiones. Argentina | Water treatment | Deloitte | 90.00% |
| Servicios Generales de Jaén, S.A. | Avda. de Tenerife, 4-6. 28703 San Sebastian de los Reyes. Madrid. Spain | Water | - | 75.00% |
| Servicios Selun, S.A. | Avda. de Tenerife, 4-6. 28703 San Sebastian de los Reyes. Madrid. Spain | Transport and works in landfill | - | 100.00% |
| Servicios Corporativos TWC, S.A. de C.V. | Calle Lázaro Cardenas, Km 6 en Hermosillo, Sonora. Mexico | Servicios corporativos para las filiales en México | Mancera, S.C. Ernst & Young | 100.00% |
| Sintax Est EURL | Place de la Madeleine, 6. 75008 Paris. France | Corporate services for Mexican subsidiaries | - | 100.00% |
| Sintax Ile de Francia EURL | Place de la Madeleine, 6. 75008 Paris. France | Vehicle logistics | - | 100.00% |
| Sintax Logística Transportes, S.A. | Vale Ana Gomez, Ed. Sintax Estrada de Algeruz. Setubal. Portugal | Logistics and vehicle transport | Deloitte, S.L. | 100.00% |
| Sintax Logística, S.A. | C/ Diputación, 279, Atico 6ª. Barcelona. Spain | Logistics and vehicle transport | Deloitte, S.L. | 100.00% |

| Company | Registered Office | Activity | Auditor | % Effective Ownership |
|---|---|---|-----------------------------|-----------------------|
| Sintax Logistics Zeebrugge, S.A.R.L. | Koningin Astridlaan, Brugge | Vehicle logistics | - | 100.00% |
| Sintax Logistique Francia, S.A.S. | Place de la Madeleine, 6. 75008 Paris. France | Vehicle logistics | Georges Rey Conseils | 100.00% |
| Sintax Logistique Maroc, S.A.R.L. | 332 Boulevard Brahim Roudani - Maarif. Casablanca. Morocco | Vehicle logistics | - | 100.00% |
| Sintax Logistique Mediterranée, E.U.R.L. | Place de la Madeleine, 6. 75008 Paris. France | Vehicle logistics | - | 100.00% |
| Sintax Logistique Region Parisienne, E.U.R.L. | Place de la Madeleine, 6. 75008 Paris. France | Vehicle logistics | - | 100.00% |
| Sintax Logistique Valenciennes, S.A.R.L. | Place de la Madeleine, 6. 75008 Paris. France | Vehicle logistics | - | 100.00% |
| Sintax Navigomes, Ltda. | Av. Luisa Todi, 73. 2900 Setúbal. Portugal | Vehicle logistics | Deloitte, S.L. | 51.00% |
| Sintlogistica, Ltda. | Vale Ana Gomez, Ed. Sintax Estrada de Algeruz. Setubal. Portugal | Vehicle logistics | Deloitte, S.L. | 100.00% |
| Socamex, S.A. | C/ Cobalto s/n Par. 213. Pol. San Cristóbal. Valladolid. Spain | Construction and operation of waste water treatment plants | Deloitte | 100.00% |
| Sociedad Peninsular de Limpiezas Mecanizadas, Lda. | C/ Estrada de Chelas, 192 Bº do Beato Lisboa. Portugal. | Interior cleaning | - | 100.00% |
| Soluciones para el medioambiente, S.L. | C/ Formentera, 1 - Edif. ECU II - Oficina Bajo B. Las Rozas. Madrid. Spain | Environmental education, museography and management of fauna | Deloitte | 100.00% |
| Somasur, S.A. | 20, Rue Meliana Hai Ennahada. Rabat. Morocco | Intermediary company in Morocco | - | 100.00% |
| Talher, S.A. | Avda. de Manteras, 46 Bis, 2ª Planta 28050 Madrid. Spain | Gardening | Deloitte | 100.00% |
| Tecmed Environment, S.A.S. | 21 Rue Jules Guesde. 69230 Saint Genis Laval. Lyon. France | Hospital waste | Deloitte | 96.75% |
| Tecmed Maroc, S.A.R.L. Associe Inique | AV capitale Sidi Omar Elaissaoui cite OLM-Suissi II. Rabat. Marruecos | Urban solid waste | Deloitte | 100.00% |
| Tecmed Servicios de Recolección, S.A. de C.V. | C/ Homero nº109 Dp 604 Colonia Chapultepec, Morales del Miguel Hidalgo. Mexico DF | U.S.W. collection and treatment | Mancera, S.C. Ernst & Young | 100.00% |
| Tecmed Técnicas Mediamb. de México, S.A. de C.V. | Melchor Ocampo, no 193 Torre C, piso 14D. Mexico | USW, environmental construction, hospital waste, industrial waste and water treatment | Mancera, S.C. Ernst & Young | 100.00% |
| Técnicas Aplicadas de Recuperaciones Industriales, S.A. | Avda. de Tenerife, 4-6. 28703 San Sebastian de los Reyes. Madrid. Spain | Waste treatment | - | 95.00% |
| Técnicas de Recuperación e Inertización, S.A. | Avda. de Tenerife, 4-6. 28703 San Sebastian de los Reyes. Madrid. Spain | Industrial waste management | - | 100.00% |
| Tirmadrid, S.A. | C/ Cañada Real de las Merinas, s/n. Madrid. Spain | Integral treatment of solid waste | Deloitte | 66.36% |
| Tracemar, S.L. | Avda de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain | Treatment of oils and marpoles | Deloitte | 100.00% |
| Trans Inter Europe, S.A.S. | Route de Phaffans. 90380 Roppe. France | Vehicle logistics | Georges Rey Conseils | 100.00% |
| Trans Inter Uberherrn, E.U.R.L. | 33 Langwies, D-66 802 Uberherrn | Vehicle logistics | - | 100.00% |
| Transportes Residuos Industriales y Peligrosos, S.L. | C/ Copérnico, 1 1ª dcha., Pl. La Gresla. A Coruña. Spain | Industrial waste transport | Deloitte | 100.00% |
| Tratamiento de Residuos Sólidos Urbanos, S.A. de C.V. | Calle Lázaro Cardenas, Km 6 en Hermosillo, Sonora. Mexico | Environment | Mancera, S.C. Ernst & Young | 100.00% |
| Tratamiento Integral de Residuos de Cantabria S.L.U. | Avda de Tenerife, 4-6. 28703 San Sebastian de los Reyes Madrid. Spain. | Waste treatment | Deloitte | 100.00% |
| Trenmedia, S.A. | C/ Fernando Rey, 3 (Ciudad de la Imagen). 28023 Pozuelo de Alarcón. Madrid. Spain | Advertising services | KPMG | 51.00% |
| Tresima Limpiezas Industriales, S.A. (TRELIMSA) | C/ Copérnico, 1 1ª dcha., Pl. La Gresla (A Coruña). Spain | Industrial cleaning | - | 80.00% |
| Urbacet, S.L. | Calle Fray Junipero Serra nº 65 3º, 08030 Barcelona. Spain | Gardening | - | 100.00% |
| Urbalia Panamá, S.A. | Betania Urbanización Los Angeles, Calle 63A, Edificio Plotosa, nº 12. Rep. Panama | Waste treatment | Deloitte | 70.00% |
| Urbamar Levante Residuos Industriales, S.L. | C/ 31 c/v calle 27 - Nave 715-701, Pl. Catarroja. Valencia. Spain | Treatment of oil and marpoles | - | 80.00% |
| Urbana de Servicios Ambientales, S.L. | Avda. José Ortega y Gasset, nº 194-196. Madrid. Spain | Street cleaning and urban solid waste collection | - | 70.00% |
| Urbaoil, S.A. | Avda. de Tenerife, 4-6. 28703 San Sebastian de los Reyes. Madrid. Spain | Treatment of oil and marpoles | - | 100.00% |
| Urbaser Argentina, S.A. | L.N. Alem 986, Piso 3 - Capital Federal. Buenos Aires. Argentina | Holding company | Deloitte | 100.00% |
| Urbaser Barquisimeto, C.A. | Carrera, 4 Zona Ind Barquisimeto. Lara. Venezuela | Street cleaning and urban solid waste collection | Ernst & Young | 100.00% |
| Urbaser de Méjico, S.A. de C.V. | C/ Juan Racine 112-8º, Col. Los Morales, 11510 Mexico DF | Street cleaning, urban solid waste collection and dump management | Mancera, S.C. Ernst & Young | 100.00% |
| Urbaser Environnement, S.A.S. | 1140 Avenue Albert Einstein. BP 51. 34000 Montpellier Cedex 09. France | Waste treatment | Deloitte | 96.75% |
| Urbaser INC. | Hunton&William LLP, 1111 Brickell Av. Suite 2500 Miami, Florida 33131. U.S.A. | Environmental services | - | 100.00% |
| Urbaser Libertador, C.A. | Av. Paseo Cabriales, Sector Kerdell, Torre Movilnet, piso 11, ofc. 4. Valencia. Estado de Carabobo. Venezuela | Street cleaning and urban solid waste collection | Ernst & Young | 100.00% |
| Urbaser Mérida, C.A. | Calle 26, entre Av. 2 y 3, C.C. La Casona, piso 2, local 18. Mérida. Estado Mérida. Venezuela | Street cleaning and urban solid waste collection | Ernst & Young | 100.00% |

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| Company | Registered Office | Activity | Auditor | % Effective Ownership |
|--|--|---|---|-----------------------------|
| Urbaser San Diego, C.A. | Cent Com Fin de Siglo, pta baja, Av. D. Julio Centeno, Sector La Esmeralda, Local 11. Venezuela | Urban solid waste collection | Ernst & Young | 65.00% |
| Urbaser Santo Domingo, S.A. | C/ Virgilio Díaz Ordóñez, 54, Sector Julieta Morales. Santo Domingo | Street cleaning and urban solid waste collection | V.R. Marte Asociados | 100.00% |
| Urbaser Transportes, S.L. | Avda. Diagonal, nº 611 - 2º. Barcelona. Spain | Public/private transport, sale of spare parts for all type of vehicles and the repair of vehicles. Environmental audit. | - | 100.00% |
| Urbaser United Kingdom, Ltd. | Pillar House, 113-115 Bath Road, Cheltenham, Gloucestershire; GL53 7LS, U.K. | Holding | Davies Mayers Barnett | 100.00% |
| Urbaser Valencia, C.A. | C/ 123, s/n, cruce con avenida 94, avda. Izandro Alvarado, zona industrial la Guacamaya, Galpon, Urbaser, Valencia Estado Carabobo. Venezuela | Street cleaning and urban solid waste collection | Ernst & Young | 100.00% |
| Urbaser, S.A. | Avda. de Tenerife, 4-6. 28703 San Sebastian de los Reyes. Madrid. Spain | Environment | Deloitte | 100.00% |
| Urbaser, S.A. E.S.P. | Mamonal Km 2A nº 56 581. Cartagena de Indias. Colombia | Street cleaning and urban solid waste collection | Wilma Cervantes Aparicio (Revisor Fiscal) | 100.00% |
| Urbasys, S.A.S. | Route de Tremblay, F-91480 Varennes-Jarcy. France | Waste treatment | Deloitte | 99.35% |
| Vadereli, S.L. | Av. Tenerife, 4 y 6.28703 San Sebastian de los Reyes. Madrid. Spain. | Industrial waste | - | 51.00% |
| Valenciana de Eliminación de Residuos, S.L. | Paraje "El Cabez del Pino". Real de Monroi. Valencia. Spain | Storage of industrial waste in a safe deposit | - | 85.00% |
| Valenciana de Protección Ambiental, S.A. | L' Alcudia de Crepins - Polig. El Caneri - Parcela 6. Valencia. Spain | Management and treatment of hospital and industrial waste | - | 99.55% |
| Valorga International, S.A.S. | 1140 Avenue Albert Einstein. BP 51. 34000 Montpellier Cedex 09. France | Tecnological consultancy services | Deloitte | 96.75% |
| Valorgabar, S.A.S. | 1140, Avenue Albert Einstein. BP 51. 34000 Montpellier Cedex 09. France | Waste treatment | Deloitte | 99.35% |
| Vertederos de Residuos, S.A. (VERTRESA) | Avda. de Tenerife, 4-6. 28703 San Sebastian de los Reyes. Madrid. Spain | Street cleaning, urban solid waste collection and dump management | Deloitte | 83.97% |
| Vicente Fresno Aceite, S.L. | Barrio de San Martín, 141. 48170 Zamudio. Vizcaya. Spain | Treatment of oil and marpoles | - | 100.00% |
| Zenit Servicios Integrales, S.A. | Cardenal Marcelo Spínola, 42-8º Dcha. Madrid. Spain | Integral services at airports | - | 100.00% |
| CONCESIONES | | | | |
| ACS Infrastructure Canada, Inc. | 150 King Street West, Suite 805, P.O.Box 48, M5H 1J9 ON Canada. | Holding | Deloitte | 100.00% |
| ACS Infrastructure Development, Inc. | 2711 Centerville Road Suite 400 Wilmington County of New Castle-Delaware. USA | Infrastructures | BDO | 100.00% |
| ACS WEP Holdings, Inc. | 1 Germain Street Suite 1500.Saint John NB E2L4V1. Canada. | Holding | Deloitte | 100.00% |
| Autovía de La Mancha, S.A. Concesionaria JCC Castilla La Mancha | 21.500 de la CM-42 en el 54430 de Mascaraque. Toledo. Spain | Roads | Deloitte | 75.00% |
| Autovía del Camp del Turia, S.A. | C/ Alvaro de Bazán, nº 10 Entlo. 46010 Valencia. Spain | Roads | - | 65.00% |
| Autovía del Pirineo, S.A. | C/Emilio Arrieta 8 - 6º, 31002 Pamplona (Navarra) Spain | Roads | Deloitte | 72.00% |
| Autovía Medinaceli-Calatayud Soc.Conces.Estado, S.A. | Avda. Camino de Santiago, 50 - 28050 Madrid. Spain. | Concessions | Deloitte | 95.00% |
| Can Brians 2, S.A. | Avinguda Josep Tarradellas, 34-36, 9º. 08029 Barcelona. Spain. | Jail | Deloitte | 100.00% |
| CAT Desenvolupament de Concessions Catalanes, S.L. Concesionaria Santiago Brión, S.A. | Avinguda Josep Tarradellas, 34-36, 9º. 08029 Barcelona. Spain. Centro de Control AG-56 Enlace de Pardiñas - Costola. 15895 Ames. A Coruña. Spain. | Infrastructures Roads | Deloitte Ernst & Young | 100.00% 70.00% |
| Concesiones Viarias Chile Tres, S.A. | Alfredo Barros Errazuriz 1953, Oficina 1003, Comuna de Providencia. Santiago de Chile. Chile. | Roads | Quezada & Diaz | 100.00% |
| Concesiones Viarias Chile, S.A. | Alfredo Barros Errazuriz 1953, Oficina 1003, Comuna de Providencia. Santiago de Chile. Chile. | Holding | Ernst & Young | 100.00% |
| Desarrollo de Concesionarias Viarias Dos, S.L. | Avenida del Camino de Santiago, 50. 28050 Madrid. Spain | Infrastructures | - | 100.00% |
| Desarrollo de Concesionarias Viarias Uno, S.L. | Avenida del Camino de Santiago, 50. 28050 Madrid. Spain | Infrastructures | - | 100.00% |
| Desarrollo de Concesiones Ferroviarias, S.L. | Avenida del Camino de Santiago, 50. 28050 Madrid. Spain | Railways | - | 100.00% |
| Desarrollo de Equipamientos Públicos, S.L. | Avenida del Camino de Santiago, 50. 28050 Madrid. Spain | Holding | - | 100.00% |
| Dragados Concessions, Ltd. | Hill House, 1 - Little New Street. London EC4A 3TR. Inglaterra | Holding | Deloitte | 100.00% |
| Dragados Waterford Ireland, Ltd. | Fitzwilliam Business Centre, 77 Sir John Rogerson's Quay, Dublin 2 Ireland | Holding Roads | Deloitte | 100.00% |
| Eix Diagonal Concessionària de la Generalitat de Catalunya, S.A. | Av. Josep Tarradellas, 34-36, 9º Dcha 08029 Barcelona | Roads | Deloitte | 100.00% |
| Estacionament Centre Direccional, S.A. | Puerto Tarraco-Moll de Llevant. Edificio B5, 1ª Planta.43004 Tarragona. Spain | Parkings | - | 100.00% |
| Explotación Comercial de Intercambiadores, S.A. | Avda. de America, 9A (Intercambiador de Tptes) Madrid. Spain | Commercial Operation | - | 100.00% |
| FIG Fraser Transportation Group Partnership | 1300 - 777 Dunsmuir Street Po Box 10424 Stn Pacific Ctr. Vancouver Bc V7Y 1K2. Canada | Concessions | Deloitte | 75.00% |

| Company | Registered Office | Activity | Auditor | % Effective Ownership |
|---|---|--------------------------------|---------------|-----------------------------|
| FTG Holding Limited Partnership | 1300 - 777 Dunsmuir Street Po Box 10424 Stn Pacific Ctr. Vancouver Bc V7Y 1K2. Canada | Holding | Deloitte | 100.00% |
| FTG Holdings, Inc. | 1300 - 777 Dunsmuir Street Po Box 10424 Stn Pacific Ctr. Vancouver Bc V7Y 1K2. Canada | Holding | Deloitte | 100.00% |
| Green Canal Golf, S.A. | Avenida Filipinas, s/n esquina Avenida Pablo Iglesias s/n 28003 Madrid Spain | Management of sport facilities | Deloitte | 100.00% |
| I 595 Express, LLC | Corporation Trust Company, Corporation Trust Center, 1209 Orange Street.Wilmington New Castle. Delaware 19801. U.S.A. | Roads | BDO | 100.00% |
| I 595 ITS Solutions, LLC. | Corporation Trust Company, Corporation Trust Center, 1209 Orange Street.Wilmington New Castle. Delaware 19801. U.S.A. | Toll road facilities | BDO | 100.00% |
| Intercambiador de Transportes de Avda. de América, S.A. | Avda. América, 2-17-B. 28002 Madrid. Spain | Transfer station | Deloitte | 100.00% |
| Intercambiador de Transportes de Príncipe Pío, S.A. | Avda. América, 2-17-B. 28002 Madrid. Spain | Transfer station | Deloitte | 70.00% |
| Inversora de la Autovía de la Mancha, S.A. | Avda. Camino de Santiago, 50. 28050 Madrid. Spain | Roads | Deloitte | 75.00% |
| Iridium Aparcamientos, S.L. | Avda. Camino de Santiago, 50. 28050 Madrid. Spain | Parkings | Deloitte | 100.00% |
| Iridium Concesiones de Infraestructuras, S.A. | Avda. Camino de Santiago, 50. 28050 Madrid. Spain | Concessions | Deloitte | 100.00% |
| Iridium Nouvelle Autoroute 30, Inc. | 1, Place Ville-Marie 37e étage Montreal. Quebec H3B 3P4. Canada | Holding | Deloitte | 100.00% |
| Iridium Portlaoise Ireland Limited | Fitzwilliam Business Centre, 77 Sir John Rogerson's Quay, Dublin 2 Ireland | Holding | Deloitte | 100.00% |
| Marestrada-Operações e Manutenção Rodoviária, S.A. | Av. Visconde Valmor, 66 4º. 1050-242 Lisboa Lisboa. Portugal | Road operator | Mazars | 70.00% |
| Parking Mérida III, S.A. | Avenida Lusitania, 15 1º Puerta 7. Mérida. Badajoz. Spain | Parkings | - | 100.00% |
| PLANESTRADA - Operação e Manutenção Rodoviária, SA | Av. Visconde Valmor, 66 4º. 1050-242 Lisboa Lisboa. Portugal | Road operator | Mazars | 70.00% |
| Reus-Alcover Conc de la Generalitat de Catalunya, S.A. | Avinguda Josep Tarradellas, 34-36, 9º. 08029 Barcelona. Spain | Roads | Deloitte | 85.00% |
| Sociedad Inversora de Infraestructuras de la Mancha, S.L. | Avda. de Tenerife, 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain | Holding | - | 66.67% |
| Sociedad Concesionaria Ruta del Canal, S.A. | Antonio Varas Nº 216, Oficina 701.Puerto Montt. Chile | Concessions | Ernst & Young | 80.00% |
| Taurus Holdings Chile, S.A. | Alfredo Barros Errazuriz 1953 oficina 1003. Providencia. Santiago de Chile | Holding | Ernst & Young | 100.00% |
| The Currituck Development Group, LLC. | Corporation Trust Company, Corporation Trust Center, 1209 Orange Street.Wilmington New Castle. Delaware 19801. U.S.A. | Roads | BDO | 100.00% |

Consolidated Financial Statements

Appendix II. UTE's/EIG's

| UTE/EIG | Address | Activity | Auditor (*) | % Effective Ownership | Consolidation integración | Revenue |
|---|--|------------------------|------------------|-----------------------|---------------------------|---------|
| CONSTRUCTION | | | | | | |
| 384 Viviendas F. General Univ. Complu | Avda. Camino de Santiago, 50. 28050 Madrid. Spain | Construction | - | 50.00% | Proportional | 39,544 |
| Ampliacion Complejo Atocha Fase I | Avda. Camino de Santiago, 50. 28050 Madrid. Spain | Construction | - | 100.00% | Proportional | 116,340 |
| Ascon And Dragados Portlaoise Joint Vent | Cl. Kill, Kildare. Ireland | Construction | - | 50.00% | Proportional | 73,014 |
| Autovia Concentaina | Cl Caballero Andante, 8 Madrid. Spain | Construction | - | 50.00% | Proportional | 28,840 |
| Autovia Del Pirineo | Avda. Roncesvalles, 6. Pamplona. Iruña | Construction | - | 72.00% | Proportional | 57,136 |
| Ave Girona | Cl. Acanto, 22. 5ª Planta. Madrid. Spain | Construction | - | 40.00% | Proportional | 41,057 |
| Ave Trinidad-Tramo Moncada | Cl Caballero Andante, 8 Madrid. Spain | Construction | - | 33.33% | Proportional | 45,944 |
| Ave Tunel De Serrano | Cl. Cardenal Marcelo Spinola, 52. Madrid. Spain | Construction | - | 42.00% | Proportional | 75,962 |
| Ave Ulla | Avda. Finisterre, 25. A Coruña. Spain | Construction | - | 100.00% | Proportional | 54,334 |
| Canal De Terreu | Cl. Capitán Portolés, 1-3-5, 4º. Zaragoza. Spain | Construction | - | 62.50% | Proportional | 15,292 |
| Central Greece Motorway E-65 | Avda. Messogeion Avenue, 85 115 26. Atenas | Construction | - | 33.33% | Proportional | 140,044 |
| Centro Penitenciario Canarias II Cibeles | Cl. Padre Anchieta, 6. Las Palmas de Gran Canaria | Construction | - | 90.00% | Proportional | 42,904 |
| Complejo Administrativo 9 De Octubre | Pz. Legión Española, 12. Valencia. Spain | Construction | - | 54.00% | Proportional | 23,084 |
| Desaladora Barcelona | Avda. Diagonal, 211. Barcelona. Spain | Construction | - | 28.20% | Proportional | 17,091 |
| Dique Torres | Cl. Santa Susana, 27. Oviedo. Spain | Construction | - | 38.00% | Proportional | 102,644 |
| Dragados / Judlau a JV (009) | 26-15 Ulmer Street, College Point, NY 11354 | Tunnel construction | BDO Seidman, LLC | 70.00% | Proportional | 53,264 |
| Dragados / Judlau a JV (019) | 26-15 Ulmer Street, College Point, NY 11354 | Tunnel infrastructures | BDO Seidman, LLC | 55.00% | Proportional | 172,669 |
| Edifici Tecnoparc Reus | Cl. Moll de Llevant-Port Tarraco Ed. B5, S/N. Tarragona | Construction | - | 55.00% | Proportional | 30,067 |
| Estacions L9-Besos | Cl. Via Laietana, 33 - Barcelona. Spain | Construction | - | 50.00% | Proportional | 23,752 |
| Frontier-Kemper/Schiavone/Picone Croton (334) | 1695 Allen Road Evansville, NY 47710 | Hydraulics | J. H. Cohn Llp | 49.00% | Proportional | 25,427 |
| Gorg. Linea 9 | Cl. Via Laietana, 33. Barcelona. Spain | Construction | - | 43.50% | Proportional | 118,225 |
| Hospital de Bellvitge | Cl. Via Laietana, 33. Barcelona. Spain | Construction | - | 55.00% | Proportional | 16,014 |
| Hospital de Guadalajara | Cl Orense, 11. Madrid. Spain | Construction | - | 50.00% | Proportional | 17,998 |
| Hospital de Reus | Cl. Via Laietana, 33. Barcelona. Spain | Construction | - | 75.00% | Proportional | 63,418 |
| Hospital Son Dureta | Pz. Es Forti, 4. Palma de Mallorca. Spain | Construction | - | 49.50% | Proportional | 87,544 |
| Kinopraxia Euro Ionia | Avda. Messogeion Avenue, 85 115 26. Athens | Construction | - | 33.33% | Proportional | 132,231 |
| L-9 Estaciones | Cl. Arago, 390. Barcelona. Spain | Construction | - | 66.00% | Proportional | 18,532 |
| L-9 Llobregat Fira | Avda. Diagonal, 427. Barcelona. Spain | Construction | - | 28.70% | Proportional | 31,101 |
| L-9 Viaducte Zona Franca | Cl. Arago, 390. Barcelona. Spain | Construction | - | 27.00% | Proportional | 40,944 |
| Langosteira | Avda. Finisterre, 25. A Coruña. Spain | Construction | - | 55.00% | Proportional | 147,176 |
| LGV Poceirao-Caja | Rua Abroches Ferrao, 10. Lisboa | Construction | - | 17.25% | Proportional | 20,487 |
| Loiola Herrera | Bo Loyola, 25 (Azpeitia) | Construction | - | 50.00% | Proportional | 24,284 |
| Lotos III SDA/ROSE | Dworska, 1 05-500 Piaseczno k. - Warsaw | Industrial | - | 50.00% | Proportional | 10,958 |
| Maceiras Redondela | Cl Caballero Andante, 42 Madrid. Spain | Construction | - | 50.00% | Proportional | 19,108 |
| MCM / Dragados a JV | 6201 SW 70 Street, 2nd Floor, Miami, FL 33143 | Airport maintenance | BDO Seidman, LLC | 50.00% | Proportional | 25,751 |
| Metro de Granada | Ps. Pablo Ruiz Picasso, 1. Málaga. Spain | Construction | - | 70.00% | Proportional | 15,182 |
| Most Pólnocny | Dworska, 1 05-500 Piaseczno k. - Warsaw | Road | - | 55.33% | Proportional | 95,492 |
| Nouvelle Autoroute A30 Montreal | 21025 Route Transcanadienne, Suite A203 Sainte-Anne-de-Bellevue, Quebec, H9X 3R2 | Highway construction | Deloitte | 40.00% | Proportional | 125,986 |
| Nudo Venta de Baños | Cl Orense, 11 Madrid. Spain | Construction | - | 50.00% | Proportional | 28,881 |
| Nuevo Hospital La Fe | Cl. Alvaro de Bazan, 10. Valencia. Spain | Construction | - | 70.00% | Proportional | 56,342 |
| Obras Abrigo Puerto Valencia | Cl. Alvaro de Bazan, 10. Valencia. Spain | Construction | - | 29.00% | Proportional | 68,883 |
| Picone/Schiavone/Frontier-Kemper/Dragados (538) | 31 Garden Lane, Lawrence NY 11559 | Hydraulics | J. H. Cohn Llp | 87.50% | Proportional | 19,574 |
| Picone/WDF (312) | 31 Garden Lane, Lawrence NY 11559 | Hydraulics | J. H. Cohn Llp | 50.00% | Proportional | 15,187 |
| Portusan | Avda. Madariaga, 1 - 4º. Bilbao | Construction | - | 33.34% | Proportional | 19,077 |
| Puente de Cádiz | Avda. Tenerife, 4 y 6. San Sebastián de los Reyes. Spain | Construction | - | 100.00% | Proportional | 49,706 |
| Quejigares | Carretera Villanueva de Tapia, 2. Archidona. Málaga | Construction | - | 100.00% | Proportional | 51,232 |

(*) NOTE: The auditor is only indicated for those UTE's/EIG's with specific auditors report. The others are audited to the extent that they form part of the individual financial statements of the related company.

| UTE/EIG | Address | Activity | Auditor (*) | % Effective Ownership | Consolidation integración | Revenue |
|---|---|---|------------------|-----------------------|---------------------------|---------|
| Reparación Del Talu En Autovia A-6, PK 418 | Avda. Europa, 18. Alcobendas. Spain | Construction | - | 45.00% | Proportional | 23,276 |
| Rondout Constructor (185) | 150 Meadowlands Pkwy Secaucus, NY 07094 | Hydraulics | J. H. Cohn Llp | 76.40% | Proportional | 39,752 |
| S3 II Tunnel Constructors (516) | 360 West 31st St., NY, NY | 7 Line Running Tunnel & Stat. | - | 30.00% | Proportional | 234,759 |
| S3 Tunnel Constructors (514) | 207 East 94th St., NY, NY | 2nd Avenue Subway Tunnel | - | 37.50% | Proportional | 46,867 |
| Schiavone/Citnalta (513) | 81 Willoughby St., Brooklyn, NY | Jay/Lawrence St Stations | - | 60.00% | Proportional | 21,149 |
| Schiavone/Kiewit (521) | 29-60 Northern Blvd, NY, NY | Northern Blvd Tunnel | - | 60.00% | Proportional | 16,945 |
| Schiavone/Picone (41) | 150 Meadowlands Pkwy Secaucus, NY 07094 | Hydraulics | J. H. Cohn Llp | 100.00% | Proportional | 47,014 |
| Schiavone/Picone Croton Water Treatment Plant | 150 Meadowlands Pkwy Secaucus, NY 07094 | Hydraulics | J. H. Cohn Llp | 100.00% | Proportional | 28,587 |
| Sede Urbanismo | Ps. Pablo Ruiz Picasso, 1. Málaga. Spain | Construction | - | 80.00% | Proportional | 15,105 |
| Serrano | Cl. Cardenal Marcelo Spinola, 52. Madrid. Spain | Construction | - | 50.00% | Proportional | 55,718 |
| Shanganagh Joint Venture | Wilton Works, Naas Road, Clondalkin, Dublin 22 - Ireland | Construction | - | 50.00% | Proportional | 25,072 |
| Skanska/Picone ii (47) | 20 North Central Ave, Valley Stream, NY 11580 | Hydraulics | J. H. Cohn Llp | 27.50% | Proportional | 107,669 |
| Tarraco | Cl. Arago, 390. Barcelona. Spain | Construction | - | 60.00% | Proportional | 17,203 |
| Terminal Aeropuerto De Ibiza | Pz. Es Fortij, 4. Palma de Mallorca. Spain | Construction | - | 70.00% | Proportional | 22,341 |
| Torroella | Cl. Arago, 390. Barcelona. Spain | Construction | - | 75.00% | Proportional | 21,609 |
| Túneles de Pajares 2 | Avda. Tenerife, 4 y 6. San Sebastián de los Reyes | Construction | - | 84.00% | Proportional | 28,249 |
| Variante Oeste Arrasate | Pz. De Los Amezketa, 10 Bajo. Donostia. San Sebastián | Construction | - | 33.34% | Proportional | 17,109 |
| Viaducto De Archidona | Avda. Camino de Santiago, 50 - Madrid. Spain | Construction | - | 50.00% | Proportional | 23,034 |
| Yonkers Contracting / Dragados a JV (I-287) | 969 Midland Avenue, Yonkers, NY 10704 | Highway maintenance | BDO Seidman, LLC | 50.00% | Proportional | 27,129 |
| Zaratamo | Pz. Venezuela, 1. Bilbao. Spain | Construction | - | 90.00% | Proportional | 15,296 |
| INDUSTRIAL SERVICES | | | | | | |
| COSEBAL UTE | C/ Barquillo, 29 28004 Madrid. Spain | Maintenance of overhead line installation | - | 85.00% | Proportional | 31,702 |
| Samcosol I UTE | Paseo Castellana 149 1ª Planta. 28046 Madrid. Spain | Renewable energy | - | 40.00% | Proportional | 49,458 |
| Samcosol II UTE | Paseo Castellana 149 1ª Planta. 28046 Madrid. Spain | Renewable energy | - | 40.00% | Proportional | 77,033 |
| Semla UTE | C/ Afueras S/N. C.N.Ascó. Tarragona. Spain | Industrial maintenance | - | 50.00% | Proportional | 15,087 |
| U.T.E Transmérica | C/Sepulveda 6. 28108 Alcobendas. Madrid. Spain | Public transport construction in Mérida (Venezuela) | Deloitte | 21.75% | Proportional | 16,107 |
| U.T.E. MA'ADEN | Calle Via de los Poblados, 9-11. Spain | Construcción planta DAP | - | 100.00% | Proportional | 25,170 |
| U.T.E. MANCHASOL-1 | C/ Cardenal Marcelo Spinola, 10 28016 Madrid. Spain | Renewable energy | - | 20.00% | Proportional | 101,077 |
| U.T.E. MANCHASOL-2 | Calle Cardenal Marcelo Spinola, 10. Spain | Renewable energy | - | 20.00% | Proportional | 105,910 |
| UTE ACS COBRA CASTOR | C/Cardenal Marcelo Spinola, 10 28016 Madrid. Spain | Infrastructure for gas extraction | - | 10.00% | Proportional | 381,668 |
| UTE AMPLIACION REGASAGUNTO | C/ Cardenal Marcelo Spinola, 10 28016 Madrid. Spain | Enlargement works for regasification plant | - | 70.00% | Proportional | 37,140 |
| UTE AVELE | C/ Caballero Andante, 8 Madrid. Spain | Electrical substations | - | 22.00% | Proportional | 23,000 |
| UTE AVELE 2 | Pº Castellana, 247. Madrid. Spain | Electrical substations | - | 22.00% | Proportional | 24,000 |
| UTE C.T. SOLAR TRES | Torneo Parque Empresarial C/ Biología, 12 41015 Sevilla | Thermal solar plant construction | - | 50.00% | Proportional | 96,016 |
| UTE C.T. VALLE DOS | C/ Severo Ochoa, 4 28760 Tres Cantos, Madrid. Spain | Thermal solar plant construction | - | 50.00% | Proportional | 142,980 |
| UTE C.T. VALLE UNO | C/ Severo Ochoa, 4 28760 Tres Cantos, Madrid. Spain | Thermal solar plant construction | - | 50.00% | Proportional | 137,901 |
| UTE LUZ MADRID | Av. Manoteras, 26. 28050 Madrid. Spain | Public lighting | - | 60.00% | Proportional | 22,384 |
| Ute Servicios Coker C-10 | Cartagena Murcia. Spain | Engineering, procurement and management of construction | - | 50.00% | Proportional | 17,870 |
| ENVIRONMENT | | | | | | |
| UTE Clece TH | Avda. Manoteras 46 BIS 2ª PL Madrid. Spain | Interior cleaning | - | 100.00% | Proportional | 33,415 |
| UTE Tratamiento Terciari | PS Verdague, 40. Igualada. Barcelona. Spain | Water treatment | - | 20.00% | Proportional | 23,000 |
| UTE Vertresa - Senda (Las Dehesas) | Ctra. Valencia, km 14. Complejo Valdemingomez - Madrid. Spain | Urban solid waste treatment | Deloitte | 100.00% | Proportional | 19,580 |

Consolidated Financial Statements

Appendix III. Associates

| Company | Address | Activity | Auditor | % Effective Ownership | Data on the investee (100%) | | | | |
|--|---|---|--|-----------------------|-----------------------------|-------------|-------------|------------|---------------------|
| | | | | | Assets | Liabilities | Equity (**) | Revenue | Profit for the year |
| PARENTS | | | | | | | | | |
| Admirabilia, S.L. | Avda. de Pio XII, 102. 28036 Madrid. Spain | Holding company | Deloitte | 99.00% | 1,195,329 | 659,989 | 535,339 | 23 | - |
| Hochtief Aktiengesellschaft (*) | Essen. Germany | Construction y Concessions | Deloitte | 27.25% | 12,550,277 | 9,238,348 | 3,311,929 | 18,166,081 | 195,222 |
| Trebol International, B.V. | Avda. de Pio XII, 102. 28036 Madrid. Spain | Holding company | - | 1.00% | 1,795,070 | 881,080 | 913,990 | - | 9,611 |
| CONSTRUCTION | | | | | | | | | |
| ACS Sacyr Chile, S.A. | Avda. Vitacura, 2939, ofic. 1102. Las Condes. Santiago de Chile. Chile. | Construction | Ernst & Young | 50.00% | 1,481 | 1,345 | 136 | - | (13) |
| Blue Clean Water, LLC. | 150 Meadowlans PKWY, Secaucus. New Jersey 07094.U.S.A. | Construction | - | 41.00% | - | - | - | - | - |
| Central Greece Motorway Concession, S.A. | Municipality of Athens, 87 Themistokleous, 10683 Athens. Greece | Concessions | Price waterhouse &Coopers | 33.33% | 619,744 | 686,948 | (67,204) | 1,023 | - |
| Citic Construction Xinlong Contracting Co., Ltd. | Xidaqiao Lu,69. Distrito Miyun.Beijing. China. | Construction | - | 50.00% | 1,702 | - | 1,702 | - | - |
| Cleon, S.A. | Avda. General Perón, 36 1º-28020 Madrid. Spain | Real State development | KPMG | 25.00% | 130,919 | 30,375 | 100,544 | - | (348) |
| Constructora Comsa Dragados, S.A. | Avda. Vitacura, 2939, ofic. 2201. Las Condes. Santiago de Chile. Chile. | Construction | Servicios Empresariales Novarum Ltda. | 50.00% | 11,246 | 12,822 | (1,576) | 15,110 | (1,959) |
| Corfica 1, S.L. | C/ Los Vergos, 26-5º. 08017 Barcelona. Spain | Construction | - | 50.00% | 65 | 1 | 64 | - | - |
| Draga, S.A. | Crta.de la Comella, 11, Edif.Cierco AD500. Andorra | Construction | Deloitte | 50.00% | 3,544 | 2,813 | 731 | 5,804 | (240) |
| Dragados Besalco, S.A. | Avda. Vitacura, 2939, ofic. 1102. Las Condes. Santiago de Chile. Chile. | Construction | KPMG | 50.00% | 21,102 | 26,397 | (5,295) | 20,584 | 321 |
| Dragados Fomento Canadá, S.A.L. | Queen Street, 570 Fredericton NB. Canada | Construction | - | 50.00% | 8,859 | 12,110 | (3,251) | 3,756 | (676) |
| Dravo, S.A | Plaza de Castilla, 3 Piso 21-A. 28046 Madrid. Spain | Construction | Ernst & Young | 50.00% | 44,410 | 29,944 | 14,466 | 68,324 | 6,949 |
| Elaboración de Cajones Pretensados, S.L. | Avda. general Peron, 36. 28020 Madrid. Spain | Construction | - | 50.00% | 100 | 96 | 4 | - | - |
| Empresa Mantenimiento y Explotación M-30, S.A. | C/ Méndez Alvaro, 95. 28053 Madrid. Spain | Concession for M-30 ringroad maintenance and operation activities | Deloitte | 50.00% | 301,239 | 295,593 | 5,646 | 25,793 | 1,002 |
| Gaviel, S.A. | Paseo de Gracia, 29. 08007 Barcelona. Spain | Real State development | - | 50.00% | 1,298 | 3 | 1,295 | - | (5) |
| Juluna, S.A. | C/ Sornj, 3 bajo. 46004 Valencia. Spain | Real State development | - | 24.45% | 846 | - | 846 | - | (50) |
| Logitren Ferroviaria, S.A. | Avda. Blasco Ibañez, 18. 46010 Valencia. Spain | Railway transport | - | 33.33% | 1,096 | 771 | 325 | - | (450) |
| SDD Shanganagh (Water Treatment) Limited | Wilton Works, Naas Road, Clondalkin. Dublin 22. Ireland | Construction and environment | - | 50.00% | 6,977 | 6,973 | 4 | - | 4 |
| Supercor Orense, S.A. | C/ Benito Blanco Rajoy, 9. 15006 La Coruña. Spain | Real State development | - | 35.00% | 4 | - | 4 | - | - |
| INDUSTRIAL SERVICES | | | | | | | | | |
| ABL CME Advanced Communications | Riad Arabia Saudi | Communications | - | 37.50% | 489 | 215 | 274 | - | (125) |
| Afta, S. A. | Nucleo Central, 100 Tagus Park, 2780. Porto Salvo. Portugal. | Purchase/sale of assets | Revisor Oficial de Contas (Julio Alves, Mário Baptista e Associados) | 24.84% | 3,898 | 2,538 | 1,360 | - | (23) |

(*) Data at December 31, 2009 because Hochtief Aktiengesellschaft hadn't released its financial statements at December 31, 2010 at the moment of the elaboration of ACS Group's Consolidated Annual Accounts.

(**) Non-controlling interests not included.

| Company | Address | Activity | Auditor | % Effective Ownership | Data on the investee (100%) | | | | |
|--|---|---|-----------------------------------|-----------------------|-----------------------------|-------------|-------------|---------|---------------------|
| | | | | | Assets | Liabilities | Equity (**) | Revenue | Profit for the year |
| Atlântico-Concessões Transp Energia do Brasil LTDA | Rua Marcos Macedo 1333 sala 1410 Ed. P tio D.Luiz Torre II. 60150-190.Fortaleza. Brazil | Energy transport | - | 25.00% | - | - | - | - | - |
| Brilhante Transmissora de Energias, S.A. | Avd.Marechal Camera, 160 sala 1621.Rio de Janeiro. Brazil | Energy transport | - | 50.00% | 79,556 | 80,130 | (574) | 49,105 | (647) |
| C.I.E.R. S.L. | Pol Ind. Las Merindades Calle B s/n 09550 Villarcayo. Burgos. Spain | Electricity generation | - | 50.00% | 11 | 3 | 8 | - | - |
| Cachoeira Paulista Transmissora de Energia, S.A. | Rue Marechal Camera,160. Rio de Janeiro. Brazil 20020 | Electrical services and assemblies | Deloitte | 33.00% | 89,444 | 41,919 | 47,525 | 22,596 | 8,776 |
| Cme Marrocos | 332 Bd. Brahim Roudani 12 Ma rif. Casablanca 01. Morocco | Performance, maintenance and operation of various works | Deloitte | 74.54% | 485 | 998 | (512) | - | - |
| Concessionaria Jauru Transmissora de Energia | Rua Marechal Camara,160. Sala 1534 Rio de Janeiro. Brazil | Concessions | Deloitte | 33.00% | 135,563 | 55,496 | 80,067 | 9,128 | (1,996) |
| Consorcio de Telecomunicaciones Avanzadas, S.A. | Av Juan Carlos I, 59-6. Espinardo. Murcia. Spain | Telecommunications | - | 10.52% | 2,574 | 112 | 2,462 | 376 | 263 |
| Desarrollos Energéticos Asturianos, S.L. | Pol.Industrial Las Merindades calle B, s/n. 09550 Villarcayo. Burgos. Spain | Electricity generation | - | 50.00% | 513 | 44 | 468 | - | (3) |
| Dora 2002, S.L. | C/ Monte Esquinza, 34. 28010 Madrid. Spain | Holding company | - | 45.39% | 47 | - | 47 | - | - |
| Electey de Castilla La Mancha, S.A. | Villalar, 1 1º dcha. 28010 Madrid. Spain | Electricity generation | - | 42.00% | 47,671 | 41,820 | 5,851 | 9,104 | 1,453 |
| Electra de Montanchez, S.A. | Periodista Sánchez Asensio, 1. Cáceres. Spain | Production and sale of electricity | - | 40.00% | 321 | 20 | 301 | - | (34) |
| Energia de la Loma, S.A. | c/ Las Fuentecillas, s/n - Villanueva del Arzobispo. 23330 Jaén. Spain. | Electricity generation | - | 20.00% | 13,944 | 6,660 | 7,284 | 10,047 | 1,945 |
| Energias Alternativas Eólicas, S.L. | Gran Via Juan Carlos I, 9. 26002 Logroño. Spain | Electricity generation | - | 37.50% | 26,704 | 19,484 | 7,221 | 7,695 | 2,239 |
| Energias Renovables de Ricobayo, S.A. | Romero Girón, 4. 28036 Madrid. Spain | Electricity generation | - | 50.00% | 1,183 | 848 | 335 | 91 | 38 |
| Eolicaman, S.A. | Plaza Altozano, 2 2ºB. 02001 Albacete | Electricity generation | - | 40.00% | 501 | 31 | 469 | - | (28) |
| Equipamentos Informaticos, Audio e Imagem, S.A. | Rua Helder Neto, 87. Malanga. Luanda. Angola. | Computer services | - | 16.88% | - | - | - | - | - |
| Escal UGS, S.L. | C/ San Francisco de Sales, Nº 38-1º Plta. Madrid. Spain | Storage of natural gas and other gaseous hydrocarbons | Deloitte | 66.67% | 796,537 | 773,282 | 23,255 | - | 4 |
| Explotaciones Eólicas Sierra de Utrera, S.L. | Príncipe de Vergara. 28006 Madrid. Spain | Electricity generation | - | 25.00% | 18,662 | 6,818 | 11,844 | 7,140 | 2,971 |
| Hospec, S.A. | Tamer Bldg., Sin El Deirut. Lebano | Imports and exports | - | 50.00% | 28 | 55 | (27) | - | - |
| Incro, S.A. | Serrano, 27. 28016 Madrid. Spain | Engineering | - | 50.00% | 14,001 | 11,968 | 2,033 | 7,698 | 1,856 |
| Interligação Elétrica de Minas Gerais, S.A. | Rua Bela Cintra 847-3º andar. Sao Paulo. Brazil | Electricity concession | Assurance Auditores e Consultores | 40.00% | 61,660 | 29,861 | 31,799 | 2,033 | (1,191) |
| Interligação Elétrica Norte e Nordeste, S.A. | Av. Marechal Camara 160 sala 1833 y 1834. 20030-020 Rio de Janeiro. Brazil | Electrical facilities | Assurance Auditores e Consultores | 25.00% | 252,347 | 110,279 | 142,068 | 9,883 | (1,279) |
| Interligação Elétrica Sul, S.A. | Rua Casa do Ator, 1115, 8º andar Vila Olimpia. São Paulo. Brazil. | Electricity concession | - | 49.90% | 53,488 | 13,644 | 39,844 | 2,297 | 72 |
| JC Deaux Cevasa | Avda. de Aragón 328. 28022 Madrid. Spain | Advertising | - | 50.00% | 246 | 85 | 161 | 206 | 26 |
| Loma del Capón, S.L. | Loja.8. Albolote. 18220 Granada. Madrid. Spain | Electricity generation | - | 50.00% | 1,161 | 1,039 | 122 | - | - |

Consolidated Financial Statements

| Company | Address | Activity | Auditor | % Effective Ownership | Data on the investee (100%) | | | | |
|--|---|--|---|-----------------------|-----------------------------|-------------|-------------|---------|---------------------|
| | | | | | Assets | Liabilities | Equity (**) | Revenue | Profit for the year |
| Nordeste Transmisora de Energia, Ltda. | Av. Marechal Camara 160 sala 1833 y 1834. 20030-020 Rio de Janeiro. Brazil | Electricity concession | Assurance Auditores e Consultores | 49.99% | 174,487 | 99,409 | 75,078 | 34,213 | 5,567 |
| Parqa, S. A. | Rua Dr. António Loureiro Borges 9. Portugal | Construction and operation of parkings | Ernst & Young | 37.27% | 2,059 | 2,072 | (13) | 419 | 13 |
| Parque Eólico Región de Murcia, S.A. | Central, 12. 30007 Murcia. Spain | Electricity generation | - | 20.00% | 99 | 3 | 96 | - | (4) |
| Porto Primavera, Ltda. | Rua Marechal Camara,160. Rio de Janeiro. Brazil | Energy transport | Deloitte | 33.33% | 158,914 | 67,990 | 90,924 | 25,302 | 6,355 |
| Red Eléctrica del Sur, S.A. | Juan de la Fuente, 453 miraflores Lima. Peru | Energy transport | Price waterhouse Coopers | 23.75% | 43,973 | 31,693 | 12,280 | 9,994 | 3,230 |
| Sistema Eléctrico de Conexión Hueneja, S.L. | C/ Loja nº 8 Local 26. Albolote. Granada. Spain | Construction and operation of network interconnection installations | - | 24.35% | 28,955 | 29,987 | (1,032) | - | (819) |
| Sistema Eléctrico de Conexión Valcaire, S.L. | C/ Loja nº 8 Local 26. Albolote. Granada. Spain | Construction and operation of network interconnection installations | - | 29.79% | 286 | 175 | 111 | - | (34) |
| Sociedad Aragonesa de Estaciones Depuradoras, S.A. | Dr. Aznar Molina, 15-17. 50002 Zaragoza. Spain | Concessions-Actions in Area 07-A of special plan for purification of the Instituto Aragonés de Aguas | - | 40.00% | 25,276 | 20,207 | 5,069 | 2,031 | (384) |
| Sociedad de Aguas Residuales Pirineos, S.A. | Doctor Aznar molina, 15-17.50002 Zaragoza. Spain. | Infrastructures for the purification of water in the Pirineo | - | 37.50% | 4,277 | 2,137 | 2,140 | - | (43) |
| Somozas Energias Renovables, S.A. | Lg Iglesia,1. 15565 La Coruña. Spain | Electricity generation | Deloitte | 25.00% | 9,356 | 8,848 | 508 | 2,526 | 236 |
| STE - Sul Transmisora de Energia, Ltda. | Av. Marechal Camara 160 sala 1833 y 1834. 20030-020 Rio de Janeiro. Brazil | Electricity concession | Assurance Auditores e Consultores | 49.90% | 104,195 | 47,628 | 56,567 | 17,429 | 5,514 |
| Vila do Conde, Ltda. | Rua Marechal Camara,160. Rio de Janeiro. Brazil | Energy transport | Deloitte | 33.33% | 109,492 | 59,843 | 49,649 | 19,602 | 5,567 |
| Yotech | Mexico | - | - | 37.50% | - | - | - | - | - |
| ENVIRONMENT | | | | | | | | | |
| Aguas del Gran Buenos Aires, S.A. | C/ 48 Nº 877, piso 4 oficina 408. La Plata Provincia de Buenos Aires. Argentina | Water management | Dr. Santos Oscar Samaril (contador público) | 26.34% | 2,895 | 3,472 | (577) | - | (75) |
| Aseo Urbano, S.A. E.S.P. | Avda. Canal Bogotá, 7N-114 Zona Industrial. Departamento Norte de Santander. Cúcuta. Colombia | Street cleaning | Jaime Remírez Téllez | 50.00% | 47,628 | 34,728 | 12,901 | 46,216 | 1,928 |
| Betearte, S.A. | Colón de Larrategui, 26. Bilbao. Spain | Industrial waste | - | 33.33% | 13,825 | 13,099 | 726 | 111 | (588) |
| CITIC Construction Investment Co., Ltd. | Xidaqiao Lu, 69 Distrito Miyun - Beijing - China | Concessions | - | 50.00% | 5,085 | - | 5,085 | - | - |
| Demarco, S.A. | Alcalde Guzmán,18. Quilicura. Chile | Urban solid waste collection and street cleaning services | Gran Thornton | 50.00% | 13,414 | 10,035 | 3,379 | 16,057 | (277) |
| Desarrollo y Gestión de Residuos, S.A. (Degersa) | Avda. Barón de Carcer, 37. Valencia. Spain | Company established for Girsra privatisation | - | 40.00% | 22 | (0) | 22 | - | - |

(**) Non-controlling interests not included.

| Company | Address | Activity | Auditor | % Effective Ownership | Data on the investee (100%) | | | | |
|---|---|--|---|-----------------------|-----------------------------|-------------|--------------|---------|---------------------|
| | | | | | Assets | Liabilities | Equity (***) | Revenue | Profit for the year |
| Desorción Térmica, S.A. | C/ Velázquez, 105-5ª Plta. 28006 Madrid. Spain | Industrial waste | SCD Auditoría | 45.00% | 3,391 | 71 | 3,320 | 870 | (224) |
| Eco Actrins, S.L.U. | C/ Alcalde Luis Pascual, 17 Bajo Caudete (Albacete). Spain | Urban solid waste collection and treatment | Price Waterhouse Coopers | 50.00% | 2,774 | 1,526 | 1,248 | 3,346 | 115 |
| Ecoparc del Mediterrani, S.A. | Avda. Eduard Maristany, s/n. 08930 Sant Adrià de Besòs. Barcelona. Spain | Urban solid waste collection | Deloitte | 32.00% | 25,668 | 19,734 | 5,934 | 12,488 | 5,456 |
| Electrorecycling, S.A. | Ctra.BV 1224, Km. 6,750 El Pont de Vilomara i Rocafort. Barcelona. Spain | Services for collection, transport and treatment of waste | KPMG | 33.33% | 7,225 | 1,999 | 5,229 | 7,322 | 1,491 |
| Empresa Mixta de Limpieza, S.A. | Av. Logroño II, 10. 24001 León. Spain | Interior cleaning | Deloitte | 49.00% | 4,450 | 1,911 | 2,539 | 5,772 | 406 |
| Empresa Municipal de Aguas del Ferrol, S.A. | C/ Praza da Ilustracion, 5-6 Baixo. Ferrol. La Coruña. Spain | Water management | Audigal S.L. | 49.00% | 16,150 | 10,726 | 5,413 | 5,551 | (106) |
| Energías y Tierras Fértiles, S.A. | Pascual y Genís, 19. 46002 Valencia. Spain | Urban solid waste treatment | - | 33.36% | 63 | - | 63 | - | - |
| Entaban Biocombustibles del Pirineo, S.A. | Paseo Independencia, 28. Zaragoza. Spain | Biodiesel | Deloitte | 37.50% | 10,847 | 13,807 | (3,732) | 434 | (174) |
| Esteritex, S.A. | Avda. de Tenerife, 4-6. 28703 San Sebastian de los Reyes. Madrid. Spain | Hospital waste treatment | - | 50.00% | 2,638 | 2,644 | (6) | 1,458 | (96) |
| Gestión Ambiental Canaria, S.L. | Alejandro del Castillo, s/n. San Bartolomé de Tirajana. Las Palmas de Gran Canaria. Spain | Treatment of oils and marpoles | - | 50.00% | 908 | 688 | 990 | 1,726 | (27) |
| Gestión Medioambiental de L'Anoia, S.L. | C/ Viriato, 47. 08000 Barcelona. Spain | Inactive | - | 50.00% | 333 | 435 | (102) | - | (1) |
| Hércules International Towing Services, S.A. | Muelle Evaristo Fernandez, 28. (Ed. Remolcadores). 08039 Barcelona. Spain | Harbour towage | - | 37.97% | 147 | - | 147 | - | (0) |
| Huesca Oriental Depura, S.A. | Ctra. de Madrid, km. 315,800 Edif. Expo Zaragoza, 3 Ofic. 14. 50012 Zaragoza. Spain | Construction and operation of water treatment plant | - | 60.00% | 5,960 | 1,638 | 4,322 | - | - |
| Indira Container Terminal Private Limited | Indira Dock, Green Gate, Mumbai Port/Mumbai 400038 India | Construction and operation of container terminals | Ernst & Young, S.L. | 50.00% | 31,564 | 17,933 | 13,631 | 1,367 | (1,169) |
| International City Cleaning Company | Bordi Masser Lel-Siaha, Maydan. Al-Abbasia Aawan. Egypt | Urban solid waste | KPMG Hazem Hassan - Public Accountant & Consultants | 30.00% | 2,898 | 2,055 | 843 | - | (194) |
| Iquique Terminal Internacional, S.A. | C/ Esmeralda, 340 Oficina 720. Iquique. Chile | Port terminal | KPMG | 40.00% | 49,878 | 34,389 | 15,488 | 19,532 | 5,212 |
| KDM, S.A. | Alcalde Guzmán, 18. Quilicura. Chile | Dump transfer and management plant | Gran Thornton | 50.00% | 96,993 | 46,193 | 50,800 | 43,308 | 6,631 |
| Mac Insular, S.L. | Calle Julián Álvarez, nº 12-A-1º. Palma de Mallorca. Spain | Waste treatment | KPMG Auditores, S.L. | 8.00% | 65,322 | 52,828 | 12,494 | 21,454 | (1,718) |
| Multiservicios Aeroportuarios, S.A. | Avda. Manoteras 46, 28050 Madrid. Spain | Integral services at airports | Deloitte | 51.00% | 21,388 | 21,388 | 21,388 | 21,388 | 21,388 |
| Piligest, S.L. | Ctra.BV 1224, Km. 6,750 El Pont de Vilomara i Rocafort. Barcelona. Spain | Batteries management | - | 50.00% | 2,861 | 408 | 2,453 | 2,654 | 1,235 |
| Reciclados del Mediterraneo, S.L. | Paraje de los cabecicos, s/n - 03400 Villena (Alicante) Spain | Collection and treatment of waste | Price Waterhouse Coopers | 50.00% | 16,100 | 6,576 | 9,524 | 4,226 | (502) |
| Salmedina Tratamiento de Residuos Inertes, S.L. | Cañada Real de las Merinas, s/n. Cº de los Aceiteros, 101. Madrid. Spain | Waste treatment | BDO | 41.98% | 13,386 | 9,199 | 4,187 | 7,903 | 893 |
| Senderol, S.A. | Paraje de los cabecicos, s/n - 03400 Villena (Alicante).Spain | Holding company | - | 50.00% | 3,881 | 0 | 3,881 | - | (2) |
| Servicios Urbanos e Medio Ambiente, S.A. | Avda. Julio Dinis, 2. Lisboa. Portugal | Collection of urban solid waste, street cleaning, selective collection and dump management | Deloitte | 38.50% | 246,428 | 184,952 | 60,922 | 119,407 | 10,429 |

Consolidated Financial Statements

| Company | Address | Activity | Auditor | % Effective Ownership | Data on the investee (100%) | | | | |
|---|---|---|-------------------------------------|-----------------------|-----------------------------|-------------|-------------|---------|---------------------|
| | | | | | Assets | Liabilities | Equity (**) | Revenue | Profit for the year |
| Starco, S.A. | Alcalde Guzmán, 18. Quilicura. Chile | Collection of urban solid waste, street cleaning and dump management | Gran Thornton | 50.00% | 18,924 | 19,079 | (155) | 16,014 | (54) |
| Técnicas Medioambientales del Golfo, S.A de C.V. | Mier y Teran No. 260 4to piso en Cd Victoria Tamaulipas. Mexico | USW, environmental construction, hospital waste, industrial waste and water treatment | Mancera, S.C. Ernst & Young | 50.00% | 7,723 | 4,231 | 3,492 | 2,037 | (11) |
| Tirme, S.A. | Ctra. de Soller, Km 8,2. 07120 Son Reus. Palma de Mallorca. Spain | Urban solid waste treatment | KPMG Auditores, S.L. | 20.00% | 537,351 | 478,864 | 43,365 | 72,952 | 6,785 |
| Tractaments Ecologics, S.A. | Pl. La Vallada C/ Serra Fariols, 137 Berga - Barcelona - Spain | Waste treatment | Equipond Auditores, S.L. | 50.00% | 2,677 | 1,716 | 961 | 2,588 | 375 |
| Tratamiento Industrial de Residuos Sólidos, S.A. | Rambla Cataluña, 91. 08008 Barcelona. Spain | Collection and treatment of waste | Castellá Auditores Consultors, S.L. | 33.33% | 8,246 | 2,792 | 5,454 | 10,918 | 405 |
| Valdemingomez 2000, S.A. | Ayda. de Tenerife, 4-6. 28703 San Sebastian de los Reyes. Madrid. Spain | Veldemingómez degasification | Deloitte | 33.59% | 9,341 | 5,752 | 3,588 | 5,483 | (296) |
| Vertedero Las Mulás, S.L. | Camino de Las Mulás, s/n. 28945 Fuenlabrada. Madrid. Spain | Waste treatment | - | 50.00% | 14,570 | 14,610 | (40) | 4,325 | 176 |
| Zoreda Internacional, S.A. | C/ Rodriguez San Pedro, 5. Gijón. Asturias. Spain | Search for environmental business in Central and South America | - | 40.00% | 50 | - | 50 | - | (0) |
| CONCESSIONS | | | | | | | | | |
| Autovia de los Pinares, S.A. | Km 20.200 A-601. 47160 Portillo. Valladolid. Spain | Roads | Deloitte | 53.33% | 100,201 | 96,245 | 3,956 | 4,684 | (2,535) |
| Bidelan Guipuzkoako Autobideak, S.A. | Asti Auzoa, 631 B. 20800 Zarauz. San Sebastian. Spain | Roads | BSK Bask Consulting | 50.00% | 29,190 | 20,251 | 8,939 | 36,156 | 2,581 |
| Celtic Roads Group (PortLaoise) Limited | Toll Plaza Balgeen Co. Meath Ireland | Roads | KPMG | 33.33% | 292,091 | 328,435 | (36,344) | 6,813 | (7,111) |
| Celtic Roads Group (Waterford), Ltd. | Toll Plaza , Balgeen , Co. Meath Ireland | Roads | KPMG | 33.33% | 232,126 | 254,060 | (21,934) | 7,378 | (6,111) |
| Circunvalación Alicante, S.A.C.E. | Autopista AP 7.pk 703. Area Monforte del Cid. 03670 Monforte del Cid. Alicante. Spain | Roads | Deloitte | 50.00% | 474,453 | 478,347 | (3,894) | 6,397 | (15,491) |
| Concesionaria Aparcamiento La Fe, S.A. | Tres Forques, 149 Accesorio.46014 Valencia. Spain. | Parkings | - | 50.00% | 9,107 | 8,920 | 187 | - | (62) |
| Concesionaria Atención Primaria, S.A. | Plaza Es Fortí, 4, 1º.07011 Palma de Mallorca. Islas Baleares. Spain | Health centers | Deloitte | 49.50% | 13,907 | 11,144 | 2,763 | 695 | - |
| Concesionaria Hospital Son Dureta, S.A. | Pz. Es Forti 4 1º A Palma de Mallorca (Islas Baleares). Spain | Hospital concession | Deloitte | 49.50% | 320,420 | 309,719 | 10,701 | 16,160 | 22 |
| Estacionamientos El Pilar, S.A. | Avda de Tenerife 4-6. 28703 San Sebastián de los Reyes. Madrid. Spain | Parking operation | Deloitte | 50.00% | 10,341 | 2,778 | 7,563 | 3,270 | 1,277 |
| Gran Hospital Can Misses, S.A. | Calle Corona, S/N, (Casetas de Obra). 07800 Ibiza. Islas Baleares. Spain | Hospital | - | 40.00% | 15,285 | 11,665 | 3,621 | 1,939 | - |
| Hospital de Majadahonda, S.A. | C/ Joaquín Rodrigo, 2. 28220 Majadahonda. Madrid. Spain | Concessions | Deloitte | 55.00% | 265,023 | 245,521 | 19,502 | 36,826 | 3,721 |
| Infraestructuras y Radiales, S.A. | Ctra.M-100 Alcalá de Henares a Daganzo Km 6.300. 28806 Alcalá de Henares. Madrid. Spain | Roads | KPMG | 35.00% | 620,707 | 692,722 | (72,015) | 22,592 | (16,455) |
| Intercambiador de transportes Plaza de Castilla, S.A. | Avda. de América 2-17B. Madrid. Spain | Transfer station | Deloitte | 50.00% | 206,335 | 176,815 | 29,520 | 27,955 | 7,500 |
| Línea Nueve Tramo Cuatro, S.A. | Avinguda Josep Tarradellas, 34-36, 9º 08029 - Barcelona, Spain | Subway | Deloitte | 49.38% | 469,528 | 459,452 | 10,076 | 34,171 | 4,161 |
| Línia Nou Tram Dos, S.A. | Av. Josep Tarradellas, Num 34.Planta 4. Puerta D.08029 Barcelona. Spain | Railways | - | 50.00% | 495,574 | 493,129 | 2,445 | - | - |
| Metro de Sevilla Sdad Conce Junta Andalucía, S.A. | C/ Carmen Vendrell, s/n (Prolongación de Avda. de Hytasa) 41006 Sevilla. Spain | Railways | KPMG | 34.01% | 430,366 | 305,834 | 124,532 | 46,445 | 6,104 |

(**) Non-controlling interests not included.

| Company | Address | Activity | Auditor | % Effective Ownership | Data on the investee (100%) | | | | |
|---|--|-------------------|---------------|-----------------------|-----------------------------|-------------|-------------|---------|---------------------|
| | | | | | Assets | Liabilities | Equity (**) | Revenue | Profit for the year |
| Nea Odos Concession Societe Anonyme | Municipality of Athens; 87 Themistokleous; 10683 Athens. Greece | Roads | Deloitte | 33.33% | 394,323 | 341,643 | 52,680 | 74,626 | - |
| Nouvelle Autoroute 30, S.E.N.C. | 1 Place Ville-Marie 37e étage. Montreal. Quebec) H3B 3P. Canada | Roads | Deloitte | 50.00% | 663,248 | 773,267 | (110,019) | 36,042 | 2,543 |
| Pt Operational Services Pty, Ltd. | 1 Lavender Road Bon Accord 009. Sudáfrica | Roads | KPMG | 33.40% | 3,625 | 944 | 2,681 | 11,661 | 2,236 |
| Road Management (A13), Plc. | 24 Birch Street, Wolverhampton, WV1 4HY | Roads | Ernst & Young | 25.00% | 227,767 | 296,289 | (68,521) | 25,321 | (13,013) |
| Rotas do Algarve Litoral, S.A. | Av. Visconde Valmor, 66 4º. 1050-242 Lisboa Lisboa. Portugal | Roads | Mazars | 45.00% | 71,216 | 80,654 | (9,438) | - | - |
| Ruta de los Pantanos, S.A. | Carretera M-501; p.k. 10,200. 28670 Villaviciosa de Odón. Madrid. Spain | Roads | Deloitte | 33.33% | 82,388 | 80,640 | 1,747 | 12,528 | 2,355 |
| Serranopark, S.A. | Pza. Manuel Gómez Moreno, 2. 28020 Madrid. Spain | Parking | Deloitte | 50.00% | 146,535 | 128,475 | 18,060 | - | - |
| Sociedad Concesionaria Túnel San Cristóbal, S.A. | Avenida del Valle 945 oficina 3604. Ciudad Empresarial Huechuraba. Santiago de Chile. Chile. | Roads | Deloitte | 50.00% | 106,785 | 105,392 | 1,393 | 7,087 | (2,347) |
| Sociedad Concesionaria Vespucio Norte Express, S.A. | Av. Américo Vespucio Oriente 1305, Parque Enea, Pudahuel. Santiago de Chile. Chile. | Roads | Deloitte | 46.48% | 627,496 | 711,701 | (84,205) | 51,718 | (19,788) |
| Sociedad Hospital de Majadahonda Explotaciones, S.L. | C/ Joaquín Rodrigo, 2. 28220 Majadahonda. Madrid. Spain | Hospital operator | Deloitte | 55.00% | 16,886 | 13,960 | 2,926 | 23,353 | 1,231 |
| SPER - Sociedade Portuguesa para a Construção e Exploração Rodoviária, S.A. | Av. Visconde Valmor, 66 4º. 1050-242 Lisboa Lisboa. Portugal | Roads | Mazars | 49.50% | 99,180 | 115,318 | (16,138) | - | - |
| Tag Red, S.A. | Avda. Vitacura nº 2939 piso 8. Las Condes. Santiago de Chile. Chile. | Roads | - | 25.00% | 6 | 2,409 | (2,403) | - | - |
| TP Ferro Concesionaria, S.A. | Ctra. de Llers a Hostalets GIP-5107 p.k. 1, s/n 17730 Llers (Girona) Spain | Railways | Deloitte | 50.00% | 1,198,522 | 1,159,320 | 39,202 | - | - |
| Windsor Essex Mobility Group | 150 King Street West, Suite 805, P.O.Box 48, M5H 1J9 ON. Canada | Roads | - | 33.33% | 108,767 | 108,767 | - | - | - |
| Zachry American/ACS 69 Partners, LLC. | Corporation Trust Company, Corporation Trust Center, 1209 Orange Street. Wilmington New Castle. Delaware 19801. U.S.A. | Roads | - | 50.00% | - | - | - | - | - |

Consolidated Financial Statements

Appendix IV. Changes in the scope of consolidation

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

| | |
|---|--|
| Concesionaria Atención Primaria, S.A. | CITIC Construction Investment Co., Ltd. |
| Gran Hospital Can Misses, S.A. | Montaje de aparatos elevadores y mantenimiento, S.L. |
| Desarrollo de Equipamientos Públicos, S.L. | COICISA Industrial, S.A. de C.V. |
| Interligação Elétrica Sul, S.A. | Instalaciones y Servicios INSERPA, S.A. |
| Agua Energia e Meio Ambiente, Ltda. | Cobra Gibraltar Limited |
| Repotenciación C.T. Manzanillo, S.A. de C.V. | Cobra CSP USA, Inc. |
| Calidad e Inspecciones Offshore, S.L. | Semi Italia, SRL. |
| Drace USA, Inc. | Semi Polska |
| Dragados CVV Constructora, S.A. | ACS WEP Holdings, Inc. |
| Dragados Ireland Limited | Línia Nou Tram Dos, S.A. |
| P.E. Marcona, S.R.L. | Vadereli, S.L. |
| Eyra Instalaciones y Servicios, S.L. | Corporate Funding, S.L. |
| Urbaenergia Instalaciones y Servicios, S.L. | Grafic Planet Digital, S.A.U. |
| Ingeniería de Transporte y Distribución de Energía Eléctrica, S.L. (Intradel) | Windsor Essex Mobility Group |
| Hidráulica de Cochea, S.A. | Gestão de Negócios Internacionais SGPS, S.A. |
| FTG Fraser Transportation Group Partnership | Castellwind Asturias, S.L. |
| Sociedad Concesionaria Ruta del Canal, S.A. | Yetech |
| FTG Holdings, Inc. | ABL CME Advanced Communications |
| FTG Holding Limited Partnership | Atlântico-Concessões Transp Energia do Brasil LTDA |
| Consortio Dragados Compax Dos, S.A. | Small Medium Enterprises Consulting, B.V. |
| Tedagua Internacional, S.L. | Equipamentos Informaticos, Audio e Imagem, S.A. |
| Linhas de Transmissao de Montes Claros, Ltda. | LTE Energia, Ltda. |
| Citic Construction Xinlong Contracting Co., Ltd. | CME Perú, S.A. |
| Hidráulica San José, S.A. | Major Assets, S. L. |
| Fuengirola Fotovoltaica, S.L. | Concesionaria Angostura Siguas, S.A. |
| Consortio Sice-Comasca TLP, S.A. | Atlántica V Parque Eólico, S.A. |

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

| | |
|--|--|
| Igest, S.A. | Transmissão Itumbiara Marimbondo, S.A. |
| Visadrag Gas, Ltda. | Itumbiara Transmissora de Energia, Ltda. |
| Sistemas de Incineración y Depuración, S.L. (Sinde) | Serra da Mesa Transmissora de Energia, Ltda. |
| Logística y Transportes Ferroviarios, S.A. | Concesionaria Lt Triângulo, S.A. |
| SLPP-Serviços Logísticos de Portos Portugueses, S.A. | Concesionaria Serra Paracatu |
| Sadoport-Terminal Marítimo do Sado, S.A. | Concesionaria Ribeirao Preto |
| Masa Brasil, S.L. | Concesionaria Pocos de Caldas |
| Reciclados Integrales Argame, S.L. | Dragasa Pirinenca, S.L. |
| Infrastructure Concessions South Africa (Pty), Ltd. | TV Transit, S.A. |
| Bakwena Platinum Corridor Concessionaire (Pty), Ltd. | Dragados Servicios Portuarios y Logísticos, S.L. |
| WRC Operadores Portuarios, S.A. | Constructora Norte Sur, S.A. |
| TESC - Terminal Santa Catarina, S.A. | Grupo Comercializador del Sur, S.A. de C.V. |
| Portumasa, S.A. | Corp. Constructora del Sur, S.A. de C.V. |
| Drasel SARL | Ginés Navarro Construcciones, S.A. de C.V. |
| Expansión Transmissão Eléctrica Brasil | |

Companies with consolidation accounting criterion modification due to the application of the alternative considered in IAS 31, proceeding to apply the equity method at December , 31 2010 as opposed to the proportional consolidation method.

| | |
|--|--|
| Constructora Norte Sur, S.A. | Pilagest, S.L. |
| Dragados Fomento Canadá, S.A.L. | Electrorecycling, S.A. |
| Elaboración de Cajones Pretensados, S.L. | Senderol, S.A. |
| Dravo, S.A. | Reciclados del Mediterraneo, S.L. |
| ACS Sacyr Chile, S.A. | Eco Actrins, S.L.U. |
| Draga, S.A. | Desarrollo y Gestión de Residuos, S.A. (Degersa) |
| Empresa Mantenimiento y Explotación M-30, S.A. | Zoreda Internacional, S.A. |
| Dragasa Pirinca, S.L. | Técnicas Medioambientales del Golfo, S.A de C.V. |
| Constructora Comsa Dragados, S.A. | Gestión Ambiental Canaria, S.L. |
| Dragados Besalco, S.A. | Gestion Medioambiental de L'Anoia |
| Blue Clean Water, Llc | Demarco, S.A. |
| SDD Shanganagh (Water Treatment) Limited | Empresa Municipal de Aguas del Ferrol, S.A. |
| Citic Construction Xinlong Contracting Co., Ltd. | KDM, S.A. |
| Gaviel, S.A. | Aseo Urbano, S.A. E.S.P. |
| Corfica 1, S.L. | Starco, S.A. |
| Empresa Mantenimiento y Explotación M-30, S.A. | Servicios Urbanos e Medio Ambiente, S.A. |
| Montrasa Maessa Asturias, S.L. | Vertedero Las Mulas, S.L. |
| JC Deaux Cevasa | Esteritex, S.A. |
| Dinsa Eléctricas y Cymi, S.A. de C.V. | Empresa Mixta de Limpieza, S.A. |
| Incro, S.A. | Desorción Térmica, S.A. |
| Hospec, S.A.L. | Valdemingomez 2000, S.A. |
| Multiservicios Aeroportuarios, S.A. | Salmedina Tratamiento de Residuos Inertes, S.L. |
| Tractaments Ecologics, S.A. | |

Auditors' Report on Consolidated Financial Statements

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

Consolidated Financial Statements for the year ended 31 December 2010 and Directors' Report,
together with Independent Auditors' Report.

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain (see Notes 2 and 39). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
ACS, Actividades de Construcción y Servicios, S.A.:

1. We have audited the consolidated financial statements of ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries which comprise the consolidated statement of financial position at 31 December 2010 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended. As indicated in Note 2.1 to the accompanying consolidated financial statements, the Parent's directors are responsible for the preparation of the Group's consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework. Our work did not include an examination of the financial statements for 2010 of certain subsidiaries and associates whose aggregate assets, revenue and net results, in absolute terms, represent 12%, 15% and 7%, respectively, of the corresponding consolidated totals. The financial statements of these companies were audited by other auditors and, accordingly, our opinion as expressed in this report on the consolidated financial statements of ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries is based, with respect to the ownership interests in these companies, solely on the reports of the other auditors. These companies and their respective auditors are listed in Appendices I, II and III to the notes to the accompanying consolidated financial statements.
2. In our opinion, based on our audit and on the reports of the other auditors mentioned in the preceding paragraph, the accompanying consolidated financial statements for 2010 present fairly, in all material respects, the consolidated equity and consolidated financial position of ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries at 31 December 2010, and the consolidated results of their operations and their consolidated cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group.
3. The accompanying consolidated directors' report for 2010 contains the explanations which the Parent's directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2010. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of ACS, Actividades de Construcción y Servicios, S.A. and Subsidiaries.

DELOITTE, S.L.
Registered in ROAC under no. 80692

Javier Parada Pardo
10 March 2011

Historical Performance

| Consolidated income statement evolution | 2005 | 2006 | 2007 | 2008 | 2009 ⁽¹⁾ | 2010 | CAGR ⁽²⁾ 10/05 |
|--|-----------------|-----------------|-----------------|-----------------|---------------------|-----------------|---------------------------|
| Million of euros | | | | | | | |
| Revenues | 12,113.9 | 13,868.7 | 15,344.9 | 15,275.6 | 15,387.4 | 15,379.7 | 4.9% |
| Construction | 5,724.8 | 6,750.3 | 7,352.9 | 6,625.4 | 6,077.7 | 5,593.1 | -0.5% |
| Concessions | 13.8 | 26.1 | 35.8 | 66.1 | 73.5 | 110.2 | 51.5% |
| Environment | 2,406.5 | 2,458.6 | 2,834.9 | 2,413.8 | 2,469.8 | 2,561.8 | 1.3% |
| Industrial Services | 4,077.4 | 4,747.7 | 5,488.7 | 6,476.7 | 6,849.6 | 7,157.8 | 11.9% |
| Holding / Adjustments | (108.6) | (114.0) | (368.4) | (306.4) | (83.2) | (43.2) | -16.8% |
| EBITDA | 1,095.5 | 1,218.9 | 1,379.8 | 1,382.5 | 1,429.3 | 1,505.2 | 6.6% |
| Construction | 427.6 | 504.0 | 548.9 | 494.3 | 456.4 | 393.0 | -1.7% |
| Concessions | 7.5 | 6.9 | 1.5 | 23.2 | 18.0 | 33.8 | 35.2% |
| Environment | 346.2 | 324.7 | 381.5 | 314.8 | 304.1 | 310.9 | -2.1% |
| Industrial Services | 344.4 | 419.6 | 488.4 | 591.2 | 686.9 | 821.4 | 19.0% |
| Holding / Adjustments | (30.2) | (36.3) | (39.4) | (41.0) | (36.2) | (53.9) | 12.3% |
| EBIT | 817.4 | 942.5 | 1,056.7 | 1,042.7 | 1,073.9 | 1,099.3 | 6.1% |
| Construction | 358.6 | 422.7 | 460.3 | 410.9 | 378.6 | 321.4 | -2.2% |
| Concessions | 2.0 | (2.7) | (5.2) | 7.8 | 5.9 | 21.8 | 61.3% |
| Environment | 203.7 | 195.5 | 232.8 | 195.3 | 180.3 | 184.9 | -1.9% |
| Industrial Services | 285.9 | 364.7 | 412.5 | 471.9 | 547.8 | 627.7 | 17.0% |
| Holding / Adjustments | (32.8) | (37.7) | (43.7) | (43.2) | (38.5) | (56.6) | 11.5% |
| Net Profit | 608.7 | 1,250.1 | 1,551.1 | 1,805.0 | 1,946.2 | 1,312.6 | 16.6% |
| Construction | 239.1 | 282.1 | 310.3 | 275.0 | 241.4 | 220.4 | -1.6% |
| Concessions | 6.5 | (17.3) | 3.7 | 20.2 | (21.9) | (21.9) | - |
| Environment | 112.7 | 109.1 | 131.7 | 144.6 | 146.2 | 152.3 | 6.2% |
| Industrial Services | 179.2 | 222.6 | 264.9 | 316.7 | 346.7 | 399.5 | 17.4% |
| Listed Associates | - | 81.1 | 57.7 | 17.4 | 117.2 | 159.1 | - |
| Holding / Adjustments | 71.2 | 402.4 | 782.4 | 1,031.1 | 1,116.6 | 403.2 | 41.5% |

(1) 2009 data are presented applying IAS 31 and IFRIC 12 in comparable terms using the same criteria that in 2010 data.
(2) CAGR: Compound Annual Growth Rate.

| Consolidated balance sheet as of December, 31 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Million of euros | | | | | | |
| Fixed and other noncurrent assets | 8,488.2 | 14,018.1 | 32,265.7 | 37,837.5 | 17,505.7 | 19,422.3 |
| Property, plant and equipment | 2,356.0 | 2,917.2 | 18,294.2 | 5,207.6 | 4,435.9 | 1,469.1 |
| Intangible assets | 451.9 | 397.6 | 1,670.4 | 503.2 | 1,272.5 | 1,545.2 |
| Non-current financial assets | 5,317.9 | 10,227.5 | 10,299.7 | 7,081.7 | 9,888.8 | 11,007.4 |
| Other non-current assets ⁽¹⁾ | 362.3 | 475.8 | 2,001.4 | 25,045.0 | 1,908.5 | 5,400.7 |
| Goodwill | 1,047.6 | 1,086.6 | 2,950.4 | 1,132.6 | 1,108.4 | 1,149.4 |
| Working capital | (1,872.1) | (2,496.7) | (3,441.0) | (2,294.9) | (2,799.3) | (3,386.3) |
| Total Assets | 7,663.6 | 12,608.0 | 31,775.0 | 36,675.1 | 15,814.8 | 17,185.4 |
| Equity | 2,635.5 | 3,256.4 | 10,441.0 | 9,913.0 | 4,507.9 | 4,442.4 |
| Attributable equity to Parent Company | 2,480.9 | 3,115.7 | 4,653.8 | 3,402.4 | 4,219.6 | 4,178.5 |
| Minority interests | 154.6 | 140.7 | 5,787.3 | 6,510.6 | 288.3 | 263.8 |
| Other non-current liabilities⁽²⁾ | 763.5 | 605.3 | 4,759.5 | 17,406.3 | 2,217.6 | 4,739.9 |
| Non-current liabilities | 5,017.4 | 10,120.9 | 16,804.5 | 9,576.3 | 11,636.8 | 9,621.2 |
| Non-recourse project financing | 2,304.8 | 6,797.6 | 9,278.3 | 6,245.2 | 8,591.9 | 4,860.1 |
| Non-current bank borrowings | 2,712.6 | 3,323.3 | 7,526.2 | 3,331.0 | 3,044.9 | 4,761.1 |
| Current payables/ Current liabilities | (752.8) | (1,374.6) | (230.0) | (220.5) | (2,547.5) | (1,618.1) |
| Non-recourse project financing | 50.4 | 195.4 | 363.2 | 176.8 | 278.0 | 2,186.4 |
| Current bank borrowings | 1,242.1 | 1,237.7 | 3,479.3 | 3,968.8 | 2,103.6 | 2,150.3 |
| Other current financial assets | (1,277.4) | (1,880.9) | (1,420.9) | (2,185.1) | (2,757.9) | (3,502.2) |
| Cash and cash equivalents | (767.8) | (926.6) | (2,651.6) | (2,181.0) | (2,171.3) | (2,452.6) |
| Total Equity and Liabilities | 7,663.6 | 12,608.0 | 31,775.0 | 36,675.1 | 15,814.8 | 17,185.4 |

(1) In 2008, there is included "Non-current assets held for sale" accounted for 24,351 million of euros derived from the sale of Union's Fenosa stake. In 2009 there is included 1,177 million of euros related to SPL. In 2010 there is included "Non-current assets held for sale" accounted for 4,010.7 million of euros related to renewable energy assets, 152.6 million of euros related to Murcia desalination plan, 181.2 million of euros related to Brazilian transmission lines and 231.6 million of SPL assets.

(2) In 2008, there is included "Non-current liabilities held for sale" accounted for 15,931 million of euros derived from the sale of Union's Fenosa stake. In 2009 there is included 845 million of euros related to SPL. In 2010 there is included "Non-current liabilities held for sale" accounted for 3,294.7 million of euros related to renewable energy assets, 147 million of euros related to Murcia desalination plan, 83.4 million of euros related to Brazilian transmission lines and 65 million of SPL assets.



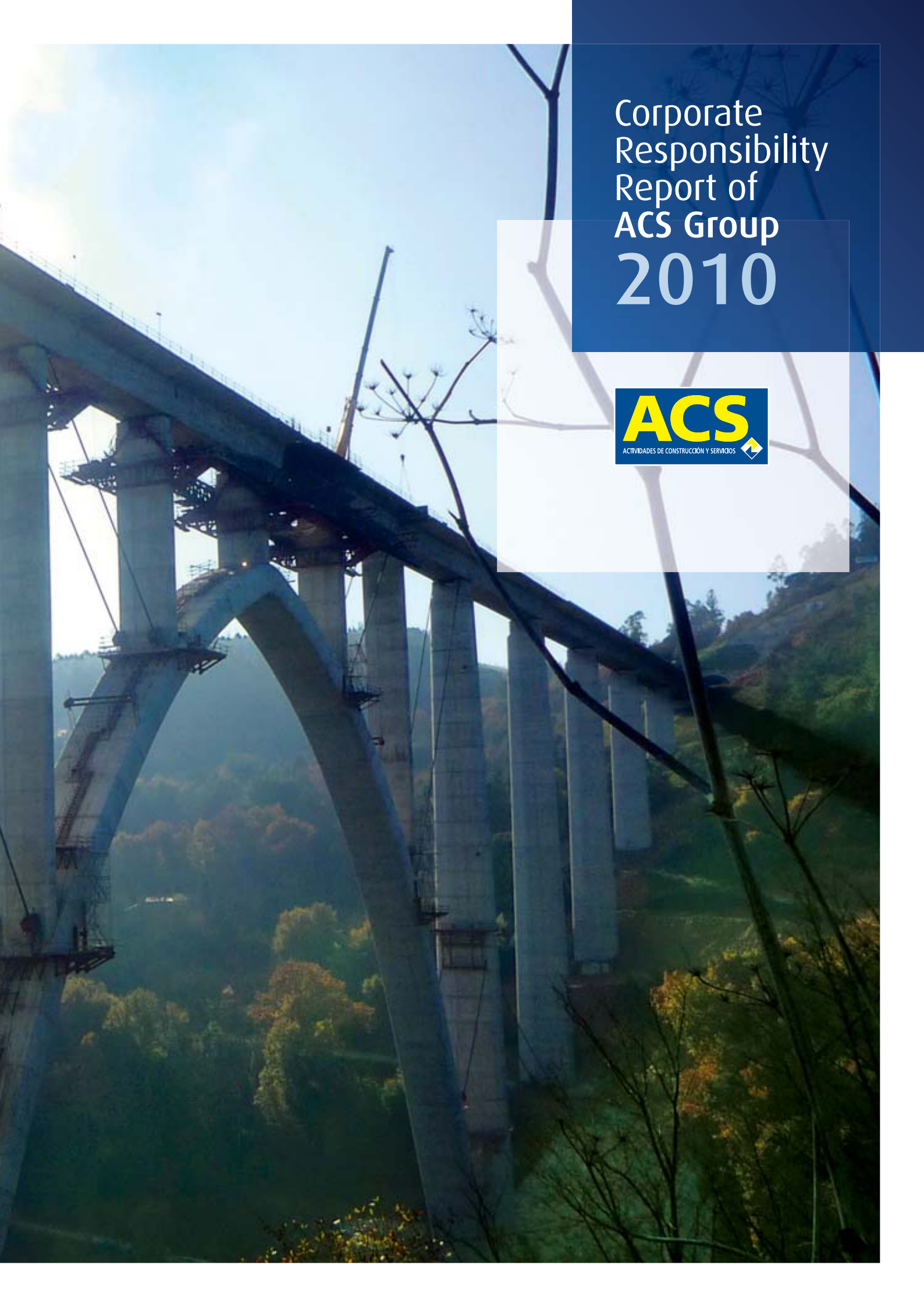




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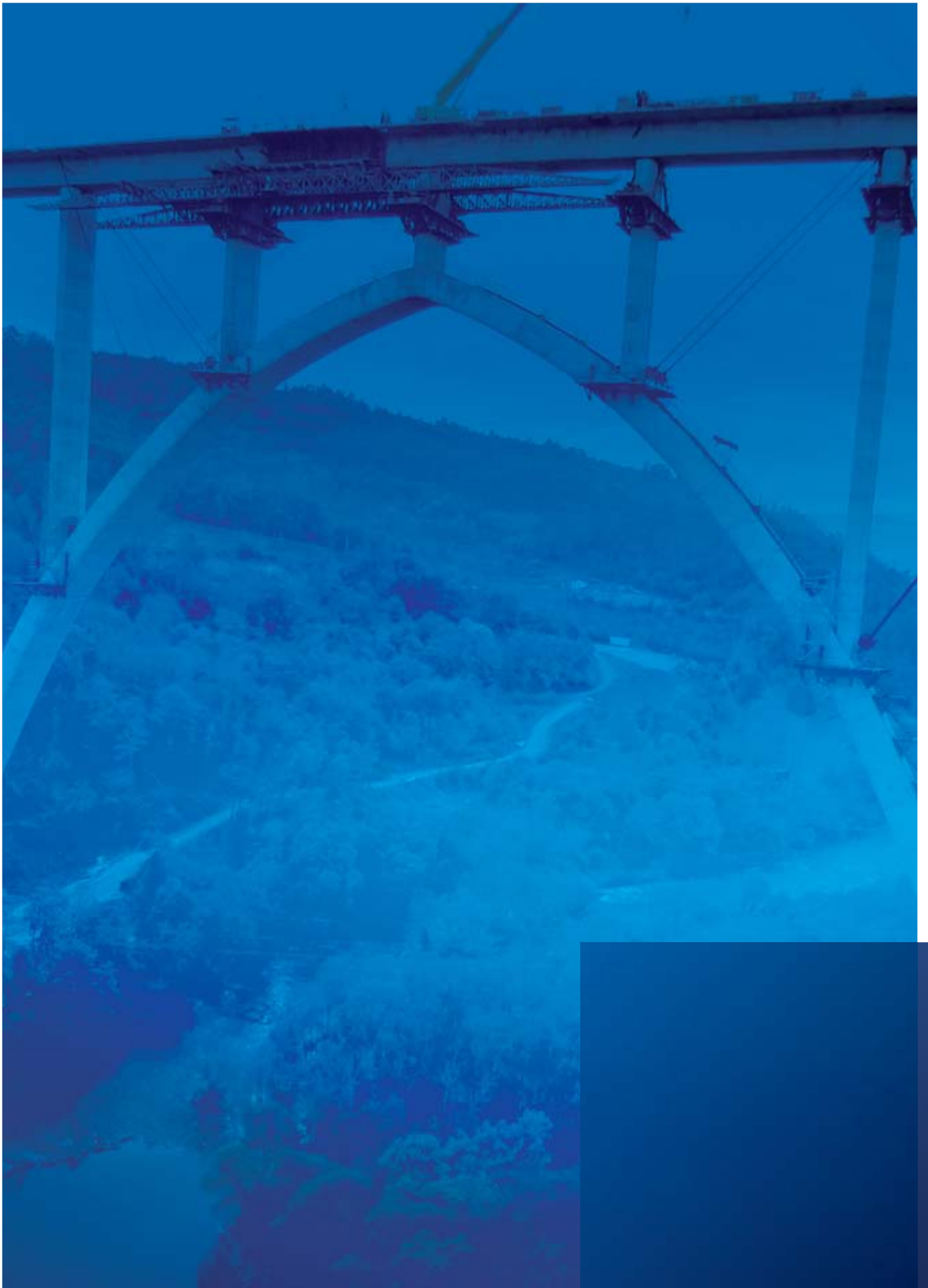
Cover photo: Viaduct over the Ulla River in the high-speed railway line between Orense and Santiago (Spain).

Corporate Responsibility Report of ACS Group 2010




























Corporate Responsibility Objectives of ACS Group for 2012

| Corporate Responsibility Objectives | 2009 | | | | 2010 | | | | 2012 Objective |
|--|--------------|-------------|---------------------|-----------|--------------|-------------|---------------------|-----------|--|
| | Construction | Environment | Industrial Services | ACS Group | Construction | Environment | Industrial Services | ACS Group | |
| Recurring earnings per share (%) | n.a. | n.a. | n.a. | 2.69 | n.a. | n.a. | n.a. | 3.08 | +10% annually (2012e=3.73) |
| Gross dividend per share (euros) | n.a. | n.a. | n.a. | 2.05 | n.a. | n.a. | n.a. | 2.05 | Maintain the per share figure (2012e=2.05) |
| % of clients satisfied or very satisfied | 80.00 | 89.23 | 80.60 | 85.75 | 85.00 | 87.13 | 81.85 | 85.62 | Maintain 85% (2012e≥ 85%) |
| Production certified under ISO 9001 (%) | 100.00 | 75.10 | 84.40 | 89.47 | 100.00 | 77.70 | 89.50 | 91.55 | +1 percentage point per year (2012e=93.5) |
| Production certified under ISO 14001 (%) | 80.00 | 68.69 | 76.42 | 69.86 | 80.00 | 71.05 | 81.81 | 71.69 | +1 percentage point per year (2012e=73) |
| Contribution to the company (million euros) | n.a. | n.a. | n.a. | 14,405 | n.a. | n.a. | n.a. | 17,542 | +5% per year (2012e=19,300) |
| Investment in training (euros/employee) | 175.06 | 28.55 | 171.63 | 84.58 | 175.88 | 25.65 | 184.42 | 87.66 | +5% per year (2012e=96.6) |
| Rate of construction and demolition waste recovery (%) | 58.50 | n.a. | n.a. | 58.50 | 65.10 | n.a. | n.a. | 65.10 | +3 percentage points per year (2012e=71%) |
| Investment in R+D+i/ recurring net profit (%) | n.a. | n.a. | n.a. | 5.18 | n.a. | n.a. | n.a. | 5.07 | Maintain 5% (2012e=5%) |
| CO ₂ emissions (t)/Production (million euros) | 10.83 | 733.52 | 11.74 | 127.00 | 10.29 | 708.73 | 17.54 | 130.00 | Reduction of 2 points per year (2012e=126) |
| Water Consumption/Production (m ³ /million euros) | 331.91 | 1,625.12 | 45.64 | 422.70 | 455.77 | 1,429.16 | 40.39 | 440.34 | Hold ratio below 420 |
| Frequency Rate | 23.37 | 57.88 | 51.55 | 51.25 | 20.16 | 57.20 | 44.16 | 49.05 | Reduce by 1 point per year (2012e=47) |
| Investment in social initiatives/ recurring net profit (%) | n.a. | n.a. | n.a. | 0,40 | n.a. | n.a. | n.a. | 0.39 | Hold the figure above 0.4% (2012e>0.4%) |



Corporate Responsibility Milestones in 2010

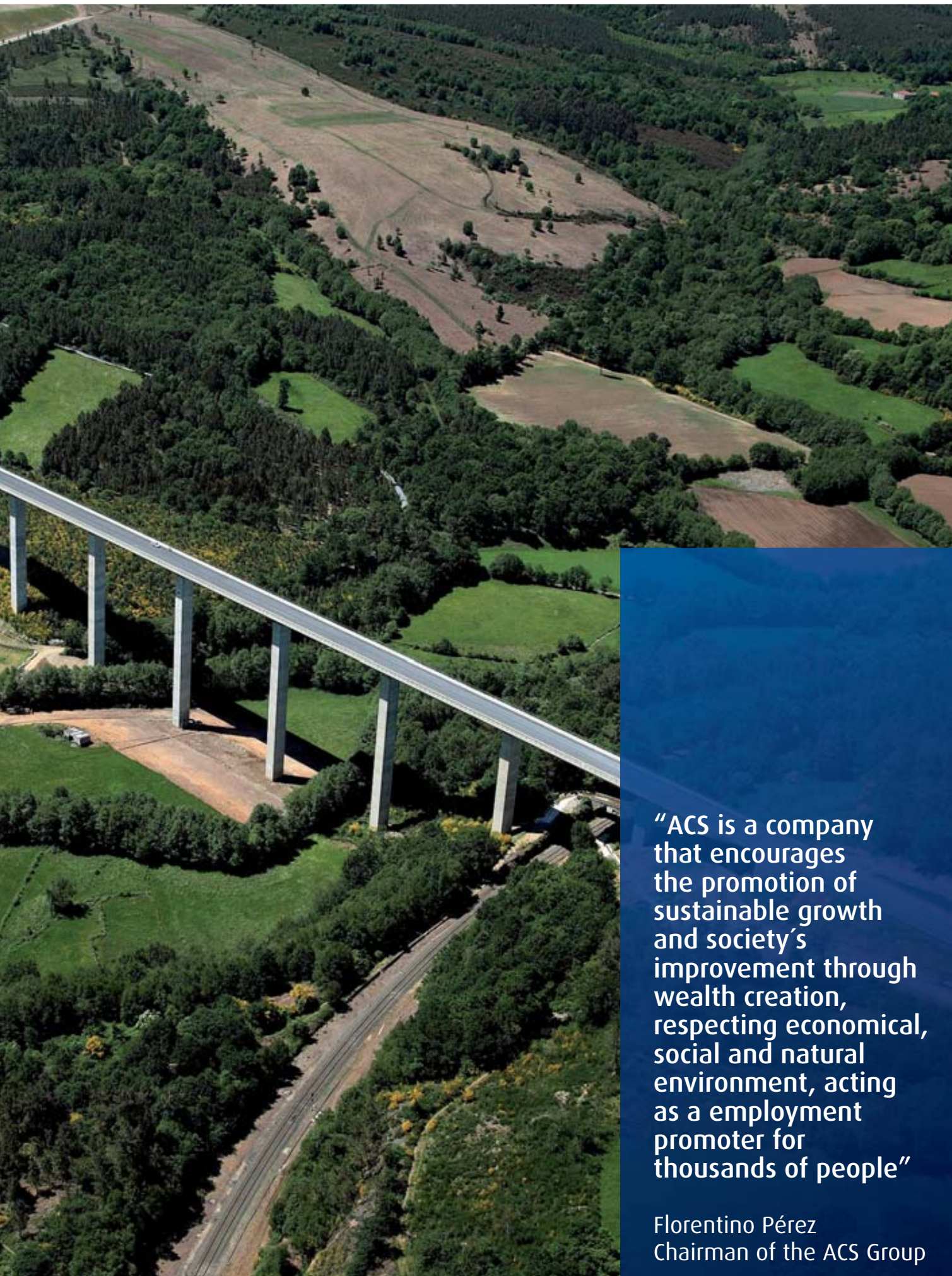
| | | Clients | Quality | Suppliers |
|---|---|---|--|---|
| Construction |  | 90.1% of clients say they are satisfied or very satisfied. | Improvement actions in 94% of works as a consequence of quality management plans. | New purchasing standard, including a section on the assessment of suppliers on risk prevention, quality and environment, including training for those responsible for purchasing. |
| |  | 90.1% of clients say they are satisfied or very satisfied. | Certification under the ISO 9001 standard for 99.4% of activity. | Use of 5% certified wood. |
| |  | 90.1% of clients say they are satisfied or very satisfied. | | Inclusion of the ACS Group's corporate ethics clause in the works purchasing standard. |
| |  | 90.1% of clients say they are satisfied or very satisfied. | Implementation of the FPS Quality System in 100% of works, using the PAC computer application. | Inclusion of the ACS Group's corporate ethics clause in all contracts. |
| |  | 90.1% of clients say they are satisfied or very satisfied. | Adaptation of the Quality System for partial integration with the newly-implemented R+D+i Management System. | Inclusion of social, environmental and ethical clauses in all purchasing contracts. |
| |  | 90.1% of clients say they are satisfied or very satisfied. | Implementation of a computer program for recording quality non-conformities in all offices. | Implementation of "Internal Regulations for Works Purchasing MNI-11", including clauses on business ethics. |
| |  | 90.1% of clients say they are satisfied or very satisfied. | Development of a computer tool for management through internal bid system processes. | Increase in people with disabilities hired for provision of services. |
| |  | Focusing of strategy on rapid response and project monitoring. | Implementation of a quality programme adapted to federal, local and state regulations. | Centralisation of Purchasing Management Systems for all areas. |
| |  | Consolidation of the Dragados brand in the Polish roads market. | | Development of comparisons for implementation of improvements in the supplier management system. |
| |  | | Updating of the "Design and Engineering" quality manual. | Contracting of an expert in supplier management. |
| |  | Increase in the number of bids accepted and reduction in bids rejected. | Ending the financial year with 9 ISO 9001, ISO 3834 and AQAP 2120 certificates for the Quality Management System. | Creation of a base of suppliers and subcontractors to reduce project execution time and increase Group profits. |
| |  | Achievement of the "Zero complaints" target. | Implementation of a Quality Management Programme in the project design phase. | Inclusion in contracts of a clause on equality of opportunities. |
| | Concessions |  | Improved client satisfaction assessment with respect to 2009. | Passing of the second monitoring audit of Iridium's quality system. |
|  | | Implementation of a contracting department aimed exclusively at private clients. | ISO 9001 certification for auxiliary social services. | Development of a Purchasing Transformation Project (implementation of systems and setting of objectives). |
| Environment |  | Improvement to the quality management system agreed with clients. | New ISO 9001 certifications in Industrial Waste Management in Retraoil and Dramar Andalucía. | Creation of an application for integral management of all the Urbaser Group's mobile machinery (GIM). |
| |  | Reduction of execution times in allocated works. | Certification of Tedagua's Quality System for the operation and maintenance activity for potable water collection, desalination, storage and distribution. | Standardisation of General Terms and Conditions for contracting and purchasing for all services, equipment and materials contracted in the Castor Project. |
| Industrial Services |  | Definition and implementation in all work centres of a CRM for collecting information related to clients. | Implementation of the MANTIS computer tool for the handling of incidents in projects. | Coordination of suppliers by unifying agreements on prices and payment periods. |
| |  | New method for continuous assessment of client opinions and satisfaction. | ISO 9001 certification for the "disassembly and disposal works for materials containing asbestos" activity. | Integration of the Purchasing Management Process in the NAVISION computer system. |
| |  | New annual online satisfaction survey. | Expansion and reactivation of channels for communication with clients. | Assessment of human rights risks from the supply chain according to the Spanish Network for the Global Compact. |
| |  | Annual report on client satisfaction. | Implementation of the Quality Management System in Waste Water Purification Station activities. | Execution of joint projects with key suppliers. |
| |  | | | |
| |  | Continual increase in the client satisfaction index. | ISO 9001 certification of CYMI's Portugal subsidiary. | |
| |  | New contracts with recurring clients. | | Inclusion in all orders of an electronic invoicing clause. |
| |  | Client satisfaction surveys and direct interviews. | ISO 9001 certification for all MASA's activities in Mexico. | |
| |  | | ISO 9001 certification of Intecsa Industrial's international offices in Saudi Arabia and Abu Dhabi. | Integration of the joint Intecsa-Initec Construction Department to drive synergies. |
| |  | Increased focus on work with the client. | Adaptation of the Integrated Quality, Environment and Health and Safety Management System manual and procedures to the new Document Management tools. | Study and assessment of the market potential of available suppliers in Uzbekistan for combined cycle supply. |
| |  | Design, installation and consolidation of a document management tool for subcontractor management. | Certification of new activities under the ISO 9001, ISO 14001 and OHSAS 18001 standards. | Introduction of fair trade products in 4 Group centres. |
|  | Optimisation of the use of resources in the bids department. | ISO 9001 certification in the Cameroon Fishing School project. | | |

| R+D+i | Environment | People | Safety |
|--|---|---|--|
| Member of the European Construction Technology Platform (ECTP) Executive Committee. | Application of an Energy Efficiency Plan in central offices. | Implementation of the Equality Plan in the company, in addition to a protocol against workplace harassment and a code of action. | 49% reduction in subcontractors' fatal accidents on works. |
| Over 40% increase in R+D+i investment. | Development of a system for measurement of greenhouse gases in suppliers and subcontractors. | | Development of a project on a Management and Control System for access to works by means of radiofrequency identification. |
| Global Water Intelligence award to the Barcelona Seawater Desalination Plant as the year's best desalination plant. | System of KPIs as regards sustainability for the Shanganagh waste water purification station. | | Reduction of total accidents by 55%. |
| Certification of the R+D+i Management System according to the UNE-166002 Standard. | Implementation of the FPS Environmental Management System in 100% of works, using the PAC computer application. | | Reduction of accidents by 22.5% more than the target set. |
| Development, implementation and certification of the R+D+i Management System according to the UNE 166002 Standard. | Implementation of a procedure to obtain environmental indicators for works. | | No serious accidents by own and subcontracted personnel in work and assembly centres. |
| Increase in the number of international patents. | Implementation of a computer application for monitoring the Management Plan related to the Environment. | | Recycling of risk prevention training in 20% of the workforce. |
| Systematisation of R+D+i project management. | Use of paper with sustainable forest certification. | | Reduction of the Severity Index by 30%. |
| | | | |
| | Obtaining of the environmental license for the construction of an asphalt mixing plant. | | Implementation of the Risk Prevention Management System and training programme for employees. |
| | Implementation of actions for recycling of paper, plastic and glass. | | No occupational diseases in 2010. |
| Implementation in TECO of a CIPP hardening technology to achieve improved parameters in products. | Implementation of improvements in waste management thanks to intensification of internal audits. | | Reduction of workplace accidents by 9% . |
| | Training and certification of own personnel for the prevention of environmental impact. | | Reduction in the rate of days lost by 23%. |
| | | | Achievement of targets as regards the incident index and days lost. |
| Execution of the FOTsis (European Field Operational Test on Safe, Intelligent and Sustainable Road Operation) Project. | Development of an Energy Efficiency tool in the Serrano Park concession. | | |
| Obtaining of the UNE 16001:2010 certificate. | Implementation and certification of the central office as regards Energy Efficiency. | New management by competencies model (Performance Assessment for Service Managers). | Reduction of the incidence of professional diseases by 75%. |
| Development of the Technology Watch Platform. | Use of biodiesel, from used domestic oil, as a fuel in the waste collection activity. | Setting up of a special employment centre (70% of the workforce with some degree of disability). | Full execution of the internal auditing programme. |
| Development of a new model for studying new configurations for thermal electric solar power plants. | Implementation of the Environmental Emergency Plan for own personnel and subcontractors. | Extension of the internal Human Resources Information System (People Net). | Achievement of frequency index and severity index targets in 88.3% of locations. |
| Start up of the PLANET project for deployment and management of wireless sensor networks in environmental applications. | Expansion of 16.62% in production certified under the Environmental Management System. | Collaboration with the ONCE Foundation for inclusion of people with disability in the labour market. | 26% reduction in work accidents occurring in the organisation with respect to 2009. |
| Development of the company's first high temperature cable laying. | Certification for the "disassembly and disposal works for materials containing asbestos" activity under the ISO 14001 Standard. | Signing of agreements with Vocational Schools for occupational training to include young people at risk of social exclusion in practices. | Certification of the occupational risk prevention management system under the OHSAS 18001 Standard. |
| | Reduction in CO2 from fuel consumption in the Group's vehicles by 36%. | New personnel competence and training model. | Certification of the subsidiary TESCA, in Ecuador, with the OHSAS 18001 Standard. |
| Integration in CIAC (Andalusian Research Centre for Sustainable Construction). | Implementation of an Environmental Management System in Waste Water Purification Stations. | Inclusion of disabled people (2% of the workforce in many Group companies). | Reduction of the Incidence Index by 10.2%. |
| Sponsorship of the Advanced Technological Centre for Renewable Energy in Andalusia. | Monitoring of the impact on bird life in wind farms. | | |
| | Use of paper with environmental accreditations (EMAS, FSC Mixed Sources, EU flower, Nordic Swan, TCF Certification). | Performance and Potential Assessment of Technical-Administrative Personnel domestically and internationally. | 42% reduction in annual lost days. |
| Viability study for the design, construction and installation of offshore wind farms. | Environmental training for workshop workers. | Development and approval of the Equality Plan. | Creation and implementation of a computerised system for monitoring and closure of actions due to safety non-conformities. |
| | 5% reduction in fuel consumption for each production unit. | Implementation of a Labour Relations Manual for application in Spain in HR. | Certification of the Risk Prevention Management System in MASA Mexico under the OHSAS 18001 Standard. |
| Development of systems and methods to improve quality, effectiveness and efficiency of works. | ISO 14001 certification of Intecsa's international offices in Saudi Arabia and Abu Dhabi. | Increase in contracts with reduced working day to promote reconciliation of work and family life. | Zero accidents in projects classified as medium to high risk. |
| Contracting of a specialised consultancy company to give advice on R+D+i projects . | Reduction in energy consumption by means of facility modernisation and raising of personnel awareness. | Implementation of an assessment system for objective calculation of variable remuneration. | Creation of a system for compliance and comparison between works by means of formalisation of inspection and auditing reports. |
| Approval of the ADILUX project for research into the use of LED technology for adaptive regulation in Lighting Systems. | Certification of new activities under the ISO 9001, ISO 14001 and OHSAS 18001 standards. | Implementation of the Equal Opportunities Plan. | Reduction of lost days due to sick leave from workplace accidents by 58% |
| Project for the design and production of prefabricated housing as a solution in cases of emergency and for social housing. | Reduction of energy consumption in offices. | | Achievement of the target set as regards frequency index and severity index. |



Corporate Responsibility Report of ACS Group

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“ACS is a company that encourages the promotion of sustainable growth and society’s improvement through wealth creation, respecting economical, social and natural environment, acting as a employment promoter for thousands of people”

Florentino Pérez
Chairman of the ACS Group

Letter from the Chairman



We present our Annual Corporate Responsibility Report for another financial year. This document serves as a compendium of all our actions related to sustainability and includes a summary of our best practices in this field.

Firstly, I want to restate my conviction that this document is essential to be able to understand why ACS is a world leader in the development of infrastructures and why sustainability is part of our mission. We are a company which takes the promotion of sustainable growth and the improvement of society through generation of wealth very much to heart, respecting the economic, social and natural environment and acting as a platform for the employment of tens of thousands of people.

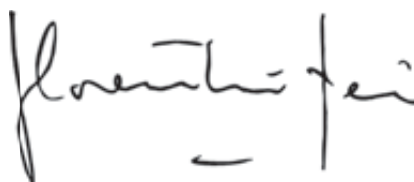
The ACS Group is changing profoundly. In a short time we have become one of the most important construction companies in the world, as regards both activity and geographical presence and also, undoubtedly, due to our technical and human capability. This position of leadership is accompanied by very significant responsibility: we have greater influence on society each year. This is the case, of course, through the projects we carry out or the services we provide, but also as a catalyst for wealth and wellbeing, as a creator of technical and technological knowledge and as a player committed to respect for the environment. This is a responsibility we accept with pleasure and we are ready to take on with guarantees.

For this reason, we made great efforts in 2010 to move to a more solid model for sustainability and for relation with our environment, appropriate to our business significance in the world infrastructure development industry. This sustainability model is based on our commitments to excellent performance: to promote the creation of value and integrity in carrying out our work, to progress in technological development and innovation and to respect the natural and social environment in which we move.

So, in 2010 we initiated a global plan to drive sustainability in the Group, focused on three main aspects. Firstly, the expansion and universal use of our code of conduct, to adapt it to our most international and multicultural reality; secondly, the implementation of a systematic analysis of risks to the Group's reputation; and thirdly, the definition and implementation of a broad, but detailed, policy to aid in the fight against climate change, to promote energy efficiency and water saving in our activities and respect for biodiversity.

This integral plan has received the support and effort of the whole organisation, with the participation of over one hundred function managers from the Group's main companies, who laid the foundations for our future leadership with their dedication. We have set ourselves ambitious, but achievable, objectives for the year 2012, which are to improve our management indicators and implement improvements in those areas where we have detected that they are necessary. These next two years will undoubtedly be the most exciting and interesting from the business point of view in ACS and, of course, also in the field of sustainability. By then, ACS will be a more global, bigger, more profitable and, of course, more sustainable Group.

I am convinced that the ACS Group makes sustainability a reality in carrying out its daily activity, so I hope you find the contents of the report you have in your hands interesting, as the efforts of the almost 140,000 people who work in the ACS Group every day with enthusiasm and full commitment are condensed in it.



Florentino Pérez
Chairman of the ACS Group

The ACS Group



Group's Profile Corporate Strategy



The ACS Group is positioned as a world leader in the infrastructure development industry, with a clear and defined mission:

To pursue global leadership, optimising the profitability of the resources employed and promoting sustainable development



Profitability and integrity, together with commitment to stakeholders, especially commitment to clients and operational excellence, are the ACS Group's identifying marks

The concept of sustainable development, specifically, is basic to understanding the ACS Group's Corporate Responsibility document. The improvement of society, generating wealth to guarantee the wellbeing of the citizens it serves, in the final analysis, is a primordial part of the ACS Group's mission.

The ACS Group's commitment to society is summarised in three fields of action:

- 1. Respect for the social, economic and environmental setting**
- 2. Promotion of innovation and research in its application to infrastructure development**
- 3. Creation of employment and wellbeing, as an economic motor for its stakeholders**

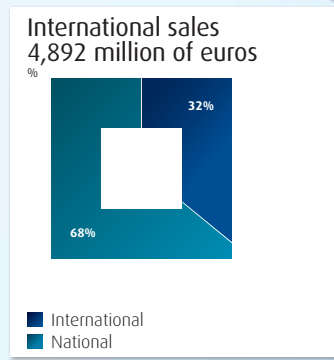
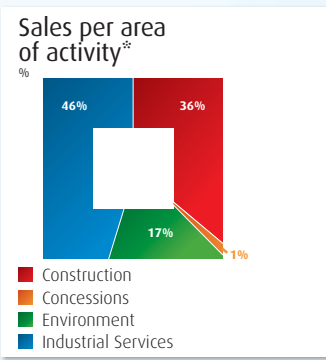
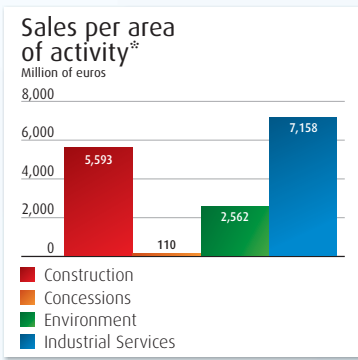
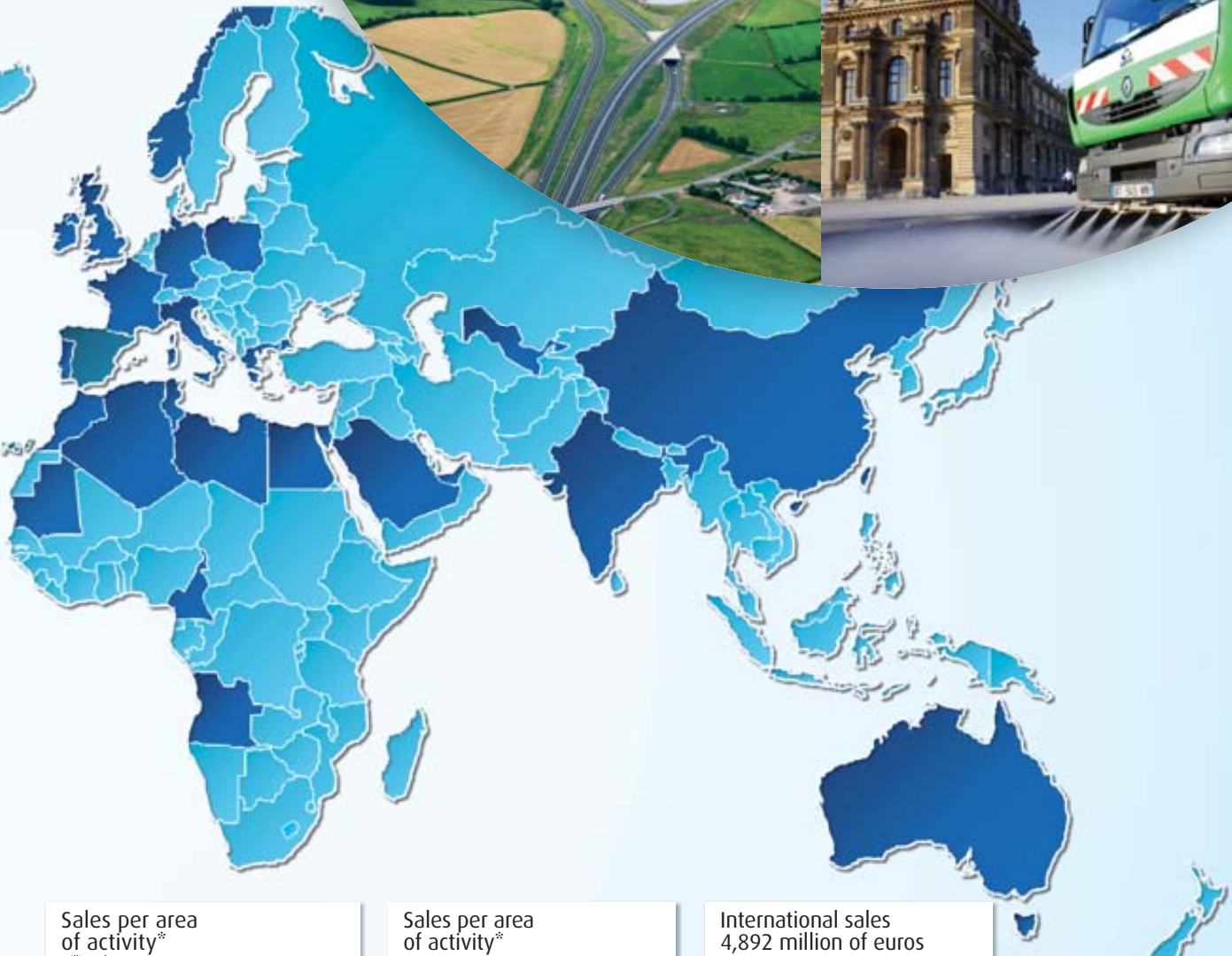
This performance and all the Group's activities are impregnated with the corporate values that ACS has developed over its nearly 30 years of history and form the basis of the actions of all the Group's employees:



The ACS Group

ACS Group is present in 41 countries
developing its activities





* Note: Not represented in the graphs, ACS has accounted 43 million euros as holding adjustments.

Total sales in 2010: 15,380 million of euros
Net profit 2010: 1,313 million of euros

The ACS Group



The ACS Group is a worldwide leader in the infrastructure development industry. The company operates in more than 40 countries, employs 107,382 employees in Spain and another 31,160 abroad, giving a total of 138,542. ACS is one of the companies with the largest number of employees in Spain.

In 2010, ACS had turnover of 15.38 billion euros, a sales figure which makes the company the fourth largest listed company in the world by revenue in the construction and infrastructure sector. It recorded net profit of 1,313 million euros, recurring net profit of 923 million euros and ended the year with an order book of 28,777 million euros, equivalent to nearly two years of activity.

In the Construction area, ACS mainly carries out civil works projects, as well as residential and non-residential building. The ACS Group's construction activity is based on the provision of services to third parties, both private and public clients, in countries where ACS has a consolidated local presence or where it carries out infrastructure concession

**ACS Group
employs in Spain
107,382 people,
being one of the
companies with
most employees.
Abroad employs
31,160 people,
up to a total of
138,542**



projects. The Construction area had turnover of 5,593 million euros in 2010 and employed 17,628 people, 12.72% of the total workforce.

The Concessions area carries out development and management activities for transport and social healthcare infrastructure concessions, such as hospitals, health centres and other public concessions, such as prisons, police stations and transport interchanges. Concessions had a turnover of 110 million euros in 2010, with a team of 346 employees, 0.25% of the total workforce.¹

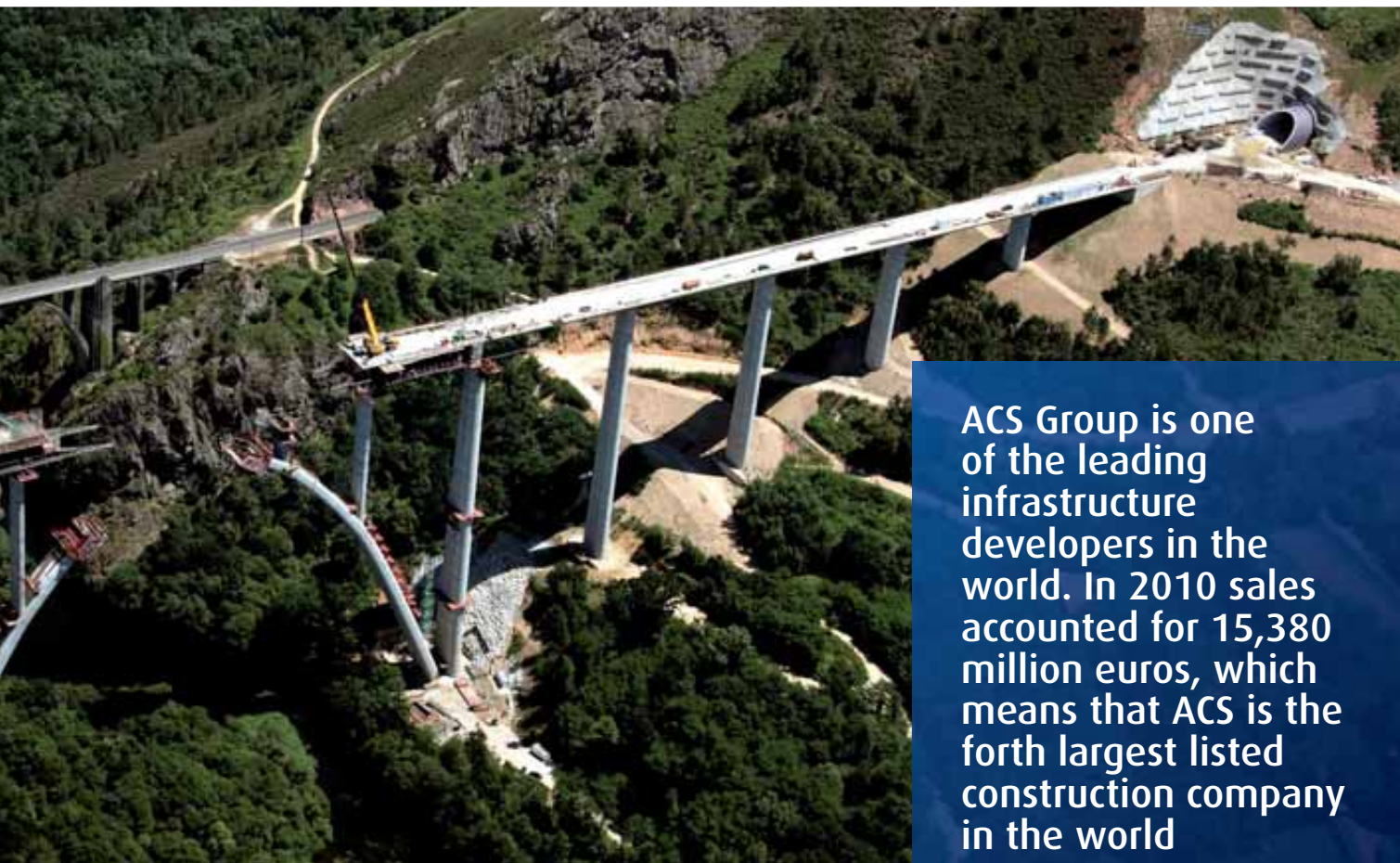
In turn, the Industrial Services area provides maintenance and support services to industrial clients, electricity, oil, gas and telecommunications companies. In addition, it carries out turnkey energy and industrial projects for its clients worldwide. This area had turnover of 7,158 million euros in 2010 and employed 39,988 people, 29% of the total employees.

The Environment area focuses its activity on the carrying out of solid urban waste collection, cleaning

and gardening services, as well as the management of large infrastructures for waste treatment and recycling, incinerating and biometanisation plants and also dumps. Additionally, it offers facility management services for buildings and infrastructures. Net sales totalled 2,562 million euros in 2010. A total of 80,524 employees participated in its activities, 58.12% of the Group total.

Lastly, the ACS Group invests in listed companies which carry out their activity in industrial fields related to the ACS Group's areas. It currently holds stakes in Abertis, Iberdrola and Hochtief, where ACS holds 10.3%, 20.2% and 36.2% of the share capital respectively, with the objective of contributing its experience and industrial nature as a reference shareholder.

¹ The ACS Group recognised 43 million euros of consolidation adjustments at the revenue level.



ACS Group is one of the leading infrastructure developers in the world. In 2010 sales accounted for 15,380 million euros, which means that ACS is the fourth largest listed construction company in the world

The ACS Group



ACS's Business Sustainability

The ACS Group has a decentralised structure based around its four areas of activity,

Construction,
Concessions,
Environment and
Industrial Services,

and carries out its activities through dozens of different companies. This multi-brand organisation encourages the Group's companies to compete and carry out their work independently, at the same time sharing common guidelines which add value for their clients.



Each of the ACS Group's companies is managed autonomously, with independent functional managements and flexible and sovereign executive bodies.

This organisation encourages:

- *Decentralisation.*
- *Reduced bureaucracy.*
- *Entrepreneurship.*
- *Competitiveness.*
- *Flexibility and ability to adapt.*
- *Diversity.*

Although all the ACS Group companies share the Group's values and culture, each operates in a standalone manner, contributing individually more than twenty valid and profitable management formulas thanks to the multiple factors involved in their decision making and which generate know-how and good practices which are also independent.

Therefore, contributions from a multitude of companies come together in the ACS Group's Sustainability effort, defining its policies for action autonomously and managing their resources in the most efficient manner possible, always covered by a common objective. Their special features are ACS's angular stone of business success and their Corporate Responsibility policy.

To face the immense challenge involved in coordinating the ACS Group's sustainability policy, the company's Corporate Responsibility area organises a series of annual conferences in the field of CSR.

To this effect, exhaustive information collection takes place, to which over 100 function managers contribute from the key areas in corporate responsibility: Environment, Human Resources, Quality, R+D+i, Clients, Suppliers and Health and Safety.

This process is supported by independent external consultants who incorporate improvements periodically, both at the functional and procedural levels. Furthermore, the ACS Group's Corporate Responsibility Report is prepared according to the GRI's A+ standard and is verified annually.



Each company of ACS operates autonomously maintaining the values and culture of the Group

Corporate Governance in the ACS Group

Ownership Structure

The ACS Group's share capital, at 31 December 2010, totalled 157,332,297 euros, represented by 314,664,594 fully subscribed and paid up shares, all of a single class and with the same rights.

The main shareholders in the ACS Group, considering as such those whose stake in the share capital exceeds 5% of the total, are those who, as at 31 December 2010, are shown in the following table:

| Shareholder's name or corporate name | Number of shares | Percentage of the total number of shares at December 2010 |
|--------------------------------------|------------------|---|
| Corporación Financiera Alba, S.A. | 73,339,232 | 23.31% |
| Corporación Financiera Alcor, S.A. | 43,613,139 | 13.86% |
| Inversiones Vesán, S.A. | 39,397,625 | 12.52% |
| Southeastern Asset Management, Inc | 20,357,056 | 6.47% |
| Fluxá Rosselló, Miguel | 17,741,012 | 5.64% |

Company Administration

It is laid down in the Company Bylaws and the Rules of the Board of Directors that the ACS Group will be governed by a Board of Directors made up of a minimum of eleven (11) and a maximum of twenty-one members (21).

As the ACS Group's decision-making body, it falls to the Shareholders' Meeting, at the proposal of the Board of Directors, both to set the exact number of members of the Board, within these limits, and to name the people to occupy these posts.

The composition of the Board of Directors is based on a proportional principle, by means of which the interests of all ACS's groups of shareholders are represented on the Board. In this way, at 31 December 2010, the ACS Group's Board of Directors was made up of 19 Board Members: 4 executive members, 9 members representing major shareholders, 5 independent members and 1 external member. The mission of these independent and external board members is to represent the interests of the free-float capital on the Board of Directors.

As regards the function of the Board of Directors, this acts jointly and is granted the broadest of powers to represent and govern the company as the body supervising and controlling its activity, but also with the capacity to assume the responsibilities and decision-making powers directly on the management of the businesses.

In particular, the Board of Directors fully reserves the authority to approve the following general policies and strategies:

- The investment and financing policy.
- Definition of the corporate group structure.
- Corporate governance policy.
- Policy for Corporate Responsibility.
- The strategic or business plan, as well as management targets and annual budgets.
- Senior executive management assessment and remuneration policies.
- The risk control and management policy, in addition to the periodic monitoring of internal information and control systems.
- The policy on dividends as well as on treasury stock and its limits.
- Related-party transactions, except in those cases anticipated by the Regulations.

For greater efficiency in its functions, a series of Commissions are constituted within the Board of Directors, the task of which consists of the control and monitoring of those areas of greatest importance for the good governance of the company. The Board of Directors is currently made up of three commissions: the Executive Commission, the Audit Committee and the Appointment and Remuneration Committee.

Within the ACS Group's transparency and information policy, the remuneration received by both the members of the Board of Directors and the Senior Executives during the financial year is shown in the Annual Corporate Governance Report.

Furthermore, substantial improvements were introduced in 2010 aimed at reinforcing the transparency and independence of the corporate governance system, making the necessary modifications to the Rules of the Board of Directors to adapt its procedures to practically all of the recommendations of the Unified Code of Good Governance.

Shareholders Rights and the Shareholders' Meeting

The operation of the Shareholders' Meeting and the rights of the shareholders are regulated in the ACS Group's Company Bylaws and in the Rules of the Shareholders' Meeting. According to Article 1 of the latter, the Shareholders' Meeting is the supreme body for the expression of the will of the company and its decision making.

As such, according to these Rules, the Group's shareholders represented in the General Shareholders' Meeting will decide all matters within the Meeting's powers by majority. This meeting will be made up of those holders of at least one hundred shares present or represented, such that holders of less than one hundred shares can group together to reach this number.

In addition, shareholders' attendance and voting rights are laid down in these Rules, by means of which egalitarian treatment is guaranteed for all, and a series of measures aimed at encouraging shareholders' participation in the General Meeting are included. As such, not only is delegation or representation of votes permitted during the Meeting, but the possibility of shareholders casting their vote remotely is also expressly laid down in Article 26 of the Company Bylaws. Furthermore, since the Ordinary General Shareholders' Meeting of 19 May 2005, the necessary procedures have been articulated for exercising the right to vote in advance remotely by internet or fax. The measures adopted by the Group to encourage attendance of the Meeting are positively reflected in their attendance percentages.

| Attendance at Shareholders' Meetings | 2009 Ordinary | 2010 Ordinary | 2010 Extraordinary |
|---|----------------------|----------------------|---------------------------|
| Shareholders Present | 208 | 213 | 115 |
| Quorum Shareholders Present | 7.66% | 19.44% | 19.93% |
| Shareholders Represented | 2,763 | 2,776 | 2,183 |
| Quorum Shareholders Represented | 70.88% | 58.22% | 57.11% |
| Quorum Total | 78.54% | 77.66% | 77.04% |

The ACS Group



Likewise, the shareholders' and investors' right to information is detailed in several parts of the Rules of the Shareholders' Meeting. Indeed, all the necessary information is made available to the shareholders prior to holding each Meeting, such that, in addition to the standard information provided by the company in the annual, half-yearly or quarterly reports, the Group maintains a website with all the fundamental data on it. Periodic meetings are also held with analysts for this information to reach both shareholders and the general market in the fairest, most symmetrical and efficient way possible.

The ACS Group not only sets up permanent communications channels with its shareholders and investors, but also ensures that all the information made available to them is truthful and rigorous. The Audit Commission reviews this information before it is transmitted to confirm that it is prepared in accordance with the professional principles, criteria and practices with which the accounts are prepared.

The ACS Group's Board of Directors has, over a number of years, also been promoting measures to guarantee the transparency of the company's action in the financial markets and to exercise as many functions as result from its position as a listed company on the stock exchanges. To this effect, we try to ensure that knowledge of relevant facts is restricted, until made public, to the minimum number of identified people.

Risk Control Systems

The ACS Group's risk control system is based on a range of strategic and operational actions which seek to mitigate risks in addition to fulfilling the objectives set by the Board of Directors.

The diversity and complexity of the sectors in which the Group carries out its activities involve a great variety of risks and the Corporation is responsible for defining the basic guidelines to homogenise operating criteria in each of the divisions and so guarantee an appropriate level of internal control. The companies and divisions of which ACS is made up are responsible for developing the necessary internal regulations so as to implement appropriate internal control according to the particular nature of their activity.

In order to be able to respond in the face of global and homogeneous risk, the Corporation has established a risk management model which includes the identification, assessment, classification, valuation, management and monitoring of risks at the Group and operating Division levels. Once risks have been located, a risk map is prepared which is systematically updated periodically.

In accordance with that explained above, the following risks have been identified:

- Operational risks, stemming from the Group's different businesses and which vary depending on the area of activity, but which, in short, are related to entering into contracts, planning and control of the execution of the works and projects, quality-related risks, environmental impact and risks related to international activities.
- Non-operational risks, which also stem from the different businesses the Group carries out, but which in this case relate to image, human resources, legal or regulatory matters, tax, financial matters and insurance coverage.

As indicated previously, the Group's risk control systems are common to all the Group's areas of activity, but organised according to a decentralised model, which enables each business unit to exercise its risk control and assessment policies in accordance with certain basic principles. These basic principles are the following:

- Definition of the maximum risk limits that may be assumed by each business in accordance with its

characteristics and its profitability expectations and which are implemented at the time contracts are entered into.

- Establishment of procedures to identify, approve, analyse, control and report the different risks for each business area.
- Coordination and communication to ensure that each business area's risk policies are consistent with the Group's overall risk strategy.

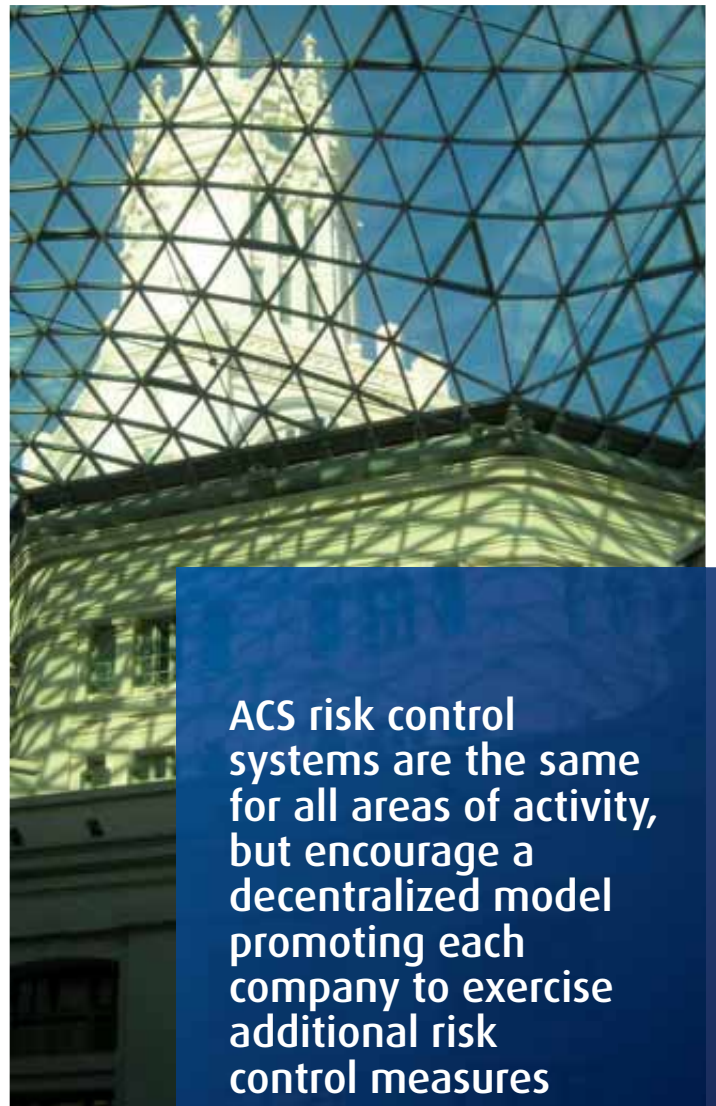
The systems provide the necessary information to supervise and evaluate the risk exposure of each business area and develop the corresponding management reports for decision making with monitoring of the appropriate indicators.

The control systems developed in each business area may be classified into the following categories:

- Management systems for entering into contracts and bidding processes for works and projects.
- Management systems for planning and execution of works and projects.
- Quality management systems.
- Environmental management systems.
 - Incorporation of the most advanced technologies as regards environmental matters, such as:
 - Conservation of energy and raw materials.
 - Using recyclable and biodegradable materials.
 - Minimising waste production and treatment respectful of the environment.
 - Promoting the reforestation and landscaping of works.
 - Carrying out specific actions for activities that require them, depending on the effect of the impact and the setting.
 - Informing the client continuously on the environmental risks and possible preventive measures.
- Human resources management systems.
- Financial risk control systems.

- Other systems: For risks of a legal or fiscal type, ACS has appropriate departments in each company, division or at a corporate level and with prestigious external support in each specific field of action. Additionally, the signing of contracts is supervised by each company's legal adviser and, depending on its relevance, by the legal counsel of the different divisions or of the Group.

The Group has a strategy for covering accidental risks which could affect Group assets and activities that involves the underwriting of various insurance policies for any coverable risks. The characteristics of these policies are reviewed periodically to adapt them to the current and specific status of the risk covered.



ACS risk control systems are the same for all areas of activity, but encourage a decentralized model promoting each company to exercise additional risk control measures

Corporate Responsibility and the ACS Group



Objectives in Corporate Responsibility

| | 2009 | 2010 | 2012 Objective |
|--|--------|--------|--|
| Recurring earnings per share (%) | 2.69 | 3.08 | +10% annually (2012e=3.73) |
| Gross dividend per share (euros) | 2.05 | 2.05 | Maintain the per share figure (2012e=2.05) |
| % of clients satisfied or very satisfied | 85.75 | 85.62 | Maintain 85% (2012e≥ 85%) |
| Production certified under ISO 9001 (%) | 89.47 | 91.55 | +1 percentage point per year (2012e=93.5) |
| Production certified under ISO 14001 (%) | 69.86 | 71.69 | +1 percentage point per year (2012e=73) |
| Contribution to the company (billion euros) | 14.405 | 17.542 | +5% per year (2012e=19,300) |
| Investment in training (euros/employee) | 84.58 | 87.66 | +5% per year (2012e=96.6) |
| Rate of construction and demolition waste recovery (%) | 58.50 | 65.10 | +3 percentage points per year (2012e=71%) |
| Investment in R+D+i/ recurring net profit (%) | 5.18 | 5.07 | Maintain 5% (2012e=5%) |
| CO ₂ emissions (t)/ Production (million euros) | 127 | 130 | Reduction of 2 points per year (2012e=133) |
| Water Consumption/Production (m ³ /million euros) | 423 | 440 | Hold ratio below 420 |
| Frequency Rate | 51.25 | 49.05 | Reduce by 1 point per year (2012e=47) |
| Investment in social initiatives/ recurring net profit (%) | 0.40 | 0.39 | Hold the figure above 0.4% (2012e>0.4%) |



The ACS Group's Five Commitments



The ACS Group sets the context for its Corporate Responsibility activities according to its commitment to sustainability which, in turn, is summarised in five commitments the company makes voluntarily and responsibly.

Commitment to the Creation of Value



The Value of our Businesses

To provide
growing and
sustained
profitability
is one of the
company's
main
objectives

ACS is committed to the creation of value for all its stakeholders. To this effect, it understands that their help and cooperation are essential to achieve the business objectives included in the company strategy.

| Main indicators | 2009 | 2010 |
|--|-------------|-------------|
| Net revenue (million euros) | 15,387 | 15,380 |
| Gross operating profit. EBITDA (million euros) | 1,429 | 1,505 |
| Total investments (million euros) | 4,578 | 5,112 |
| Recurring net profit (million euros) | 837 | 923 |
| Net profit (million euros) | 1,946 | 1,313 |
| Dividend (million euros) | 653 | 618 |
| Order book (million euros) | 28,581 | 28,777 |



Shareholders

At 31 December 2010, the share capital of the ACS Group amounted to 157,332,297 euros, made up of 314,664,594 ordinary shares with a face value of 0.50 euros each, all of the same class and series. ACS's shares are listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges and in the Spanish Stock Market Interconnection System.

2010 Milestones

Start-up of the Shareholder Services Web Forum

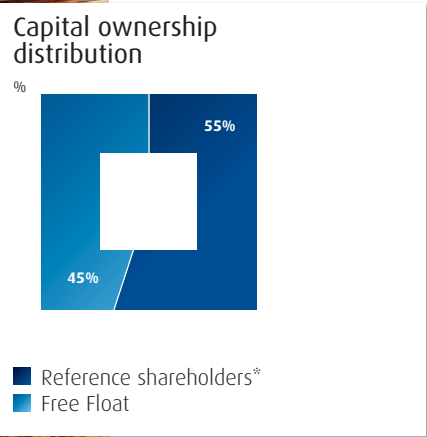
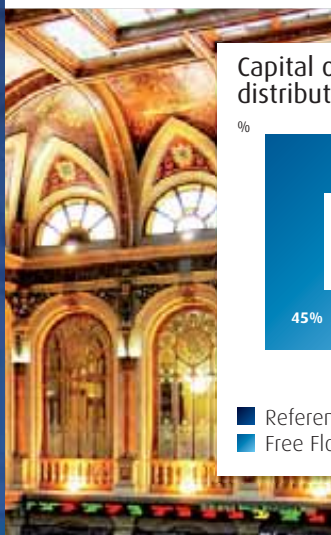
Increase Recurring Net Profit to 923 million euros, 10.3% up on that recorded in 2009.

Actions anticipated for 2011

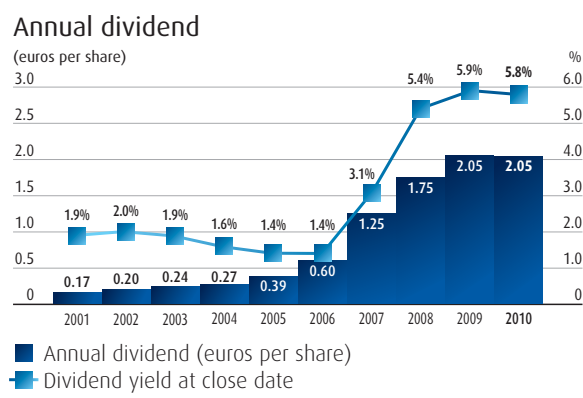
Development and start-up of the shareholder services management system. Objective: 90% shareholder satisfaction.

| ACS Share | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Closing price | 16.80 € | 27.21 € | 42.71 € | 40.65 € | 32.65 € | 34.81 € | 35.08 € |
| Revaluation of ACS shares | 30.23% | 61.96% | 56.96% | -4.82% | -19.68% | 6.62% | 0.76% |
| Revaluation of the IBEX 35 | 17.37% | 18.20% | 31.79% | 7.32% | -39.43% | 29.84% | -17.43% |
| Maximum closing price | 17.03 € | 27.23 € | 43.62 € | 50.95 € | 40.99 € | 38.75 € | 38.38 € |
| Minimum closing price | 12.68 € | 16.98 € | 26.96 € | 32.10 € | 24.03 € | 27.67 € | 28.90 € |
| Average in the period | 14.16 € | 22.22 € | 34.21 € | 43.08 € | 32.66 € | 34.61 € | 34.15 € |
| Total volume of shares (thousands) | 312,483 | 401,440 | 279,966 | 417,896 | 382,506 | 196,115 | 194,506 |
| Average daily volume of shares (thousands) | 1,245 | 1,568 | 1,098 | 1,652 | 1,506 | 769 | 757 |
| Total effective traded (million euros) | 4,563 | 8,989 | 9,386 | 18,003 | 12,492 | 6,759 | 6,533 |
| Daily average effective (million euros) | 18.18 | 35.11 | 36.81 | 71.16 | 49.18 | 26.50 | 25.42 |
| Number of shares (millions) | 352.87 | 352.87 | 352.87 | 352.87 | 335.39 | 314.66 | 314.66 |
| Stock market capitalisation at period end (million euros) | 5,928 | 9,602 | 15,071 | 14,344 | 10,950 | 10,953 | 11,037 |

Commitment to the Creation of Value



* Shareholding of over 5% and representation on the board.



The value of ACS Group shares rose 0.76% in 2010 to 35.08 euros per share.

Since the ACS Group's stock is in the form of bearer shares, there is no register of company shareholders. The data available closest to year end indicates that there were 51,420 ACS shareholders at the time of the Extraordinary Shareholders' Meeting held in November 2010. There were 47,245 resident non-controlling shareholders who held 43.6 million shares between them. There were 4,175 non-resident shareholders and domestic institutional shareholders with a stake of 47.3 million shares.

ACS as a company is highly committed to shareholder returns and dedicates a significant amount of funds to the annual payment of dividends.

Likewise, considering the concept of total return for shareholders, an investor who purchased an ACS share on 31 December 2000 would have obtained an annual yield of 19.9% at the end of 2010. Investing 100 euros on that day would have given 615.25 euros at the end of 2010, meaning the investment had risen by 6.15 times. The total shareholder return includes the re-rating of the share and the dividends paid by the ACS Group.

Communications Channels

The Group's commitment to the markets, shareholders and investors is upheld in its information transparency. As such, and in order to offer them the best service, the company has specific communications procedures. The following are worthy of note among these:

- **Relationship with investors.** More than 160 meetings held in different places worldwide. These meetings enable it to pass information on the Group's prospects and on relevant events which may affect the company or its sector. Specific events are also held regularly, of which 10 took place in 2010.
- **Communications with financial analysts and institutional investors.** Regular sending of information of interest to those analysts and investors who follow the Group most closely.
- **Participation in conferences and seminars of interest.**
- **Corporate website.** Start-up of the Shareholder Services Web Forum.

Clients

2010 Milestones



Client satisfaction index of 90.1% measured from surveys carried out at the completion of contracts.



Implementation of a computer-based management system (AXAPTA) for the collection of information relating to clients which helps in the analysis and execution of actions to improve client satisfaction.

Challenges for 2011



Implementation of a new computer tool for monitoring and statistical handling of client satisfaction surveys.



“Experience-sharing” of good practices, both in developed countries such as the United States and emerging economies, such as Brazil and India.

Strategic Priorities

The commitment to clients is one of the ACS Group’s most important corporate values. Not for nothing is there a high level of trust between the client and the Group, thanks to the high added value services the company offers, throughout time, promoting this close relationship.

The element which links the systems of all the companies which make up ACS is the concept of providing solutions. For the Group’s businesses, feeding back to the relationship with the client is fundamental. For example, meetings are held periodically to keep the client up-to-date on the ACS Group’s capabilities and future needs and opportunities for collaboration are identified at the same time.

A crucial element in the ACS Group’s client relationship management is the search for appropriate partners, particularly in technological matters of importance. This leads to the search for collaboration with detail engineering companies, specialised in the specific field required for each project. Better adapted alliances are created for each case in this way and, as such, the final client can be offered the best technical and economic solution.

Another important value for the Group’s businesses is confidentiality. The ACS Group company’s contracting and client relationship department carries out periodic initiatives to promote responsible use of information, so guaranteeing client confidentiality.



Commitment to the Creation of Value



Management Principles

Given the characteristics of ACS's business, where large infrastructure projects are carried out or general agreements are entered into for the provision of services (such as the cleaning of a city or maintenance of an electricity grid), the number of clients with whom ACS deals is very limited.

The ACS Group has a sophisticated client relationship management system, controlled by each company's contracting department, through which specific aspects are presented depending on the activity it carries out. The management aspects common to the whole ACS Group are as follows:

- Monitoring of client needs.
- Periodic measurement of client satisfaction.

Monitoring and Communication

Formally, those responsible for each project carry out monitoring of project progress periodically, even daily or continuously if, as occurs in exceptional projects, the client dedicates resources to production control.

This is how objectives, monitoring systems and client information plans are defined for each

In 2010 ACS
performed
1,211 client
satisfaction
surveys, being
favourable

85.62%



project and in line with the specific aspects of each company. Control points for important phases of production are established in these plans, along with certification meetings to manage the partial payments for the work and partial monitoring points which may come to mean daily contact between the supervisor and the client in order to reinforce the latter's confidence.

Similarly, computerised CRM systems are being implemented to collect information relating to clients, in order to facilitate analysis and the carrying out of actions to improve satisfaction.

Client Satisfaction

ACS's second key client relationship management policy is the measurement of their satisfaction. These processes, within the framework of quality management systems, vary according to the characteristics of the services provided by each company, but share common elements:

- They identify the best and worst rated aspects of the service provided.
- They trigger measures and plans to improve client satisfaction.

- They include a system to manage complaints and penalties in contracts.
- They generate assessment reports prepared by the commercial area.

In 2010, 1,211 client satisfaction surveys were carried out in the ACS Group, of which 85.62% produced a positive assessment (the client was satisfied or highly satisfied). The 2009 percentage was 85.75% from 1,104 surveys carried out.

On the other hand, a total of 1,491 complaints were received from clients, of which 88.33% were attended to and 75.65% were resolved satisfactorily. In 2009, 1,824 complaints were received, of which 91.78% were attended to and 76.86% resolved.

The best indicator of client service quality is seen in the limited number of penalties due to breach of regulations which the ACS Group received in 2010, above all in relation to the provision of services. In 2010 these totalled 530,561 euros.



Common aspects in the management of all ACS Group are the satisfaction of clients needs and periodical measurement of its satisfaction

Commitment to the Creation of Value

Quality

2010 Milestones

Significant increase in the certification of activities to the ISO 9001 standard in international activity.

TECSA

Development of a comprehensive training plan in quality for Quality and Environmental Specialists.

DRAGADOS

Implementation of quality management plans in all works: 94% of these undertake improvement actions aimed at eliminating or minimising possible causes leading to incidents.

Challenges for 2011



Updating of the Integrated Management System with the development of the Energy Management Standard, 16001:2010.



Acquisition of IBM software for carrying out surveys by e-mail and statistical treatment of the data. Also valid for compliance systems.



The Implementation and Certification to ISO 9001 and ISO 17025 of the Calibration and Testing Laboratory will be promoted.



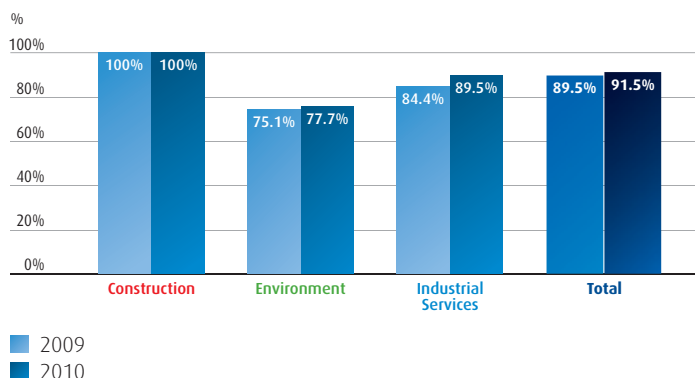
Measurement, analysis and improvement of costs due to Less than 100% Quality in production (Engineering + Purchasing + Construction).

Strategic Priorities

Quality is a determining factor for the ACS Group, as it represents the factor distinguishing it from the competition in the highly sophisticated infrastructure and services industry.

The Quality Department in the Group's different companies is the entity responsible for implementing the Quality Management Systems. ACS invested a total of 15.58 million euros in 2010 in promoting quality.

% Production certified to ISO 9001



These quality systems are audited periodically in order to certify the Group's activities to the ISO 9001 standard. A total of 929 quality audits were carried out in 2010. Of the production by Group's companies, 91.5% is certified to the ISO 9001 standard.

Each company in the group adapts its needs to the specific characteristics of its type of production, but they all share a series of lines of action within their Quality Management System:

- **Objectives** are set periodically as regards quality and their fulfilment is assessed.
- **Initiatives and actions** are carried out aimed at improving the quality of the services provided.
- Specific actions are carried out in **collaboration with suppliers and subcontractors to improve quality.**
- Systems are implemented for analysis of **Product and Service Life Cycle** when necessary.

Objectives

The Quality Department for the ACS Group's various companies head into the Quality and Environment Committee which sets the general quality objectives annually for the next financial year.

According to its characteristics, each project or work adopts the general objectives applicable to it and which focus, normally, on the obtaining, renewal or expansion of quality certifications, especially when a Group company develops a new technique or expands its activity into a new geographical area.

At the same time, another common aspiration is to minimise incidents through quantifiable improvement activities, as well as to obtain information relating to clients.

The objectives of the ACS Group's companies can be summarised in the following global framework:

- Obtaining and expanding the scope of certifications.
- Implementation of tools to improve quality.
- Improvement of specific performance indicators.

The concern with quality in all the group's companies reflects not only the effort to achieve the objectives set, but also the specific actions by the companies. For example, in 2010 up to 8 different objectives were defined as priorities for the improvement of quality in its processes and activities, affecting 77% of its production.

In turn, Urbaser continued to work to achieve two quality objectives:

- For the years 2011-12 it plans to obtain certification as a producer of compost.
- To improve the level of client satisfaction by means of meetings and regular communications (United Kingdom).



Commitment to the Creation of Value



Improvement initiatives and actions

Each company in the Group carries out quality improvement actions. Noteworthy among these are the adoption of the Quality Management Systems such as the ISO 9001: 2008 standard, the organising of training workshops and quality awareness activities, as well as actions to improve and optimise the specific performance indicators.

It needs to be highlighted that the environment is an aspect integrated into the quality objectives of many of the Group's companies. For example, the implementation of systems for demand management for energy saving are being promoted in various engineering companies, outstanding among which is the ETRA Group.

Another aspect to be highlighted in quality improvement is the application of computer tools for the treatment of incidents, checking of products, implementation of improvement actions and support for training activities.

The ACS Group's commitment to technology has a bearing, among others, on the control and analysis by the Quality and Environment and Prevention Departments of all corrective actions initiated from the various offices.

Among these applications, the implementation in the ETRA Group of the MANTIS computer tool for handling incidents; the AXAPTA system to obtain Reports to assist in the analysis and application of improvement actions are worthy of note, as well as the Test Link and Master Test Plan tools for the verification of product development.

Collaboration with contractors and suppliers

The ACS Group carries out a large part of its activity by means of the use of services from suppliers and subcontractors who collaborate to a significant degree in the execution of the projects. In order to guarantee an appropriate level of quality in the provision of services from suppliers and contractors, ACS includes clauses in the contracts demanding a guarantee of a minimum level of quality, which generally depends on the supplier or subcontractor having certification to ISO 9001. Likewise, systematic checks are made in order to detect possible defects and improvements, at the same time as various environmental criteria are starting to be taken into account in these contracts.

In Group companies where collaboration with third parties is relevant, joint procedures are promoted between the quality department and its equivalent in the suppliers and the purchasing department



and those of the suppliers to identify projects for collaboration to improve quality. During 2010, these joint improvement processes have been carried out by integrating processes for optimisation and improvement, inspections and various collaborations with companies and universities.

Furthermore, as will be seen later in the section on suppliers, the purchasing and supplier contracting departments, together with the quality departments, carry out monitoring and audits of performance in terms of supplier performance once the works or contracts for service provision are complete. This permits the proposal of corrective measures if areas for improvement are found or may even lead to cessation of collaboration with the supplier or subcontractor in future projects.

Life Cycle Analysis

Life cycle analysis is an innovative tool which permits improvement opportunities to be identified in industrial processes, in harmony with the reduction in the impact of the services on the environment and on health and safety. Various Group companies are progressing in adopting this approach.

The ACS Group fulfils its commitment to innovation and technology in this way in companies such as

DRACE Medio Ambiente, which includes among its activities design, construction and operation and maintenance for water treatment, air quality and renewable energy installations. The inclusion of life cycle analysis in the sphere of its activities has enabled a feedback process to be established, through which it implements the knowledge acquired in the design and construction phases for new installations.

To this effect, the practices developed in Tecsa are also worthy of note, where plans are being applied which enable improvements in energy consumption, energy efficiency and the reduction in emissions of pollutants to the atmosphere.

Likewise, in INTECSA INDUSTRIAL (Design, Purchasing and Construction of turnkey industrial plants), two critical phases of the product life cycle (Design and Construction) are analysed and assessed in order to improve the efficiency of the industrial plants developed (reducing consumption, emissions, dumping and generation of wastes) and to maximise the health and safety protection of the client's operators and the neighbouring population. Thus, before starting construction, a constructability study is carried out with the objective of optimising all the variables affecting the success of the construction: safety, quality, cost and timescale.

CICLOPE Project: minimising the impact of products and services



Dragados participates in a Spanish Government backed Exceptional and Strategic R+D+i Project entitled "Analysis of the environmental impact of buildings throughout their life cycle in quantifiable terms of energy consumption and associated GHG emissions" under the acronym of the "CICLOPE Project", together with 30 companies, organisations and associations from various sectors and construction agents and also leads one of the four sub-projects.

The purpose of the project is to develop a methodology for analysing and evaluating environmental and economic impacts for buildings which considers their **complete life cycle**, from the extraction of the raw materials for the manufacture of the constituent materials for the building's components and installations to its deconstruction once its useful life has ended.

This methodology will focus mainly on the quantitative evaluation of the energy cost of buildings and their equivalent greenhouse gas (GHG)

emissions from the start of the project to the end of its life cycle, considering:

- Extraction of materials, transformation, processing and manufacture of materials, products, elements and construction systems, as well as installations.
- Transport, distribution and receipt on site.
- Execution, assembly and placement in situ; execution of the building project.
- Maintenance, use and exploitation of the building, including energy consumption and its origin (energy mix).
- Partial/total restoration and associated deconstruction operations which make use of possibilities for reuse, recycling and recovery (RRR).
- Final stage and end of useful life of the building; comprehensive deconstruction and closure of life cycle with analysis of the possibilities for reuse, recycling and recovery.

Practical example: Expansion of Madrid's Atocha station - new arrivals terminal

This is a very demanding work due to the particular nature of the setting, which requires the works to be carried out without affecting the functionality of Spain's most important Railway Station.

Other factors, such as the need to minimise the effects on the suburban train services due to the numerous power cuts and the lack of available space for storage and workshops, the importance of carrying out the work safely and without disturbing the operation of the AVE high-speed train service, as well as the tight timetable for executing the work, made it necessary to establish a unique construction strategy to be able to carry out the expansion.

Dragados and Tecsa, the companies awarded the work, rose to the challenge that execution of this project presented in the timescale planned and without needing to bring the start date forward to do so.

An innovative system was installed by means of the construction of provisional tunnels in steel plate, which made it viable to demolish the previous low canopies and execute the deep and shallow foundations in the platforms while the track was in service.

On the other hand, the lack of available spaces for workshops and stores prompted industrialisation and factory pre-assembly of the elements to be constructed. This approach was particularly important for the metal structures for the high and low canopies and the arrivals hall.



Commitment to the Creation of Value



Suppliers

2010 Milestones



Implementation of sealed envelope tendering with opening of bids, guaranteeing the safeguarding of the principles of transparency and concurrence both for the company and the suppliers.



Carrying out of the Risk Assessment for the supply chain as regards Human Resources in accordance with the working methods of the Spanish Network for the United Nations Global Compact.



Development and implementation of the new MNI-11 purchasing standard. This includes a section dedicated to the assessment of suppliers as regards occupational safety, quality and the environment.

Challenges for 2011

Dissemination of the Spanish Association of Purchasing and Stock Managers' code of ethics, in turn based on the ethical principles of the International Federation of Purchasing and Supply Management.

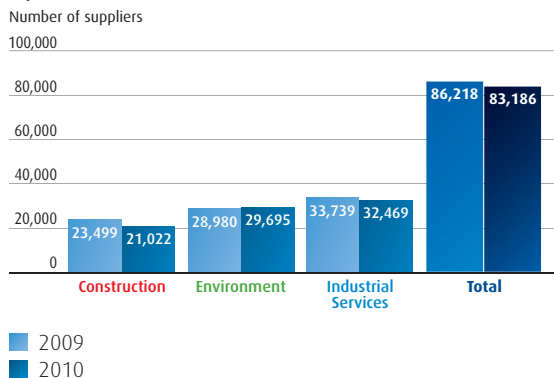


The inclusion in all contracts of the clause demanding that Suppliers and Subcontractors comply with the Ten Principles of the Global Compact, especially those linked to Human Rights, in their sphere of action.



Dissemination of the company's Responsible Purchasing Policy and promoting adherence to it and compliance with it.

Number of suppliers by line of business



Strategic Priorities

In Group companies, the purchasing department manages the relationship with suppliers and contractors by means of specific systems for managing, classifying and approving them.

In carrying out this activity, ACS manages three types of suppliers:

1. Suppliers of materials and/or services defined by the client.
2. Suppliers of services or subcontractors contracted by the ACS Group.
3. Suppliers of materials contracted by the ACS Group.

In the first case, in which the ACS Group carries out a project in which the client defines the type of suppliers contractually, as well as the quantity and characteristics of the materials to be used, the Group companies, in general, obey these requirements. Even so, the ACS Group's purchasing departments and suppliers have a control procedure established to verify the efficiency of the supplier designated by the client.

This contracting format, in which ACS has very little capability for managing the suppliers, is not watertight as, as mentioned in the section on clients in this report, the Company carries out feedback actions with the client. This means that, in cases in which the suppliers defined by the client have given problems or presented areas for improvement, the client will be notified of these and corrective measures will be promoted.

It is worth highlighting that, once the special features of the different markets in which the ACS Group is present have been considered, specific purchasing procedures are developed when

necessary to increase competitiveness. For example, specific criteria have been developed for Oil and Gas in Industrial Services' activities.

For the suppliers of services and materials which the ACS Group contracts, detailed management and control processes are defined. These have the following points in common in all the Group's companies:

- There are specific standards and a system for management, classification and selection of suppliers and subcontractors.
- The level of compliance with these systems is assessed.
- Collaboration with suppliers is encouraged.
- Transparency is promoted in contractual relationships.

Responsibility in the supply chain. New principles for action

The ACS Group, with the collaboration of its various companies' purchasing and contracting departments, has established new principles which are intended to guide the behaviour of all the Company's suppliers.

The broadest approach to sustainable management of the ACS Group's supply chain includes three basic principles, which each company develops depending on its strategic priorities and the non-financial risks it faces:

- Supplier risk map (definition of categories of risk suppliers in sustainability).
- Systems for evaluation of suppliers' performance in sustainability (adapted to the risks which each company faces).
- Model for decision making.

These approaches are developed from the respect for each company's management autonomy and with a spirit of collaboration with all suppliers, to facilitate their effective implementation of each of their standards, procedures and practices.

Commitment to the Creation of Value

Standards and Systems

ACS Group companies' supplier selection processes classify these as critical (or essential) or circumstantial, according to the following concepts:

- Experience, professional prestige and technical capability.
- History of fulfilment of contractual clauses in their prior relationship with ACS.
- Proximity of the work centre, giving preference to local suppliers (63.01% of suppliers were from the local area in 2010).
- Additional financial criteria, labour, health and safety and environmental matters.

With respect to this last criterion, suppliers are assessed on their performance as regards the following parameters:

- Obligatory compliance with the law in social and occupational terms. Suppliers which develop initiatives additional to those demanded by law are assessed positively.
- Obligatory compliance with the law in health and safety at work terms. Those suppliers which go beyond the demands of the law and which present an OHSAS certificate or similar are positively assessed.
- Obligatory compliance with the law in environmental terms. Suppliers' additional initiatives, such as obtaining ISO 14001 certification or similar are assessed satisfactorily.
- Those suppliers which undertake initiatives to guarantee excellent standards of quality in the execution of their activity, by means of ISO 9001 or similar certification, are also assessed positively.

The commitment of various of the companies to non-financial matters translates into the inclusion of contractual clauses bound to the quality of the work, social and labour obligations, as well as requirements regarding the prevention of occupational risks, environmental risks and as regards business ethics. For example, the company Clece includes a clause related to the fulfilment of specific requirements from Standard SA 8000 on Corporate Social Responsibility.

The clauses adopted by construction companies, such as SEIS, demand the establishment of preventive measures as regards safety and a provision on business ethics with three fundamental ideas: business loyalty, compliance with the law and management integrity. In environmental matters, all the company's suppliers and contractors must behave in the same way as the company itself in projects.

With the objective of aligning purchasing process with sustainable requirements, various Group companies have developed Framework Agreements with suppliers to promote incorporation of minority and underprivileged groups. For example, Cobra has set up a Framework Agreement for Security with the Vinsa Group, a company belonging to the Spanish national organisation for the blind, the ONCE Group, and its Foundation.

Likewise, GEOCISA has signed a contract with the collaborating company Manpower, which is made up mainly of people with disabilities. In the US, Picone, another Group company, promotes purchasing from suppliers with DBE (Disadvantaged Business Enterprise), MBE (Minority Business Enterprise) or WBE (Women's Business Enterprise) certification.

Compliance

The compliance system of the Group's companies is fundamentally based on regular audits, both internal and independent. The intention with these processes is to update and optimise the supplier selection systems. The corrective measures taken in the cases of poor performance are adapted taking the following circumstances into account:

- If it is a critical supplier for the company, the reasons for the negative assessment are analysed and initiatives proposed to strengthen the identified areas for improvement including, among others, training activities.
- If the company is not critical for the company, it is deleted from the database.

Additionally, clauses terminating the relationship between ACS and the supplier in the case of breach of ethical principles, according to the ACS Group's Code of Conduct, are included in many contracts.

Furthermore, activities are continually carried out with people who intervene in the purchasing process for works and projects, with the objective of involving the suppliers and subcontractors in all its facets, both financial and non-financial.

Likewise, it is a common practice, in Group companies which have adopted commitments of the ethical, social and environmental type, to promote their disclosure to all their suppliers.

Collaboration

The main activities for collaboration are based on training which, generally, is made up of courses in various subjects such as quality, the environment, safety and the execution of works. For example, the companies CYMI and MASA organise courses for subcontractors and provide all attendees with the "Environmental Guide for Subcontractors". SEMI, in turn, provides training for suppliers and subcontractors in order to ensure appropriate environmental awareness for them to carry out their work.

Another line of action consists of involving contractors in the companies' management systems by, for example, the sending of the most important environmental practices, such as in the case of the ETRA Group.



As part of the environmental assessment and approval process for suppliers and subcontractors, in the case that the products or services contracted have environmental repercussions, SEMI trains and informs its collaborators on this aspect to guarantee that they carry out their work with the appropriate environmental awareness.

The company also carries out training for subcontractors which require special instruction and qualification. Sessions were organised during 2010 on the installation of Radio Link (RTN) and BTS equipment for the Outside Plant Maintenance Service (OSPM) project for Spain for the client HUAWEI, in which the subcontractors taking part in the initiative participated.

Transparency

Another central aspect in the management of the Group's suppliers is transparency. Along these lines, various Group companies are standardising general contracting and purchasing terms and conditions for all the services, equipment and materials contracted. These are used in all processes, hence the same high standards and determining factors are maintained for all the company's suppliers and also within each tendering process.

A selection of tools is used to optimise the purchasing process. For example, Urbaser has a Web Portal which enables it to manage purchasing from suppliers in an agile and efficient manner. In this, the suppliers are able to manage the pricing offers the company requests from them, as well as participate in the negotiation of commercial agreements and see the purchase orders placed and the status of each one. Meanwhile, in other Group companies, computer systems are being implemented for the management of all orders issued, facilitating their accounting and management as well as resource planning.



Ethics, Integrity and Transparency in the ACS Group



Code of Conduct

Since its foundation, the ACS Group and its companies have made a commitment to the various parties forming part of its operations and interacting with the company or its employees. This commitment is based on the ethical principles governing the ACS Group's operations, which shape its corporate culture.

ACS's Code of Conduct constitutes a guide for the professional performance of all the Group's employees and managers in relation to their daily work, the resources used and the business environment, as well as for all the investee companies in which the ACS Group has control of management.

The basic performance principles of this Code of Conduct are as follows:

- **Integrity:** the ACS Group promotes recognition of behaviour in accordance with loyalty and good faith among its employees.

- **Professionalism:** the ACS Group's employees and management should be recognised for their high professionalism based on proactive and efficient performance focused on excellence, quality and willingness to provide service.
- **Respect for Others and the Environment:** ACS undertakes the commitment to always act in accordance with the United Nations Global Compact, to which it has adhered since its foundation, the objective of which is the adoption of universal principles in the areas of human and labour rights and the protection of the environment.

The Code of Conduct was approved by the ACS Group's Board of Directors on its meeting in March 15th, 2007, and its regular supervision is one of the responsibilities of the Board's Audit Committee.

On the other hand, the ACS Group intends to standardise the procedures and to give the status of rules to a whole series of uses and customs which had no formal institutional support until recent years.



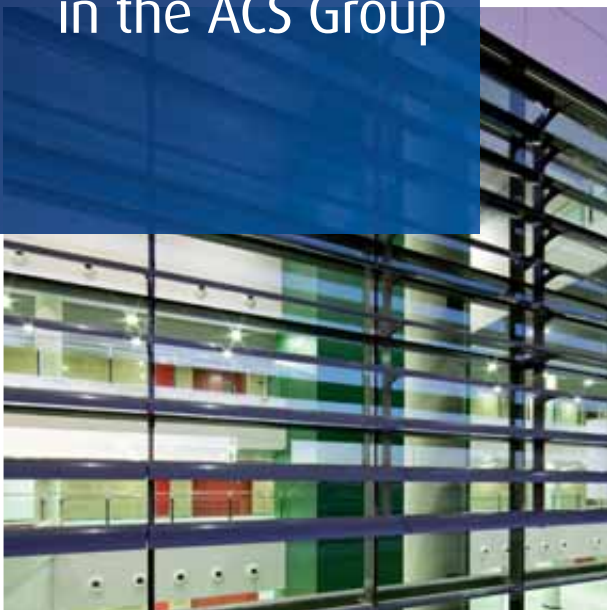
Due Diligence in Ethics and Integrity

As regards ethics and integrity, the ACS Group adopts the due diligence principle, aimed at minimising the risk of infringing the principles of ethics and integrity included in its Code of Conduct. ACS understands due diligence in this field to refer to the following elements:

- The analysis of the main risks as regards ethics and integrity.
- Establishing commitments which make clear the behaviour expected of the people who make up the company.
- The allocation of responsibilities as regards supervision of the company's performance in this field.
- The knowledge and understanding by the company's people of what is expected of them in relation to ethics and integrity.
- The supervision and monitoring of practices.
- Establishing procedures which enable the prevention, detection and eradication of bad practices in this field.

Progress in practices as regards ethics and integrity draws special interest in Spain as a result of the reform of the Penal Code which recently came into effect. The reform establishes penal responsibility for legal entities and, therefore, makes the need clear for companies to reinforce their internal controls too in matters related to ethics and integrity, through measures which enable them to prevent, detect and eradicate bad practices

Ethics, Integrity and Transparency in the ACS Group



The final aim of ACS's actions with regards to ethics and integrity is the establishment of a framework for action which stimulates everyone to execute their responsibilities in an upright, responsible and transparent manner.

The ultimate responsibility for transmitting and overseeing the Group's commitment to integrity falls to its governing bodies, which are charged with driving the development of rules and procedures and the implementation of good practices.

The Ethical Code and the procedures laid down for disseminating and safeguarding it are basic elements in the Group's integrity framework. In this respect, the company has established several lines of work for 2011, the fundamental objective of which is to ensure the extension of the Code of Conduct throughout the whole organisation:

- Reviewing the risks and principles of conduct included in the code.
- Reviewing the procedures for notification and consultation laid down, so that employees can advise of inappropriate practices.
- Training and disseminating actions aimed at the company's employees.
- Activities to extend the code to suppliers, both in Spain and internationally.

Commitment to Information Transparency

An essential requirement for the ACS Group to be able to fulfil its mission of generating profitability for its shareholders and the society in which it operates is information transparency. The objective of this strategy is to ensure that its activity is as open as possible and that the interests of its clients and other stakeholders are respected. The ACS Group is committed to total rigour in the information transmitted, especially with respect to the media.

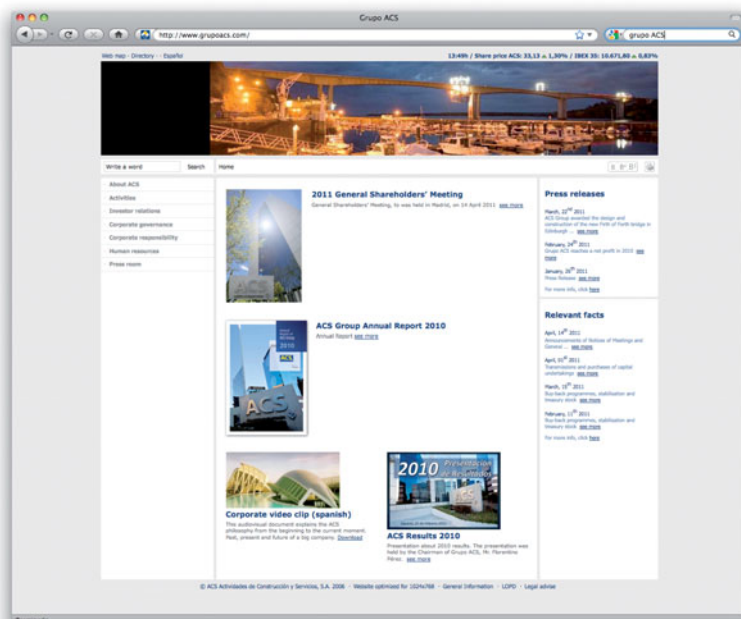
The Value of Information Transparency

This general objective of transparency is stated by means of the following guidelines:

- Transmitting the Company's overall corporate strategies, as well as those specific to each of the Company's business areas, to the outside world.
- Projecting the Group's business reality so that the Group's different stakeholders recognise it as being sound and well-managed inside and outside of Spain.
- Contributing to the makeup of a positive corporate image which aids in the achievement of business objectives and in commercial activity.
- Maintaining a fluent relationship with external agents, particularly with representatives of the media.
- All of the above leads to an increase in the value of the ACS brand and of its different companies and businesses.

The ACS Group manages its commitment to transparency towards its stakeholders by three main means:

- The ACS Group's Communications Department.
- The ACS Group website.
- Shareholder and investor information activities.



| www.grupoacs.com | 2008 | 2009 | 2010 | Daily average 2010 | Increase 2010/2009 |
|----------------------------|-----------|-----------|------------|-----------------------|-----------------------|
| Visits to www.grupoacs.com | 901,375 | 890,441 | 1,028,874 | 2,812 | 15.55% |
| Pages seen | 9,694,451 | 8,677,863 | 10,598,226 | 28,953 | 22.13% |

The ACS Group's relationship with all forms of **media** is fluently and transparently led by the Group's Communications Department and translates to interviews, press releases and contacts on the corporate website, as well as meetings with journalists.

Numerous contacts were made with journalists in 2010: 19 press releases were published, several press conferences were held and many individual interviews were given by the Chairman and Corporate General Manager.

The **www.grupoacs.com** website is a commitment from the Group to clarity, accessibility and information. Its objectives are specified below:

- To open a "window" to society through which the company may be analysed with greater transparency and ease.
- To maintain a permanently open communication channel both with the Group's priority stakeholders and with any individual or company needing any type of information on the Group.
- To offer, completely transparently, the company's economic and financial information, information on its systems of governance and management and the activities it undertakes.

- To enable searches for historical information on the company for more thorough analysis of trends and performance.
- To maintain up-to-date information on the performance of the company and the criteria behind its management at all times.

The ACS Group's website is visited by an average of 2,812 users daily, with 28,953 pages viewed, which represents a significant increase over the figures for 2009.

A specific web site was also created in 2010 to include all the information relating to the ACS Group's Public Tender Offer for Hochtief AG, as well as presentations, publications, press releases and official communications.

Similarly, to aid in their commercial and informational activity, the ACS Group's lead companies and large subsidiaries own and promote a large number of complementary web sites and information portals, intranets, online tools and remote reporting and training systems.

Ethics, Integrity and Transparency in the ACS Group

On the other hand, the **shareholders' right to information** is detailed in several rules in the regulations of the Shareholders' Meeting. Hence, in order for the Company Shareholders' Meeting to properly serve the function for which it was designed, the Board of Directors makes available to all shareholders, prior to each Shareholders' Meeting, all the information which is legally required to be provided to them, in addition to information that is not legally required to be provided, but that reasonably should be made available, given the interests of the company and of the shareholders, for them to form their opinion. In this regard, the Group makes every effort to respond duly to requests formulated by shareholders for the purpose of the General Shareholders' Meeting, regardless of whether these requests are formulated before or after Shareholders' Meetings, provided that the Company's interests are not jeopardised.

The ACS Group uses various channels to fulfil this commitment to communication and transparency. Its objective is to promote flexibility, fairness and immediacy and to achieve greater reach with the published information by means of:

1. The Group's website;
2. The shareholder service office (+34 91 343 9200);
3. The shareholder information e-mail address (ir@grupoacs.com);
4. The shareholder service web forum;
5. Fluid communication with the Spanish Stock Market Commission (CNMV);
6. The information offered by the Investor Relations Department.

A process for analysis of the most relevant matters dealt with for shareholders has been operating since January 2011 and we have started to measure their satisfaction, in a general manner, after having received assistance with the aim of permanently improving the service.

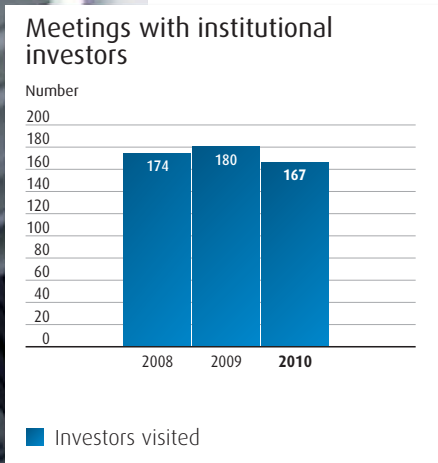
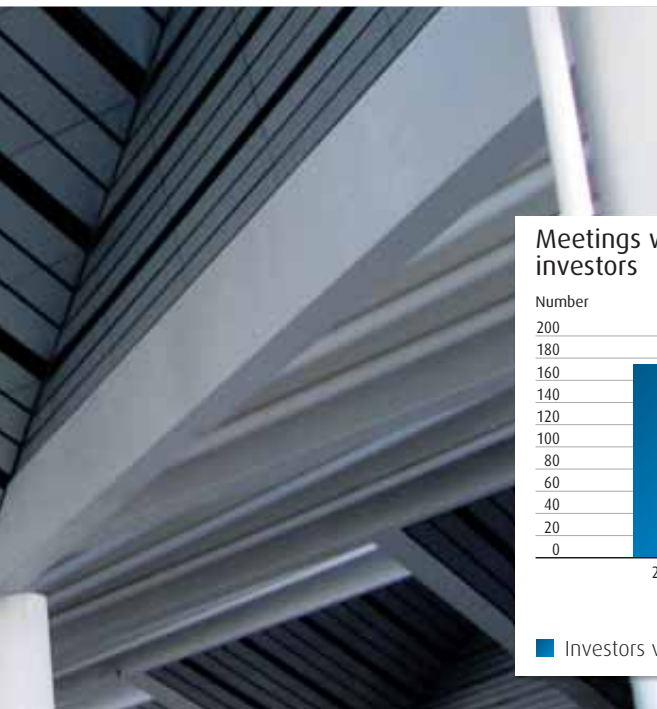
The number of requests for information will be counted every six months, ad-hoc information will be published on the website on the most frequently requested matters and measures to improve the quality of service will be studied if shareholder satisfaction (the number of calls resolving shareholder needs for information divided by the total number of calls) falls below 90%.

Furthermore, a Shareholder Service Web Forum was initiated in October 2010 to attend to requests for information resulting from the Extraordinary General Shareholders' Meeting held on 19 November 2010. This tool will act as a support in each period leading up to the General Shareholders' Meeting and will be available to all the Group's shareholders.

In addition, the Spanish Stock Market Commission (CNMV) is the main means through which the ACS Group communicates and announces its development and its main actions. Fifty-one "Relevant Facts" were communicated through the Commission during 2010.

The ACS Group publishes standardised financial information and information on the development of its businesses annually and quarterly. Similarly, the company attends to requests for information from other market agents through meetings. These meetings are intended to complement the Group's reporting efforts and the objective thereof is to clarify information already published in accordance with investors' and shareholders' needs.

During 2010, the Group gave 6 corporate presentations, held 2 General Shareholders' Meetings, attended 8 seminars and events in specialised forums



in Europe and the US and organised 167 meetings with institutional investors.

The measures aimed at promoting information transparency affect the Company's reputation and the dissemination of its corporate values, its technical capacities and its business success. These actions have been reflected during 2010 by numerous references to and acknowledgements of the ACS Group in various domestic and international media, of which several examples are included in this report.

Transparency in Institutional Relationships

The ACS Group is an organisation with a very significant impact in social, labour, economic and political fields in those countries in which it operates. This impact is managed directly by ACS's Chairman, Florentino Pérez, and his team. In this respect, it is important to highlight the influence that ACS has on the decision making or behaviour of those levels and clients with whom it habitually relates.

ACS incorporates responsibility into its whole organisation and its daily practices, sharing knowledge, information and experience. It also carries out projects in collaboration, promotes fair practices, builds alliances with organisations, associations and other sector members, working in a responsible manner and open to dialogue and attending to all calls from Government and from the industrial institutions representing its sector, as occurred throughout 2010.

In short, through its businesses, ACS intervenes in its environment with the intention of contributing voluntarily and actively to social improvement, compliance with the law and additionally developing

policies and initiatives which boost the excellence and quality of its activities. The ACS Group Chairman is the leading exponent of this policy.

The nature of ACS's political and institutional relationships is augmented by the presence of its Chairman in the most important political and business meetings, as well as in various public functions, always guided by the ethical principles of social responsibility and the intention to improve competitiveness and general and added value.

Stakeholders

The ACS Group defines stakeholders as groups with the capacity to have an influence on the achievement of the organisation's objectives. To generate trust with these groups, a priority is to keep channels open for honest, plural and transparent dialogue in the ACS Group's various companies, as well as in its fields of action and functional areas.

The ACS Group understands that management of the potential risks to reputation which affect its companies is the basis for building its stakeholder map.

Work is being carried out in the ACS Group corporation to create a framework for action which enables the company to be aware of the challenges set by its main stakeholders and, at the same time, to design a homogeneous response strategy for the Group as a whole. This strategy will be applied in the relevant settings with the priority aim of providing the company with a reference model for dialogue with the stakeholders.

Commitment to Technological Development



R+D+i in the ACS Group

2010 Milestones

Development, implementation and certification of an R+D+i Management System to UNE 166002 by various ACS Group companies.



International recognition for innovation with the awarding to the Barcelona Seawater Desalination Plant of the Best Desalination Plant world prize by Global Water Intelligence.



Designation of the Alzheimer Centre for the Reina Sofía Foundation, currently managed by Clece, for research into the use of robototherapy in this disease.



Principe Felipe Award for Business Excellence in Energy Efficiency and Renewable Energies.

Challenges for 2011



Double the number of patents for the 2011-2013 period.



Start proceedings to obtain patents relating to a new generation biological process for the elimination of nutrients in the field of urban waste water treatment.



Drive the collaboration with IT sector companies to develop management and control tools suited to the market and Group's specific needs.



Execution of a project for foundations for offshore wind turbines using caissons in a floating breakwater.



Strategic decisions for the development of R+D prospects look for the maximum positive impact in the technical advance of ACS

Strategic Priorities

The ACS Group is an organisation which is continually evolving, adapting to the needs of its clients and the demands from society. The diversification process through which the ACS Group is passing during these years has led it to undertake a wide range of activities which approach innovation and development in a different but determined manner. Through this commitment to innovation, the ACS Group responds to the growing demand for improvements in processes, technological progress and quality of service from its clients and from society.

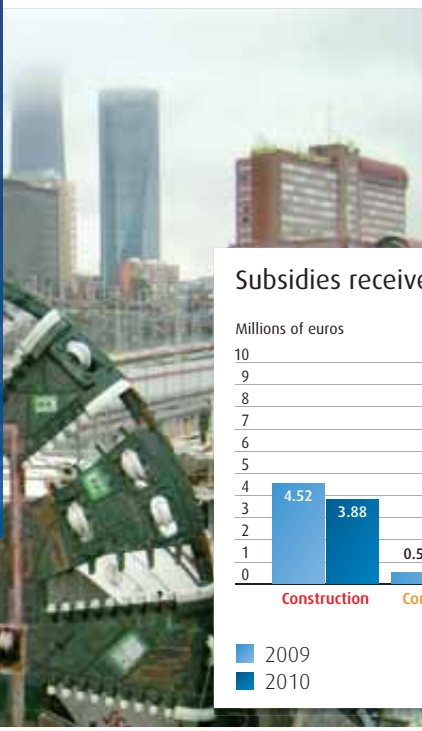
Its involvement in research, development and innovation are clear in its increased investment and the R+D+i efforts that the ACS Group makes year after year. This effort leads to tangible improvements in productivity, quality, client satisfaction, occupational safety, the obtaining of new and better materials and products and the design of more efficient production processes and systems.

The ACS Group's largest companies have management of technology, which is usually the Technological Development Committee, which leads the development of research activities in each company.

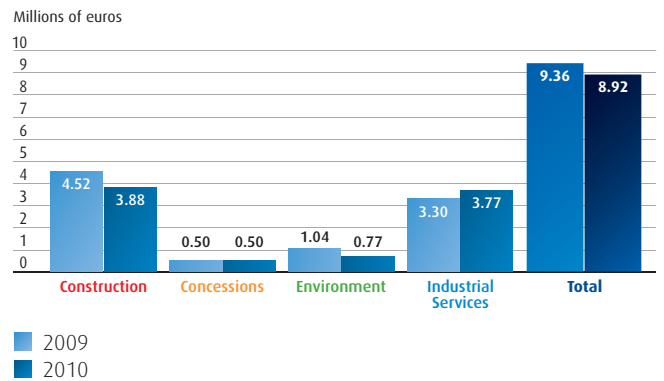
R&D management takes place through a system which, in the largest companies and in general, follows the guidelines in the UNE 166002: 2006 standard and is audited by independent specialists. This management system serves the general research strategy of each of the companies which, whatever their specific features, share the following lines of action:

1. Strategic research line.
2. Strategic collaboration with external organisations.
3. Growing and responsible investment in order to promote research and generate patents and operational techniques constantly and efficiently.

Commitment to Technological Development



Subsidies received for R+D+i



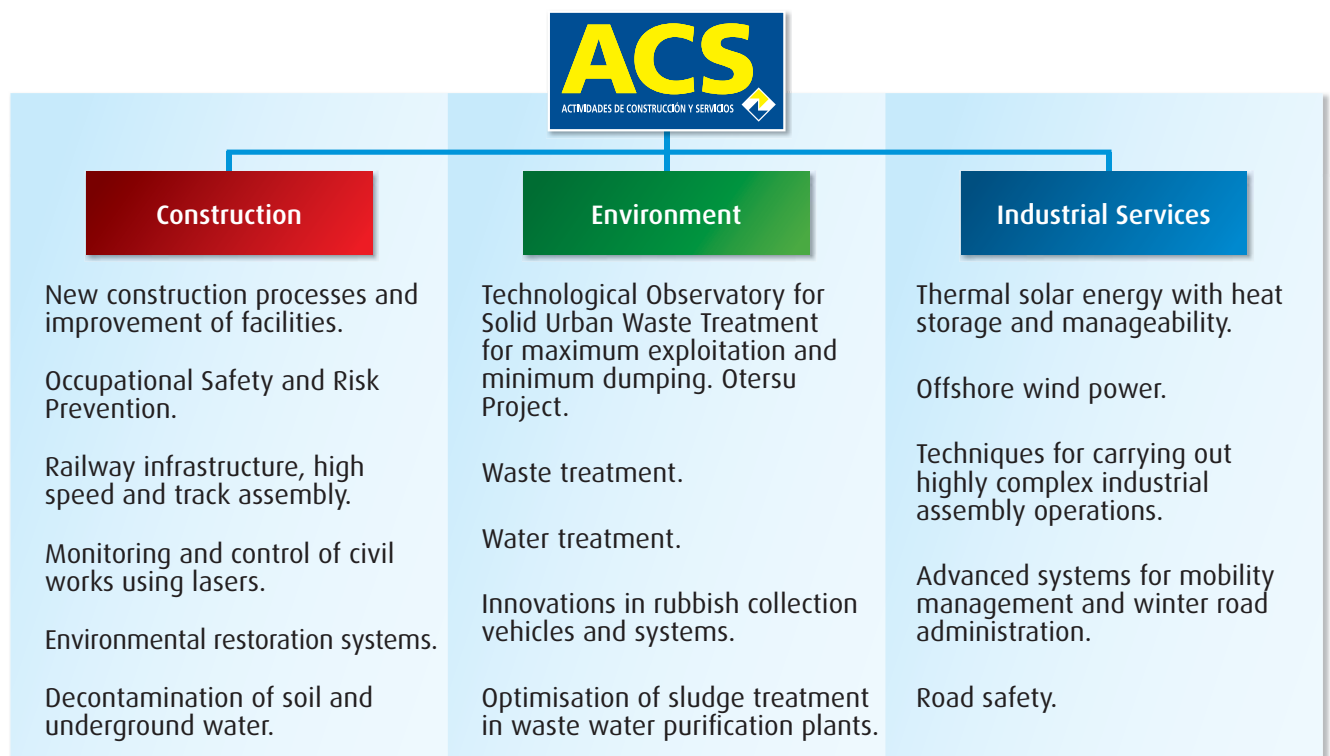
Each Group company's strategic decisions on the execution of R&D projects seek to maximise the positive impact of ACS's technical and technological progress. The companies have analysis and discrimination procedures to decide which projects to undertake. The ACS Group's activities as regards R+D+i also represent substantial support to the promotion of sustainability. The large number of projects which have the aim of increasing efficiency in the use of resources, minimising the impact of the services provided to clients and carrying out eco-design activities needs to be highlighted.

In 2010, the ACS Group collaborated in 172 projects with 59 research centres, 96 universities and 42 technological centres. These prestigious research institutions, both domestic and international, complement the ACS Group's own research capabilities.

The ACS Group invested a total of 46.77 million euros in research, development and innovation in 2010, which represents an increase of around 8% relative to 2009. Its efforts were aimed at various lines of research.

Likewise, collaboration with external organisations is crucial to the success of the projects undertaken.

The Group received nearly 9 million euros in subsidies for R+D+i in 2010.



Construction

The ACS Group's construction activity is managed under the UNE 166002:2006 standard. The great majority of the ACS Group's construction companies have this management system. SEIS, Dragados, FPS and GEOCISA have already obtained this certification from an independent body.

To meet the objectives set by the ACS Group and to carry out the 69 projects managed by the various R+D+i departments, the company invested 21.6 million euros in its construction business, nearly 5% more than that allocated in 2009.

In their R+D+i activities, the Group's construction companies collaborated with a total of 77 research institutions, including 18 research centres, 39 universities, 15 technological centres and 20 institutions promoting innovation or research of differing natures. Noteworthy among these are: CEDEX (the Spanish Centre for Public Works Studies and Experimentation), the Universidad Politécnica de Madrid and Loughborough University in the United Kingdom.

The strategic lines of the ACS Group's construction companies cover the following areas: maritime works, hydraulic works, building, materials and processes and the environment. Equally, the Group seeks to be a leader at the international level through the strengthening of the technological content of its projects and services, as well as greater cooperation between Group companies.

In particular, the Group is very active in research for environmental protection and energy efficiency. This is also the case for priorities such as restoration, energy saving and efficiency, clean energies, sustainable mobility and reduction of emissions.

Lastly, the development of social solutions should be highlighted. The PATRAC project merits a special mention in this section. This project was carried out in 2010 to promote accessible heritage (R+D+i for a no-barriers culture). This is an Exceptional and Strategic Project for the Spanish Ministry of Education and Science (MEC), which arose from the need to provide access, viewing and capture of contents for Spanish Cultural Heritage in a non-discriminatory form, compatible with the demands of the monument. As well as being research and technological development work, the social aspects were of primordial importance, as well as the dissemination and exploitation of the results.

In general, in the ACS Group Construction R+D+i area, the main projects by line of action worked on in 2010 were:

Transport Infrastructure

EXPLOTUN (CDTI): Geotechnical exploration and improvement of the terrain in front of the tunnel boring machine.
 CLEAM (Cenit): Sustainable infrastructures for transport.
 OASIS (Cenit): Optimisation of motorway use.
 Joint elimination (MF): Elimination of expansion joints in existing bridges (MF).
 REHABCAR (Innpacto): Restoration of roads and motorways (layout, road surfaces and bridges).
 Machine for positioning and squaring of railway sleepers.

Building

I3Con (EU): Industrialised, Integrated and Intelligent construction.
 Arfrisol (Exceptional & Strategic Project): Bioclimatic architecture.
 Inviso (Exceptional & Strategic Project): Industrialisation of sustainable buildings.
 CICLOPE (Exceptional & Strategic Project): Analysis of the environmental impact of buildings throughout their life cycle.
 FAMAX: New photocatalytic, self-cleaning materials for the construction of GRC façades with maximum environmental sustainability.
 RIMAC: Application of High Production Industrial Wastes for the development of new materials for civil works and building.

Marine Works

DYNAPORT (MF): Durability of concrete in maritime works.
 DILAPE (MF): Pendulum caisson for dissipation of energy and exploitation of wave power.
 CLIOMAR (CDTI): Influence of meteo-oceanographic climate on the life cycle of maritime works.

Hydraulic Works

ALIVESCA: Hydraulic design of stepped spillways without side walls in roll compacted concrete dams.

Materials and Processes

ALOE (Avanza): Monitoring with 3D laser: Building and civil works.
 SICURA: Augmented reality applied to building and the maintenance of tunnel boring machines.
 MAPLA (Avanza): Interactive platform for management of heavy machinery maintenance.
 HORMIFORMA (Innpacto): Optimisation of planning and construction of visible concrete structures with complex shapes.
 TAILORCRETE (EU): New industrial technologies for developing custom structures in cement and concrete.

Environment

UPSOL: Technologies for decontamination by chemical oxidation and reduction.
 PROMARES: Environmental protection of the coast and marine habitat.
 CLAY DIFFUSION: Diffusion of pollutants in urban waste dump barriers and their evolution with time.
 Establishment of selection criteria for plant species for stabilisation of slopes and the development of new nursery and planting techniques.

Other

PATRAC: Accessible heritage. A no-barriers culture.
 GIBICMED: Integral management of real property of cultural interest by means of digital structural monitoring.
 CIBIC: Conservation of infrastructures based on computational intelligence.

Construction system for modular façades for the I3CON and INVISO projects

Two R+D+i projects led by Dragados concluded in 2010 after several years of work: INVISO (Industrialisation of Sustainable Housing), a domestic Exceptional and Strategic Project co-financed by the Ministry of Science and Innovation and I3CON (Industrialised, Integrated and Intelligent Construction), integrated into the 6th Framework Programme, co-financed by the European Commission.

The main aim of I3CON was to develop industrial products, integrated processes and intelligent systems for building with prefabricated construction components and control systems using sensors, wireless connections and user-friendly interfaces. INVISO had a dual objective: to boost the

industrialisation of housing production and the design and development of new bioclimatic strategies to improve their energy efficiency.

One of the outstanding results from both projects was the development of a modular system for façade panels, permitting great versatility in external finishes and the inclusion of energy-generating elements and even elements pre-sown with plants. This type of façade panel, called GRC Sandwich-Framex, starts from a GRC sandwich panel to which metal profiles are integrated on the outside as a frame on which to anchor the various light façade solutions (wood, photovoltaic, plant, etc panels). This is currently in process of being patented.

Laser applications in Civil Works and Building: ALOE

Through the ALOE (from the Spanish for Laser Applications in Civil Works and Building) project, a mobile system has been developed for measurement and land surveying for roads and their surroundings. The mobile system is made up of a vehicle fitted with an infrared laser scanner, differential GPS, odometers, inertial and theodolite system, computer and communications systems. The system makes it possible to travel along the road at the speed of the existing traffic and obtain precise information on the position of millions of surface

points: cants, slopes, layouts, bank inclinations, ditch dimensions, etc.

In road restoration works, this system represents a great advance with respect to classical land surveying and enables considerable savings to be made over traditional methods. A static version of the system is used to make drawings of buildings being restored or exceptional elements, as well as to check the progress of the work or precise detection of collapses, flatness of façades, etc.



INNODRAVAL: Innovation in environmental restoration of coastal zones

The INNODRAVAL project proposes to develop a "Pilot System for Environmental Restoration of Polluted Coastal Zones" with the dual aim of reducing pollution and, at the same time, converting waste into a by-product for the market. The idea is to design, develop, apply, validate and optimise mechanical, technical and methodological processes for characterisation, dredging, treatment and reuse of marine muds and sediments in coastal zones and ports affected by polluting industrial activities.

INNODRAVAL is financed in the framework of the INNPACTO Programme (through the Spanish Ministry of Science and Innovation) and has five participating entities: two companies (GEOCISA and FPS); and three public bodies (Fundación Instituto de Hidráulica Ambiental de Cantabria, Centro Tecnológico del Mar - CETMAR and the Universidad de Vigo). The project runs from 2010 to 2013.

RIMAC Project: Application of Industrial Wastes in the Development of New Materials for Building and Linear Works

The RIMAC project, started in 2010, is intended to incorporate two types of industrial waste, with little opportunity for reuse or recycling, into new production processes for construction. The two types of waste used are:

- Polymeric foams, mainly from the automotive sector, which will be recycled to produce concretes and mortars and will partially replace the addition of natural aggregate.
- White slag from steelworks, reused currently only in the production of cement and which will be applied when converting marginal and inadequate soils into useful terraces for works zones.

Dragados carries out activities related to efficiency in the use of resources, minimisation of the impact of products and services and eco-design:

The company is an active member of European R&D organisations such as E2BA (Energy Efficient Buildings Association), the objective of which is to reduce the impact of the building sector in the consumption of energy and emission of GHGs. It also belongs to ENCORD (European Network of Construction Companies for Research and Development), where there is a specific work area on sustainability and CO₂.

As regards R&D projects, the objective of efficiency appears in almost all of them, whether for energy, emissions or the use of material or other resources. Worthy of special note is the CICLOPE Extraordinary and Strategic Project, which seeks to reduce the environmental impact as far as possible in the built setting, based on Product Environmental Declarations.

Commitment to Technological Development



Environment

In the ACS Group's Environmental activities, innovation constitutes a basic principle both in management and in processes for recovery, reuse and reclamation of wastes or in the provision of integral maintenance services.

Twenty-seven research and development projects were started in this area in 2010, in which 6.8 million euros was invested, 17% more than in 2009.

In the area of R+D+i, the Group's Environment companies collaborated with a total of 20 research institutions, including 5 research centres, 10 universities, 2 technological centres and 3 institutions promoting innovation or research of other types. Among these, the Universidad de Zaragoza, the INASMET technological centre and the company E-Intelligent are worthy of note.

Urbaser

Investment in R+D+i focused on making maximum use of the energy which can be extracted from wastes, minimising dumping and reducing atmospheric emissions and smells. All of Urbaser's R+D+i activities are declared in accordance with the IDI-0030/06 Management System, implemented since July 2006.

This management system is based on a strategic R+D+i plan which has improving the services offered to citizens as a priority and which is guided by the following lines of action:

- Design and start-up of a centre for innovation in waste treatment processes.
- Research into obtaining energy efficiently from waste from Urbaser's installations.
- Increasing the organisation's knowledge management by means of, among other tools, the technology watch system.
- Innovation for the implementation of less polluting machinery in urban services.
- The application of information and communications technologies to obtain updated information on the economic, social and environmental impacts produced in its activities.

Urbaser also researches the use of equipment which produces less noise and uses alternative fuels, as well as working in asset management projects in line with the Smart City concept. Additionally, the Ministry of Science and Innovation has approved two new Urbaser R+D+i lines: gasification and optimisation of biogas.

All these activities have been carried out thanks to the staunch support of the company's management, which has increased the human, material and economic resources for the R+D+i Department over recent years.

The main projects worked on by Urbaser in 2010 were:

- The OTERSU project, which has improved knowledge for Solid Urban Waste projects, minimising their impact and improving their exploitation.
- The microalgae project to optimise the biogas production process in Solid Urban Waste plants.
- The inclusion in its fleet of 50 electric vehicles in the waste collection and street cleaning contract for the city of Barcelona.
- The Technology Watch project.
- The implementation of the Energy Management System based on the UNE 16001: 2010 standard, which drives actions aimed at improving energy consumption and production.

Among all these projects, the following stand out due to their depth, level of investment or importance:



Integrated system for electrical urban mobility

Urbaser has included 50 electric vehicles in its fleet for the waste collection and street cleaning contract for the city of Barcelona. This integrated system of electrical mobility has demonstrated that the possibilities with these units are similar to those with vehicles which use fossil-based fuels.

The company, in a public-private partnership with other organisations, has started up an intelligent charging system which enables this operation to be controlled simply, obtaining quantitative data which

will be of use as an instrument for improvement and progress.

In addition to all these characteristics, which are necessary to ensure the service, the system which Urbaser has implemented in its three Barcelona work centres enables electricity demand from the line to be analysed without ever exceeding the required power and does not cause external interference thanks to the harmonic filters installed.

Technology Watch

Outstanding as a tool within R+D+i management is Technology Watch.

Understood as Technology Watch (TW) is the organised, selective and continuous process of capturing information from outside of and within the organisation itself on science and technology and selecting, analysing, disseminating and communicating it to convert it into knowledge which enables decision making with lower risk and also permits changes to be anticipated.

The objectives of the Technology Watch project are:

- To systematise the processes of recovery and storage of information.

- To facilitate the analysis process, which used to be carried out manually.
- To promote new correlations between data from companies, institutions, publications, researchers, etc.
- To store the information comprehensively in a great knowledge base.
- To carry out actions for the dissemination and exploitation of the information recovered.
- To use the information in the company's decision making.

Microalgae project

The project is intended to optimise the biogas production process in solid urban waste plants, improving the quality of the biogas obtained by means of modern technologies with microalgae. A microalgae bioreactor has been incorporated through which the biogas obtained from the anaerobic bioreactor is passed. This achieves the following:

- It fixes the carbon dioxide, converting into algal biomass which, subsequently, can be returned to the anaerobic bioreactor to produce biogas.
- It produces hydrogen in the process by means of the biophotolysis of water.
- It retains oxides of sulphur and nitrogen in the process.



Commitment to Technological Development



Clece

Clece's strategy in the field of R+D+i is subdivided into three large areas based on the company's production and management needs:

- To promote collaboration with the various tool and consumable supply companies to improve profitability, efficiency and possibilities for the use of its products in the current market. In line with this initiative, the aim is to promote the comparative study within production of the different existing technologies to determine their real validity in service.
- To adapt the control and management tools for the various services to the needs and particular features in reality of the wide range of services and situations the company faces. The objective is to obtain durable solutions which provide competitive advantages in the current market.
- To continue investing in the best use of the energy resources used in the organisation.

The main projects worked on by Clece in 2010 were:

- The development of the remote management system for trolleys at Madrid's Barajas Airport.
- Development of equipment management software for the open prison monitoring contract.
- Integrating online presence control technologies for home help services.
- Improving cleaning processes and techniques in hospitals.

Among these projects, the following stand out due to their depth, level of investment or importance:



Clece
SERVICIOS

Remote management system for trolleys at Madrid's Barajas Airport

Clece has patented the remote management system for trolleys at Madrid airport. The aim of this system is to guarantee the availability of trolleys, so reducing investment costs.

A traditional problem in airports with large areas and large numbers of travellers is to guarantee the availability of the necessary number of trolleys when the passengers arrive. To overcome this problem Clece, as a supplier of these logistics services, has developed a system in collaboration with various suppliers, which is based on RFID technology. This reports the number of trolleys available at each airport collection point. The system is completed by online management software, enabling alarms to be configured to generate two warnings: the first when a number of trolleys is reached which is considered to be a risk and the second when the level considered critical is passed.

Integration of online presence control technologies for home help services

Clece is integrating online presence control technologies into its home help services.

Although home help services are managed by a commercial tool, which handles users, incidents and visit planning, there is a problem in terms of guaranteeing that the worker really attended at users' homes at the planned time.

To solve this problem, the homes have been identified with a QR code (ISO/IEC 18004) which the worker approaches with their mobile phone. The phone's software interprets this code and sends a signal to the central server, where the traditional management tool is installed. Once the service is complete, the code is read again, ending the service.

The innovation consists of the integration of the technology into an application, with the remote reading of QR codes by mobile phone for registration in the system.



Commitment to Technological Development



Industrial Services

The ACS Group's Industrial Services area carries out significant work in promoting research, development and innovation through the various R+D+i departments in each of the companies in this line of business.

Total investment of 17.13 million euros was allocated to the execution of the more than 72 projects managed by the different departments, practically the same figure as in 2009.

The R+D+i areas in the various companies collaborated with a total of 100 research institutions, of which 33 were research centres, 40 universities, 21 technological centres and 8 of other types of institution promoting innovation and research. Noteworthy among these are: the Universidad de Valladolid, the Catalan Institute for Energy Research and Tekniker, which specialises in mechatronics, manufacturing technologies and microtechnologies.

The R+D+i strategy of many of the companies in this area is based on an external focus, aimed at its stakeholders, and an internal focus, aimed at process modernisation and improvement.

The main projects worked on in 2010 were:

- Development of a new model for studying new configurations for thermal electric solar power plants. (Cobra)

- Development of a pilot loop with new heat transfer fluids for solar thermal applications. (Cobra)
- ECOVE – Development of a management system for recharging electric vehicles. (ETRA Group)
- Design and development of a new electrical power supply process for high technology aerospace installations. (Cobra)
- Viability study for the design, construction and installation of offshore wind farms. Phase II. (Dossa)
- Analysis and optimisation of the processes involved in the life cycle of projects, as well as their organisation and integration by implementing PLM (Product Lifecycle Management): Phase II. (Dossa)
- Signing of a collaboration agreement with the Castile-La Mancha Energy Agency for the study of a system for energy storage by means of concrete. (Eyra)
- Multi-year R&D project for the design and production of prefabricated housing as a solution in cases of emergency and for social housing. (Makiber)
- Research into and development of prediction algorithms for adaptive regulation of interurban lighting systems. (Sice)

Among these projects, the following stand out due to their depth, level of investment or importance:



CENIT VERDE project

The objective of this CENIT (Spanish abbreviation for Strategic National Consortia in Technical Research) project is the analysis and design of new electronic and drive architectures for PHEV (Plug-in Hybrid Electric Vehicle) and EV (Electric Vehicle) vehicles by means of simulation models, permitting research on power and energy balances and performance by different drive modes.



Design and development of a new electrical power supply process for high-technology aerospace installations

The main technological objective presented by this project is to raise the possibility of connecting electricity users to the grid which operate at frequencies different to this electricity network (50 Hz). Normally, for a user to be able to connect to electricity supply networks, an essential requirement is for the installation to work at the grid frequency (50 Hz). It has been confirmed by means of this project that, by means of the installation of electronic converters, it is possible to connect users and installations with any type of electrical characteristics (operating voltage and frequency) different to the conventional electrical installations.



ECOVE - Electric vehicle recharging management system

The management system for electric vehicle recharging is a platform which enables monitoring and management of recharging points located on public roads. The management system has been conceived not only for the management of a small group of charging stations, but to permit management of a large system, covering all the recharging points in a city.



Viability study for the design, construction and installation of offshore wind farms

The main objective of this project is to carry out a viability study to analyse the design, construction, transport, installation and start-up of an Offshore Wind Farm. With Dragados Offshore's recognised offshore experience, what is intended is to study the viability of this new business line, considering the Project for a Wind Farm in the sea in its entirety, i.e. from conception to start-up. The project started with a first phase in 2009, continuing with a second phase in 2010.



Analysis and optimisation of project life cycle processes

The main objective of the project is the analysis and optimisation of processes from the point of view of Project life cycle management. In this, it takes the existing Standard (ISO 15288) as a reference, establishing the definition of a process architecture which is intuitive and easily applied to Dragados Offshore's activity. Furthermore, this project seeks to implement an Integrated Technical Information System based on PLM (Product Lifecycle Management), which organises and integrates the different processes in its production process, from design to installation and start-up. This Project was carried out in two phases; a first phase to diagnose the current situation and define the model, which was carried out in 2009; and a second PLM implementation phase, executed throughout 2010.

The main objective of this project is the development of a system of adaptive regulation of public lighting by means of the use of LED light fittings, based on the regulation of lighting intensity taking the environmental conditions into account.

Commitment to the Natural Environment



The Protection of the Environment in the ACS Group

2010 Milestones

DRAGADOS

Improvement of sustainable management of wastes from construction and demolition, maintaining the increase in fractions of debris with its final destination as recovery, reuse or recycling. A total of 65.1% of the construction and demolition waste was recovered in 2010, meeting the target of 60% set for the year.



Optimisation of the process for energy recovery and reduction of wastes sent to dump by means of the recovery of the combustible fraction after sorting, for incineration of urban waste.



Implementation of the Environmental Emergency Plan for own personnel and subcontractors.

Challenges for 2011

DRAGADOS

Implementation in works of a Technical Instruction on Dumping, the objective of which is to establish a methodology for monitoring and control of waste water dumping.



Reduction of CO₂ emissions generated in urban services installations by means of the implementation of cogeneration systems and photovoltaic panels on roofs as well as by installing low consumption lamps.

Development of a project to reinforce the details and measurement of Urbaser's greenhouse gas emissions.



Implementing and certifying the Environmental Management System in 90% of Cobra Instalaciones y Servicios' activities.



Strategic Priorities

The ACS Group combines its business objectives with protection of the environment and appropriate management of its stakeholders' expectations in this regard. ACS's environmental policy is intended to be a framework in which, on the one hand, the general lines to be followed (principles) are defined and, on the other hand, the particular features of each business line and each project are collected (articulation).

The principles are the ACS Group's general environmental commitments. These are sufficiently flexible as to accommodate the elements of policy and planning developed by the companies in the different business areas. In addition, these commitments need to keep within the requirements of the ISO 14001 Standard:

- Commitment to complying with the legislation.
- Commitment to preventing pollution.
- Commitment to continuous improvement.
- Commitment to transparency, communication and the training of Group employees, suppliers, clients and other stakeholders.

To be able articulate and deploy a policy on these environmental commitments, the environmental priorities for each business are identified in accordance with each company's management system. For each of these ACS Group priorities, objectives are set and improvement programmes established.

The ACS Group's environmental policy, including its strategy to combat climate change, is based on a process which is under ongoing definition, that is a minimum commitment and will be developed as a whole in 2011.

Environmental priorities are identified in each company and according to them, environmental policies are established to make them happen

Information system aligned with strategic priorities

The ACS Group has developed tools to manage sustainability and its integration into businesses more simply. In particular, it has launched a new management system with the dual objective of collecting and consolidating quantitative and qualitative information on sustainability, as well as aligning the management of all companies to the ACS Group's strategic priorities.

The contents of this tool adapt to GRI requirements, to the information requested by the selective sustainability stock market indices and by institutional investors and ratings agencies which

consider matters related to sustainability. An ambitious process involving awareness raising, training and debate with all the heads of each of the areas in all the Group's companies has been started to improve and disseminate the tool, which is implemented in 100% of the ACS Group's companies. This initiative involved over 100 people in more than 10 working groups. This enabled the scope of the environmental information to be increased to exceed 90% of ACS Group.

Management Model

The ACS Group's environmental management model in each company takes the ISO 14001 standard as a reference. The responsibility of overseeing the ACS Group's environmental performance falls to the Environmental Department in each company. They develop the policies and action plans according to the environmental priorities established. In general, all the ACS Group's companies share a series of characteristics in the management of environmental impacts.

- Of the ACS Group's turnover in 2010, 71.69% was certified under the ISO 14001 standard.
- A total of 798 environmental audits were carried out in 2010, 3.8% more than in 2009. A total of 1,219 environmental incidents occurred in 2010, which involved the origination of a total of 32 sanctioning administrative proceedings. These figures are appreciably lower than those for 2009.

- Environmental planning is carried out in the framework of each company's policy and environmental priorities. Plans and programmes taking in targets and goals are established annually, quantified by the ACS Group's units and companies.
- Environmental planning goes beyond the environmental legislation, in particular in those countries where the legislation is not very restrictive. These are generally developing countries, where internationally-recognised good practices are implemented proactively.

The main environmental measures revolve around four key areas, on which the ACS Group positions itself explicitly: **the fight against climate change, promotion of eco-efficiency, water saving and respect for biodiversity.**

| Main Environmental Indicators | 2009 | 2010 |
|---|--------------|--------------|
| Water consumption (m ³) | 6,504,133.14 | 6,772,369.99 |
| Production certified under ISO 14001 (%) | 69.86 | 71.69 |
| Direct emissions (Scope 1) (tCO _{2eq}) | 1,958,109.13 | 1,998,929.38 |
| Indirect emissions (Scope 2) (tCO _{2eq}) | 108,612.92 | 108,948.84 |
| Indirect emissions due to employee travel (Scope 3) (tCO _{2eq}) | 4,570.39 | 5,063.25 |
| Non-hazardous waste sent to management (t) | 1,115,301 | 824,735 |
| Hazardous waste sent to management (t) | 174,241 | 200,949 |

Climate Change

The ACS Group shares with society the growing concern over climate change, hence it has an active policy for reducing its greenhouse gas emissions.

The main challenge is to understand and quantify all the ACS Group's emissions. Each company is responsible for maintaining an inventory of emissions, in which the main sources of these is identified. This permits custom action plans to be developed for each company.

To this effect, progress is being made in defining a methodology to calculate the carbon footprint for the company's activities. Emissions inventories will not be limited solely to the ACS Group's operational scope, but will also cover the activities associated with the life cycle of its services and products. The first pilot project started in 2010 in the company Urbaser. The aim is to expand these types of methodologies to other activities relevant for the Group.

The ACS Group's strategy in the fight against climate change is based on proper management of fossil fuels, on renewable energies, on energy efficiency and saving and on sustainable movement. The main lines of action for this commitment are as follows:

- Reduction of direct emissions with the implementation of new production processes.
- Reduction of indirect emissions by moderating fuel consumption and promoting energy efficiency.
- Implementation of an Energy Management System (and where appropriate in accordance with UNE-EN ISO 16001 certification).
- Training of employees, raising client awareness and monitoring of suppliers.



Commitment to the Natural Environment

Promotion of Less Polluting Energies and of Best Technologies

The use of renewable energy or sources less intensive in carbon, as well as the use of the best technologies in the combustion of fossil fuels are two fundamental aspects to reduce CO₂ emissions.

The ACS Group has extensive experience in the development of and participation in renewable energy projects. At the end of 2010, the ACS Group participated in the operation of wind farms with a total installed power of 1,183 MW and which produced 2,432 GWh of electricity during the year.

Likewise, the ACS Group is a pioneer in the development of solar thermal power plants, which use solar energy as their source for generating electricity. ACS currently has over 250 MW in operation, which generated 377 GWh in 2010.

| Direct GHG emissions (tCO ₂ eq) | 2009 | 2010 |
|--|--------------|--------------|
| Construction | 65,848.53 | 57,547.68 |
| Industrial Services | 80,439.34 | 125,577.98 |
| Environment* | 1,811,806.73 | 1,815,753.78 |
| Concessions (Iridium) | 14.53 | 49.94 |
| Group Total | 1,958,109.13 | 1,998,929.38 |

* For the preparation, Urbaser decided to adopt a different method for calculating emissions, which is more up-to-date and more widely recognised than that used to date.

The emission factors were obtained from calculations made by Urbaser's personnel based on pre-established mass balances and the emission factors and formulas which appear in the E-PRTR (European Pollutant Release and Transfer Register) methodology and in the 3rd Edition of Solid Waste Management and Greenhouse Gases: A Life-Cycle Assessment of Emissions and Sinks, edited by the US EPA.

For 2009, information was received for a total of 5,779,705 tonnes of solid urban waste which, multiplied by the aforementioned coefficients, gave total emissions of 8,002,123 t(CO₂).

The weight of solid urban waste considered in 2010, when making the calculation, was 5,796,422 tonnes. If, at this volume of waste, the new calculation method is applied, the result is a total of 1,700,145 t(CO₂) in 2010. In 2009, according to the new coefficients, it would be 1,695,242 t(CO₂).

If the old calculation method is applied for the same number of tonnes, a total of 7,771,392 t(CO₂) would be obtained, comparable to the emissions calculated in 2009.

The data on landfill dumping are referred to the CO₂ equivalent emissions that the waste deposited will generate in a period of 26 years

| Indirect GHG emissions Group Total (tCO ₂ eq) | 2009 | 2010 |
|--|------------|------------|
| Emissions derived from electricity consumption (Scope 2) | 108,612.92 | 108,948.84 |
| Emissions derived from employees' travel (Scope 3) | 4,570.39 | 5,063.25 |

Eco-Efficiency

The ACS Group accords efficiency in resource consumption top priority, as an effective strategy in this area implies benefits from two angles. On the one hand, it reduces the environmental impact on the setting and, on the other, it cuts the costs needed for their purchase.

To this effect, the ACS Group strategy is based on three fundamental aspects.

- Definition of priority areas for improvement.
- Research and application of the most novel technologies permitting the minimisation of resource consumption.
- Measurement of the environmental impact of the activities carried out by the Group.

According to this strategy, the ACS Group will have reliable and balanced information on which to make effective plans for reducing resource consumption.

Management and Reduction of Wastes

The ACS Group segregates, stores and appropriately manages its wastes. Its management is always aimed at minimising the wastes generated, both in terms of quantity and of their hazards, on giving priority to recycling and reuse above other management options and in energy recovery as the preferred choice as against dumping.

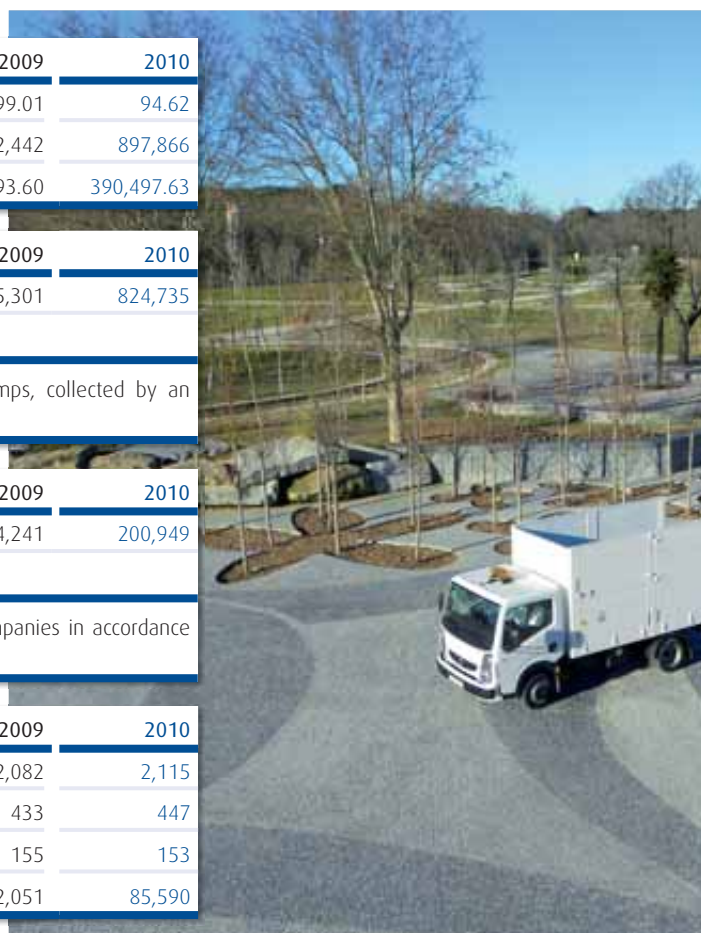
Waste is managed in accordance with the regulations in force in each country. All facilities have the corresponding authorisations for producers of hazardous waste, which allow for their recording, inventory taking, storage and management. The ACS Group also generates other hazardous wastes or wastes with specific regulation which need to be treated specifically by an authorised handling company or Integrated Waste Management System.

Rationalisation of Energy and Material Resource Consumption

All the natural resources consumed by the ACS Group are used efficiently. To achieve this, the best available technologies are used as regards efficiency and reduction of material and energy resource consumption.

Furthermore, the ACS Group has lines of research related to improving the rational use of materials and energy resources. It is worth highlighting that part of the wood purchased by the ACS Group is certified in accordance with standards for sustainable management of forest cover. Specifically, 39.69% of the 14,387 m³ of wood purchased in 2010 was certified.

| Direct and indirect energy consumption, by source | 2009 | 2010 |
|--|------------|------------|
| Petrol + diesel consumed (million litres) | 99.01 | 94.62 |
| Natural gas consumption (m ³) | 3,032,442 | 897,866 |
| Electricity consumption (MWh) | 389,293.60 | 390,497.63 |
| Non-hazardous waste sent to management (tonnes) | | |
| Total non-hazardous waste sent to management (t) | 1,115,301 | 824,735 |
| Treatment method | | |
| The non-hazardous wastes generated or managed are sent to dumps, collected by an authorised handling company, reused, recycled or recovered. | | |
| Hazardous waste sent to management (tonnes) | | |
| Total non-hazardous waste sent to management (t) | 174,241 | 200,949 |
| Treatment method | | |
| Hazardous waste is, in general, delivered to authorised handling companies in accordance with the legislation in force. | | |
| SOx y NOx emissions Group Total (t) | | |
| Emissions of oxides of nitrogen (NOx) | 2,082 | 2,115 |
| Emissions of dioxides of sulphur (SOx) | 433 | 447 |
| Emissions of solid particles | 155 | 153 |
| Other gases | 82,051 | 85,590 |



Commitment to the Natural Environment

Water collection by source (m³)

| Water consumption (m ³) | 2009 | 2010 |
|-------------------------------------|---------------------|---------------------|
| Obtained from the public mains | 2,975,775.64 | 2,744,035.06 |
| Obtained from other sources | 3,528,357.50 | 4,028,325.93 |
| Total | 6,504,133.14 | 6,772,360.99 |

| Total waste water dumped (m ³) | 2009 | 2010 |
|--|---------------------|---------------------|
| To the public network | 1,490,209.48 | 1,498,100.80 |
| Drainage to the sea or rivers/lakes | 6,524,886.76 | 6,640,831.00 |
| Total | 8,015,096.24 | 8,138,931.80 |

| Accidental spills | 2009 | 2010 |
|-------------------------|-------|----------|
| Total (m ³) | 5,485 | 1,064.81 |
| Total (no.) | 4 | 5 |



Water

The activities carried out by the ACS Group involve considerable water consumption, especially in the construction field. As such, the company is very concerned with the need to reduce consumption of this natural resource, especially in zones where there is water stress. As far as possible, and whenever the projects' characteristics so permit, recycled water which is unfit for human use is employed.

The keys to the ACS Group's strategy for reduction of water consumption are summarised in three points:

- Implementing appropriate measurement systems (at project, company and corporate level), permitting detailed knowledge of the main sources for consumption.
- Carrying out actions which promote reduction of water consumption or which encourage the consumption of recycled water.
- Driving the development of operational policies for water management and desalination.

The ACS Group has numerous measures aimed at reducing water consumption, such as raising employee awareness, or others common to all the Group's businesses, such as the use of regenerated water for irrigation on garden maintenance contracts, installation of aerators in taps, etc.

In the framework of its new Environmental Policy, the ACS Group will set targets associated with improved water management, with particular attention to those works located in geographical zones with water stress. It should be said that some ACS Group companies already have specific targets for reducing water consumption. As such, ACS has been making efforts for many years in the south-east part of the Iberian Peninsula and on the Canary Islands, these being locations which have frequent water deficits. The Environmental Management System considers water stress as an additional variable in the evaluation criteria for the "water consumption" parameters, which leads to the initiation of preventive measures to optimise water consumption and the monitoring of the effectiveness of these measures.

Lastly, it is worth emphasising that the ACS Group carries out exhaustive monitoring of the quality of water drained to the natural environment. In this regard, all monitoring carried out meets legal demands, such that significant effects do not occur in the natural environment.

Within the Construction area, 122 environmental incidents related to spills to the soil occurred in Dragados, of which only two could be considered significant, given that they involve a repair cost of over 1,000 euros. In no case was it necessary to put the emergency plans into effect.

Biodiversity

The ACS Group's activities generate impacts on the natural environment where the works are executed. The implementation of measures to conserve the flora and fauna is one of the environmental principles applied in planning operations. These measures are based on physical protection, transplanting or transfer, as well as on respect for the life cycles of the plant and animal species affected.

The ACS Group tries to minimise the environmental effect of its activities, especially when these take place in areas of high ecological value. Projects are planned with the objective of minimising their environmental impact and, as far as possible, are carried out under the methodology which causes least damage in the setting. The ACS Group includes the commitment to conservation of biodiversity in its environmental management systems.

The objectives of the ACS Group's Environmental Management System are as follows:

- To assess the impacts of the activities on the environment.
- To research, develop and offer its clients innovations which improve environmental conditions.
- To raise awareness in its own personnel and those who work under the name of the ACS Group.
- To manage waste correctly and to foster its reuse and recycling.

Integration into the Environment and its Restoration. Environmental Impact Studies

The ACS Group prepares environmental impact studies, which attempt to minimise the possible adverse effects of the projects on the natural environment. Public participation in procedures to approve these projects is guaranteed by the national and regional legislation in each of the countries where they are carried out. The company also has supervision plans which guarantee the fulfilment of the preventive measures and reduce the impact of projects and processes not subject to environmental impact assessments.

Sanctions as a Consequence of Breach of Environmental Regulations

The ACS Group was sanctioned on 32 occasions in 2010 due to incidents related to breaches of environmental regulations.

| Sanctions due to breaches of environmental regulations | 2009 | 2010 |
|---|-------------|-------------|
| Number of environmental incidents | 1,408 | 1,219 |
| Number of environmental incidents with sanctioning administrative proceedings | 40 | 32 |
| Cost of fines due to sanctioning administrative proceedings (euros) | 114,232.02 | 196,469.67 |



Biodiversity: Study on the impact on bonelli's eagle (*Hieraaetus fasciatus*), dipper (*Cinclus cinclus*) and european otter (*Lutra lutra*) populations

The ACS Group has carried out projects in places of natural interest (Sites of Community Importance (SCI) and Areas Important for Birds (IBI) that required studies of the impact on local fauna which could be significantly affected by the execution of the activity.

These natural spaces are populated by threatened species such as Bonelli's Eagle (*Hieraaetus fasciatus*), the golden eagle (*Aquila chrysaetos*), the European otter (*Lutra lutra*), the short-toed snake eagle (*Circaetus gallicus*), the booted eagle (*Hieraaetus pennatus*) and the Eurasian eagle-owl (*Bubo bubo*).

In compliance with its legal obligations, ACS carried out the corresponding Environmental Impact Study (EIS), from which it subsequently prepared the Environmental Impact Declaration (EID) that conditions the execution of the project with a series of requirements. As such, the main objectives of the EIS were, on the one hand, to propose preventive and corrective measures and, on the other, to prepare a supervision plan for the species subject

to study, which would permit the works to be executed outside the time limitations opposed by the EID.

The EID stated that the works needed to be executed outside the nesting and rearing period, i.e. between the months of January and June, both inclusive.

To understand the real impact of executing the works, a field study was carried out throughout all the years when the works took place, locating active zones of presence and nesting for the threatened species. Once these had been identified and confirmed, the corresponding preventive and corrective measures were applied to guarantee that the threatened species were not affected.

The effectiveness of these proposed measures, both preventive and corrective, was overseen by an exclusive supervision plan for each of the species potentially affected.



Construction

The construction activity carried out by the ACS Group can, on occasions, have a significant impact on the environment. Although this effect is usually temporary, the ACS Group's construction companies attempt to identify this in the initial project phase in order to minimise or completely avoid their impact on the environment.

The main environmental impacts of construction projects are related to water consumption, waste generation, movement of surplus soils from excavation and the visual effect. The ACS Group has active management systems to reduce these impacts during execution of the works.

In order to save water, all employees of Dragados, the reference company in the ACS Group's construction division, have access to good environmental practices documents for production processes and for services activities, among which are those related to efficient use of water. In addition, in order to involve collaborating companies, Dragados instructs its operators with delivery of a manual of good environmental practices to be implemented in the work, which also includes recommendations for rational water use.

Furthermore, there are other companies in ACS's construction area with their own plans for the minimisation of environmental impact or efficient use of resources. GEOCISA has a system for reusing water from soil cleaning and VIAS has developed an automatic irrigation system by means of which large quantities of water can be saved.



| Water collection by source (m³) | 2009 | 2010 |
|---|---------------------|---------------------|
| Obtained from the public mains | 1,342,148.80 | 1,088,140.29 |
| Obtained from other sources | 675,179.71 | 1,461,022.96 |
| Total | 2,017,328.51 | 2,549,163.25 |

| Surplus soil from excavation (t) | 2009 | 2010 |
|---|---------------|---------------|
| Surplus soil from excavation | 39,708,190.41 | 35,383,578.81 |

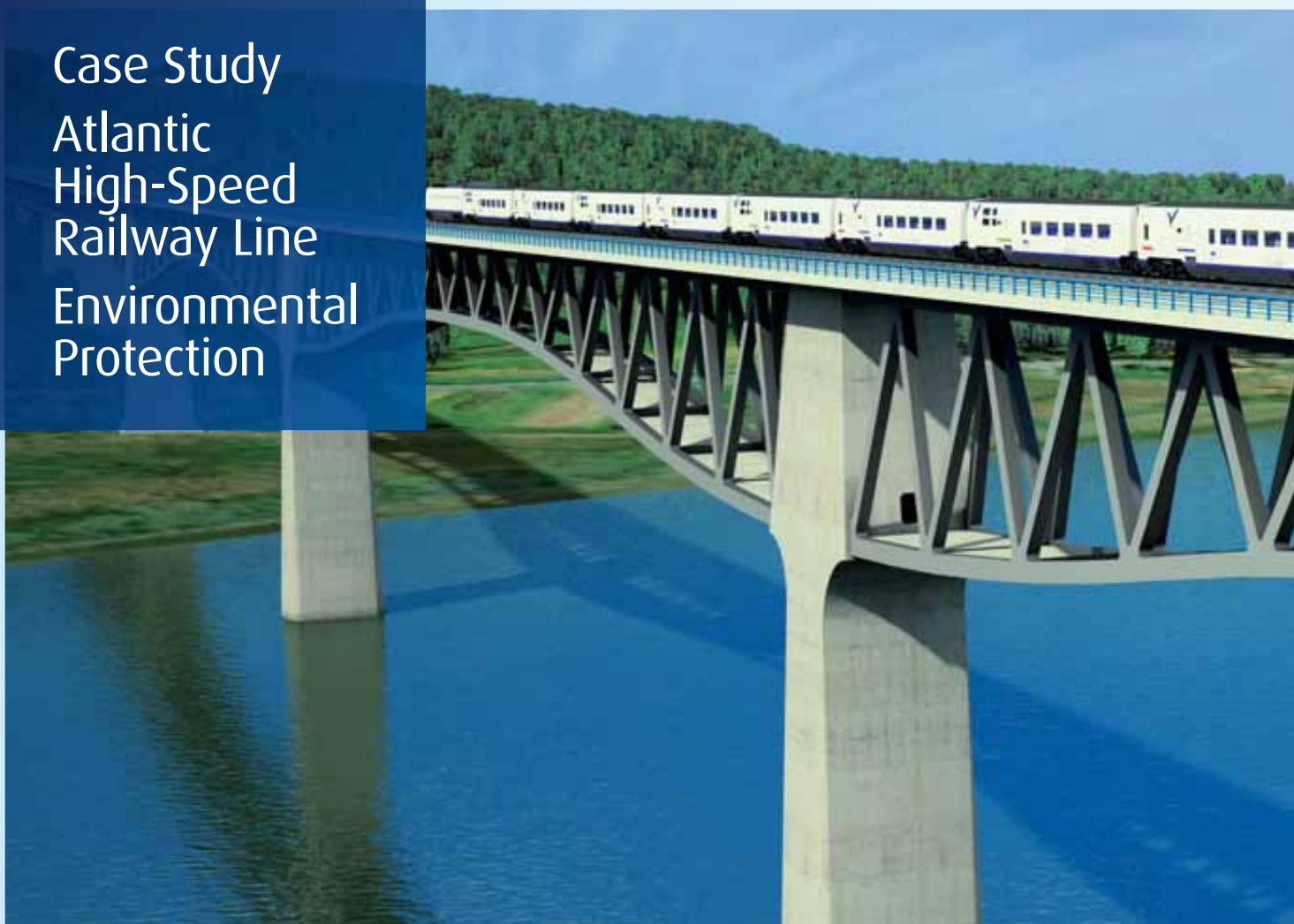
| Rate of construction and demolition waste recovery (%) | 2009 | 2010 |
|---|------|------|
| Recovery (reuse + recycling) | 58.5 | 65.1 |
| Reuse relative to total produced | 20.2 | 6.0 |
| Recycling relative to total produced | 38.3 | 59.1 |
| Deposited at dump site | 41.5 | 34.9 |

NOTE: Data with reference to Dragados' construction and demolition waste. Surplus soil from excavation is usually reused, reaching values of 73% for recovery and 17% for elimination.

Case Study

Atlantic High-Speed Railway Line

Environmental Protection



Project characteristics

The route crosses the Catoira (Pontevedra) and Rianxo (La Coruña) municipal areas and runs practically in its entirety on the Ulla Viaduct, as of its 1,690 m in length, 1,620 m are on the viaduct over the river Ulla which, downstream, harbours one of the most productive shellfishing zones in the Arousa estuary.

This is a viaduct of a metal truss structural type with double composite action, with a spandrel design on two central concrete piers for the main central span.

It has a total of twelve spans, the distribution of which is: 50 - 80 - 3 x 120 - 225 - 240 - 225 - 3 x 120 - 80 m; amply spanning the channel of the river Ulla and avoiding the need for support on the small island of Tellería and the zone of mud flats.

In addition, the considerable spans adopted enable the number of piers to be reduced, so reducing the impact on the landscape of the whole structure, as well as the need to carry out works in the riverbed,

with the consequent minimising effect on the impact of the works on the ecosystems and resources linked to the Ulla estuary.

Most relevant Project Environmental Aspects

These refer, basically to the protected natural space integrated into the Galician Protected Natural Spaces Network and the Natura 2000 European Network as the "Ulla - Deza River System" SCI.

This space has an area of 1,633 hectares, covering the combined Ulla and Deza river systems as they pass through the Catoira, A Estrada, Pontecesures, Silleda, Valga, Vila de Cruces, Boqueixón, Dodro, Padrón, Rianxo, Touro, Teo, Vedra, Brión, Rois and Ames municipal areas and corresponds to a scope focused on the aforementioned river system and **shelters significant fish populations, outstanding among which are the Atlantic salmon and the lamprey.**



The space shelters the following habitats:

- Estuaries.
- Spartin swards (*Spartinion maritimae*).
- European dry heaths.
- Endemic ortho-Mediterranean heaths with gorse.
- Siliceous crags with pioneer vegetation in the form of sedo *Scleranthion* or *Sedo albi-Veronicion dillenii*.
- Alluvial woods of *Alnus glutinosa* and *Fraxinus excelsior* (*Alno-Padion*, *Alnion incanae*, *Salicion albae*).
- Galician/Portuguese oak woods with *Quercus robur* and *Quercus pyrenaica*.

The Atlantic High-Speed Line will be the railway corridor to run parallel to Spain's Atlantic coast, from Ferrol to the Portuguese border near Tui. Outstanding on the route, as an exceptional and large work, is the Ulla Viaduct, over the Arousa estuary. Leading the project is the RÍO ULLA Joint Venture, made up of the ACS Group companies, Dragados and TECSA

Case Study

Atlantic High-Speed Railway Line Environmental Protection

The most noteworthy species of flora is the *Narcissus cyclamineus*;

Meanwhile the **species of fauna worthy of note** are: *Galemys pyrenaicus*, *Lutra lutra*, *Alcedo atthis*, *Cinclus cinclus*, *Alosa alosa*, *Alosa fallax*, *Petromyzon marinus*, *Salmo salar*, *Chioglossa lusitanica* and *Margaritifera margaritifera*.

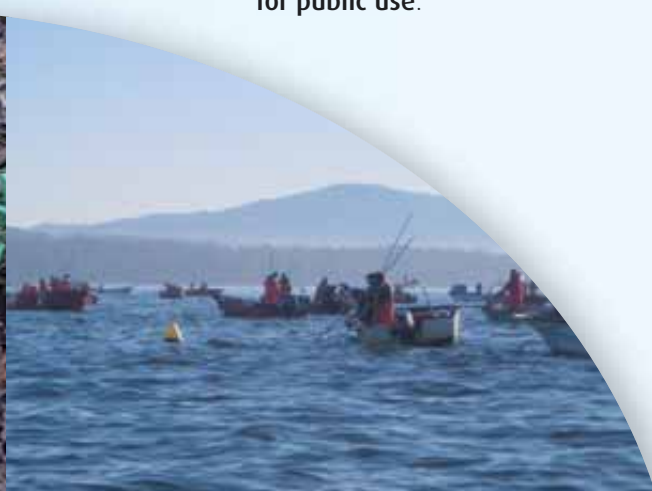
On the other hand and also linked to the scope of the Ulla estuary, there is also the need to consider within this framework the cases referring to exploitation of **fishing and shellfishing** resources carried out in the area, highlighting, first of all, the

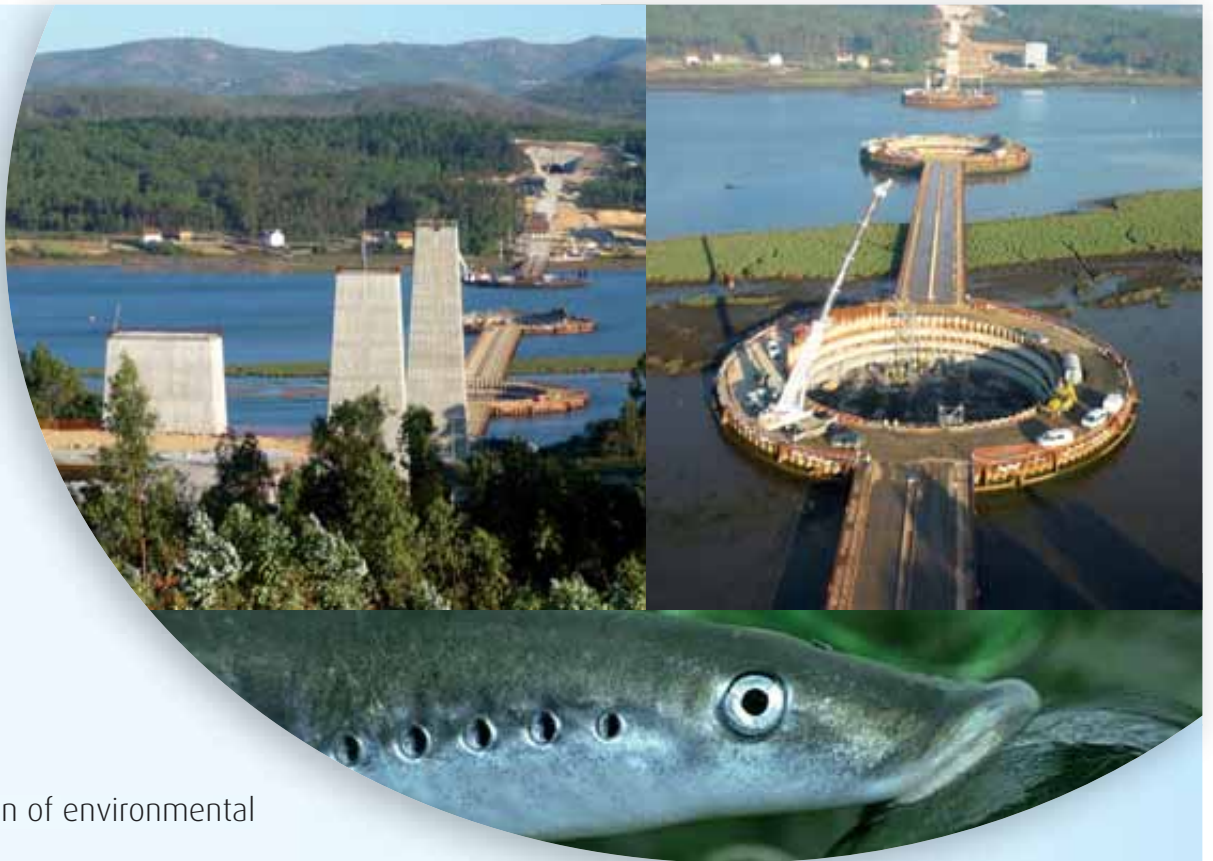
“Os Lombos do Ulla” shellfish bed, which is rich in bivalves such as clams and cockles and over which the eleven (11) Arousa estuary associations (O Grove, A Illa de Arousa, Cambados, Vilanova de Arousa, Vilaxóan, Carril, Rianxo, Cabo de Cruz, A Pobra, Palmeira, Riveira and Carreira - Aguiño) have exploitation rights.

The period of exploitation of “Os Lombos do Ulla” runs from October to March, while the period for reproduction and larval settlement covers the rest of the year.

Secondly, and although of lesser socioeconomic importance, the group known as the **“valeiros”** needs to be considered. These are eel and lamprey fishermen in the area where the work is carried out and, in this case, they have an exploitation period of March to December.

Lastly, although it is a secondary aspect with respect to those above, it is worth mentioning the neighbouring presence, although unaffected by the route, of the **Pedras Miudas Lake**. This results from old mine workings and the application of landscaping measures to its surroundings is being considered as a project with the idea of **exploiting it as a recreational space and for public use**.





Description of environmental actions

Great efforts are being made related to environmental actions in the execution of the Viaduct over the Ulla estuary. These are focused on two different aspects:

Firstly and in accordance with the environmental provisions attached to the project (Environmental Impact Declaration, Resolution of 29/08/2007), a **construction process** has been adopted which was conceived to minimise, as far as possible, the impacts on the aforementioned protected natural space ("Ulla - Deza River System" SCI) and, therefore, on the exploitation of the shellfishing and fishing resources associated with the Ulla estuary.

As such, the following actions have been carried out:

- **A construction process for the central piers** based on the creation of artificial islands (sealed enclosures in sheet piling) which are accessed **by means of wharfs permeable to the current**, given their arrangement on piles.

This is a construction procedure which reduces needs for occupation of the riverbed and the risk of dissolution, transport and deposit of soil on the Ulla riverbed around the works, implying a substantial reduction in the risk of impacts on the water and the bed of the river Ulla, in support of the key environmental aspects mentioned before.

Arrangement of a wharf at each bank, so as to leave the central channel of the Ulla free, minimising the impact on currents and the natural regime of flows and tides.

- Fitting **light-permeable** Tramex sections to the access wharfs for the central piers, so as not to interfere with the riverbed flora.
- Fitting both wharfs with sides and edges to collect soil, dust and polluted water, which are transferred for treatment to effluent treatment systems located on each bank.
- Installation of **effluent treatment systems** (one on each bank) permitting treatment in devices fitted with automatic control for the main physical/chemical parameters (pH, solids in suspension, oils and hydrocarbons).
- Effluent management in accordance with the authorisations and conditions stated by the competent authorities.
- Additionally, the whole surface of the works on the ground is surrounded by a system of perimeter ditches to collect runoff water and transfer it to the effluent management system.
- Subjecting of both effluent treatment systems to weekly controls with respect to their operation and effectiveness by means of automatic multi-parameter systems for real time data collection.

Case Study

Atlantic High-Speed Railway Line Environmental Protection

Implementation of **two monitoring systems** for the impact of water quality, each based on **multi-parameter devices**, with real time value determination, continuous operation and covering **near and medium distance** locations with respect to the works.

The near location is monitored by means of portable devices which are arranged in the most sensitive zone at each time. Meanwhile, the medium and distant locations are monitored by means of three,

continuously operating buoys, arranged around the works, two at a medium distance upstream and downstream respectively and a third located at a greater distance downstream and just above the upper edge of the shellfish beds associated with the Ulla estuary.

Continuous and daily monitoring of the impact on the river medium and the shellfish beds by means of the system of buoys, enabling early detection of possible incidents and the implementation of appropriate corrective actions.

Preventive and corrective measures

Secondly, a broad range of **preventive and corrective measures** have been carried out, in accordance with the conclusions of the project's Environmental Impact Study and the requirements of the Environmental Supervision Plan and in the Environmental Impact Declaration.





As such, aspects related to the following have been tackled:

Protection of physical variables

- Edaphic. Alteration of the natural structure of the soil. Conservation and recovery of land by means of the following measures:
 - Delimitation of the work site area.
 - Creation of slopes to assure stability and balance under any weather conditions.
 - Removal and piling under optimal conditions to prevent the compacting of vegetal soil, including its sowing and fertilisation.
- Atmospheric. Risk of the emission of dust into the atmosphere. Reduction of dust emission into the atmosphere to maintain adequate air quality by carrying out the following activities:
 - Determination of roads and areas where dust may be emitted.
 - Maintenance of internal roads in optimal conditions.
 - Limit on the speed of the vehicles on the work site.
 - Permanent provision on site of a watering system to reduce the emission of dust into the atmosphere.
 - Provision of an area for the washing of wheels at the work site exit.

- Hydrology. Risk of impairing the quality and circulation of the waters of the river Ulla. Minimisation of the impact on the river water by applying the aforementioned actions for the case of the construction procedure.

Protection of biological variables

- Flora and community interest habitats. Impacts associated with occupation. Minimisation of impacts by means of the following actions:
 - Carrying out detailed underwater surveys to determine the locations of the communities of interest in the scope of the works.
 - Replanting of surfaces altered by the works, paying special attention to appropriate species selection according to the climatic and edaphic conditions and the surface to be treated and their integration into the landscape of the works.
 - Minimisation of the impact on the river water and riverbed of the Ulla estuary by applying the aforementioned actions for the case of the construction procedure.

Case Study

Atlantic High-Speed Railway Line

Environmental Protection

- Fauna and biocoenose. Impact associated with occupation and alterations to the river medium. Minimisation of impacts by means of the following actions:
 - Carrying out of biocoenotic surveying campaigns with respect to the communities associated with the bed of the river Ulla, both at the level of the works zone and its neighbouring area.
 - Provision of the ground recovered from the sea (around pier 4) with systems for managing swept material and runoff based on the use of geotextiles surrounding a core, accompanied by the provision of straw bales, with both elements being subject to continual maintenance and renovation.

- Minimisation of the impact on the river water and riverbed of the Ulla estuary by applying the aforementioned actions for the case of the construction procedure.
- Integration into the landscape. Impact of the work on the surrounding landscape. Minimisation of impacts by means of the following actions:
 - Maintenance and cleaning of office areas, work cabins, machinery depots, roads, shoulders, ditches and wharfs.
 - Appropriate location of storage areas for materials and the waste generated.
 - Dismantling of elements auxiliary to the works at the completion of the latter and integration of the spaces occupied by these elements.
 - Treatment by means of seeding, hydroseeding and planting of land areas affected by the works.
- Protected natural spaces. Impact on the "Ulla - Deza River System". Minimisation of impacts by means of the following actions:
 - Application of specific measures described for the cases of "Hydrology", "Flora and habitats", "Fauna and biocoenosis" and "Shellfish resources (economic activities)".





Protection of socioeconomic human variables

- Cultural heritage. Impact on environmental assets. Minimisation of impacts by means of the following actions:
 - Carrying out of underwater archaeological surveys to seek possible evidence for heritage assets present in the viaduct's area of occupation.
 - Carrying out of land archaeological surveys to seek possible evidence for heritage assets present in the area occupied by the works on land. Preparation of the Archaeological Control and Monitoring Project, authorised by the Directorate General for Heritage, which considers rescue actions managed by archaeological specialists to conserve remains which may be found during the course of the works. Regular presence of an archaeological specialist on site and study for the recovery of items which may be damaged by the works.
- Impact on towns and economic activities. Minimisation of impacts by means of the following actions:
 - Continuous monitoring of the impact of the works on the Ulla estuary's shellfish beds by means of the aforementioned system of buoys, which places two buoys between the works and the upstream edge of the beds, enabling possible incidents to be detected early and appropriate corrective measures to be implemented.
 - Appropriate placement of vehicles and machinery to interfere minimally with local traffic. Appropriate signing on the road network from which access is gained, complemented by full-time allocation of specific personnel. Adaptation of the construction process by means of the launching of the span to prevent interference with road and railway traffic.
- Noise levels. Impact on surrounding populations. Minimisation of impacts by means of the following actions:
 - Carrying out of the works during the day.
- Public use spaces. Minimisation of impacts by means of the following actions:
 - Application of measures for landscaping, with a view to exploitation as a recreational and public use space, of the surroundings and the "Pedras Miuda" lake.

Commitment to the Natural Environment



Environment

The main impacts on the environment, generated by the companies in the ACS Group's Environmental Services area, are related to emissions of greenhouse gases produced by waste transport vehicles and the gases generated in the company's dumps and treatment plants themselves.

Other significant impacts on the environment result from the lixiviates produced in the dumps and from the management of the wastes generated.

Urbaser, the lead company in the ACS Group's Environmental Services area, applies strict environmental criteria and sets both corporate objectives and objectives by contract or project. Included among these objectives are:

- Optimisation of corrective measures for smells in urban waste treatment plants.
- Improvement of the process for energy recovery and reduction of wastes sent to dump by means of the recovery of the combustible fraction after sorting in urban waste incinerators.
- Reduction of natural gas consumption.
- Reduction of CO₂ emissions.
- Rationalisation of electricity and water consumption.

| Total waste water dumped (m ³) | 2009 | 2010 |
|--|-----------|-----------|
| To the public network | 1,186,005 | 1,063,835 |
| Drainage to the sea or rivers/lakes | 6,453,624 | 6,605,013 |
| Total | 7,639,629 | 7,668,848 |

NOTE: In 2009 Urbaser has included on its accounting the volume of water discharged by its water treatment plants. This explains the differences versus the figures reports in 2009.

Industrial Services

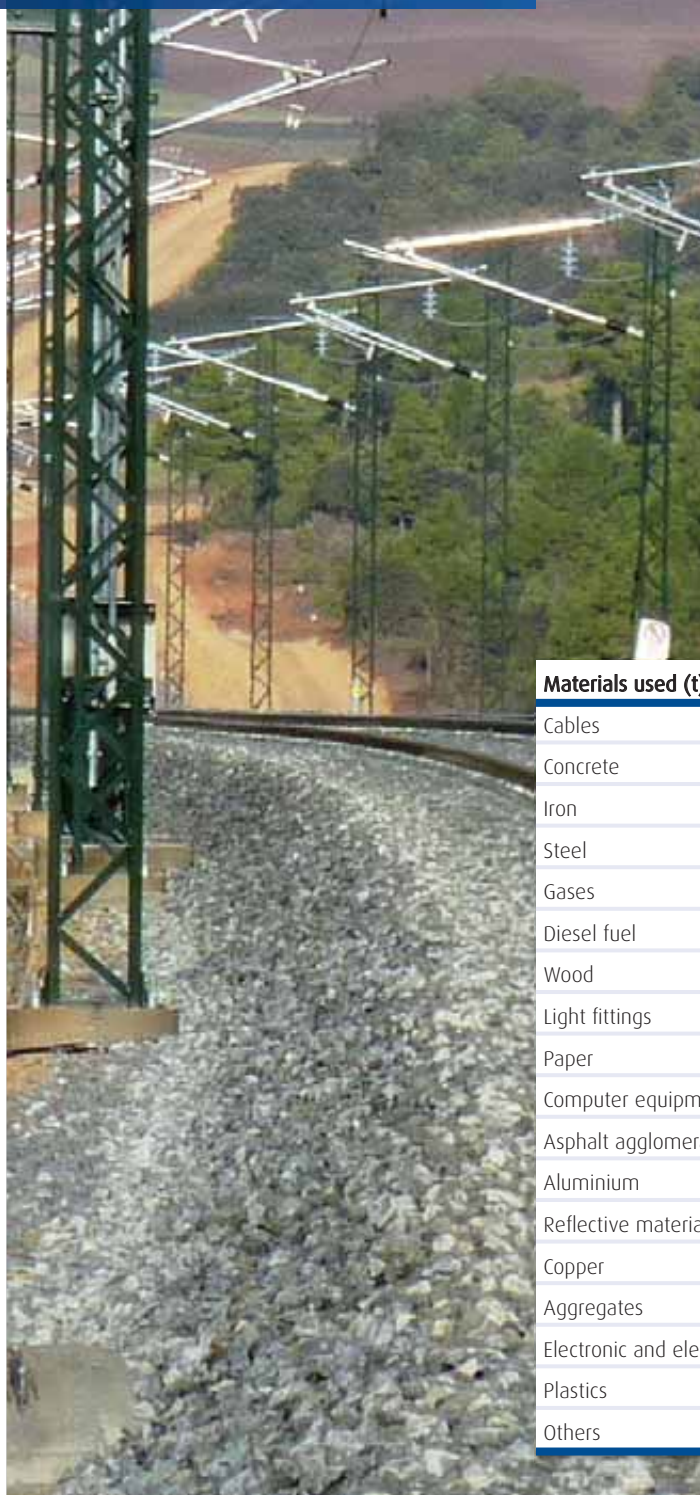
The Industrial Services activity mainly affects the environment through CO₂ emissions and the generation of wastes. In this respect, the concern of managers in the environmental management departments of each of the ACS Group companies is not only focused on reducing waste, but also the appropriate treatment and recycling of that inevitably produced.

Each company in the Industrial Services area develops its own plans to improve its energy efficiency and minimise its consumption of materials. In the case of INITEC Energía, the corresponding Environmental Management Plan is defined in accordance with the applicable regulations, fulfilling the requirements in the

Project Environmental Impact Declaration and developing the Environmental Supervision Programme. INITEC Energía's environmental commitment is embodied in its Integrated Quality, Environmental and Health and Safety Policy, applicable to all the company's activities, independently of their geographical scope. The same environmental principles apply in projects carried out in developing countries as in domestic projects.



Commitment to the Natural Environment



For its part, INTECSA sets environmental targets for 100% of the projects it carries out, as part of their environmental management plans. At the start of each year, the company's Quality and Internal Developments Committee, chaired by the Chief Executive Officer, analyses the environmental performance indicators for the previous financial year and sets and plans areas for improvement and objectives for those processes which so require. The Committee meets quarterly to examine, among other things, the monitoring and measurement of the fulfilment of the objectives and their effectiveness.

Another noteworthy initiative is the addition in IMESAPI in 2010 of 14 natural gas vehicles, which are further to the electric and natural gas vehicles acquired in previous years. The company expects to continue adding vehicles of this type in the coming years.

| Materials used (t) | 2009 | 2010 |
|---------------------------------|---------|---------|
| Cables | 36,379 | 9,075 |
| Concrete | 120,831 | 143,109 |
| Iron | 3,205 | 2,614 |
| Steel | 36,883 | 34,713 |
| Gases | 319 | 279 |
| Diesel fuel | 10,102 | 10,601 |
| Wood | 349 | 601 |
| Light fittings | 714 | 601 |
| Paper | 206 | 182 |
| Computer equipment | 4 | 5 |
| Asphalt agglomerate | 4,445 | 3,984 |
| Aluminium | 664 | 1,115 |
| Reflective materials | 740 | 2,970 |
| Copper | 394 | 597 |
| Aggregates | 26,913 | 22,603 |
| Electronic and electrical items | 1,179 | 2,101 |
| Plastics | 63 | 121 |
| Others | 1,276 | 2,274 |

ROMULO Project. Electrical interconnection between the Iberian Peninsula and the Balearic Islands

Durante 2010, COBRA Instalaciones y Servicios inició During 2010, COBRA Instalaciones y Servicios started the Rómulo Project for electrical interconnection between the Iberian Peninsula and the Balearic Islands.

The Islands' electrical system is currently made up of two independent subsystems: Mallorca-Menorca and Ibiza-Formentera, which are not connected to the Spanish mainland system. With the objective of covering the increased demand on the islands and improving supply quality and reliability, the Spanish grid operator, Red Eléctrica, started the analysis and definition of the electrical interconnection in 2004, by means of detailed technological, electrical, environmental and economic studies. The technical solution selected in the end consists of joining the Balearic Islands' electrical system by making an electrical interconnection between the two current systems and the interconnection of this system to that on the Peninsula.

The electrical interconnection between the Iberian Peninsula and the Balearic Islands is fundamental to ensuring flexibility of electricity supply and promoting competition in electricity generation. Noteworthy among the advantages of the electrical link to the mainland are the increase in quality and the guarantee of electricity supply in the Balearic system, in the face of increased demand on the islands. In addition, the integration into the peninsular system permits connection to the "Iberian Electricity Market". This is currently impossible, given the singular nature of the Balearic Islands systems, which do not allow a competitive market for generation to be set up on the islands.

The proposed route of the undersea cables was planned based on a detailed study of the sea bed, determining the bathymetry and the physical characteristics of the subsoil in a 2-km-wide corridor along the analysed route. In the underground and coastal stretches, the selected route avoids the archaeological sites, fish farms and seagrass meadows in the Sagunto area. The environmental prevention measures adopted minimise impacts on the tourism and fishing

(A summary is included in this report of this practical case, which can be read in full on the ACS Group's website).

sectors, as well as on cetaceans and fan mussels (a type of mussel which inhabits Posidonia meadows, a type of seaweed) in the marine stretch, and spur-thighed tortoises in the Santa Ponsa land section.

The wastes generated at the site of the work are sorted depending on their nature, with the aim of reusing or recycling them externally, and are separated into the following types: urban, inert, rubble and hazardous waste.



Commitment to the Social Setting



The ACS Group's People

2010 Milestones



Implementation of a training plan for Occupational Risk Prevention specialists.



Setting up of a special employment centre with a total of 108 workers, of whom 76 have some level of disability.

DRAGADOS

Approval, signing and implementation of the Equality Plan for the company and the protocol for workplace harassment and code of action.



Implementation of an assessment system permitting objectivity in variable remuneration.

Challenges for 2011



Creation of a Professional Development Plan for key high-potential groups.



Implementation of a management tool for employees to permit performance assessment of unskilled personnel.

DRAGADOS

Implementation of a management, culture, training and development programme professionals with high potential.



Implementation of a competence map, plan for equality of opportunities and management of diversity and inclusion of disabled people. New model for attracting, selecting and retaining talent.



Talent retention and professional development is a strategic priority for ACS Group

Strategic Priorities

The ACS Group's business success comes from its team. Hence the company maintains its commitment to continuously improve their skills, capabilities and level of responsibility and motivation, at the same time as it attends to working and safety conditions with the greatest dedication.

The ACS Group applies modern and efficient human resource management tools with the objective of retaining the best professionals.

The fundamental principles governing the company's corporate human resource policies are based on the following actions:

- Attracting, retaining and motivating talented individuals.
- Promoting teamwork and quality control as tools to drive excellence as work well done.
- Acting quickly, promoting the assumption of responsibilities and minimising bureaucracy.
- Supporting and increasing training and learning.
- Innovating to improve processes, products and services.

The ACS Group is an active defender of the human and labour rights recognised by various international organisations. The company promotes, respects and protects the forming of labour unions and employees' rights to freedom of association and guarantees equal opportunities and treatment, without discriminating on the basis of sex, ideology, religion or any other social or individual circumstance or condition.

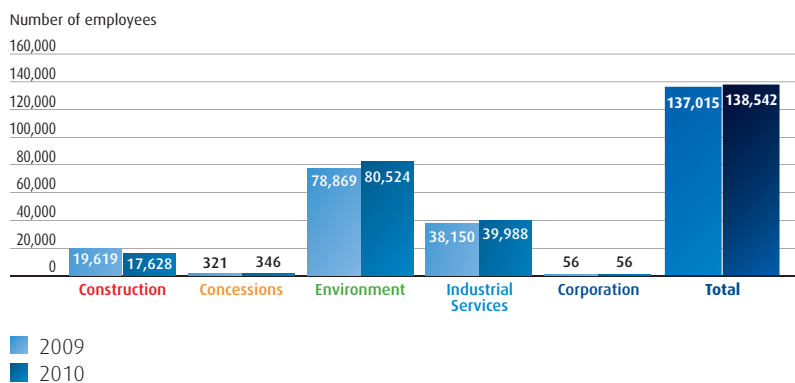
Likewise, the Group promotes the professional development of its workers. With this aim, it has an employment policy which generates wealth in the zones where it operates and produces links which create positive synergies for the environment. Furthermore, it shows special interest in ensuring dignified working conditions, subject to the most advanced measures for health and safety at work.

The ACS Group employs 32,414 people of non Spanish nationality and carries out its activities in over 40 countries, in which it promotes the economic and social development of its workers.

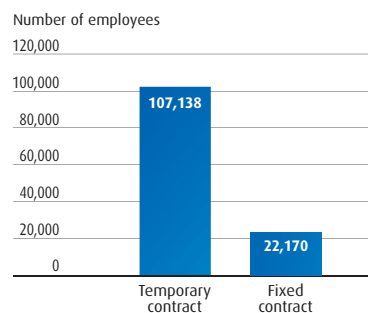
Also worthy of note is the social work carried out by the ACS Foundation, which every year presents initiatives, courses and activities to promote accessibility and facilitate the inclusion of people with disabilities.

Commitment to the Social Setting

Workforce by line of business

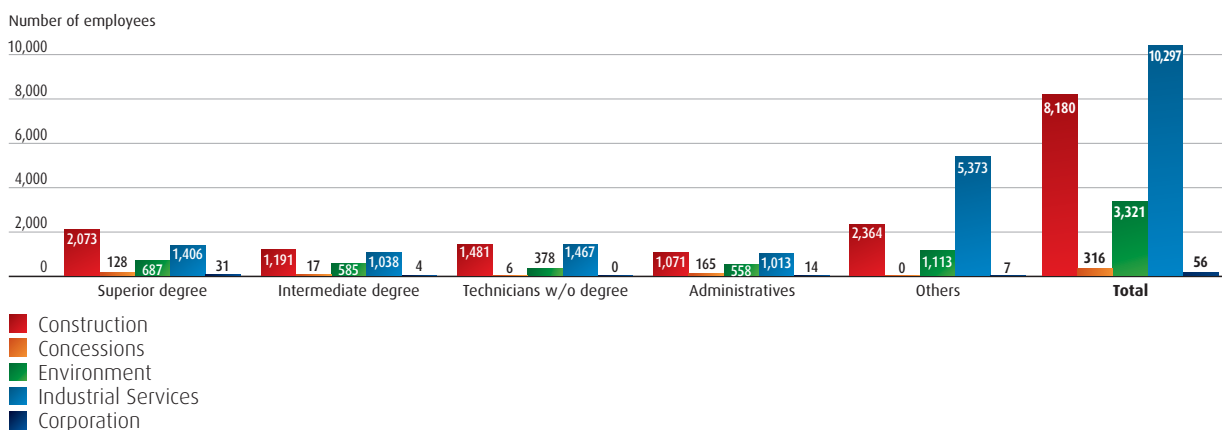


Types of contract



NOTE: The data shown in this chart correspond to 97.33% of the ACS Group's total workforce, this being the scope of coverage of the data collection system for the Corporate Social Responsibility Report for 2010.

Permanent employees by professional category



Equality, Diversity and Integration

Equality of opportunity and lack of discrimination, basic principles included in the Group's Code of Conduct, are determining factors when advancing the professional and personal development of all the ACS Group's employees.

The ACS Group rejects any type of discrimination and, in particular, that due to age, sex, religion, race, sexual orientation, nationality or disability. This commitment extends to selection and promotion processes, which are based on assessment of the person's capabilities, on the analysis of the requirements of the job post and on individual performance.

Currently, various ACS Group companies have and Equality Plan and many others are in the

implementation phase. Those Equality Plans which have been put into effect have set ensuring the principle of equality of treatment and opportunity between women and men as a priority, to ensure the same opportunities for hiring and professional development at all levels. As such, specific actions have been adopted as regards selection and hiring of personnel, salary, training, working days, professional promotion, assistance, bonuses and social, health and occupational risk prevention policies, as well as in matters of gender violence.

ACS's commitment to the inclusion of women in the labour market is embodied in the strong feminine presence in its workforce. The total number of women employees in the ACS Group in 2010 was 53,521 professionals, 38.6% of the total workforce.

Within the Group, women in the ACS Group make up an ever greater weight, both in terms of numbers and the posts they occupy. Likewise, they are increasingly

represented on the boards of directors of its main divisions, on the boards of directors of the companies in which ACS has a holding, in the Group's senior management and in innumerable technical, financial, human resources and legal advice offices, among others.

In turn, ACS Group staff turnover was 11.47% in 2010, with male turnover higher than female, at 13.98% and 7.55% respectively².

The ACS Group also promotes the hiring of people with disabilities and offers them a working environment which enables them to develop under conditions of equality. To this effect, the number of people with disabilities in the Group went from 2,367 in 2009³ to 2,438 in 2010, reaching 1.86% of the total workforce. In addition, the company collaborates with Special Employment Centres for the inclusion of people with disabilities in its workforce.

Several of the ACS Group's companies also have programmes for collaboration with certain foundations to provide opportunities for entry to the labour market to socially excluded groups, such as ex-convicts, people dependent on drugs and young people with serious social problems. This is the case of companies such as Dragados, Urbaser and Clece, which work with the Integra Foundation and the Exit Foundation.

The ACS Group also understands the relevance having local roots and being sensitive to the particular nature of each place plays in the company's success. For that reason, it promotes direct hiring of local employees and managers⁴. The number of executives from the local community rose from 546 in 2009 to 566 in 2010.

No incidents related to discrimination were reported in 2010.

Services for Employees

The ACS Group's companies offer their employees various types of social benefits. Worthy of note within these services, going under various names, with differing content and scope of application, are the following:

- Life and accident insurance.
- Annual medical checkups.
- Assistance for those with children with disabilities.
- Help with schooling for children and workers taking courses in official centres.
- Economic assistance for food.
- Company bus service.

With regards to retirement plans, all the ACS Group's companies rely on public pension systems and, in addition, many of them promote partial retirement. For example, the ETRA Group provides its employees with the necessary legal advice to assist them in the retirement handling process.

Flexibility and Reconciliation

ACS hires employees located throughout Spain and also abroad. For this reason, the Group is aware of the need for a travel and transfer policy. To this effect and with the objective of promoting balance between family and work, ACS forms its work teams for projects, among other criteria, based on the employees who live closest to the work centres.

The following are noteworthy among the different initiatives applied by ACS Group companies to promote balance between family life and work:

- Flexible hours. The workforce can take up the offer of flexible working time schemes, with a margin of one hour, to accommodate their periods for entering or leaving work to their personal needs.
- Reduction of the working day. There are people in ACS who have a working day without a break or a reduced day.
- Accumulation of breast-feeding periods.
- Time off or part-time working for fathers and mothers after childbirth.
- Change of work centre due to change of residence.
- Management of shift changes between workers in services.

Again, the ETRA Group stands out due to its exceptional initiative. In this case this is the application of new technologies to reduce travel and avoid journeys. As such, there is the option of holding videoconferences, making remote desktop connections or using multi-way conferences. Platforms such as Doodle or SIMULCOM are used in the latter case.

² This data correspond to 98% of ACS Group total labor force.

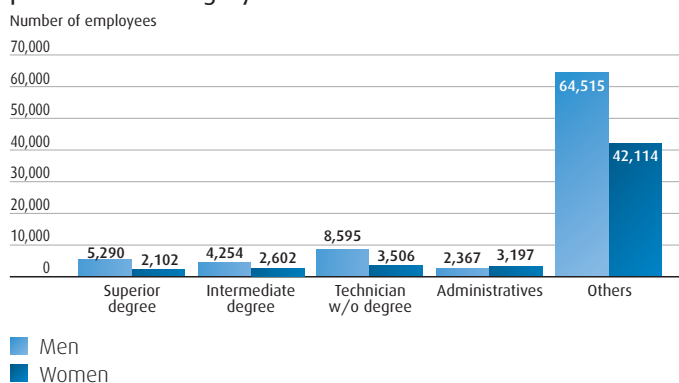
³ The reported data for 2009 is different than the figures reported last year, due to the development of the new information management tool, which feeds the report.

⁴ Local means people born of with a definitive living permit in the same geographical market than the activity of the company.

Commitment to the Social Setting

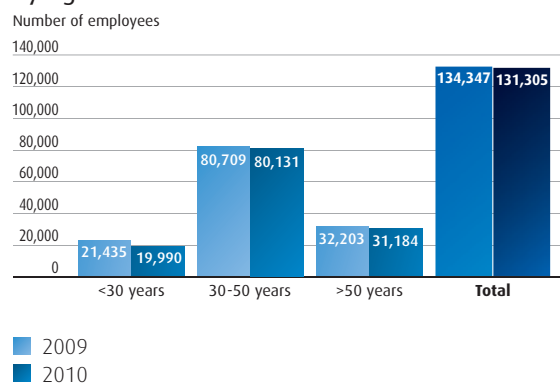


Breakdown of the workforce by professional category and sex



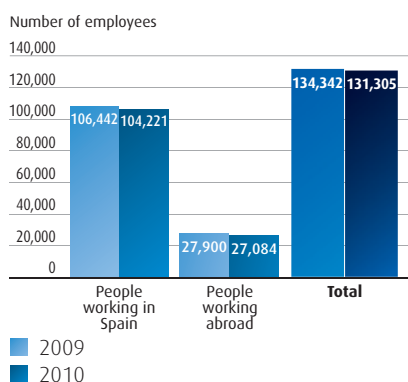
NOTE: The data shown in this chart correspond to 100% of the ACS Group's total workforce, this being the scope of coverage of the data collection system for the Corporate Social Responsibility Report for 2010.

Breakdown of the workforce by age band



NOTE: The data shown in this chart correspond to 94.63% of the ACS Group's total workforce, this being the scope of coverage of the data collection system for the Corporate Social Responsibility Report for 2010.

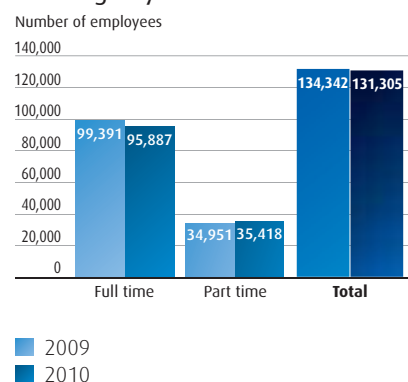
Geographical distribution of the workforce



Breakdown of the workforce by professional category and age band



Workforce by type of working day



NOTE: The data shown in this chart correspond to 94.63% of the ACS Group's total workforce, this being the scope of coverage of the data collection system for the Corporate Social Responsibility Report for 2010.

Labour Relations and Union Representation

All the ACS Group's employees, including expatriate Spanish workers, are subject to the collective agreements in force applicable to the sector in which they work, as well as the regulations relating to management personnel and, in all cases, to that laid down in the Spanish General Workers' Statute and the labour legislation in the countries where they work.

In the field of labour relations, the ACS Group considers dialogue as an essential element. For this reason, it holds regular meetings with union representatives for all its companies. Of Group employees, 13.24% are members of or represented by trade unions.

Professional Development

Competences

Each ACS Group company manages its professionals' development independently, adapting this to its needs and the specific nature of its activities. However, they all employ competence management models to improve personal knowledge and skills and use training as a tool to achieve ideal performance of the work.

Competence maps, prepared in ACS Group companies, are aligned with the strategy and particular features of each one. These maps, which are reviewed regularly, define the basic and specific competences of each work post which are essential for its effective performance.

In Dragados, for example, these competences are organised distinguishing between groups undergoing training and developing groups. Each work post has various levels of development and demands allocated for each competence. In turn, each competence is also divided into different levels, which establish the optimum range required for effective performance of the work post. In summary, the system aims to guarantee that the worker placed in a given post has the necessary levels of competence to ensure good performance.

Assessment and Development

The performance assessment models in ACS companies are based on the competences and parameters for each work post, as described in the management systems.

Although the companies manage the professional development of their workforces independently, they all share some common elements, namely:

- They allow the worker to talk about their job situation, express their interests and motivations, both personal and professional, their geographic flexibility, their training interests and their idea of their professional future in the company.
- They enable the company to show a receptive attitude to the information obtained from its workers, in order to be able to deal with their concerns, as far as possible, by implementing corrective actions.
- They allow decision making to be speeded up when selecting appropriate personnel for specific posts, as well as in determining professional promotion or increasing the employability of the workers.
- They enable fair and equitable metrics to be established for setting variable remuneration.

These methodologies are consolidated and functioning fully in various ACS Group companies, including Dragados and Urbaser, and being developed in others, such as Clece.

The number of employees involved in performance assessment processes was 21,755 in 2009⁵ and 24,758 in 2010, reaching 18.85% of the total workforce.

⁵ The reported data for 2009 is different than the figures reported last year, due to the development of the new information management tool, which feeds the report.

Urbaser's Performance Assessment System.

Overall objective

The performance assessment system implemented in Urbaser has two dimensions:

- a) Assessment of newly employed University Graduate Personnel. This process covers the first two years linked to the hiring of the recent graduate. Assessment is carried out based on various competence factors (professional, social relations, attitude to work, planning and organisation, problem solving, responsibility). Equally, their potential for development is assessed, as well as analysing strengths and areas for improvement.
- b) Performance Assessment of Permanent Company Personnel. This type of assessment is articulated through two similar systems, but with distinctive nuances, based on two groups of professionals: Graduate Personnel and Technical-Administrative Personnel.



On the other hand, it should be emphasised that, throughout 2011, a new tool will be implemented progressively for employee management, which will enable the performance of unskilled personnel to be assessed. This system will help understand the performance of this group, in the various services they provide to the company. With the implementation of this tool, it is planned to be able to manage and assess the performance of 13,400 unskilled employees by the end of 2011.

One of the most significant employee motivation and satisfaction initiatives is the possibility of promotion. The ACS Group's turnover and its continued growth permit a significant number of annual promotions among employees who, due to their efforts and effectiveness, are nominated for positions of greater responsibility. A total of 1,309 employees were promoted in 2010, as against 909 in 2009.

Employee Satisfaction

Although no working climate surveys have been carried out to date to measure the satisfaction of the Group's employees, other types of tools have been used to assess this aspect:

- Exit interviews carried out when employees leave voluntarily. Frequent in many ACS companies, their aim is to go into the reasons for the worker leaving the company in greater depth and into those aspects they would highlight as negative and as positive.
- Regular interviews with the employee's direct manager. Enabling the employee's situation to be known.
- Suggestions box. Collecting the workers' ideas, initiatives and complaints.

Training Plans

The ACS Group has programmes for continuous training and skills development, aimed at covering the employees' training wants and needs as identified during the year and in line with the competences established in the management models. The aim of the training plans is to meet the employees' training needs for correct execution of their work and for their personal and professional development.

The case of Urbaser in the development of unskilled professionals is worthy of note. The company encourages internal training aimed at acquiring the necessary know-how and competences to compete for work posts with higher skills. The vacancies which occur in higher posts are covered by workers who have passed these courses and whose assessments have been excellent.

Likewise, considering the company's growing internationalisation, language courses for personnel have increased. For example, it was necessary in Dragados to analyse the language levels of a significant number of employees and subsequently, attendance or online language classes were opened, by case and need. With this initiative, the company ensures that language will not be an impediment in the workers' professional careers.

The training plans for the different companies are updated regularly to suit them to the needs of each business and, in the end, of each person. Indeed, tools are available which are adapted to the different

Training in the subject of Human Rights

The ACS Group made a significant effort in 2010 in training given to employees on Human Rights. The number of employees who received training in Human Rights* rose from 268 in 2009 to 686 in 2010, going from 0.2% to 0.5% of the workforce. Similarly, the number of hours' training given on Human Rights increased from 1,387 hours in 2009 to 4,257 in 2010.

In particular in Clece, specific training and awareness programmes have been developed on labour practices linked to Human Rights.

Ten courses were given in 2010, with 144 participants. The courses focused on the ACS Group's Code of Conduct, the protocols against sexual and workplace harassment, as well as corporate social responsibility, being mandatory for all employees. Possible measures to prevent child labour, forced labour, actions against



health and safety in the workplace, discrimination and freedom of association were analysed. Means of strengthening the right to collective bargaining, to appropriate working hours, remuneration policies, etc were also dealt with.

* The data shown in this paragraph correspond to 91.61% of the ACS Group's total workforce, this being the scope of coverage of the data collection system for the Corporate Social Responsibility Report for 2010.

competence profiles to analyse training needs. Specifically, in ACS Group companies courses are given in areas related to:

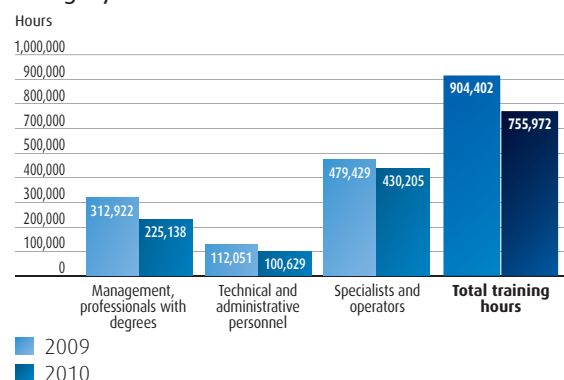
- Management training.
- Technological specialisation in management and production systems.
- Knowledge of products and services provided.
- Policies on quality and the environment.
- Job safety.

| Average number of training hours by professional category (*) | 2009 | 2010 |
|---|-------|-------|
| Management, professionals with degrees | 25.03 | 17.38 |
| Technical and administrative personnel | 6.48 | 6.00 |
| Specialists and operators | 4.61 | 4.24 |

* Average number of training hours = (Total hours of training per professional category) / (Total employees per professional category)

| Courses given and participants | 2009 | 2010 |
|--------------------------------|--------|--------|
| Number of courses given | 11,172 | 12,297 |
| Number of participants | 72,575 | 72,152 |

Training given by professional category



NOTE: The data shown in this chart correspond to 97.33% of the ACS Group's total workforce, this being the scope of coverage of the data collection system for the Corporate Social Responsibility Report for 2010.

| Training by type of content | 2009 | 2010 |
|--|-------|-------|
| No. of courses given with Production content | 3,717 | 3,909 |
| No. of courses given with Safety at work content | 7,689 | 8,141 |
| No. of courses given with Environmental content | 240 | 247 |

| Investment in training | 2009 | 2010 |
|--|-------|-------|
| Investment in training (million euros) | 11.4 | 11.5 |
| Training per employee (euros/employee) | 84.58 | 87.66 |

Commitment to the Social Setting



Safety in the Workplace in the ACS Group

2010 Milestones



Reduction of 75% in the incidence of occupational diseases in the company.



Establishment and execution of a full plan of internal audits as regards health and safety.



Expansion of the scope of OHSAS 18001 Certification to Building, Waste Water Purification Plant and Photovoltaic Installation activities.



"No serious accidents" among own and subcontracted personnel.

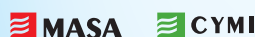
Challenges for 2011



Improving and developing Safety plans and procedures specific to Start Up activities, applicable to all INITEC Energía Projects, both in Spain and abroad.



Improving, in Spain, the identification and assessment of risks, particularly those relating to ergonomics, psychology and vibrations.



Adaptation and management of the SIGPREV computer application for control and monitoring of system preventive indicators.



Preparation of a Strategic Plan (biannual) for obtaining certification under the OHSAS 18001 Standard.

Safety: One of the ACS Group's Priorities for Action

The prevention of occupational risks is one of the ACS Group's strategic pillars. The company maintains the commitment to reach the most demanding standards in this area and so become a reference in health and safety protection, not only for its own employees, but also for its suppliers, contractors and collaborating companies.

The main challenge lies in designing and implementing, in all its operating fields, a risk prevention service which meets expectations. Furthermore, the company considers it fundamental to reinforce its commitment with a risk prevention culture and to optimise resources.

Thanks to the individual commitment of all its employees and the involvement of suppliers, contractors and collaborating companies, the ACS Group continues to advance in the construction of the desired risk prevention culture, approaching its ultimate objective of achieving an accident rate of zero.

Management Model

The ACS Group's risk prevention policy observes the various Occupational Health and Safety regulations which govern the area in the countries where it is operates, at the same time as promoting integration of occupational risks into the company strategy by means of advanced practices, training and information.

Despite the fact that they operate independently, all the Group's companies share common principles in the management of their employees' health and safety. These principles are the following:

- Compliance with current legislation on occupational risk prevention and other requirements voluntarily observed.
- Integration of occupational risk prevention into the set of initiatives and at all levels, implemented through correct planning and its putting into practice.
- Adoption of all those measures necessary to ensure the protection and well-being of employees.
- Achieving continuous improvement of the system by means of appropriate training and information as regards risk prevention.

- Qualification of staff and application of technological innovations.

All the Group's companies have a person assigned as a head of health and safety, who deals with the implementation of the policy and of the action plans developed in accordance with the priorities identified. In general, all the ACS Group's companies share a series of characteristics in risk prevention management:

- Implementation of systems for management of prevention of risks to health and safety, developed according to reference standards (OHSAS 18001), audited internally and/or externally.
- Definition of objectives and planning of preventive actions in the framework of the policy and the particular nature of each company.

Systems

In line with the risk prevention policy, management systems have been set up for all the ACS Group's companies.

The majority of ACS Group companies, in addition to being subject to the regulation legal audits, are certified according to the OHSAS 18001/2007 Standard and verified and audited by an independent external auditor.

With the progressive obtaining of this certification in all the Group's businesses, the company intends to improve its business and health and safety management processes above the minimum levels demanded under the law. This is one more symptom of the demanding nature with which the ACS Group works.

Commitment to the Social Setting



Objectives

The supervision and optimisation of these systems involves setting objectives, which are generally annual, approved by senior management and transferred to the company's various levels to be fulfilled. These objectives are included in the company's prevention planning and are subject to periodic monitoring, to confirm their level of fulfilment.

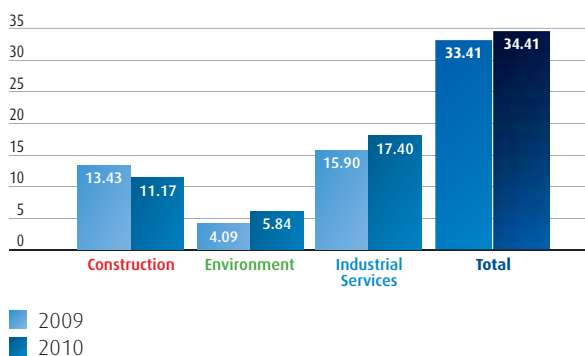
For example, Initec Energía, in the Industrial Services area, also proposes specific objectives for each project and establishes sanctions for failure to comply with the safety requirements laid down.

Similarly, SEIS and Drace, in the Construction area, set specific targets for the work centres based on their activities and characteristics.

In many of the Group's companies, meeting these objectives is linked to workers' variable remuneration.

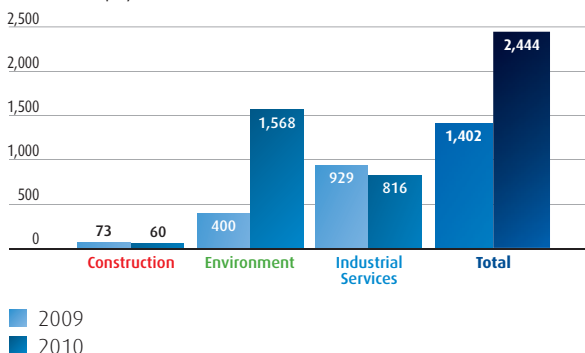
Investment in health and safety in the workplace

Millions of euros

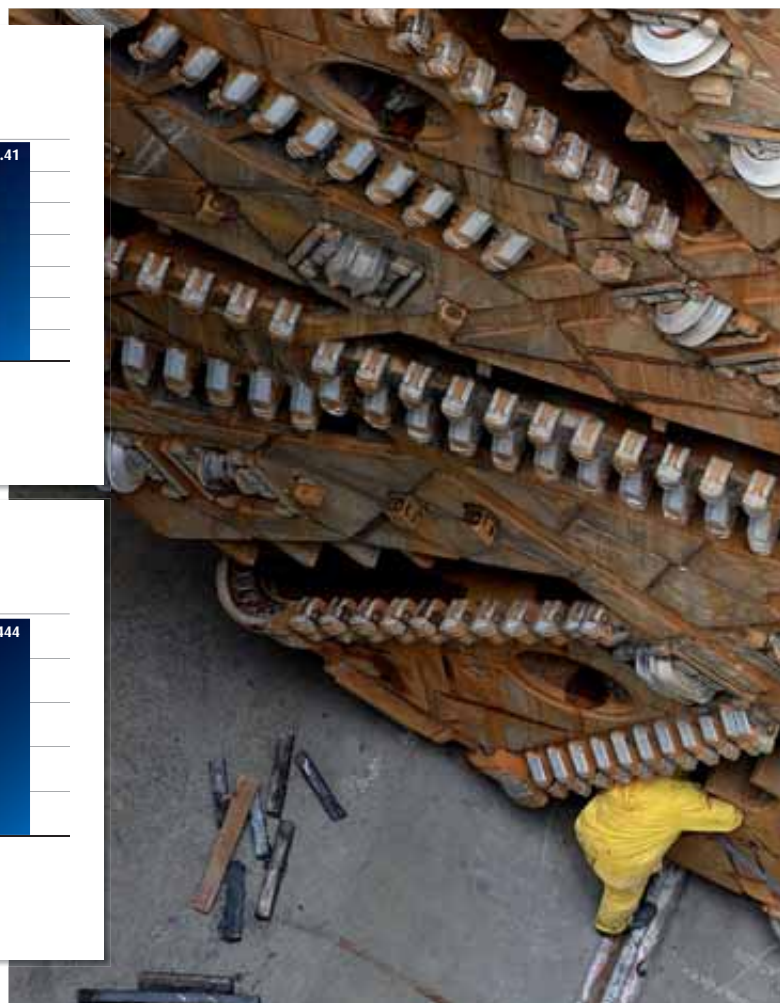


Employees with occupations with risks of contracting specific diseases

Number of employees



NOTE: The data shown in this chart correspond to 93.32% of the ACS Group's total workforce, this being the scope of coverage of the data collection system for the Corporate Social Responsibility Report for 2010.



For example, in the ETRA Group companies, the works managers, supervisors and specialists are provided with incentives based on the results obtained in the works they manage and coordinate. The same occurs in Urbaser, Cobra and Intecsa. Specifically, in the latter, the variable part can come to represent 30% of total remuneration.

Risk Prevention and Analysis

Risk prevention activity is fundamental to the health and safety of employees performing their work. The activity of the ACS Group's different companies is based on General Risk Protection Plans and depends on periodic identification and assessment of the risks of the various activities, as well as periodic monitoring of working conditions.

Risk assessment is carried out periodically, generally annually, and whenever changes are detected which could mean changes to the conditions or in work posts.

The review goes beyond the requirements for updating laid down by law.

The Risk Prevention Plans gather the conclusions from these periodic identifications and assessments and establish the guidelines for action to achieve the objectives set. Likewise, in many of the Group's companies, specific assessments are carried out for activities and centres, leading to Specific Risk Prevention Plans.

Along these lines, it is important to consider certain groups of workers who, due to their occupation, are at high risk of contracting specific diseases:

- Construction: those workers exposed to ionising radiation, as well as to silica or high noise levels.
- Industrial services: mainly employees exposed to ionising radiation, asbestos or benzene.



Provision of personal protective equipment in Dragados and Geocisa

Workers in Dragados and Geocisa's laboratories use nuclear density gauges to check soil characteristics.

Faced with the possible risk of radio-toxicity, the company provides each worker with 2 thermoluminescent dosimeters. One such dosimeter is worn by the worker during his or her working day, with the other as a spare. Monthly, a specialised company, authorised by the Spanish Nuclear Safety Council, reads the dosimeters and issues a report with the shallow and deep doses received during the last month, year and 5 years.

The close vigilance of the health of these workers, together with specific protocols, is intended to guarantee that the employees are never exposed to radiation doses in excess of those permitted.

Commitment to the Social Setting



Monitoring and Evaluation of Results

The monitoring and evaluation of results are fundamental tools for risk prevention activity, as they facilitate detection of areas for improvement.

The ACS Group has various systems and specific programmes for managing and homogenising information on risk prevention and supervision of occupational health and safety. The most common are documentary management systems. Some of the Group's companies have computer applications which make this control and monitoring of information easier. This is the case with Clece, in the Environment area and Cobra, in the Industrial Services area.

SEIS, together with other ACS Group companies, is developing an advanced computer tool to unify and process all the data related to occupational risk prevention management. In this way, there will be a generally applicable tool available, used by several companies, which is specific to risk prevention and which will substantially improve the capture, transmission and handling of the data in addition.

The results obtained in monitoring are included periodically in monitoring reports. Additionally, the various companies prepare a report on health and safety at least once per year, which they present to senior management and which includes the following matters, among others:

- Level of achievement of the proposed objectives.
- Records and statistics on employee and contractor accidents and incidents.
- Identification of the risks associated with different work posts and their evaluation.
- Proposed preventive and corrective measures.
- Information and training provided.

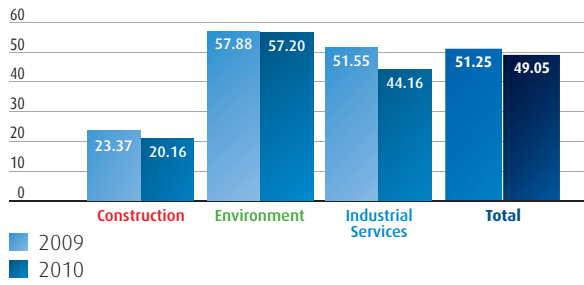
All this effort expended by the Group as regards occupational risk prevention and safety has been reflected in the reduction in accident indices with respect to the previous year.

Faithful to its commitment to achieve its final objective of an accident rate of zero, ACS will continue to prepare specific plans for activities with the greatest risk and most severe accident indices, which consider improvement actions in the management of this area, not only internally, but also among its business partners.

Health and safety indicators

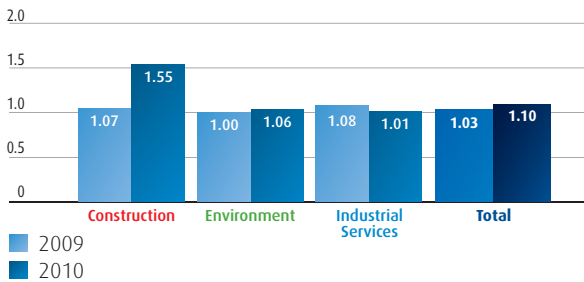
Frequency rate

No. of accidents that occurred during the working day per million hours worked



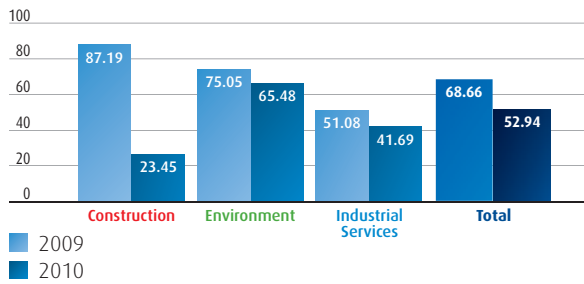
Severity rate

No. of working days lost due to accidents per 1,000 hours worked



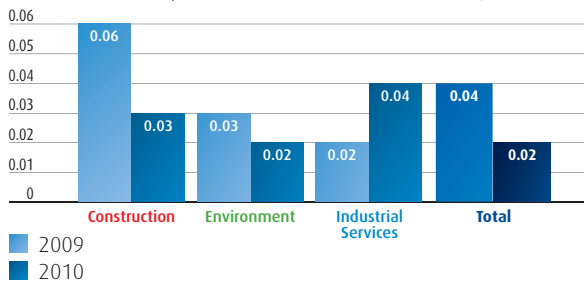
Incidence rate

No. of accidents with sick leave per 1,000 workers



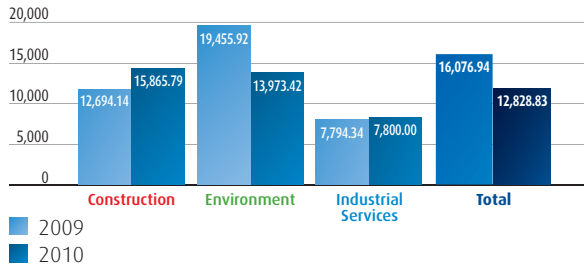
Professional disease rate

Total number of cases of occupational diseases over the total hours worked times 200,000



Absenteeism rate

Total number of days lost (due to absence) during the period over the total number of days worked by the group of workers during the same period times 200,000



NOTE: The data shown in this chart correspond to 93.32% of the ACS Group's total workforce, this being the scope of coverage of the data collection system for the Corporate Social Responsibility Report for 2010.



Commitment to the Social Setting



Participation of Workers' Representatives

The consolidation of a risk prevention culture in the Group requires the participation of all the employees and, especially, of the workers representatives, given that they are the communication channel between the workers and the company management.

ACS's workers participate as regards health and safety, basically, through risk prevention representatives and, where applicable, the occupational risk prevention committees.

Companies or work centres with 50 workers or more have a Health and Safety Committee set up. These Committees are the peer and professional body for participation dedicated to regular and periodic consultation on company actions as regards risk prevention.

The committees are made up of risk prevention representatives, on the one hand and, on the

other hand by the employer and/or his or her representatives in an equal number to the prevention representatives. These committees hold quarterly meetings, for which minutes are taken on the matters discussed and the decisions taken. These minutes must be written within the period of one month after the meeting and be presented to the parties for their consultation and comments.

In the case of the postponement of a Health and Safety Committee meeting, minutes must be taken in which the causes for this postponement are included and the agreement to postpone must be signed by both parties.

In those cases where setting up Committees is not mandatory, safety commissions or similar are formed, in which workers' representatives and middle management take part.

All ACS Group companies which have collective agreements expressly regulate matters related to health and safety. In the Construction area, many of the companies do not have this type of agreement, but they are governed by the 4th General Agreement for the Construction Sector, which dedicates Book II entirely to aspects relating to health and safety in the sector.



Training and Information

Training and information are fundamental to the development of the ACS Group's risk prevention policy and are the most effective medium for sensitising the company's people to health and safety.

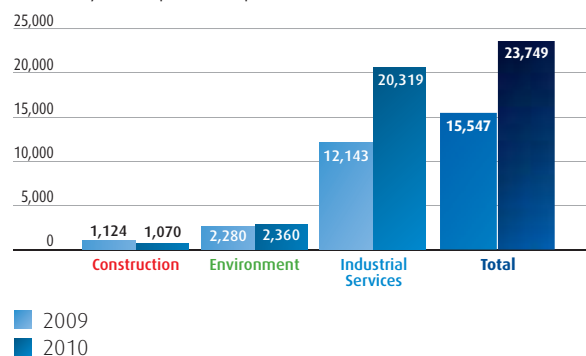
In general, all employees receive health and safety training when they join the Group. Afterwards and additionally, they are given other types of training, according to the characteristics of their work post and based on the risks identified in the assessment of each position.

In line with this, periodic "knowledge refresher" activities take place while in the job and, unavoidably, in cases of change of position or when new activities are anticipated, which bring different risks. Some of these specific courses given are as follows:

- Construction area: control of machines and special equipment, handling of chemical products or first aid.
- Industrial Services area: work at height, with electrical risks, with low and high voltage, in confined spaces, with explosive atmospheres or training in fire extinguishing.

Health and safety training

No. of safety and occupational risk prevention courses



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In order to demand compliance with health and safety measures of the workers who report to them, senior managers, middle management and all those posts with responsibility in its management also receive training.

In the Construction area, Chapter III of the 4th Agreement for the Construction Sector includes the need to train workers according to their post or function and to determine the duration and specific content of the courses.

In addition to attendance methods, some Group companies have training modules which are suitable for use by means of the new e-learning technologies.

As a complement to training, numerous risk prevention campaigns were carried out in 2010 which sought to raise worker awareness, reduce accidents and improve working conditions.

Campaigns for risk prevention and sensitising employees

One of the most important missions of Geocisa's "Zero Project" is to sensitise all personnel in the field of Occupational Risk Prevention. With this objective, actions take place such as the participation of Senior Management in the Risk Prevention Commissions held on site or in fixed centres, the placement of project posters or inclusion on all corporate stationery of a specially designed stamp with the slogan "Committed to Risk Prevention".

From the inception of the "Zero Project" the Frequency Index has been reduced by 41%, the Severity Index by 17% and the Incidence Index by 29%. Likewise, the number of accidents has been reduced by 60.5% and 52% fewer days have been lost due to accidents.

Sensitising campaigns have been carried out continuously in VIAS since 2006, under the slogan "Safety is not a game. Don't leave it to chance". This continuous campaign was based, during its first two years, on the preparation, distribution and display on site of posters with messages related to the potentially most dangerous risks in the case of

accident. During the first six months of 2009, the campaign was redirected with a new poster which reproduced "snakes and ladders", alternating positive and negative images of situations on site with management aspects. Lastly, in the second half of 2009 and during 2010, a campaign was mounted through the publication of "Did you know that...?", which was supported firstly with a poster and then via VIAS's intranet. The various actions have always been transferred to site by means of display on boards (offices and hygiene and wellbeing facilities).



Risk Prevention Culture in the Value Chain

The spreading of the risk prevention culture among suppliers, contractors and collaborating companies is another of the Group's basic lines of action in this subject.

In general, all the ACS Group's companies share a series of characteristics in the management of their suppliers and subcontractors. To this effect, the common criteria for suppliers and subcontractors are:

- The existence of approvals criteria.
- The inclusion in contracts of clauses regarding health and safety.

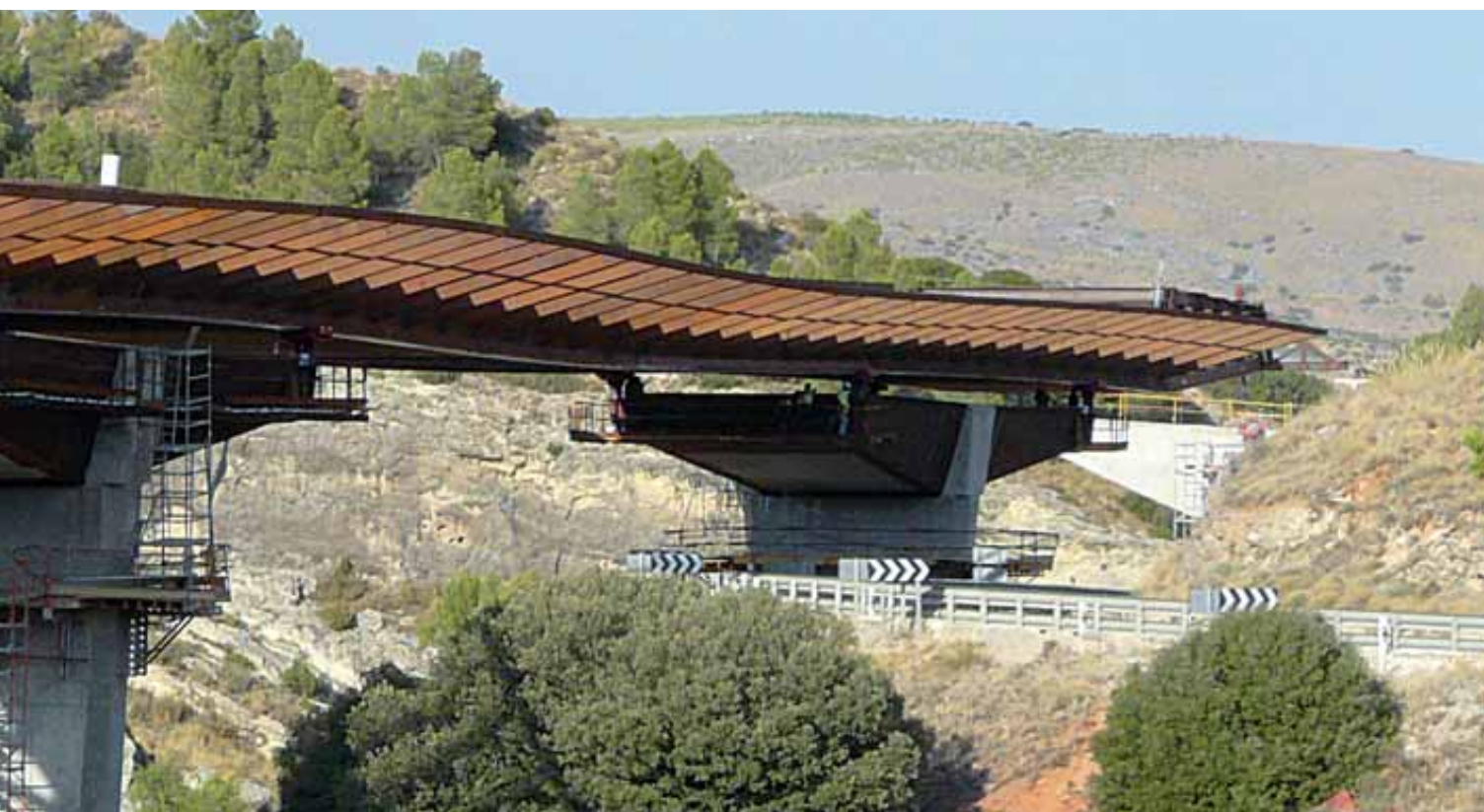
Many of the companies also carry out periodic inspections and audits to ensure the demanded compliance at all times. Equally and in order to promote risk prevention, they, above all subcontracting companies, frequently participate in coordination meetings with the company.

Specifically as regards subcontractors, some of the commonest demands on them among Group companies are:

- Compliance with risk prevention principles, this being a necessary condition for the inclusion of its workers in the company.
- Sending the necessary documentation to accredit its fulfilment of its obligations as regards health and safety.

Lastly, it should be emphasised that many of the Group's companies involve their suppliers and subcontractors in their risk prevention and training campaigns.

The efforts made by the Group with its subcontractors have been reflected in the reduction of the accident indices in comparison with the year before.



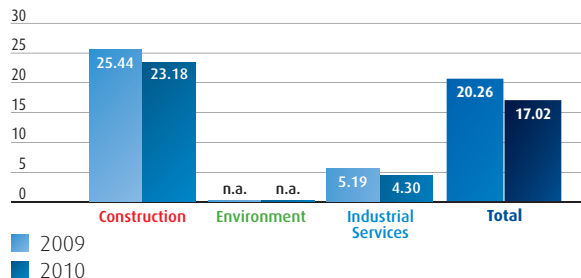
Commitment to the Social Setting



Health and safety indicators for subcontractors

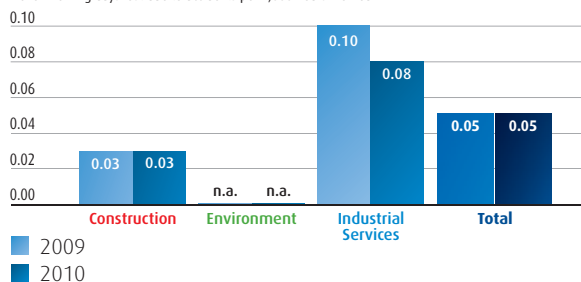
Frequency rate

No. of accidents that occurred during the working day for each 1,000,000 hours worked



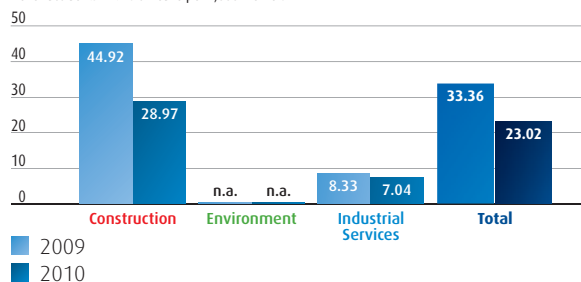
Severity rate

No. of working days lost due to accidents per 1,000 hours worked



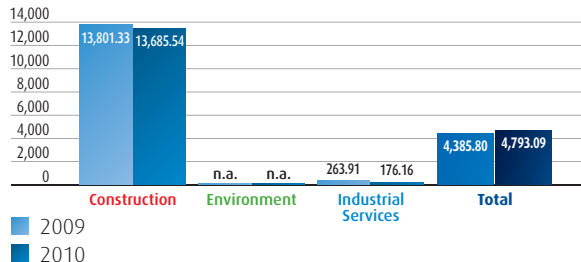
Incidence rate

No. of accidents with sick leave per 1,000 workers



Absenteeism rate

Total number of days lost (due to absence) during the period over the total number of days worked by the group of workers during the same period times 200,000



NOTE: The data shown in this chart correspond to 93.32% of the ACS Group's total workforce, this being the scope of coverage of the data collection system for the Corporate Social Responsibility Report for 2010.



Occupational Health

It is usually the various companies' medical services which are charged with defining and managing policies on overall health, as well as those aimed at the prevention of risks of an ergonomic and psychological nature. Their objective, therefore, is to guarantee physical, psychological and social wellbeing in the working environment in all the ACS Group's companies and geographical spheres.

Although the campaigns and initiatives vary among the different companies, the following can be highlighted:

- Ergonomic studies of working conditions.
- First aid courses.
- Campaigns for prevention of cardiovascular diseases.
- Flu vaccination campaigns.
- Eyesight testing campaigns.
- Talks on healthy habits.
- Awareness raising on tobacco.
- Back care.

Many of the companies also offer their workers social benefits through agreements with external companies to promote sporting or fitness activities. The existence of rest areas is also frequent in many of the companies' work centres.

Measures to Guarantee Third-Party Safety

It is the ACS Group's objective to meet the most demanding safety standards in its installations, preventing possible risks which could affect third parties or the environment.

As such, it is common for all visitors entering the company's various centres and sites to receive information on the safety measures they must fulfil, as well as instructions on what to do in case of emergency.

It should be highlighted that, as a general guideline and for companies which contract security personnel, it is the contracted company which is responsible for providing the corresponding training to ensure the appropriate actions of its employees. In some cases, this training includes specific content on human rights. If any Group company contracts a company which does not meet this requirement, the inclusion is suggested of this human rights training in the recycling courses they carry out with their personnel periodically.

Dragados - finalist in the European Good Practice Awards for occupational safety and health

Dragados was a finalist in 2010 in the European Good Practice Awards for Occupational Safety and Health, called by the European Agency for Safety and Health at Work, thanks to its preventive maintenance project for machinery for its Central Fleet, carried out both in its workshops and on various sites in the domestic and international sphere.

Maintenance plan

The maintenance plan makes repairs to parts which may have suffered wear or breakage, assessing the general condition of the machine at the same time.



Management of this documentation is carried out using MAPLA, a comprehensive maintenance management program in which the machine's whole life is recorded. The data stored permit exhaustive and detailed analysis of the machines and their components, which facilitates the application of improvement actions. So, defects in some parts can be predicted and their breakage or deformation anticipated and improvements can be made so that these types of errors are not repeated.

Training

Together with training in occupational risk prevention, governed by the regulations in force, and specific courses depending on work posts, practical courses are also taken on the control of the habitual machinery on site using a virtual simulator called Previsor. The worker gets training in this way for the different situations they may encounter when controlling these types of machines.

Application of new technologies

Dragados is aware of the need for and advantages from applying new technologies in the service of worker safety. As such, it has started to use software based on augmented reality technologies in machinery maintenance and repair operations, as an alternative to the use of traditional manuals.

Using this application, the operator can access a 3-D model of the machine component they need to repair, in real time, using a smartphone or tablet PC, superimposed on the image they are taking. The system indicates, step by step, the operations to be carried out, which tools need to be used in each phase, etc. This tool enables skilled personnel to undertake repairs with the maximum guarantees and, in the case of simpler operations, these can even be carried out by less skilled personnel.

Another of the applications being incorporated is a remote assistance device, by means of which a repair being carried out on site can be seen in real time in the central fleet offices, using a webcam. Diagnosis of the fault can be made remotely in this way and the means necessary for repair can be prepared.

Collaboration with Institutions and Active Participation

The ACS Group collaborates with organisations specialised in matters of health, safety and risk prevention and actively participates in the main conferences, congresses and forums organised domestically and internationally. This is a way of offering its experience and updating itself on the latest trends and best practices.

The main organisations of which ACS Group companies are part, either as members of their health and safety commissions or committees or by participating through some kind of collaboration are:



Commitment to the Social Setting



Social Action in the ACS Group

2010 Milestones

Conception, design and carrying out of an Accessibility Project for the El Escorial Monastery, which increased accessibility for people with disabilities and reduced mobility from 6% to 95%.

Challenges for 2011

Intensifying investment effort in scientific medical research, collaborating with important institutions dedicated to research into diseases such as Alzheimer's, lung cancer and amyotrophic lateral sclerosis.

Continuing the work to exploit the activity of the ACS Foundation in first-rate National Heritage sites, again in the field of accessibility.

The ACS Group channels its social action through the ACS Foundation, the formal social action policy of which is stated in its foundation charters and which is guided by several principles for action:

- Philanthropic action by means of donations and contributions to specialised institutions.
- Actions in seven areas of work: accessibility, assistance to development, environment, cultural and educational promotion, dissemination and restoration of Spanish national heritage, collaboration with scientific institutions and sponsorship and patronage of philanthropic institutions.
- Selection of projects which provide the greatest social benefit - carried out with prestigious bodies, leaders in their field - and of great general interest.
- Setting up of mixed monitoring committees, between donor and beneficiary, to monitor the execution of significant projects.

Annually, the ACS Foundation prepares its Action Plan, in which it explains in detail the activities planned for the following year. This report shows the most significant projects with the investment allocated for each area of action.

In 2010, the ACS Foundation has invested 3.417 million euros, which meant 93% of 2010's budget.

In 2009, it invested a total of 3.745 million euros, which includes the total investment planned for the year (which was 3.260 million euros) and an additional extraordinary investment of 0.485 million euros, which meant that ACS Foundation in 2009 spent 112% of its budget for the year.

For 2011, it has been approved an increase in the budget of 10% compared to 2010, to exceed 4 million euros.

Impact and Monitoring of Social Actions

Before each philanthropic project is carried out, the ACS Foundation identifies the social impact it may have. For example, before carrying out the accessibility project for the El Escorial Monastery and as a preliminary measure to gauge its benefit to society, the number of complaints recorded due to problems with accessibility to the monument was analysed, as well as the number of visits annually by people with disabilities.

Once the projects have been completed, the ACS Foundation carries out monitoring of the social benefit generated and continuance of investment actions is defined for the most successful initiatives.

Activities in 2010

During 2010, the ACS Foundation carried out activities in the framework of its action programmes, with growth in all fields, especially in scientific, technological and social research.

The most striking and significant project since the Foundation's creation was also brought to fruition: accessibility of 95% of the El Escorial Royal Monastery to people with reduced mobility.

This project was carried out at the initiative of the ACS Foundation and its execution was proposed to Spanish National Heritage in the framework of the collaboration agreement between the two institutions. The Spanish Royal Board on Disability also joined the initiative. The technical project was prepared by architects from National Heritage and the Royal Board and the works were carried out by the company selected by National Heritage with sponsorship from the ACS Foundation.

HM the Queen Sofia formally unveiled the universal opening of the El Escorial Monastery to people with reduced mobility in February 2011. She described the project as a historic event which would serve as an example of how action can be taken for accessibility in historic heritage buildings, with full respect for the nature of the historic/cultural asset the monastery represents.

In relation to the programme to eliminate physical and architectural barriers in favour of disabled people, the actions aimed at technical project professionals in building, town planning and transport (universal design) were expanded. Over 800 students have taken the Accessibility to the Physical Medium courses given in universities and town halls throughout Spain and in the Spanish Cultural Centre in Montevideo, Uruguay.

The Reina Sofía Accessibility Awards for 2010, sponsored by the ACS Foundation and the Royal Board on Disability

were presented to local councils. These awards, for the second time, included a Latin American chapter with the collaboration of the Spanish Agency for International Cooperation for Development (AECID). The awards went to the Spanish and Latin American local councils of Alcazarejos (Cordoba), Basauri (Vizcaya) and Pamplona and the local councils of La Cumbre (Argentina) and Pasto (Colombia).

At the same time, the collaboration continued with the National Construction Platform in the development of research into "No-barriers architectural heritage" (PATRAC), with financing from the Ministry of Science and Innovation and which finished in the middle of this year.

The ACS Foundation published the third volume in the collection "The Art of Restoration", where the restorations on 35 monumental assets and old architectural and engineering works carried out by its founder are documented. The three volumes in this collection document the whole restoration process for 135 cultural assets.

It has also been involved in several publications related to the historic heritage programme, outstanding among which is Romanesque in Zaragoza, by the Santa María La Real Foundation's Romanesque Study Centre.

Support to research activities also increased significantly, particularly in the field of medicine, accessibility to architectural heritage and the socio-economic area.

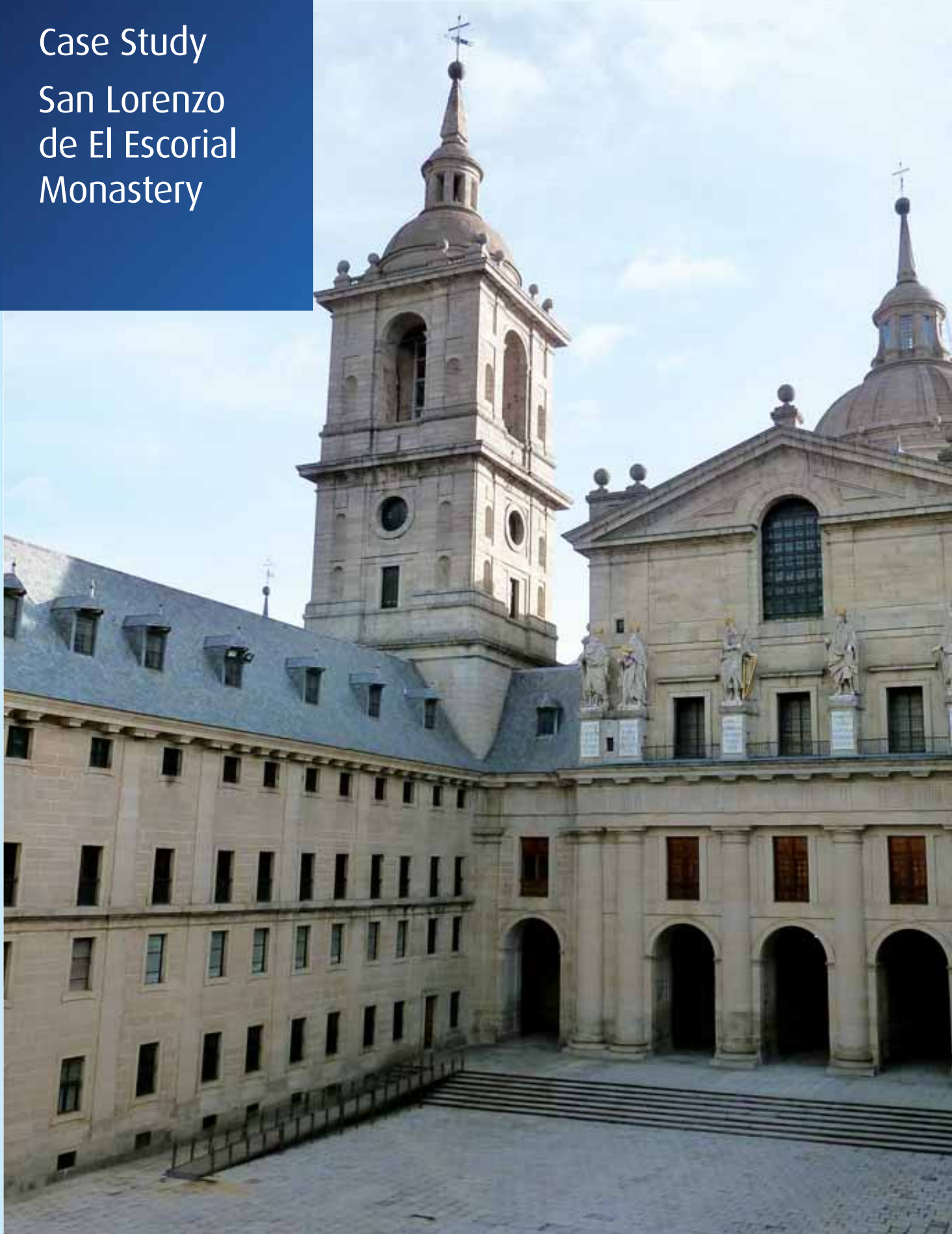
Within the Environment Programmes, the support provided to the National Environment Congress, CONAMA10, is of special relevance. This year the congress was highly oriented towards energy and sustainable development and included Brazil as an invited country. All the ACS Group's divisions participated actively in the Congress and in the Hispanic-Brazilian Forum.

Other actions of interest were the support provided to the Soria 21 World Forum on Sustainable Development, as well as sponsorship of various training activities on alternative energies, management of urban waste, climate change and others.

Lastly, activities related to International Technical Cooperation were consolidated through the strategic public-private alliance signed with the Secretary of State for International Cooperation, which plans for the ACS Foundation, with support from its founder, to be able to provide technical support and training activities in various subjects and co-sponsor the programmes resulting from these. The Foundation collaborated in the Ibero-American Meeting on Universal Accessibility, held in the Spanish Training Centre in Uruguay, and in the Reina Sofía Awards to the Latin American local councils in 2010.

The ACS Foundation sponsored over eighty institutions and foundations in the accomplishment of their own ends.

Case Study
San Lorenzo
de El Escorial
Monastery



Improved accessibility for people with reduced mobility in the San Lorenzo de El Escorial Monastery

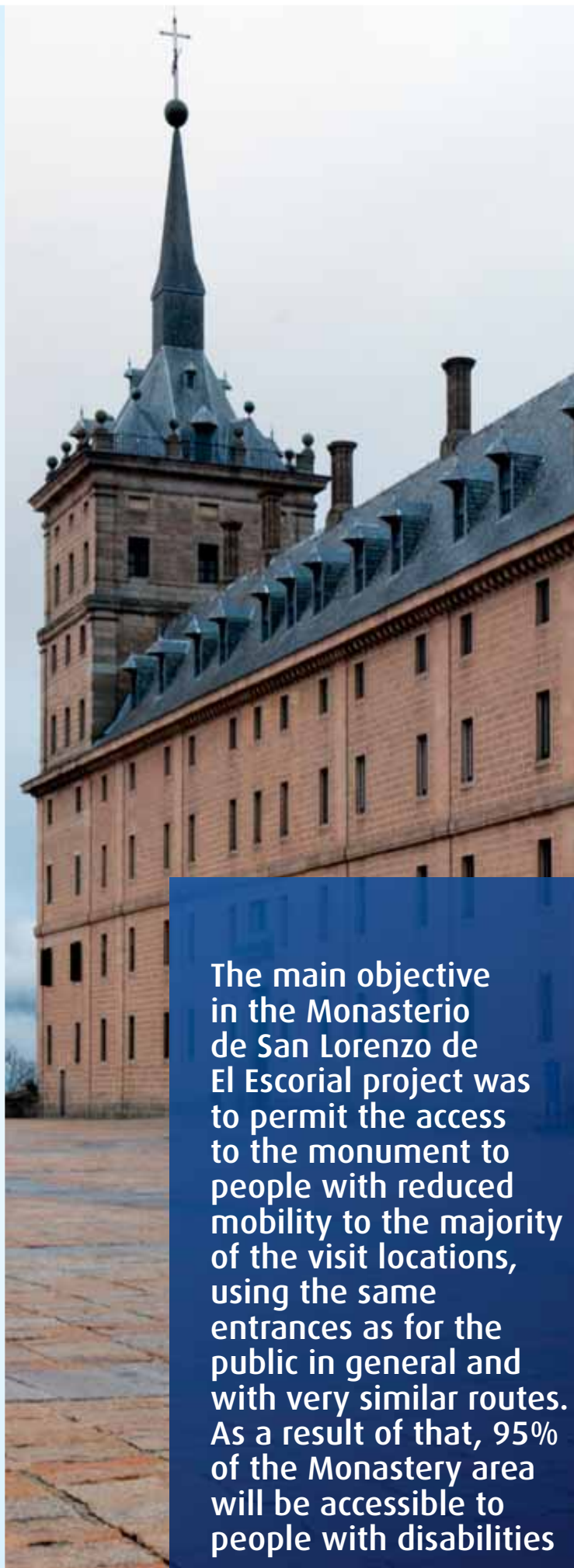
The San Lorenzo de El Escorial Monastery has become a monument accessible to people with physical disabilities, thanks to the collaboration agreement between Spanish National Heritage, the Royal Board on Disability and the ACS Foundation.

These three organisations combined to progress attention to people with reduced mobility, for which a project was proposed to improve accessibility to an outstanding monument: the San Lorenzo de El Escorial Monastery.

The aim of the project was to permit access by people with reduced mobility to the majority of the visit locations, using the same entrances as for the public in general and with very similar routes. It was also possible to provide access to the Basilica for people attending official masses, independent from visits to the Monastery.

One of the premises of the intervention was the reversibility of all the actions. Thanks to the set of interventions included in the project to improve accessibility, 95% of the Monastery area will be accessible to people with disabilities.

The Monastery has four storeys, which made accessibility for people with reduced mobility impossible. By installing chair lift mechanisms operated with the help of specialised personnel, the three sections of stairs on the route leading to the architecture and painting museums, the Palace of the Austrias and the main cloister are successfully overcome. A hydraulic lift makes it possible to reach the second floor, where the Hall of Battles, the Royal Palace, the Library and the restoration room are to be found.



The main objective in the Monasterio de San Lorenzo de El Escorial project was to permit the access to the monument to people with reduced mobility to the majority of the visit locations, using the same entrances as for the public in general and with very similar routes. As a result of that, 95% of the Monastery area will be accessible to people with disabilities

Case Study

San Lorenzo de El Escorial Monastery

The main actions were as follows:

Accessibility from the outside

Visits to the Monastery start at the entrance in the building's northern façade. This entrance was the first point for improvement to give accessibility for visitors with reduced mobility, as access to the inside needed to be made by means of a step. A ramp was placed for

this reason to overcome the existing height difference. The ramp positioned occupies a part of the entrance. It is 165 cm long and has a slope of less than 10% and has side protections to prevent wheelchairs from turning over or crutches from slipping.

This gives access to the ticket sales, information and cafeteria area, as well as the toilets located around the Cava Courtyard. A toilet suitable for people with disabilities can be reached from this point.

Carriage Courtyard

The entrance to the Carriage Courtyard has numerous sections with stairs. To span these sections, a stainless steel ramp was installed to bridge the first stair section and, after this, a lift platform traverses the other three steps.





Tapestry Room and Museums

From the Monastery's ground floor, visitors can gain access to two rooms decorated with tapestries. At the end of these is a staircase in two sections which connects to the Monastery's lower ground floor. Due to the space limitations, a chair lift mechanism has been located, on which the wheelchair is placed, operated by specialised personnel.

Access to the gardens for visitors

Access to the Gardens of the Friars is from a room west of the Painting Museum. A ramp has been located there to give direct access outside to the garden. This is also an emergency exit for people with reduced mobility.

Accessibility to the first and second floors

To enter the Palace of the Austrias, there is a staircase on which a chair lift mechanism for wheelchairs has been located, similar to the one described before. A third chair-lift-type mechanism has been installed at the exit from the Palace of the Austrias, on the "Antepanteones" staircase, permitting access

from this point to the Basilica. Once this place has been visited, access is gained to the ground floor level again.

To make the first and second floors of the Monastery accessible, a hydraulic lift has been installed, giving direct access to the Hall of Battles which, in turn, connects to the Palace of the Borbons and allows access to the Monastery Library. To minimise the impact caused by the lift, this was planned without a shaft, with the guides and machinery anchored to a wall.

Access to the Kings' Courtyard

To gain access to the Kings' Courtyard, a ramp has been installed to enable the bridging of the seven steps and 112 cm in height separating the entrance from the Basilica portico. This ramp, which can easily be disassembled and transported, is made up of five sections with a total length of 20 metres and ascends in two stretches, with a slope of 6%, with a central landing.

Principles for the Preparation of the Report



For ACS Group the elaboration of this Corporate Responsibility Report means the finalization of a policy focused on understanding the major dilemma and challenges that ACS faces in infrastructure development, energy sectors and with its relationship with the society in general

Scope and Approach

For the ACS Group, the preparation of this Corporate Responsibility Report implies the formalisation of a policy focused on understanding the main dilemmas and challenges faced by the infrastructure development and energy sector and society as a whole.

The report considers all the ACS Group's activities as a global operator, in all the countries where it is present. To this effect, the information published includes the operations carried out in the Environment, Construction, Industrial Services and Concessions areas.

The ACS Group has developed tools for the collection and consolidation of both quantitative and qualitative information on sustainability to align the management of all the companies with the ACS Group's strategic priorities. This tool has increased its scope considerably.

The information gathered in this report refers, basically, to the 2010 financial year. It also includes information from previous years, depending on its relevance and availability, to enable the readers to be able to form a more



complete opinion on the company's development. The quantitative indicators present the ACS Group's evolution in 2010 and the two previous years.

The report was prepared following the G3 guidelines from the Global Reporting Initiative (GRI). In this manner, all issues of relevance to the Company's stakeholders were taken into account. The data and headings explained in this report apply to the Group's companies in accordance with that reported in terms of percentage of total sales. Those cases where the scope is other than 100% are specified clearly in the text and tables.

With respect to the levels of application defined by the GRI, the ACS Group has given this report an A+ rating. Accordingly, the principles and recommendations of the G3 guidelines were applied and each chapter details both the organisation's profile and its management approach. Additionally, all performance indicators considered to be of principal importance are contained in this report.

The ACS Group has applied the following GRI G3 principles for defining the contents and guaranteeing the quality of the information included in this report:

The quality of information included in this report is guaranteed because of the application of eight principles: principle of materiality, context of sustainability, exhaustiveness, comparability, balance, accuracy, clarity, reporting frequency and reliability

Principles for the Preparation of the Report



Principle of materiality

The ACS Group has developed management tools to facilitate operational control of sustainability management and its integration into the businesses. The contents of this tool are aligned with GRI requirements, to the request for information from the selective sustainability stock market indices and by institutional investors and ratings agencies which take matters related to sustainability into account.

Context of sustainability

The objective of this report is to express the actions of the ACS Group in each of the three sustainability areas: economic, social and environmental. Throughout this report, information is supplied in relation to the context of each of these.

Exhaustiveness

In the preparation process, the coverage and scope of this report was clearly defined, giving priority to information considered to be material and including all significant events that took place in 2010, without omitting information of relevance to our stakeholders. The coverage of the report was determined in parallel with its content.

In the case that there were changes in the chapters with respect to coverage, these have been indicated.

Additionally, the relevant issues, the indicators included herein and the matters covered by the 2010 Corporate Responsibility Report offer an overview of the significant impacts in the economic, social and environmental fields.

Comparability

As far as possible, the information included in this report has been organised in such a manner that the stakeholders may interpret the changes undergone by the ACS Group with respect to previous years.

Balance

This report includes both positive and negative aspects, in order to present an unbiased image and to enable stakeholders to reasonably assess the Company's actions.

Accuracy and clarity

This report contains numerous tables, graphs and diagrams, the purpose of which is to make the report easier to understand. The information included in the report is meant to be clear and accurate in order to be able to assess the ACS Group's actions. Additionally, as far as possible, the use of technical terms whose meaning may be unknown to stakeholders has been avoided.

Reporting frequency

The ACS Group has the commitment to report its corporate responsibility actions annually. This report relates to the Group's actions in 2010 in the economic, social and environmental fields.

Reliability

The reliability of the information included in this 2010 Corporate Responsibility report was checked by KPMG, the firm responsible for its verification.

The charts included in this report referred to environmental indicators, have the following scope:

| Scope of the information reported | Coverage of the information (as a % of sales) | | | |
|--|--|-------------|----------------------|---------------------|
| | Construction | Concessions | Environment | Industrial Services |
| Water consumption (m ³) | 81% | 100% | 100% | 94% |
| Direct emissions (scope 1) (t CO ₂ eq) | 81% | 100% | 100% | 94% |
| Indirect emissions derived from electricity consumption (scope 2) (t CO ₂ eq) | 81% | 100% | 100% | 81% |
| Indirect emissions derived from employees' travel (scope 3) (t CO ₂ eq) | 73% | 100% | Urbaser Headquarters | 89% |
| Emissions of Oxides of Nitrogen (NOx) (t) | 2% | 0% | 58% | 0% |
| Emissions of Dioxides of Sulphur (SOx) (t) | 2% | 0% | 58% | 0% |
| Emissions of solid particles (t) | 2% | 0% | 58% | 0% |
| Non- hazardous waste sent to management (t) | 71% | 0% | 58% | 94% |
| Hazardous waste sent to management (t) | 71% | 100% | 58% | 94% |
| Surplus soil from excavation (t) | 71% | n.a. | n.a. | n.a. |
| Petrol and diesel consumption (million litres) | 81% | 100% | 100% | 94% |
| Natural gas consumption (m ³) | 81% | 100% | 100% | 94% |
| Electricity consumption (m ³) | 81% | 100% | 100% | 81% |
| Water consumption from public mains (m ³) | 81% | 100% | 100% | 94% |
| Water consumption from other sources (m ³) | 81% | 100% | 100% | 94% |
| Water dumped to public mains (m ³) | 25% | 100% | 100% | 93% |
| Water dumped to the seas, rivers or lakes (m ³) | 25% | 100% | 100% | 93% |
| Accidental spills (m ³ and number) | 66% | 100% | 100% | 91% |
| Environmental incidents (number) | 77% | 100% | 100% | 94% |
| Environmental incidents with sanctioning proceedings (number) | 77% | 100% | 100% | 94% |
| Cost of fines due to sanctioning proceedings | 77% | 100% | 100% | 94% |

Note: The Environmental Area of activity includes environmental data from Urbaser and Clece. In the case of Urbaser the scope of information is reduced to 50% of treatment centers and 27% of collecting activities. The company is working to improve these figures.

We Would Like to Know your Opinion

As you have been able to read from the previous pages of this report, at the ACS Group we understand corporate responsibility as a commitment which determines the Company's relationship with the environment and with each of its stakeholders. This Corporate Responsibility Report aims to include the main milestones and programmes carried out by the ACS Group aimed at improving relationships with its different stakeholders.

The ACS Group considers the assumption of corporate responsibility principles to be a continual improvement process, in which it is crucial to rely on the opinion of the different stakeholders. Hence, we would be grateful to receive any opinion you may have on this report at:

ACS Group

Avda. Pío XII, 102

Madrid 28036

Tel. +34 91 343 92 39

E-mail: infogrupoacs@grupoacs.com

 For further information, see the website www.grupoacs.com

Awards and Recognitions

Forbes magazine ranked ACS as the 218th largest company in the world in its annual analysis listing the top 2000 companies.

Fortune magazine ranked ACS as the 346th largest company in the world in its annual analysis listing the top 500 companies.

ACS is one of the 10 largest contractors worldwide and is among the twenty most internationalised companies in the industry, according to the Top Global Contractors 2010 ranking, published by the prestigious North American engineering and construction magazine Engineering News Record (ENR).

ACS is a world leader in the development of infrastructure concessions, according to Public Works Financing magazine.

Urbaser, the ACS Group's environment subsidiary, won the Principe Felipe Award for Business Excellence 2009, in the Energy Efficiency and Renewable Energies category. This award, conferred in 2010 by the Ministry of Industry, Tourism and Trade, shows the company's leadership in the urban services, water management and waste management and treatment sector.

Florentino Pérez, the ACS Group chairman, was presented with the "Outstanding Roadway Engineer Award 2010" by the Association of Roadway, Canal and Port Engineers of Madrid.

The image shows a large, modern building with a blue glass facade. In the foreground, a large, grey stone wall features the ACS logo in large, metallic letters. Below the logo, the text "ACTIVIDADES DE CONSTRUCCION Y SERVICIO" is visible in smaller letters. The building in the background has a prominent circular window design on its facade.

ACS
ACTIVIDADES DE CONSTRUCCION Y SERVICIO



Statement GRI Application Level Check

GRI hereby states that **Actividades de Construcción y Servicios SA** has presented its report "Informe de Responsabilidad Corporativa del Grupo ACS 2010" to GRI's Report Services which have concluded that the report fulfills the requirements of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

30 March 2011, Amsterdam

A handwritten signature in blue ink, appearing to read "Nelmara Arbex".

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because **Actividades de Construcción y Servicios SA** has submitted (part of) this report for external assurance. GRI accepts the reporter's own judgment for choosing its assurance provider and for deciding the scope of the assurance.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 22 March 2011. GRI explicitly excludes the statement being applied to any later changes to such material.



KPMG Asesores S.L.
Edificio Torre Europa
Paseo de la Castellana, 95
28046 Madrid

Independent Assurance Report to the Management of Actividades de Construcción y Servicios, S.A.

(Free translation from the original in Spanish.
In case of discrepancy, the Spanish language version prevails.)

We performed a limited assurance review on the non-financial information contained in Actividades de Construcción y Servicios, S.A. (hereinafter ACS) Corporate Responsibility Report for the year ended 31 December 2010 (hereinafter "the Report").

ACS management is responsible for the preparation and presentation of the Report in accordance with the Sustainability Reporting Guidelines version 3.0 (G3) of the Global Reporting Initiative as described in the section entitled Principles for the Preparation of the Report. This section details the self-declared application level, which has been confirmed by Global Reporting Initiative. Management is also responsible for the information and assertions contained within the Report; for determining its objectives in respect of the selection and presentation of sustainable development performance; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibility is to carry out a limited assurance engagement and to issue an independent report based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board and also in accordance with the guidance set out by the Accountants Institute of Spain (Instituto de Censores Jurados de Cuentas de España). These standards require that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement and that we comply with the independence requirements included in the International Federation of Accountants Code of Ethics which outlines detailed requirements regarding integrity, objectivity, confidentiality and professional qualifications and conduct.

A limited assurance engagement on a sustainability report consists of making inquiries to Management, primarily to the persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures, as appropriate through the following procedures:

- Interviews with relevant ACS staff concerning the application of sustainability strategy and policies.
- Interviews with relevant ACS staff responsible for providing the information contained in the Report.
- Visit to a construction site selected based on a risk analysis considering quantitative and qualitative criteria.
- Analysing the processes of compiling and internal control over quantitative data reflected in the Report, regarding the reliability of the information, by using analytical procedures and review testing based on sampling.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of ACS.

KPMG Asesores S.L., a limited liability Spanish company, is a subsidiary of KPMG Europe LLP and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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N.I.F. B-52498952

- Verifying that the financial information reflected in the Report was taken from the annual accounts of ACS, which were audited by independent third parties.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore also the level of assurance provided. Also, this report should not be considered an audit report.

Our multidisciplinary team included specialists in social, environmental and economic business performance.

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the data included in the Corporate Responsibility Report of Actividades de Construcción y Servicios, S.A. for the year ended 31 December 2010 have not been reliably obtained, that the information has not been fairly presented, or that significant discrepancies or omissions exist, nor that the Report is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines (G3) of the Global Reporting Initiative as described in the section of the Report entitled Principles for the Preparation of the Report.

Under separate cover, we will provide ACS management with an internal report outlining our complete findings and areas for improvement.

KPMG Asesores, S.L.

(Signed)

Julián Martín Blasco

Main Performance Indicators

| Profile Disclosures | |
|-------------------------------|---|
| Strategy and Analysis | |
| | Cross-reference |
| 1.1 | Statement from the most senior decision-maker of the organization (CEO or similar) about the relevance of sustainability for the organization and its strategy. |
| | CRR. 5 |
| 1.2 | Description of key impacts, risks, and opportunities. |
| | CRR. 16-17 |
| Organizational Profile | |
| | Cross-reference |
| 2.1 | Name of the organization. |
| | EFR. 40 |
| 2.2 | Primary brands, products, and/or services. |
| | CRR. 10-12 |
| 2.3 | Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures. |
| | CRR. 10-12 |
| 2.4 | Location of organization's headquarters. |
| | EFR. 40 |
| 2.5 | Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report. |
| | CRR. 8-9 |
| 2.6 | Nature of ownership and legal form. |
| | EFR. 40 |
| 2.7 | Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries). |
| | CRR. 10-12 |
| 2.8 | Scale of the reporting organization. . Number of employees. . Net sales. . Market cap. . Quality of services provided or products sold. |
| | CRR. 10-11 |
| 2.9 | Significant changes during the reporting period regarding size, structure, or ownership. |
| | CRR. 14 |
| 2.10 | Awards received in the reporting period. |
| | CRR. 108 |
| Report Parameters | |
| | Cross-reference |
| 3.1 | Reporting period (e.g., fiscal/calendar year) for information provided. |
| | Year 2010 (1/1/2010 - 31/12/1010) |
| 3.2 | Date of most recent previous report (if any). |
| | 2009 |
| 3.3 | Reporting cycle (annual, biennial, etc.) |
| | Annual |
| 3.4 | Contact point for questions regarding the report or its contents. |
| | mabermejoc@grupoacs.com |
| 3.5 | Process for defining report content. . Scope. . Main aspects included in the report. . Stakeholders that will be using the report. |
| | CRR. 12-13, 105-107 |
| 3.6 | Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance. |
| | CRR. 104-105 |
| 3.7 | State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope). |
| | CRR. 104-105 |
| 3.8 | Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations. |
| | CRR. 104-105 |
| 3.9 | Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols. |
| | CRR. 104-105 |
| 3.10 | Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods). |
| | CRR. 56, 58 |
| 3.11 | Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report. |
| | CRR. 58 |
| 3.12 | Table identifying the location of the Standard Disclosures in the report. |
| | CRR. 112-119 |

AR: Activity Report of ACS Group 2010.
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| | Cross-reference |
|---|--|
| 3.13 Policy and current practice with regard to seeking external assurance for the report. | CRR. 106. Verified by KPMG. |
| Governance, Commitments, and Engagement | |
| | Cross-reference |
| 4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight. | CRR. 14-16 |
| 4.2 Indicate whether the Chair of the highest governance body is also an executive officer. | CGR. 26. B.1.21 |
| 4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members. | CGR. 10-12 |
| 4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. | CGR. 47 |
| 4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance). | CGR. 16-18 |
| 4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided. | CGR. 37-39 |
| 4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics. | CGR. 23-26 |
| 4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation. | CRR. 6-17, 36-37 |
| 4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles. | CGR. 33 |
| 4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance. | CGR. 33-35 |
| 4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization. | CRR. 16-17 |
| 4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses. | CRR. 41 |
| 4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> • Has positions in governance bodies. • Participates in projects or committees. • Provides substantive funding beyond routine membership dues. • Views membership as strategic. | CRR. 97 |
| 4.14 List of stakeholder groups engaged by the organization. | CRR. 41. In ACS CR Report there is information regarding shareholders, employees, clients, suppliers & citizens or the society in general (though ACS's policies on quality, R+D, Philanthropy and the environment). |
| 4.15 Basis for identification and selection of stakeholders with whom to engage. | CRR. 41. ACS Group defines as stakeholders those groups who have the capacity to influence the definition and consecution of the Group's objectives. |
| 4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. | CRR. 22, 24, 28, 36, 79 |
| 4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. | CRR. 19. ACS defines how to deal with stakeholders according to its five commitments, which are the basis of the information included in this document. |

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Main Performance Indicators

Standard Disclosures: Disclosures on Management Approach (DMAs)

Disclosure on Management Approach EC

| | Cross-reference |
|---------------------------|-----------------|
| Economic performance | CRR. 8-11, 20 |
| Market presence | CRR. 8 |
| Indirect economic impacts | CRR. 18, 21-35 |

Disclosure on Management Approach EN

| | |
|--------------------------------|------------|
| Materials | CRR. 59 |
| Energy | CRR. 59 |
| Water | CRR. 60 |
| Biodiversity | CRR. 61-62 |
| Emissions, effluents and waste | CRR. 57-58 |
| Products and services | CRR. 10 |
| Compliance | CRR. 55 |
| Transport | CRR. 57-58 |
| Overall | CRR. 55-57 |

Disclosure on Management Approach LA

| | |
|---------------------------------|------------|
| Employment | CRR. 77-78 |
| Labor/management relations | CRR. 81 |
| Occupational health and safety | CRR. 84-96 |
| Training and education | CRR. 82-83 |
| Diversity and equal opportunity | CRR. 78-80 |

Disclosure on Management Approach HR

| | |
|--|----------------|
| Investment and procurement practices | CRR. 32-33 |
| Non-discrimination | CRR. 78-80 |
| Freedom of association and collective bargaining | CRR. 81 |
| Child labor | CRR. 36-37, 83 |
| Forced and compulsory labor | CRR. 36-37, 83 |
| Security practices | CRR. 95 |
| Indigenous rights | CRR. 36-37, 83 |

Disclosure on Management Approach SO

| | |
|---------------------------|----------------|
| Community | CRR. 36-37, 98 |
| Corruption | CRR. 36-37 |
| Public policy | CRR. 41 |
| Anti-competitive behavior | CRR. 36-37 |
| Compliance | CRR. 36-37 |

Disclosure on Management Approach PR

| | |
|-------------------------------|---|
| Customer health and safety | CRR. 26-31 |
| Product and service labelling | CRR. 25. Only included the practices related to customer satisfaction, including results of surveys measuring customer satisfaction. Further details on product and service labeling are absent from ACS industrial sector, and thus not applicable |
| Marketing communications | This is completely absent from ACS's particular sector. There are not mass marketing (nor even detailed ones) campaigns taken on. |
| Customer privacy | CRR. 23-25 |
| Compliance | CRR. 23-25 |

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Performance Indicators

| Economic | | Cross-reference |
|----------------------------------|---|--|
| Economic performance | | |
| EC1 | Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. | EFR. 6, 12. CRR. 18 Revenues: 15,380 € mn Operating costs: 10,250 € mn Employee compensations: 4,035 € mn Donations and community investments: 3,745 € mn Retained earnings 695 € mn Payments to capital providers: 618 € mn Payments to governments: 233 € mn ¹ |
| EC2 | Financial implications and other risks and opportunities for the organization's activities due to climate change. | CRR. 57-58. Is not included the opinion and detailed analysis from top management on the financial implications of climate change. |
| EC3 | Coverage of the organization's defined benefit plan obligations. | CRR. 79. Paragraph 8.2.1. The company does not have any benefit plan obligation apart from the public pension plans granted by the State. |
| EC4 | Significant financial assistance received from government. | EFR. 68, note 16 |
| EC5 | Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation. | Not available |
| EC6 | Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation. | CRR. 34 |
| EC7 | Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation. | CRR. 79 |
| Indirect economic impacts | | |
| EC8 | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement. | CRR. 98-103 |
| EC9 | Understanding and describing significant indirect economic impacts, including the extent of impacts. | Not available |
| Environmental | | |
| Materials | | |
| EN1 | Materials used by weight or volume. | CRR. 74 |
| EN2 | Percentage of materials used that are recycled input materials. | CRR. 63 |
| Energy | | |
| EN3 | Direct energy consumption by primary energy source. | CRR. 59 |
| EN4 | Indirect energy consumption by primary source. | CRR. 59 |
| EN5 | Energy saved due to conservation and efficiency improvements. | CRR. 59. Total amount of energy saved in joules or multiples taking into consideration energy saved due to process redesign, conversion and retrofitting of equipment, and changes in personnel behavior. |
| EN6 | Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. | CRR. 59 |
| EN7 | Initiatives to reduce indirect energy consumption and reductions achieved. | Not available |
| Water | | |
| EN8 | Total water withdrawal by source. | IRC .60. ACS only measures water from the public network and not in detail water obtained from other sources. |
| EN9 | Water sources significantly affected by withdrawal of water. | CRR. 60 |
| EN10 | Percentage and total volume of water recycled and reused. | Not available |

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Main Performance Indicators

| | Cross-reference |
|--|---|
| Biodiversity | |
| EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. | ACS does not own, manage or rents land inside or near protected areas. |
| EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. | CRR. 61. ACS Group does not have the appropriate systems to measure these impacts. This information will be included by 2012. |
| EN13 Habitats protected or restored. | Not available |
| EN14 Strategies, current actions, and future plans for managing impacts on biodiversity. | CRR. 61 |
| EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk. | CRR. 61 |
| Emissions, effluents and waste | |
| EN16 Total direct and indirect greenhouse gas emissions by weight. | CRR. 56-58 |
| EN17 Other relevant indirect greenhouse gas emissions by weight. | CRR. 56-58 |
| EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved. | Not available |
| EN19 Emissions of ozone-depleting substances by weight. | CRR. 56-58 |
| EN20 NOx, SOx, and other significant air emissions by type and weight. | CRR. 56-58 |
| EN21 Total water discharge by quality and destination. | CRR. 60 |
| EN22 Total weight of waste by type and disposal method. | CRR. 56 |
| EN23 Total number and volume of significant spills. | CRR. 60 |
| EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally. | Not applicable |
| EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff. | Not applicable |
| Products and services | |
| EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. | CRR. 55-56 |
| EN27 Percentage of products sold and their packaging materials that are reclaimed by category. | Not applicable |
| Compliance | |
| EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. | CRR. 61 |
| Transport | |
| EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. | CRR. 58-59 |
| Overall | |
| EN30 Total environmental protection expenditures and investments by type. | Not available |

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 CGR: Corporate Governance Report of ACS Group 2010.

| Social: Labor Practices and Decent Work | | Cross-reference |
|--|---|---|
| Employment | | |
| LA1 | Total workforce by employment type, employment contract, and region. | CRR. 77-80 |
| LA2 | Total number and rate of employee turnover by age group, gender, and region. | CRR. 10, 79. Turnover by age will be reported by 2012. |
| LA3 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations. | CRR. 79 |
| Labor/management relations | | |
| LA4 | Percentage of employees covered by collective bargaining agreements. | CRR. 81 |
| LA5 | Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements. | These periods are ruled by the collective agreement and the Spanish legislation, as well as the legislation in those contracts where ACS develops its activity. |
| Occupational health and safety | | |
| LA6 | Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs. | Not available |
| LA7 | Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region. | CRR. 86, 89, 94. Data per region is not available and will be included by 2012. Casualties are confidential. |
| LA8 | Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases. | CRR. 91-92 |
| LA9 | Health and safety topics covered in formal agreements with trade unions. | CRR. 90 |
| Training and education | | |
| LA10 | Average hours of training per year per employee by employee category. | CRR. 82-83 |
| LA11 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. | CRR. 81 |
| LA12 | Percentage of employees receiving regular performance and career development reviews. | CRR. 81 |
| Diversity and equal opportunity | | |
| LA13 | Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity. | CGR. 9-11, CRR. 83, 91 |
| LA14 | Ratio of basic salary of men to women by employee category. | This information is confidential, refers to key aspects of the business and ACS does not plan to disclose it in the future. |
| Social: Human Rights | | |
| Diversity and equal opportunity | | |
| HR1 | Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening. | CRR. 36. Exact percentage is not available, will be included by 2012. |
| HR2 | Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken. | CRR. 34. Exact percentage is not available, will be included by 2012. |
| HR3 | Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. | CRR. 83 |
| Non-discrimination | | |
| HR4 | Total number of incidents of discrimination and actions taken. | CRR. 79 |

AR: Activity Report of ACS Group 2010.
EFR: Economical and Financial Report of ACS Group 2010.
CRR: Corporate Responsibility Report of ACS Group 2010.
CGR: Corporate Governance Report of ACS Group 2010.

Main Performance Indicators

| | Cross-reference |
|--|--|
| Freedom of association and collective bargaining | |
| HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights. | CRR. 81 |
| Child labor | |
| HR6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor. | CRR. 36-37 |
| Forced and compulsory labor | |
| HR7 Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor. | CRR. 95 |
| Security practices | |
| HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations. | CRR. 95 |
| Indigenous rights | |
| HR9 Total number of incidents of violations involving rights of indigenous people and actions taken. | Not available |
| Social: Society | |
| Community | |
| S01 Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting. | CRR. 36-37 |
| Corruption | |
| S02 Percentage and total number of business units analyzed for risks related to corruption. | CRR. 36-37 |
| S03 Percentage of employees trained in organization's anti-corruption policies and procedures. | CRR. 36-37 |
| S04 Actions taken in response to incidents of corruption. | Group's risk management system and internal control are functioning properly and in this regard, during 2010 there has not been any event involving a breach of the integrity of the company or its employees. |
| Public policy | |
| S05 Public policy positions and participation in public policy development and lobbying. | CRR. 41 |
| S06 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country. | ACS Group does not contribute in any way with political parties, politicians and related institutions. |

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Cross-reference

Anti-competitive behavior

| | | |
|-----|---|--|
| S07 | Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes. | No ACS Group company is involved in legal actions on this regards. |
|-----|---|--|

Compliance

| | | |
|-----|--|---|
| S08 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. | The legal services of the Company have not registered any significant sanction arising from breach of the laws and regulations different from those addressed in the indicators PR9 and EN28. |
|-----|--|---|

Social: Product Responsibility

Cross-reference

Customer health and safety

| | | |
|-----|--|--|
| PR1 | Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures. | CRR. 29-31. The exact percentage is not available will be included by 2012 |
| PR2 | Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes. | Not available |

Product and service labelling

| | | |
|-----|--|----------------|
| PR3 | Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements. | Not applicable |
| PR4 | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes. | Not available |
| PR5 | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. | CRR. 25 |

Marketing communications

| | | |
|-----|--|-------------------------------|
| PR6 | Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship. | This is not applicable to ACS |
| PR7 | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes. | This is not applicable to ACS |

Customer privacy

| | | |
|-----|--|---------------|
| PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. | Not available |
|-----|--|---------------|

Compliance

| | | |
|-----|---|---------|
| PR9 | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. | CRR. 25 |
|-----|---|---------|

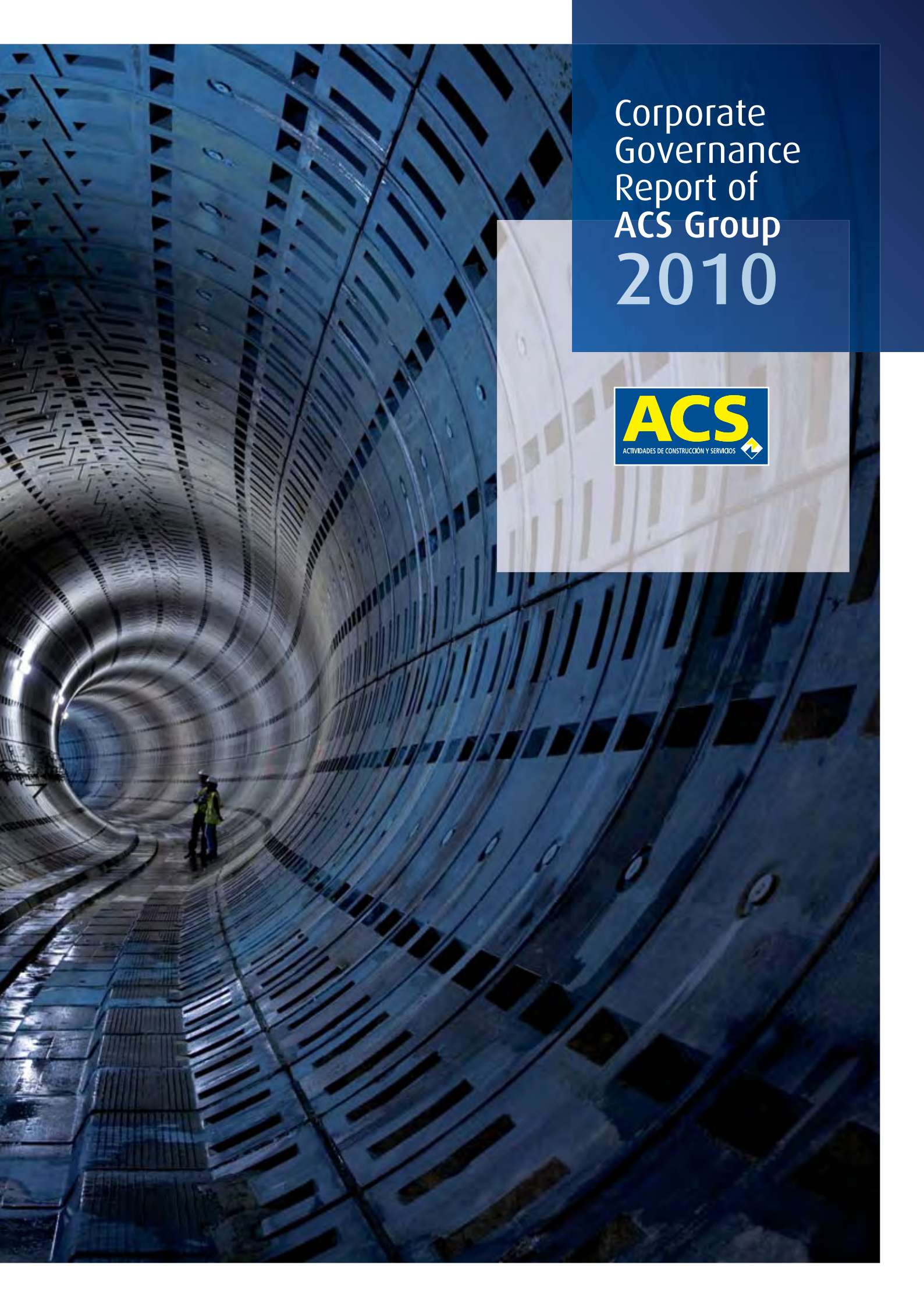
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(Madrid, Spain).

Corporate Governance Report of ACS Group 2010



Corporate Governance Report of ACS Group

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The Annual Corporate Governance Report forms part of the Directors' Report, in accordance with the provisions of the Spanish Limited Liability Companies Law. The aforementioned Directors' Report is included in the ACS Group's Economic and Financial Report for 2010.



A. Ownership Structure

A.1. Complete the following table on the Company's share capital:

| Date of last amendment | Share capital (euros) | Number of shares | Number of voting rights |
|------------------------|-----------------------|------------------|-------------------------|
| 01/07/2009 | 157,332,297.00 | 314,664,594 | 314,664,594 |

Indicate whether there are different classes of shares with different rights associated thereto:

| | Yes | No |
|--|-----|----|
| | | X |

A.2. Detail the direct or indirect holders of significant shareholdings of the company at the close of the financial year, excluding the Board Members:

| Name or company name of the shareholder | Number of voting rights | Number of indirect voting rights (*) | % of total voting rights |
|---|-------------------------|--------------------------------------|--------------------------|
| Corporación Financiera Alba, S.A. | 0 | 73,339,232 | 23.307 |
| Inversiones Vesán, S.A. | 39,397,625 | 0 | 12.521 |
| Mr. Alberto Alcocer Torra | 5,000 | 21,801,647 | 6.930 |
| Mr. Alberto Cortina Alcocer | 4,844 | 21,801,648 | 6.930 |
| Southeastern Asset Management, Inc | 0 | 20,357,056 | 6.469 |
| Sayglo Holding, S.L. | 0 | 17,741,012 | 5.638 |
| Banco Bilbao Vizcaya Argentaria, S.A. | 9,580,141 | 0 | 3.045 |

| Name or company name of the indirect shareholder | Held through: Name or company name of the direct shareholder | Number of voting rights | % of total voting rights |
|--|--|-------------------------|--------------------------|
| Corporación Financiera Alba, S.A. | Alba Participaciones, S.A. | 71,790,975 | 22.815 |
| Corporación Financiera Alba, S.A. | Balboa Participaciones | 1,548,257 | 0.492 |
| Mr. Alberto Alcocer Torra | Comercio y Finanzas, S.L. | 515,907 | 0.164 |
| Mr. Alberto Alcocer Torra | Corporación Financiera Alcor, S.L. | 466,440 | 0.148 |
| Mr. Alberto Alcocer Torra | Imvernelin Patrimonio, S.L. | 20,300,816 | 6.452 |
| Mr. Alberto Alcocer Torra | Percacer, S.L. | 518,484 | 0.165 |
| Mr. Alberto Cortina Alcocer | Comercio y Finanzas, S.L. | 515,907 | 0.164 |
| Mr. Alberto Cortina Alcocer | Corporación Financiera Alcor, S.L. | 466,440 | 0.148 |
| Mr. Alberto Cortina Alcocer | Imvernelin Patrimonio, S.L. | 20,300,817 | 6.452 |
| Mr. Alberto Cortina Alcocer | Percacer, S.L. | 518,484 | 0.165 |
| Sayglo Holding, S.L. | Gloyso Trust, B.V. | 97,355 | 0.031 |
| Sayglo Holding, S.L. | Iberostar Hoteles y Apartamentos, S.L. | 17,643,657 | 5.607 |

Indicate the most significant changes in the shareholding structure occurring during the financial year:

—

A.3. Complete the following table on the members of the Board of Directors of the Company that hold rights over shares in the company:

| Name or company name of the Board Member | Number of option rights held directly | Number of option rights held indirectly | % of total voting rights |
|---|---------------------------------------|---|--------------------------|
| Mr. Florentino Pérez Rodríguez | 0 | 39,397,625 | 12.521 |
| Mr. Antonio García Ferrer | 100,000 | 0 | 0.032 |
| Mr. Pablo Vallbona Vadell | 26,560 | 0 | 0.008 |
| Mr. Agustín Batuecas Torrego | 941,088 | 1,482,853 | 0.770 |
| Mr. Francisco Servando Verdú Pons | 1,000 | 0 | 0.000 |
| Mr. Javier Echenique Landiribar | 24,438 | 0 | 0.008 |
| Mr. Javier Monzón de Cáceres | 4,200 | 0 | 0.001 |
| Mr. José Álvaro Cuervo García | 0 | 42,000 | 0.013 |
| Mr. José María Aguirre González | 421,500 | 0 | 0.134 |
| Mr. José María Loizaga Viguri | 128,313 | 100,000 | 0.073 |
| Mr. Joan David Grimà Terré | 0 | 0 | 0.000 |
| Mr. Juan March de la Lastra | 22,750 | 0 | 0.007 |
| Mr. Julio Sacristán Fidalgo | 1,356 | 0 | 0.000 |
| Mr. Manuel Delgado Solís | 0 | 0 | 0.000 |
| Mr. Miquel Roca i Junyent | 12 | 0 | 0.000 |
| Mr. Pedro José López Jiménez | 0 | 1,262,477 | 0.401 |
| Ms. Sabina Fluxá Thienemann | 0 | 0 | 0.000 |
| Mr. Santos Martínez-Conde Gutiérrez-Barquín | 8,208 | 0 | 0.003 |
| Mr. José Luis del Valle Pérez | 222,993 | 0 | 0.071 |

| Name or company name of the indirect shareholder | Held through: Name or Company name of the direct shareholder | Number of voting rights held directly | % of total Voting rights |
|---|--|---------------------------------------|--------------------------|
| Mr. Florentino Pérez Rodríguez | Inversiones Vesán, S.A. | 39,397,625 | 12.521 |
| Mr. Agustín Batuecas Torrego | Inversiones Batuecas Torrego S.L. | 1,382,853 | 0.439 |
| Mr. Pedro José López Jiménez | Fidalsar, S.L. | 500,000 | 0.159 |
| Mr. Pedro José López Jiménez | Fidwei Inversiones, S.L. | 420,000 | 0.133 |
| Mr. Pedro José López Jiménez | Lynx Capital, S.A. | 342,477 | 0.109 |
| Mr. Agustín Batuecas Torrego | Inversiones Ceda, S.L. | 100,000 | 0.032 |
| Mr. José María Loizaga Viguri | Inversiones Europeas, S.L. | 100,000 | 0.032 |
| Mr. José Álvaro Cuervo García | Sociedad de Estudios de Estrategia Empresarial, S.A. | 42,000 | 0.013 |
| Total % of voting rights in power of the Board of Directors | | | 14.043 |

A. Ownership Structure

Complete the following table on the members of the Board of Directors of the company that hold rights over shares in the Company:

| Name or company name of the Board Member | Number of option rights held directly | Number of option rights held indirectly | Equivalent number of shares | % of total voting rights |
|--|---------------------------------------|---|-----------------------------|--------------------------|
| Mr. Florentino Pérez Rodríguez | 2,336,530 | 1 | 2,336,530 | 0.743 |
| Mr. Antonio García Ferrer | 150,000 | 1 | 150,000 | 0.048 |
| Mr. Agustín Batuecas Torrego | 70,000 | 1 | 70,000 | 0.022 |
| Mr. José Luis del Valle Pérez | 701,160 | 1 | 701,160 | 0.223 |

A.4. Indicate, if applicable, any relationships of a family, commercial, contractual or corporate nature existing between holders of significant shareholdings, to the extent that they are known by the company, excluding those of little significance or deriving from the ordinary course of business or trade:

—

A.5. Indicate, if applicable, the relationships of a commercial, contractual or corporate nature existing between holders of significant shareholdings and the Company, excluding those of little significance or deriving from the ordinary course of business or trade:

| Name or company name related | Type of relationship | Brief description |
|-----------------------------------|----------------------|---|
| Corporación Financiera Alba, S.A. | Contractual | Corporación Financiera Alba, S.A. formalised share loan commitment agreement with ACS, Actividades de Construcción y Servicios, S.A. by which it made the shares of ACS available to the company to be used in combination with its portfolio and/or the shares it issues in the takeover bid for Hochtief. In the end, these shares were not authorised by the German regulator in the prospectus giving rise to the approval of the takeover bid. The expenses incurred by ACS in relation to this share loan commitment was EUR 15,291 thousand. |

| Name or company name related | Type of relationship | Brief description |
|------------------------------|----------------------|--|
| Inversiones Vesán, S.A. | Contractual | Rosan Inversiones, S.L., with tax identification number (Spanish CIF) B-78962099, company wholly owned by Florentino Pérez Rodríguez formalised agreement for execution of works with the company Dragados, S.A. on 27-04-05, for the construction of a building in Madrid. The related amount certified by Dragados, S.A. in 2010 amounted to EUR 428 thousand. |

| Name or company name related | Type of relationship | Brief description |
|------------------------------|----------------------|---|
| Inversiones Vesán, S.A. | Contractual | Inversiones Vesán, S.A. formalised a share loan commitment agreement with ACS, Actividades de Construcción y Servicios, S.A. by which it makes the shares of ACS available to the company to be used in combination with its portfolio and/or the shares it issues in the takeover bid for Hochtief. In the end, these shares were not authorised by the German regulator in the prospectus giving rise to the approval of the takeover bid. The expenses incurred by ACS in relation to this share loan commitment was EUR 2,885 thousand. |

| Name or company name related | Type of relationship | Brief description |
|--|----------------------|--|
| Iberostar Hoteles y Apartamentos, S.L. | Contractual | Iberostar Hoteles y Apartamentos, S.L. formalised a share loan commitment agreement with ACS, Actividades de Construcción y Servicios, S.A. by which it makes the shares of ACS available to the company to be used in combination with its portfolio and/or the shares it issues in the takeover bid for Hochtief. In the end, these shares were not authorised by the German regulator in the prospectus giving rise to the approval of the takeover bid. The expenses incurred by ACS in relation to this share loan commitment was EUR 2,860 thousand. |

A.6. Indicate whether any shareholders' agreements affecting the company have been executed between shareholders pursuant to Article 112 of the Securities Market Law. If so, briefly describe the agreements and list the shareholders who entered into the agreement:

| Yes | No |
|-----|----|
| | X |

Indicate whether the company is aware of any concerted actions between its shareholders. If so, briefly describe them:

| Yes | No |
|-----|----|
| | X |

If there has been any modification or termination of said pacts or agreements or concerted actions during the financial year, indicate them expressly.

—

A.7. Indicate if there is any individual or legal entity that exercises or could exercise control over the Company under the terms of Article 4 of the Securities Market Law. If so, identify them:

| Yes | No |
|-----|----|
| | X |

A.8. Complete the following tables on the Company's treasury shares:

At the end of the reporting period:

| Number of direct shares | Number of indirect shares (*) | Total % of share capital |
|-------------------------|-------------------------------|--------------------------|
| 19,542,383 | 0 | 6.210 |

(*) Held through:

| | |
|-------|---|
| Total | 0 |
|-------|---|

A. Ownership Structure

In accordance with the provisions set forth in Royal Decree 1362/2007, detail any significant changes during the financial year:

| Notification Date | Total number of direct shares acquired | Total number of indirect shares acquired | Total % of share capital |
|--|--|--|--------------------------|
| 25/03/2010 | 0 | 3,375,154 | 1.071 |
| 27/07/2010 | 0 | 3,373,706 | 1.074 |
| 01/10/2010 | 0 | 2,274,194 | 0.866 |
| 07/10/2010 | 18,886,063 | 0 | 6.002 |
| Gain/(Loss) on treasury shares disposed of in the year (in thousands of euros) | | | -126 |

A.9. Detail the conditions and term of mandate of the General Shareholders' Meeting to the Board of Directors for engaging in acquisitions or transfers of treasury shares.

The following resolution was adopted at the Ordinary General Shareholders' Meeting held on 15 April 2010:

Rendering the previous authorisation granted by means of Resolution adopted by the General Shareholders' Meeting held on 25 May 2009 null and void, and under the conditions and requirements set forth in Article 75 and related provisions of the Spanish Limited Liability Companies Law, authorise both the Company's Board of Directors as well as those of subsidiary companies to acquire shares in the company for valuable consideration, the par value of which does not exceed 5% of the issued share capital. Such authorisation shall be granted for a period of 18 months from the date of the aforementioned meeting. The minimum and maximum price shall be, respectively, the par value of the shares and a price not exceeding the price at which they are traded at the securities market session on the date of the purchase, or the price authorised by the competent body of the Securities Market or by the Spanish National Securities Market Commission.

A.10 Indicate the legal and statutory restrictions on the exercise of voting rights, as well as the statutory restrictions on the acquisition or sale of holdings in the share capital. Indicate whether there are legal restrictions on the exercise of voting rights:

| | Yes | No |
|---|-----|----|
| | | X |
| Maximum percentage of voting rights that may be exercised by a shareholder under this legal restriction | | 0 |

Indicate whether there are any statutory restrictions on the exercise of voting rights:

| | Yes | No |
|---|-----|----|
| | | X |
| Maximum percentage of voting rights that may be exercised by a shareholder under this statutory restriction | | 0 |

Indicate whether there are any legal restrictions on the acquisition or sale of holdings in the share capital:

| | Yes | No |
|--|-----|----|
| | | X |

A.11 Indicate whether or not the General Shareholders' Meeting has resolved to adopt anti-takeover measures in accordance with the provisions of Law 6/2007.

| | Yes | No |
|--|-----|----|
| | | X |

If so, explain the measures adopted and the terms in which the restrictions will be deemed to be inefficient:

—

B. Structure of the Company Administration

B.1. Board of Directors

B.1.1 Outline the maximum and minimum number of Board Members provided for in the Company Bylaws:

| | |
|---------------------------------|----|
| Maximum number of Board Members | 21 |
| Minimum number of Board Members | 11 |

B.1.2 Complete the following table with the Board Members:

| Name or company name of the Board Member | Representative | Position | Date first appointment | Date last appointment | Election Procedure |
|---|----------------|----------------------------------|------------------------|-----------------------|--------------------|
| Mr. Florentino Pérez Rodríguez | - | Chairman and CEO | 28/06/1989 | 03/12/2008 | General Meeting |
| Mr. Antonio García Ferrer | - | Executive Deputy Chairman | 14/10/2003 | 03/12/2008 | General Meeting |
| Mr. Pablo Vallbona Vadell | - | Deputy Chairman | 05/09/1997 | 03/12/2008 | General Meeting |
| Mr. Agustín Batuecas Torrego | - | Board Member | 29/06/1999 | 03/12/2008 | General Meeting |
| Mr. Francisco Servando Verdú Pons | - | Board Member | 19/05/2006 | 19/05/2006 | General Meeting |
| Mr. Javier Echenique Landiribar | - | Board Member | 20/05/2004 | 25/05/2009 | General Meeting |
| Mr. Javier Monzón de Cáceres | - | Board Member | 20/05/2004 | 25/05/2009 | General Meeting |
| Mr. José Álvaro Cuervo García | - | Board Member | 05/09/1997 | 03/12/2008 | General Meeting |
| Mr. José María Aguirre González | - | Board Member | 29/06/1995 | 19/05/2006 | General Meeting |
| Mr. José María Loizaga Viguri | - | Board Member | 28/06/1989 | 03/12/2008 | General Meeting |
| Mr. Joan David Grimà Terré | - | Board Member | 14/10/2003 | 03/12/2008 | General Meeting |
| Mr. Juan March de la Lastra | - | Board Member | 30/07/2008 | 03/12/2008 | General Meeting |
| Mr. Julio Sacristán Fidalgo | - | Board Member | 24/06/1998 | 03/12/2008 | General Meeting |
| Mr. Manuel Delgado Solís | - | Board Member | 20/05/2004 | 25/05/2009 | General Meeting |
| Mr. Miquel Roca i Junyent | - | Board Member | 14/10/2003 | 03/12/2008 | General Meeting |
| Mr. Pedro José López Jiménez | - | Board Member | 28/06/1989 | 03/12/2008 | General Meeting |
| Ms. Sabina Fluxá Thienemann | - | Board Member | 25/05/2009 | 25/05/2009 | General Meeting |
| Mr. Santos Martínez-Conde Gutiérrez-Barquín | - | Board Member | 19/06/2002 | 03/12/2008 | General Meeting |
| Mr. José Luis del Valle Pérez | - | Secretary General - Board Member | 28/06/1989 | 03/12/2008 | General Meeting |
| Total number of Board Members | | | | | 19 |

Indicate the resignations from the Board of Directors that occurred during the period:

—

B.1.3 Complete the following tables on the Board Members and their positions:

Executive board members

| Name or company name of the Board Member | Committee which proposed the appointment | Position in the Company's organisational chart |
|--|--|--|
| Mr. Florentino Pérez Rodríguez | Appointment and Remuneration Committee | Chairman and CEO |
| Mr. Antonio García Ferrer | Appointment and Remuneration Committee | Executive Deputy Chairman |
| Mr. Agustín Batuecas Torrego | Appointment and Remuneration Committee | Board Member |
| Mr. José Luis del Valle Pérez | Appointment and Remuneration Committee | Board Member - Secretary |
| Total number of Executive Board Members | | 4 |
| Total % of the Board | | 21.053 |

Proprietary & External Directors

| Name or company name of the Board Member | Committee which proposed the appointment | Name or company name of significant shareholder represented or that proposed his appointment |
|---|--|--|
| Mr. Pablo Vallbona Vadell | Appointment and Remuneration Committee | Corporación Financiera Alba, S.A. |
| Mr. Francisco Servando Verdú Pons | Appointment and Remuneration Committee | Corporación Financiera Alba, S.A. |
| Mr. Javier Echenique Landiribar | Appointment and Remuneration Committee | Corporación Financiera Alcor, S.A. |
| Mr. Javier Monzón de Cáceres | Appointment and Remuneration Committee | Corporación Financiera Alcor, S.A. |
| Mr. Juan March de la Lastra | Appointment and Remuneration Committee | Corporación Financiera Alba, S.A. |
| Mr. Julio Sacristán Fidalgo | Appointment and Remuneration Committee | Inversiones Vesán, S.A. |
| Mr. Manuel Delgado Solís | Appointment and Remuneration Committee | Corporación Financiera Alcor, S.A. |
| Ms. Sabina Fluxá Thienemann | Appointment and Remuneration Committee | Sayglo Holding, S.L. |
| Mr. Santos Martínez-Conde Gutiérrez-Barquín | Appointment and Remuneration Committee | Corporación Financiera Alba, S.A. |
| Total number of proprietary Board Members | | 9 |
| Total % of Board | | 47.368 |

Independent External Board Members

| Name or company name of the Board Member | Profile | |
|---|---|--------|
| Mr. José Álvaro Cuervo García | Born in 1942 in Carreño (Asturias). Professor of Economy at the Universidad Complutense de Madrid. Director of the Centro Universitario de Estudios Financieros (CUNEF - University Centre of Financial Studies). Rey Jaime I Economy Award (1992), Economy Award of Castilla León "Infanta Cristina" (1999) and Doctor Honoris Causa by the Universities of Oviedo, León, Castilla La Mancha, Las Palmas de Gran Canaria and Salamanca. He has worked as a professor at the Universities of Valladolid, Oviedo and CIDE (México), and was a visiting professor at Salomon Centre (Stern School of Business) in the University of New York and at the Institute of Management, Innovation and Organization of the University of California, Berkeley. Vice-Dean of the Schools of Economic and Business Sciences of the Universities Complutense de Madrid and Oviedo and Dean of the latter. His lines of research focus on three areas: Economy and Business Management; Finance and the Financial System; and Privatisation and Public Firms. He is currently a member of the Board of Directors of Bolsas y Mercados Españoles (BME - Spanish Securities Exchanges and Markets), SONAE Industria and SONAE SGPS, S.A. (Portugal) and a member of the Advisory Council of Privatisation of the Spanish Government. | |
| Mr. José María Aguirre González | Born in 1934 in Madrid. PhD in Civil Engineering. From 1958 to 1988 executive at Agromán Empresa Constructora where he was Chairman and General Manager. From 1988 to 2009 he was the Chairman of Banco Guipuzcoano, where he is now an honorary Chairman. He is currently the Deputy Chairman of CEOE, the Chairman of APD, Asociación para el Progreso de la Dirección (Association for the Progress of Management) and CEIT de Investigaciones Técnicas. Chairman of Praga de Hipotecas y Créditos, of Cobra and of Calvo y Munar. He was the Chairman of Siemens in Spain and of Acerinox. | |
| Mr. José María Loizaga Viguri | Born in Bilbao (1936). He initiated his career in Banco Vizcaya and has held various executive positions. In 1968, he was General Manager of Zardoya and played a role in 1972 in the merger with Schneider Otis. Up to 1980, he was the head of Otis Elevator for Sothern Europe. In 1980 he founded Banco Hispano Industrial (BHA Group) and in 1982 he was appointed Deputy Chairman and CEO of Banco Unión which merged with Banco Urquijo where he held a position until 1985. On the latter date, he founded Mercapital, S.A. and was Chairman of this Group until 2008. He has held positions including, inter alia, Chairman of Bodegas Barón de Ley, Board Member of Banque Privée Edmond de Rothschild, Suez International, Otis International, Amorim Investment, Lácteas G Baquero, and Unión Fenosa, etc. He is currently Chairman of Cartera Industrial Rea, Bodegas Lan and Deputy Chairman of Zardoya Otis, as well as a Board Member of Otis Elevadores Portugal, Mecalux, etc. He is Commandeur de l'Ordre de Léopold II. | |
| Mr. Joan David Grimà Terré | Born in 1953 in Sabadell (Barcelona). He has a PhD in Economics and Business and has studied at the Universidad Autónoma de Barcelona, Baylor and Harvard Business School. From 1992 to 2010 he was the general manager of Banco Santander. In January 2002 he was appointed Deputy Chairman and CEO of the Auna Group, a position he held in addition to his responsibilities at the Bank up to November 2005. He is a Board Member of TEKA, S.A. | |
| Mr. Miquel Roca i Junyent | Born in 1940 in Cauderan (France). Degree in Law from Universidad de Barcelona. Secretary of the Board of Directors of Accesos de Madrid, Concesionaria Española, since January 2000. Secretary of the Board of Directors of Abertis Infraestructuras, S.A. Member of the Board of Directors of Endesa, S.A. Chairman of Fundación Abertis. Partner-Chairman of Despacho Roca Junyent. | |
| Total number of independent Board Members | | 5 |
| Total % of the Board | | 26.316 |

B. Structure of the Company Administration

Other External Board Members

| Name or company name of the Board Member | Committee which proposed the appointment |
|--|--|
| Mr. Pedro José López Jiménez | Appointment and Remuneration Committee |
| Total number of other external Board Members | |
| | 1 |
| Total % of the Board | |
| | 5.263 |

Indicate the reasons why they cannot be considered proprietary or independent and their relations, either to the company, its management or its shareholders:

| Name or company name of the Board Member | Company, executive or shareholder with whom there is a relation | Reasons |
|--|---|--|
| Mr. Pedro José López Jiménez | | Mr. Pedro López Jiménez currently has an indirect ownership in the Company of 0.401%. However, he has been considered to be a proprietary Board Member ever since he was one of the Company's majority shareholders and owned 10% of the Company's shares. This ownership interest has progressively been diluted as a result mainly of the corresponding corporate mergers. Therefore, he was elected as an external Board Member by the Extraordinary General Shareholders' Meeting held on 3 December 2008. |

Indicate any changes in the type of each Board Member during the period:

—

B.1.4. If applicable, explain the reasons for appointing a proprietary Director at the request of shareholders who have a holding of less than 5% of the share capital:

—

Indicate whether any formal requests by a shareholder to have a Board Member appointed were denied although the shareholder holds the same or a higher number of shares than another shareholder at whose request proprietary Directors were appointed. In this case, explain the grounds for denying this request:

| Yes | No |
|-----|----|
| | X |

B.1.5. Indicate whether any Board Member resigned from office before the end of his term, whether he gave reasons to the Board for doing so, and by what means, and in the case that these reasons were not given to the whole of the Board in writing, provide an explanation of at least the reasons he gave for resigning:

| Yes | No |
|-----|----|
| | X |

B.1.6. If applicable, indicate any powers delegated to the Board Members or Chief Executive Officers:

| Name or company name of the Board Member | Brief description |
|--|---|
| Mr. Florentino Pérez Rodríguez | All powers corresponding to the board except those that cannot be transferred |

B.1.7. If applicable, identify the members of the Board that hold the positions of Board Member or other executive positions at companies in the same Group as the listed company:

| Name or company name of the Board Member | Company name of the Group Entity | Position |
|--|--|--|
| Mr. Antonio García Ferrer | ACS Servicios y Concesiones, S.L. ACS Servicios. Comunicaciones y Energía, S.L. Dragados, S.A. | Board Member Board Member Board Member |
| Mr. Agustín Batuecas Torrego | Construirail, S.A. Continental Rail, S.A. Intercambiador de Transportes Avda. de América, S.A. Intercambiador de Transportes Plaza de Castilla, S.A. Intercambiador de Transportes Príncipe Pío, S.A. Logitren, S.A. | Board Member Individual Representative Individual Representative Individual Representative Individual Representative Joint and Several Director |
| Mr. Javier Echenique Landiribar | ACS Servicios. Comunicaciones y Energía, S.L. | Board Member |
| Mr. Javier Monzón de Cáceres | ACS Servicios y Concesiones, S.L. | Board Member |
| Mr. José María Aguirre González | ACS Servicios. Comunicaciones y Energía, S.L. Cobra Gestión de Infraestructuras, S.L. | Deputy Chairman Chairman |
| Mr. Manuel Delgado Solís | Dragados, S.A. | Board Member |
| Mr. Pedro José López Jiménez | ACS Servicios y Concesiones, S.L. ACS Servicios. Comunicaciones y Energía, S.L. Dragados, S.A. | Board Member Board Member Deputy Chairman |
| Mr. José Luis del Valle Pérez | ACS Servicios y Concesiones, S.L. ACS Servicios. Comunicaciones y Energía, S.L. Clece, S.A. Cobra Gestión de Infraestructuras, S.L. Dragados, S.A. Iridium Concesiones de Infraestructuras, S.A. Sociedad Española de Montajes Industriales, S.A. Urbaser, S.A. | Board Member - Secretary Board Member - Secretary Board Member Board Member - Secretary Board Member - Secretary Board Member Board Member - Secretary Board Member |

B.1.8. List, if applicable, the Board Members of the Company who are members of the Board of Directors of other companies that are listed on official securities markets in Spain and which do not form part of the Company's Group and of which the Company is aware:

| Name or company name of the Board Member | Listed Company | Position |
|---|--|---|
| Mr. Florentino Pérez Rodríguez | Abertis Infraestructuras, S.A. | Deputy Chairman |
| Mr. Pablo Vallbona Vadell | Abertis Infraestructuras, S.A. Corporación Financiera Alba, S.A. | Board Member Deputy Chairman |
| Mr. Francisco Servando Verdú Pons | Corporación Financiera Alba, S.A. | Board Member |
| Mr. Javier Echenique Landiribar | Grupo Empresarial Ence, S.A. Repsol YPF, S.A. Banco Sabadell, S.A. | Board Member Board Member Deputy Chairman |
| Mr. Javier Monzón de Cáceres | Indra Sistemas, S.A. | Chairman |
| Mr. José Álvaro Cuervo García | Bolsas y Mercados Españoles. Scdad. Holding de Mdos y Stmas Fin. S.A. | Board Member |
| Mr. José María Loizaga Viguri | Cartera Industrial Rea, S.A. Zardoya Otis, S.A. | Chairman Deputy Chairman |
| Mr. Juan March de la Lastra | Corporación Financiera Alba, S.A. Indra Sistemas, S.A. | Board Member Board Member |
| Mr. Miquel Roca i Junyent | Endesa, S.A. | Board Member |
| Mr. Pedro José López Jiménez | Grupo Empresarial Ence, S.A. | Board Member |
| Mr. Santos Martínez-Conde Gutiérrez-Barquín | Acerinox, S.A. Corporación Financiera Alba, S.A. | Board Member CEO |

B. Structure of the Company Administration

B.1.9 Indicate, and if applicable, explain whether the company has set rules regarding the number of Boards on which its Board Members may also be a member:

| | Yes | No |
|--|-----|----|
| | X | |

Explanation of the rules

Article 14 of the Rules of the Board of Directors provides that Board Members cannot, either directly or indirectly, hold positions in companies or firms that are competitors of the Company or of any of the Group companies or provide representation services on behalf of same. Additionally as currently worded, it limits the number of Groups which a Board Member of the Company can form part of to five, except in the case of express authorisation on a reasonable basis.

B.1.10 In relation to recommendation number 8 of the Unified Code, mark the Company's general policies and strategies which shall be approved by the Board in full:

| | Yes | No |
|---|-----|----|
| Investment and financing policy | X | |
| Definition of the structure of the corporate group | X | |
| Corporate governance policy | X | |
| Corporate social responsibility policy | X | |
| Strategic or business plan, as well as the annual management and budget objectives | X | |
| Senior executive management evaluation and remuneration policies | X | |
| Risk control and management policy, and the periodic monitoring of internal information and control systems | X | |
| Policy on dividends and on treasury shares, and the limits to apply | X | |

B.1.11. Complete the following tables showing the total remuneration of the Board Members accrued during the financial year:

a) In the Company covered under the present report:

| Nature of remuneration | Thousands of euros |
|--|--------------------|
| Fixed remuneration | 3,115 |
| Variable remuneration | 3,629 |
| Expenses | 0 |
| Bylaw-stipulated directors' emoluments | 2,441 |
| Stock options and/or financial instruments | 1,324 |
| Other | 0 |
| Total | 10,509 |

| Other benefits | Thousands of euros |
|--|--------------------|
| Advances | 0 |
| Loans | 0 |
| Pension funds and plans: contributions | 2,152 |
| Pension funds and plans: obligations assumed | 2,152 |
| Life insurance premiums | 16 |
| Guarantees constituted by the Company in favour of Board Members | 0 |

b) Received by Board Members of the Company for belonging to other Boards of Directors and/or senior management of companies of the Group:

| Nature of remuneration | Thousands of euros |
|--|--------------------|
| Fixed remuneration | 448 |
| Variable remuneration | 0 |
| Expenses | 0 |
| Bylaw-stipulated directors' emoluments | 1,118 |
| Stock options and/or financial instruments | 0 |
| Other | 121 |
| Total | 1,687 |

| Other benefits | Thousands of euros |
|---|--------------------|
| Advances | 0 |
| Loans | 0 |
| Pension funds and plans: contributions | 0 |
| Pension funds and plans: obligations assumed | 0 |
| Life insurance premiums | 0 |
| Guarantees arranged by the Company in favour of Board Members | 0 |

c) Total compensation per type of Board Member:

| Classes of Board Members | By company | By group |
|--------------------------------------|---------------|--------------|
| Executive Directors | 8,673 | 868 |
| Proprietary & External Board Members | 1,048 | 627 |
| Independent External Board Members | 663 | 50 |
| Other External Board Members | 125 | 142 |
| Total | 10,509 | 1,687 |

d) In relation to profit attributed to the parent:

| | |
|--|--------|
| Total Board Members remuneration (thousands of euros) | 12,196 |
| Total Board Member remuneration/ profit due to parent company (as %) | 0.9 |

B. Structure of the Company Administration

B.1.12 Identify the members of senior executives that are not, in turn, Executive Board Members, and indicate the total remuneration accrued in their favour during the financial year:

| Name or company name | Position |
|---|---|
| Mr. Ángel Manuel García Altozano | Corporate General Manager of ACS, Actividades de Construcción y Servicios, S.A. |
| Ms. Cristina Aldamiz-Echevarría González de Durana | Director of Investments and Management Control of ACS Actividades de Construcción y Servicios, S.A. |
| Mr. José Zornoza Soto | Finance Manager of ACS, Actividades de Construcción y Servicios, S.A. |
| Mr. José Luis López Molinillo | General Manager of ACS, Actividades de Construcción y Servicios, S.A. |
| Mr. Alejandro Mata Arbide | Administration Manager of ACS, Actividades de Construcción y Servicios, S.A. |
| Mr. Marcelino Fernández Verdes | Chairman and CEO of the Construction, Concessions and Environmental Areas. |
| Mr. Ignacio Segura Suriñach | General Manager of Dragados, S.A. |
| Mr. Luis Nogueira Miguelsanz | Secretary General of the Construction, Concessions and Environmental Areas |
| Mr. Ricardo Martín de Bustamante Vega | Director of Production of Dragados, S.A. |
| Mr. Juan Luis García-Gelabert Pérez | Director of Investments of Dragados, S.A. |
| Mr. Alfonso Costa Cuadrench | Deputy International Director of Dragados, S.A. |
| Mr. Maximiliano Navascués Redondo | Director of Contracts and Technical Services of Dragados, S.A. |
| Mr. Víctor Luis Alberola Ruipérez | Director of Civil Works of Dragados, S.A. |
| Mr. Alejandro Canga Bottegheiz | Director of Management Control of Dragados, S.A. |
| Mr. Carlos Gerez Pascual | Director of Machinery of Dragados, S.A. |
| Mr. Enrique Pérez Rodríguez | CEO of Cogesa |
| Mr. Manuel Pérez Beato | Chairman of Vías y Construcciones, S.A. |
| Mr. Gonzalo Gómez-Zamalloa Baraibar | CEO of Vías y Construcciones, S.A. |
| Mr. Manuel Álvarez Muñoz | Director of Production of Vías y Construcciones, S.A. |
| Mr. José Ignacio Legorburu Escobar | International and Investments Director of Vías y Construcciones, S.A. |
| Mr. Juan Mata Arbide | General Manager of Flota Proyectos Singulares, S.A. |
| Mr. José María Aguirre Fernández | General Manager of Tecsa, Empresa Constructora, S.A. |
| Mr. Fernando García Arribas | General Manager of Drace Medioambiente, S.A. |
| Mr. Pablo Quirós Gracian | General Manager of Soluciones de Edificación Integrales y Sostenibles, S.A. |
| Mr. Eugenio Llorente Gómez | Chairman and CEO of the Industrial Services |
| Mr. José Alfonso Nebreira García | General Manager of ACS Servicios Comunicaciones y Energía, S. L. |
| Mr. José Romero de Ávila González-Albo | Secretary General of ACS Servicios Comunicaciones y Energía, S. L. |
| Mr. Epifanio Lozano Pueyo | Administration Manager of ACS Servicios Comunicaciones y Energía, S.L. |
| Mr. José María Castillo Lacabex | CEO of Imesapi, S.A. |
| Mr. Vicente Prados Tejada | CEO of CYMI and Masa |
| Mr. Pedro Ascorbe Trián | Chairman of Dragados Off Shore, S.A. |
| Mr. Raúl Llamazares de la Puerta | CEO of Initec, Intecsa and Makiber |
| Mr. Daniel Vega Baladrón | CEO of SEMI and Maessa |
| Mr. Andrés Sanz Carro | Secretary General of Sociedad Española de Montajes Industriales, S.A. (SEMI) |
| Mr. José Antonio Fernández García | CEO of the ETRA Group |
| Mr. José Reis Costa | Chairman of CME |
| Mr. Juan Enrique Ruiz González | Chairman of Sice Tecnologías y Sistemas |
| Mr. Javier Polanco Gómez-Lavín | Chairman of Urbaser, S.A. |
| Mr. Cristóbal Valderas Alvarado | Chairman and CEO of Clece, S.A. |
| Mr. José María López Piñol | General Manager of Urbaser, S.A. |
| Mr. Manuel Andres Martínez | General Manager of Urban Services of Urbaser, S.A. |
| Mr. José Ontañón Carrera | Deputy General Manager of Urbaser, S.A. |
| Mr. Manuel García Buey | Chairman and CEO of Iridium, Concesiones de Infraestructuras, S.A. |
| Mr. Francisco Fernández Lafuente | General Manager and Deputy Chairman of Iridium, Concesiones de Infraestructuras, S.A. |
| Mr. José Javier Román Hernando | Regional Manager of Clece, S.A. |
| Mr. José Antonio López-Monis Plaza | International Director of Dragados, S.A. |
| Mr. Ricardo Franco Barbera | USA Director of Dragados, S.A. |
| Mr. Gustavo Tunell Ayuso | Director in Canada of Dragados, S.A. |
| Mr. Fernando Arboledas García | Director of Building of I Dragados, S.A. |
| Mr. Javier López Sanchez | Director of Building II Dragados, S.A. |
| Mr. Santiago García Salvador | General Manager of Geocisa |
| Mr. Cristobal González Wiedmaier | Finance Manager of ACS Servicios Comunicaciones y Energía, S.L. |
| Mr. Ramon Jiménez Serrano | General Project Manager of Integrados de Cobra Gestión de Infraestructuras, S.A.. |
| Mr. Alfonso Aguirre Díaz-Guardamino | Legal Manager of ACS Servicios Comunicaciones y Energía, S.L. |
| Mr. Antonio Gómez Zamora | General Manager of Cobra Energía |
| Mr. Jesús García Arias | General Manager of Semi |
| Mr. José Antonio Pérez Pérez | General Manager of Maessa |
| Mr. José Luis Celorrio García | General Manager of Maetel |
| Mr. Ángel Medina Trigo | General Manager of Initec |
| Mr. Carlos Vela García | Deputy Chairman of Services |
| Mr. Diego Zumaquero García | General Manager of Clece, S.A. |
| Mr. Carlos Abilio Pérez | General Manager of Waste Treatment of Urbaser, S.A. |
| Mr. Salvador Myro Cuenco | Development Manager of Iridium, Concesiones de Infraestructuras, S.A. |
| Mr. Adolfo Valderas Martínez | General Manager of Iridium, Concesiones de Infraestructuras, S.A |
| Mr. Juan José Fanjul Pastrana | General Manager of Cobra |
| Total management body remuneration (thousands of euros) | 35,694 |

B.1.13. Indicate on an aggregate basis if there are guarantee or protection clauses, in the case of dismissal or changes of control in favour of members of senior management, including the Executive Board Members of the Company or its Group. Indicate if these contracts have to be notified and/or approved by the bodies of the Company or its Group:

| | | |
|--|---------------------------|------------------------|
| Number of beneficiaries | 9 | |
| | Board of Directors | General Meeting |
| Body authorising the clauses | X | |
| | Yes | No |
| Is the General Meeting informed about the clauses? | | X |

B.1.14 Indicate the process for establishing the remuneration of the members of the Board of Directors and the statutory clauses relevant in this respect.

Process for establishing the remuneration of the members of the Board of Directors and statutory clauses relevant in this respect

The remuneration of the different Board Members for statutory dues is proposed by the Board at the proposal of the Remuneration Committee. Every year, the global amount is submitted for the approval by the Company's General Shareholders' Meeting within the agreement regarding the allocation of profits.

This matter is ruled in the last three paragraphs of Article 34 of the Company Bylaws which establish the following: in addition to the allowances and expenses agreed by the General Meeting, for statutory participation, the Board of Directors shall also be entitled to remuneration that does not exceed ten percent of the distributable net profit. This can only be allocated once the legal reserves and, if applicable, the statutory reserves have been made and the shareholders have been paid a dividend of at least four percent of the paid-up capital for each share.

Express authorisation is hereby given to allow remuneration to all or any of the members of the Board of Directors, as well as executive staff of the company and the companies that belong to the same Group, which consists in the surrender of company shares or of share option rights or through a reference to the value of said shares, in the manner, terms and conditions set by the General Shareholders' Meeting through the opportune agreement with the legally established requirements.

The Board of Directors shall decide on the manner of distributing the remuneration due through the application of this Article, including the different amounts.

In accordance with the provisions of Article 16 of the Rules of the Board of Directors, it shall be the Board that, after a report from the Appointment and Remuneration Committee, shall determine the distribution of the total corresponding amount, as well as the frequency, in accordance with legislation and Bylaws in force. Furthermore in keeping with Article 24 of the Rules, the Appointment and Remuneration Committee has the duty to inform the Board of the following:

1. The remuneration system of the Chairman of the Board of Directors and other senior executives of the Company.
2. The distribution among the members of the Board of Directors of the overall remuneration agreed upon by the General Shareholders' Meeting, and if applicable, the establishment of supplementary remuneration and other supplementary payments corresponding to Executive Board Members in relation to their functions.
3. Remuneration of Board Members.
4. Long-term plans that may be established in accordance with the value of the share, such as share option plans.

Mark whether the Board in full shall take these decisions:

| | Yes | No |
|---|-----|----|
| At the request of the Deputy-Chairman, the appointment and eventual stepping down of senior executives and related compensation clauses. | X | |
| The remuneration of the Board Members, and if applicable, extra remuneration for executive and other functions that the contracts should respect. | X | |

B. Structure of the Company Administration

B.1.15 Indicate whether the Board of Directors approves a detailed remuneration policy and specify the issues it deals with:

| | Yes | No |
|--|-----|----|
| | X | |

| | Yes | No |
|--|-----|----|
| The amount of the fixed components, itemised where necessary, of Board and Board committee attendance, with an estimate of the fixed annual payment they give rise to. | X | |
| Variable pay items. | X | |
| Main characteristics of provision systems, and estimate of its equivalent annual cost. | X | |
| The conditions to be respected in the contracts of Executive Board Members exercising senior management functions. | X | |

B.1.16 Indicate whether the Board submits a consultative report on the Board Members' remuneration policy to the vote of the General Shareholders' Meeting, as a separate point on the Agenda. If appropriate, explain the parts of the report relating to the remuneration policy approved by the Board for future years, the most significant changes in remuneration policy with respect to the previous year and an overall summary of how the remuneration policy was applied in the year. Detail the role of the Remuneration Committee and the identity of any external advisors retained:

| | Yes | No |
|--|-----|----|
| | X | |

Matters addressed in the remuneration policy

The consultative report on the Board Members' remuneration policy shall be submitted as a separate point on the Agenda to the vote of the General Shareholders' Meeting which is to be held on 14 and 15 April 2011 on the first and second call, respectively.

Articles 4 and 16 of the Rules of the Board of Directors provide that the Board shall approve an annual report on the remuneration policy setting out the criteria and rationale used to determine the remuneration of the Board Members, which shall be submitted to the shareholders at the Ordinary General Shareholders' Meeting.

The 2010 report on the Board Members' remuneration policy shall be published this year separately from the Group's Annual Report. In addition to an itemised breakdown of the Board Members' remuneration, this report shall include the Board Members' remuneration policy for 2011.

Role of the Remuneration Committee

In accordance with Article 24 of the Rules of the Board of Directors, the Appointment and Remuneration Committee has drafted the policy contained in the report on the Board Members' remuneration policy for 2010. It was submitted for the approval of the Board of Directors at its meeting held on 10 March 2011.

No external advisors were retained to assess and draft this policy.

Were external advisors used?

—

B.1.17 Indicate the identity of any Board Members that are, at the same time, Board Members or executives at companies who hold significant shareholdings in the listed company and/or entities in the Group:

| Name or company name of the Board Member | Company name of the significant shareholder | Position |
|---|---|-----------------|
| Mr. Florentino Pérez Rodríguez | Inversiones Vesán, S.A. | Director |
| Mr. Pablo Vallbona Vadell | Corporación Financiera Alba, S.A. | Deputy Chairman |
| Mr. Francisco Servando Verdú Pons | Corporación Financiera Alba, S.A. | Board Member |
| Mr. Juan March de la Lastra | Corporación Financiera Alba, S.A. | Board Member |
| Ms. Sabina Fluxá Thienemann | Iberostar Hoteles y Apartamentos, S.L. | Board Member |
| Mr. Santos Martínez-Conde Gutiérrez-Barquín | Corporación Financiera Alba, S.A. | CEO |

Detail of any relevant relationships, other than those contemplated in the chart above, which could bind any Board Members with significant shareholders and/or their Group companies:

| Name or company name of the related Board Member | Name or company name of the related significant shareholder | Description of relationship |
|--|---|--|
| Mr. Pablo Vallbona Vadell | Corporación Financiera Alba, S.A. | Deputy Chairman of Banca March S.A., Main Shareholder of Corporación Financiera Alba S.A. |
| Mr. Francisco Servando Verdú Pons | Corporación Financiera Alba, S.A. | Deputy Chairman of Banca March S.A., Main Shareholder of Corporación Financiera Alba S.A. |
| Mr. Juan March de la Lastra | Corporación Financiera Alba, S.A. | Deputy Chairman of Banca March S.A., Main Shareholder of Corporación Financiera Alba S.A. |
| Mr. Julio Sacristán Fidalgo | Inversiones Vesán, S.A. | Brother in Law of Mr. Florentino Pérez, Director of Inversiones Vesan, S.A. |
| Mr. Manuel Delgado Solís | Percacer, S.A Imvernelin Patrimonio, S.L. | Lawyer Lawyer |
| Mr. Santos Martínez-Conde Gutiérrez-Barquín | Corporación Financiera Alba, S.A. | Deputy Chairman of Banca March S.A., Main Shareholder of Corporación Financiera Alba S.A. |

B.1.18 Indicate whether any amendments have been made to the Rules of the Board of Directors during the financial year:

| | Yes | No |
|--|-----|----|
| | X | |

B. Structure of the Company Administration

Description of amendments

Article 3 - Composition and appointment

Within the limits laid down by Article 13 of the Company Bylaws in effect and notwithstanding the powers of proposal which, under the legislation in force, may correspond to the shareholders, the Board of Directors shall be responsible for proposing to the General Shareholders' Meeting both the number of Board Members and the persons, natural or legal, to be appointed. The appointment proposal must specify the proposed Members' condition of executive, representing substantial shareholders, independent or external.

Furthermore, in the event that vacancies were to arise, the Board of Directors would be able to provisionally fill them from among the shareholders until the next General Shareholders' Meeting where the definitive choice would be made.

Article 4.- Functions

In accordance with the terms of Article 18 of the Company Bylaws in effect, the Board of Directors is responsible for representing the Company and administering its business and for carrying out whatever operations may be involved in its purpose or may be related to it.

In carrying out its functions, the Board of Directors shall act in accordance with company interests and safeguarding the interests of the shareholders.

Particularly, the Board of Directors shall have the following responsibilities, which cannot be delegated:

- Accepting the resignation of Board Members.
- Appointing, discharging and accepting the resignation of the positions of Chairman, Deputy Chairman and Secretary to the Board.
- Appointing, discharging and accepting the resignation of Board Members who are to form part of the Committees described herein.
- Delegating to any of their members, wholly or partly, the powers corresponding to the Board, except those which cannot be delegated.
- Preparing the separate and consolidated financial statements and directors' reports and submitting them for approval at the General Shareholders' Meeting. Also, drawing up an annual consultative report on the Board Member's remuneration policy, which shall be submitted to the Company's General Shareholders' Meeting as a separate item on the agenda.
- Drawing up the reports, including the Annual Report on Corporate Governance, and the proposals which, in accordance with the legislation in force and the Company Bylaws, the Board of Directors is responsible for adopting.
- Approving the yearly budget.
- Approving the mergers, acquisition, division or concentration operations in which the main subsidiary companies of the Group of which the Company is the parent.
- Approving the block issue of debentures, promissory notes, bonds or similar securities by the main companies of the Group of which the Company is the parent.
- Approving the assignation of rights over the trademark, brands and other industrial and intellectual property rights that belong to the Company or the companies of its Group, whenever they are of financial relevance.
- Annually assessing: The quality and efficiency of its operation; the Chairman and, if appropriate, CEO's performance of their functions, following the issuance of a report by the Appointment and Remuneration Committee; and the operation of the Board of Directors' Committees, following the issuance of a report by these Committees.
- Amending these rules.
- In general to carry out all of the functions that correspond legally, statutorily and in accordance with these regulations and to perform whatsoever other function delegated to it by the General Shareholders' Meeting. The Board may, in turn, only delegate those that are expressly allowed to be transferred under the delegation resolution of the General Shareholders' Meeting.

Additionally, the Board of Directors shall be responsible for and may not delegate the responsibility of defining the company's strategy and the exact organisation required for its performance, as well as the supervision and control of Management in order to assure the fulfilment of the approved objectives. For this purpose, the Board of Directors shall be responsible for approving the following:

- 1) The company's general policies and strategies, and specifically:
 - The strategic or business plan, as well as the annual management objectives.
 - The investment and financing policy.
 - The structure of the group of companies.
 - Corporate governance and social responsibility policies.
 - Senior executive management evaluation and remuneration policies.
 - The risk control and management policy and the periodic monitoring of internal information and control systems.
 - The policy on dividends and on treasury shares and their limits.
 - Related party transactions, following a report prepared by the Audit Committee, unless such transactions meet the following three conditions:
 - a) They are performed in accordance with standard contract conditions;
 - b) They are performed at the general prices or rates set by the supplier of the good or service at issue: and
 - c) The transaction amount does not exceed 1% of the company's annual revenues

Description of amendments *(continuation)*

2) The following decisions:

- The appointment, at the proposal of the Chairman, of senior executives, as well as their compensation clauses.
- The distribution among the Board Members, of the overall remuneration agreed by the General Shareholders' Meeting, and if appropriate, the establishment of supplementary remuneration and other supplementary pay corresponding to executive Directors in relation to their functions.
- The financial information to be periodically made public by the Company given that it is listed on the securities market. Investments or transactions of a strategic nature or of relative importance, except where these are to be approved by the General Shareholders' Meeting.
- The creation or acquisition of special purpose entities or entities residing in territories considered to be tax havens, as well as any other operation or transaction which might diminish the transparency of the company or group.
- The establishment and supervision of a mechanism enabling employees to confidentially report any regularities they know of, and particularly financial and accounting regularities of special significance, to the Audit Committee, through its Secretary.

Article 8.- Sessions and notice

The Board shall meet whenever required to do so by the Company's interests, prior notice from the Chairman or, in his or her absence, by a Deputy Chairman, either on his or her own initiative or on the request of, at least, two Board Members. In any event, the Board shall meet at least six times a year to periodically examine the Group's progress in compared to the budgets and the previous accounting period.

Notice shall be given by means of letter, telex, telegram, fax or any other means of written communication that permits verification that it has been received by the different Board Members, including the agenda.

Except in cases of emergency, to be freely judged by the Chairman, notice must be given at least three days in advance of the date of convening the Board Meeting.

The Board of Directors shall meet in the Company offices or in any other place the Chairman may decide and specify in the notice of meeting.

The Board of Directors shall empower one of the independent Board Members to do the following:

1. Request the calling of meetings of the Board of Directors.
2. Request that new items be added to the agenda of the Board of Director's meeting.
3. State and coordinate the voicing of concerns by independent, proprietary and non-executive Board Members.
4. Direct the evaluation by the Board of Directors of its Chairman

Article 11.- Term of appointment for Board Members

Board Members shall hold their positions during the six-year term for which they were elected. They may be re-elected one or more times for terms of the same maximum duration.

Should a vacancy exist for any reason, the Board of Directors may provisionally fill it from among the shareholders until the next General Shareholders' Meeting, where a definitive appointment shall take place.

The appointment of the Board Members shall expire when the term has ended and the subsequent General Meeting has been held, or following the legal period within which the Meeting is to be held to resolve on whether to approve the financial statements for the previous year.

Notwithstanding the above, proprietary Directors shall resign when the shareholder they represent fully disposes of his shares by any means.

Article 14.- Dedication, non-competition and use of information

Board members may not form part of more than five management bodies of companies other than those in the group of companies in which the company is the parent, without previous express authorisation from the Board provided on a reasonable basis. For these purposes, companies in the same group shall be considered as a single company.

Board Members may not directly or indirectly hold positions in companies or organisations in competition with the Company or of any of the Group companies, or provide services of representation for them.

Board Members may not make any use for private purposes of the non-public information of which they have become aware in carrying out their functions as Board Member. More specifically, unless expressly authorised by the Board of Directors, the Board Members may not take advantage of the commercial transactions of which they have become aware in carrying out said functions.

Unless expressly authorised by the Board of Directors, Board Members may not make use of the Company's assets nor take advantage of their position to obtain advantages relating to assets without satisfying the appropriate consideration.

Article 15.- Information to Board Members

So as to better perform their tasks, Board Members may request, through the Chairman or through the Secretary to the Board of Directors, the information that he or she may deem necessary, which under special circumstances, may consist in external assistance at the company's expense.

B. Structure of the Company Administration

Description of amendments (continuation)

Article 20.- The Secretary

Following the issuance of a report by the Appointment and Remuneration Committee, the Board of Directors shall appoint a Secretary, who may be a non-member, and who must be a practising lawyer. Apart from the functions laid down by the legislation in force, the Company Bylaws and these Rules, the Secretary to the Board of Directors is responsible for: ensuring that actions arising from the company bodies it forms part of comply with the requirements of the law, issuing warnings in this respect and registering them in the Minutes; and ensuring that the Board of Directors bears in mind in its actions the recommendations on good corporate governance of the unified Code in force.

Article 23.- The Audit Committee

In accordance with the provisions of Article 20 bis of the Company Bylaws, there shall be an Audit Committee to be made up of minimum of three and a maximum of five members who shall be appointed and discharged, from among its members, by the Board of Directors. Under no circumstances may such appointment correspond to anyone who currently performs or who has performed in three immediately previous years, tasks of an executive or industrial nature in the Company. The Chairman's appointment, also to be carried out by the Board of Directors, shall necessarily correspond to one of the Company's non-executive Directors, who may not remain in such position for a period in excess of four years, although he may, nevertheless, be re-elected after the term of one year has elapsed from the moment of termination. The Secretary to the Board of Directors shall attend the Committee's meetings and shall act as its Secretary, with entitlement to participate but not to vote, and shall write up the minutes of the meeting, which shall be forwarded to all members of the Board of Directors following their approval.

It shall only be deemed as constituted when the majority of its members are present and shall adopt its agreements by majority vote of those attending. In the event of a tie, the Chairman shall have the casting vote. It shall meet when convened by the Chairman and, at least twice a year, coinciding with the initial and final stages of the audit of the Company's financial statements and of the consolidated financial statements of its Business Group and always prior to issuing the corresponding audit reports. Meetings may be attended, when specially summoned, by the Auditor of the Company for the purposes of explaining the most significant aspects in the audits carried out. The Audit Committee shall be responsible for the following functions:

- a) Report to the General Shareholders' Meeting on the questions presented therein on matters of their authority.
- b) Propose to the Company's Board of Directors, for submission to the General Shareholders' Meeting, the appointment of the external auditors referred to in Article 204 of the Consolidated Text of the Spanish Limited Liability Companies Law.
- c) Review and approve any significant changes in the accounting policies of the Company and of the subsidiaries comprised within its Group, as well as the Group itself. Also, establish the appropriate relationships with auditors or audit firms for the purpose of receiving information on any matter which may compromise their independence and any other matter relating to the process of auditing the accounts, in addition to any other communication laid down in Spanish legislation regarding auditing accounts and technical auditing standards.
- d) Receive periodic reports from the internal auditing services and supervise its operation; propose the appointment, re-election and termination of its head; assure its independence and efficiency; propose a budget for this service; and verify that senior management takes into account its conclusions and recommendations.
- e) Supervise compliance with internal conduct codes and corporate governance rules.
- f) To be aware of the financial information process and the company's internal control systems.
- g) Periodically review the risk control and management systems, assuring that they appropriately define the different types of risks (operating, technological, financial, including contingent, legal, and image liabilities, etc.) faced by the company; define the acceptable risk level and establish the appropriate measures for mitigating the risks identified in the event that such risks were to arise.
- h) Review and inform on the estimates made by Company management and of those companies comprised within its Group of Companies with respect to possible significant tax and legal contingencies.
- i) Be aware of the results of inspections conducted by official entities.
- j) Be aware of the information periodically provided to the Securities Market on the company's accounts.
- k) Previously inform the Board of Directors of any related party transactions to be submitted for its approval.
- l) Any other matters for which it is responsible in accordance with the provisions of these Rules, or which may be especially entrusted to it by the Board of Directors.

The provisions set forth in these rules regarding the operation of the Board of Directors shall be applied to the Audit Committee as necessary and with the natural adaptations.

Description of amendments (continuation)

Article 24.- The Appointment and Remuneration Committee

Likewise, the Board of Directors shall set up an Appointment and Remuneration Committee to be made up of a Chairman and a minimum of two Board Members who shall be freely elected and moved from among its members, by the Board of Directors. and who shall perform their functions indefinitely or during the term for which they were elected. The appointment of the Chairman must fall on one of the independent Board Members. Its meetings shall be attended by the Secretary to the Board of Directors, with entitlement to participate but not to vote, who shall act as its Secretary, and shall write up the minutes of the meeting, which shall be forwarded to all members of the Board of Directors following their approval.

This shall only be deemed to be validly constituted when the majority of its members are present and shall adopt its resolutions through a majority of attendees. In the event of a tie, the Chairman shall have the casting vote. It shall meet whenever the Chairman convenes a meeting and at least twice a year.

The Appointment and Remuneration Committee shall be responsible for the following functions:

1. Report on the remuneration system of the Chairman of the Board of Directors and other senior executives of the Company. Where appropriate, make the pertinent recommendations to the Board so that the succession of the Chairman and, if applicable, Chief Executive Officer, proceeds in a planned and orderly manner. It will also consult with the Chairman, and if appropriate, the Chief Executive Officer, on any matters within its competence affecting the Company's executive Board Members and other senior executives.
2. Report on the distribution among the members of the Board of Directors of the overall remuneration agreed upon by the General Shareholders' Meeting, and if applicable, the establishment of supplementary remuneration and other supplementary payments corresponding to Executive Directors in relation to their functions.
3. Report on the remuneration of Board Members.
4. Report on long-term plans that may be established in accordance with the value of the share, such as share option plans.
5. Proposed appointment or re-appointment of independent Board members and report on the proposed appointment of other Board Members and of the Secretary to the Board of Directors. For these purposes, the skills, knowledge, experience and dedication to the good performance of their duties of those proposed as Board Members should be assessed. It shall also report on the proposed early resignation of any Independent Board Members.
6. Proposed appointment of Senior Executives, especially those who will form part of the Group's Management Committee, and the basic conditions of their contracts.
7. Issues relating to gender diversity on the Board of Directors.
8. Any other matters for which it is responsible in accordance with the provisions of these Rules, or which may be especially entrusted to it by the Board of Directors.

The provisions set forth in these rules regarding the operation of the Board of Directors shall be applied to the Appointment and Remuneration Committee as necessary and with the natural adaptations.

B.1.19 Indicate the procedures for appointment, re-election, evaluation and removal of Board Members. Detail the competent bodies, the steps to follow and the criteria to use in each of the procedures.

Appointment of Board Members

The issue is regulated in the Rules of the Board of Directors, in the following articles, the literal content of which is the following:

Article 3.- Composition and appointment

Within the limits laid down by Article 13 of the Company Bylaws in effect and notwithstanding the powers of proposal which, under the legislation in force, may correspond to the shareholders, the Board of Directors shall be responsible for proposing to the General Shareholders' Meeting both the number of Board Members and the persons, natural or legal, to be appointed. The appointment proposal must specify the proposed Members' condition of executive, representing substantial shareholders, independent or external.

Furthermore, in the event that vacancies were to arise, the Board of Directors would be able to provisionally fill them from among the shareholders until the next General Shareholders' Meeting where the definitive choice would be made.

B. Structure of the Company Administration

Article 4.- Duties (...) In particular, the Board of Directors shall be responsible for:

- Accept the resignation of Board Members.
- Appointing, revoking and accepting the resignation of the Chairman, Deputy Chairman and Secretary of the Board.
- Appointing, revoking and accepting the resignation of the Board members that are to form part of the Committees set forth in these Rules.
- Delegate to any of their members, wholly or partly, the powers corresponding to the Board, except those which cannot be delegated.
- Preparing the individual and consolidated financial statements and Directors' reports and submitting them for approval at the General Shareholders' Meeting. Also, drawing up an annual consultative report on the Board Member's remuneration policy, which shall be submitted to the Company's General Shareholders' Meeting as a separate item on the agenda.
- Prepare the reports, including the Annual Corporate Governance Report, and the proposals which, in accordance with the legislation in force and the Company Bylaws, the Board of Directors is responsible for adopting.
- Approving the yearly budget.
- Approving the mergers, acquisition, division or concentration operations in which the main subsidiary companies of the Group of which the Company is the parent.
- Approve the issue of securities, promissory notes or similar by the main companies of the Group of which the Company is the Parent
- Approving the assignation of rights over the trademark, brands and other industrial and intellectual property rights that belong to the Company or the companies of its Group, whenever they are of financial relevance.
- Annually assessing: The quality and efficiency of its operation; the Chairman and, if appropriate, CEO's performance of their functions, following the issuance of a report by the Appointment and Remuneration Committee; and the operation of the Board of Directors' Committees, following the issuance of a report by these Committees.
- Amending these Rules.
- In general to carry out all of the functions that correspond legally, statutorily and in accordance with these regulations and to perform whatsoever other function delegated to it by the General Shareholders' Meeting. The Board may, in turn, only delegate those that are expressly allowed to be transferred under the delegation resolution of the General Shareholders' Meeting.

Article 11.- Term of appointment for Board Members

Board Members shall hold their positions during the six-year term for which they were elected. They may be re-elected one or more times for terms of the same maximum duration.

Should a vacancy exist for any reason, the Board of Directors may provisionally fill it from among the shareholders until the next General Shareholders' Meeting, where a definitive appointment shall take place.

The appointment of the Board Members shall expire when the term has ended and the subsequent General Meeting has been held, or following the legal period within which the Meeting is to be held to resolve on whether to approve the financial statements for the previous year.

Notwithstanding the above, proprietary Directors shall resign when the shareholder they represent fully disposes of his shares by any means.

Article 17.- The Chairman

The Board shall elect a Chairman from among its members, who, in addition to the functions that may correspond in accordance with the legislation in force, the Company Bylaws and these Rules, shall perform the tasks corresponding to his or, her condition as the Company's maximum executive manager, within the guidelines laid down by the General Shareholders' Meeting, the Board of Directors and the Executive Committee.

The Chairman shall enjoy the broadest powers for performing his or her tasks and, except due to legal prohibition, may delegate such powers, totally or partially, to other Board Members and the Company's management staff and, in general, whoever he or she deems expedient or necessary.

Article 18.- The Deputy Chairmen

Likewise, the Board may elect from among its members one or two Deputy Chairmen who shall substitute the Chairman in cases of delegation, absence or illness and, in general, perform all the tasks that may be entrusted to them by the Chairman, the Executive Committee and the Board of Directors.

Substitution of the Chairman shall take place by chronological order of the Deputy Chairmen's appointment, in the absence of such order, by order of seniority and lastly, by order of greater to lesser age.

Article 19.- The Chief Executive Officer

The Board may appoint a Chief Executive Officer, delegating him the powers deemed expedient except those which, by law or Company Bylaws, cannot be delegated.

Article 20.- The Secretary

Following the issuance of a report by the Appointment and Remuneration Committee, the Board of Directors shall appoint a Secretary, who may be a non-member, and who must be a practising lawyer. Apart from the functions laid down by the legislation in force, the Company Bylaws and these Rules, the Secretary to the Board of Directors is responsible for: ensuring that actions arising from the company bodies it forms part of comply with the requirements of the law, issuing warnings in this respect and registering them in the Minutes; and ensuring that the Board of Directors bears in mind in its actions the recommendations on good corporate governance of the unified Code in force.

Article 24.- The Appointment and Remuneration Committee

Likewise, the Board of Directors shall set up an Appointment and Remuneration Committee to be made up of a Chairman and a minimum of two Board Members who shall be freely elected and moved from among its members, by the Board of Directors and who shall perform their functions indefinitely or during the term for which they were elected. The appointment of the Chairman must fall on one of the independent Board Members. Its meetings shall be attended by the Secretary to the Board of Directors, with entitlement to participate but not to vote, who shall act as its Secretary, and shall write up the minutes of the meeting, which shall be forwarded to all members of the Board of Directors following their approval.

This shall only be deemed to be validly constituted when the majority of its members are present and shall adopt its resolutions through a majority of attendees. In the event of a tie, the Chairman shall have the casting vote. It shall meet whenever the Chairman convenes a meeting and at least twice a year.

The Appointment and Remuneration Committee shall be responsible for the following functions:

1. Report on the remuneration system of the Chairman of the Board of Directors and other senior executives of the Company. Where appropriate, make the pertinent recommendations to the Board so that the succession of the Chairman and, if applicable, Chief Executive Officer, proceeds in a planned and orderly manner. It will also consult with the Chairman, and if appropriate, the Chief Executive Officer, on any matters within its competence affecting the Company's executive Board Members and other senior executives.
2. Report on the distribution among the members of the Board of Directors of the overall remuneration agreed upon by the General Shareholders' Meeting, and if applicable, the establishment of supplementary remuneration and other supplementary payments corresponding to executive Directors in relation to their functions.
3. Report on the remuneration of Board Members.
4. Report on long-term plans that may be established in accordance with the value of the share, such as share option plans.
5. Proposed appointment or re-appointment of independent Board members and report on the proposed appointment of other Board Members and of the Secretary to the Board of Directors. For these purposes, the skills, knowledge, experience and dedication to the good performance of their duties of those proposed as Board Members should be assessed. It shall also report on the proposed early resignation of any Independent Board Members. It shall also report on the proposed early resignation of any Independent Board Members.
6. Proposed appointment of Senior Executives, especially those who will form part of the Group's Management Committee, and the basic conditions of their contracts.
7. Issues relating to gender diversity on the Board of Directors.
8. Any other matters for which it is responsible in accordance with the provisions of these Rules, or which may be especially entrusted to it by the Board of Directors.

The provisions set forth in these rules regarding the operation of the Board of Directors shall be applied to the Appointment and Remuneration Committee as necessary and with the natural adaptations.

Re-Election of Board Members

Board Members shall hold their positions during the six-year term for which they were elected. They may be re-elected one or more times for terms of the same maximum duration.

Should a vacancy exist for any reason, the Board of Directors may provisionally fill it from among the shareholders until the next General Shareholders' Meeting, where a definitive appointment shall take place.

The appointment of the Board Members shall expire when the term has ended and the subsequent General Meeting has been held, or following the legal period within which the Meeting is to be held to resolve on whether to approve the financial statements for the previous year.

Notwithstanding the above, proprietary Directors shall resign when the shareholder they represent fully disposes of his shares by any means.

Removal of Board Members

The issue is regulated in the Rules of the Board of Directors, in the following articles, the literal content of which is the following:

Article 3.- Composition and appointment

Within the limits laid down by Article 13 of the Company Bylaws in effect and notwithstanding the powers of proposal which, under the legislation in force, may correspond to the shareholders, the Board of Directors shall be responsible for proposing to the General Shareholders' Meeting both the number of Board Members and the persons, natural or legal, to be appointed. The appointment proposal must specify the proposed Members' condition of executive, representing substantial shareholders, independent or external.

Furthermore, in the event that vacancies were to arise, the Board of Directors would be able to provisionally fill them from among the shareholders until the next General Shareholders' Meeting where the definitive choice would be made.

Article 4. - Duties (...) In particular, the Board of Directors shall be responsible for:

Accept the resignation of Board Members.

Appointing, revoking and accepting the resignation of the Chairman, Deputy Chairman and Secretary of the Board.

Appoint, revoke and accept the resignation of the Board members that are to form part of the Committees set forth in these Rules.

B. Structure of the Company Administration

Article 11. – Term of appointment for Board Members

Board Members shall hold their positions during the six-year term for which they were elected. They may be re-elected one or more times for terms of the same maximum duration.

Should a vacancy exist for any reason, the Board of Directors may provisionally fill it from among the shareholders until the next General Shareholders' Meeting, where a definitive appointment shall take place.

The appointment of the Board Members shall expire when the term has ended and the subsequent General Meeting has been held, or following the legal period within which the Meeting is to be held to resolve on whether to approve the financial statements for the previous year.

B.1.20 Indicate in which events Board Members are obliged to resign.

In accordance with the Rules of the Board of Directors, proprietary Directors shall resign when the shareholder they represent fully disposes of his shares by any means.

B.1.21 State whether the function of the Chief Executive Officer of the Company rests with the Chairman of the Board. If this is the case, indicate the measures that have been taken to limit the risks of accumulation of powers in a single person:

| | Yes | No |
|--|-----|----|
| | X | |

Measures to limit risks

The Chairman of the Board, Mr Florentino Pérez Rodríguez, is also CEO, and has been delegated all the powers of the Board, except those that cannot be transferred. Therefore, in accordance with the Rules of the Board of Directors, the Chairman shall undertake the duties that befit the status of the top executive post of the Company, within the guidelines laid down by the General Shareholders' Meeting, the Board of Directors and the Executive Committee. His duty is not only delimited by this scope of powers that cannot be transferred, but also by the duties that he carries out as chairman of the Executive Committee.

Also noteworthy is that any resolution of special relevance to the Company shall be submitted to the approval of the Board of Directors, and an absolute majority shall be required, in which case neither the Chairman nor corresponding Committee shall have a casting vote.

Indicate if any rules have been stipulated empowering any of the independent Board Members to request the calling of Board meetings or the inclusion of new items on the agenda, to coordinate and voice the concern of external Board Members and to direct an evaluation by the Board of Directors.

| | Yes | No |
|--|-----|----|
| | X | |

Explanation of the rules

In accordance with the Rules of the Board, an independent Board Member shall have this power, and for these purposes, Mr. José María Aguirre González has been appointed.

B.1.22 Are higher majorities required, different from the legal majority, in any type of decision?

| | Yes | No |
|--|-----|----|
| | | X |

Indicate how resolutions are adopted by the Board of Directors, identifying at least, the minimum quorum of attendance and the type of majority to adopt resolutions:

—

B.1.23 State whether there are specific requisites, different from those related to Board Members, to be nominated Chairman.

| | Yes | No |
|--|-----|----|
| | | X |

B.1.24 Indicate if the Chairman has a casting vote:

| | |
|-----|----|
| Yes | No |
| | X |

B.1.25 Indicate if the Company Bylaws or the Rules of the Board of Directors establish any limit on the age of Board Members:

| | |
|-----|----|
| Yes | No |
| | X |

| Age limit of Chairman | Age limit of Chief Executive Officer | Age limit of Board Member |
|-----------------------|--------------------------------------|---------------------------|
| 0 | 0 | 0 |

B.1.26 Indicate if the Company Bylaws or the Rules of the Board of Directors establish a limited mandate for independent Board Members:

| | |
|-----|----|
| Yes | No |
| | X |

| |
|--|
| Maximum number of mandate years |
| 0 |

B.1.27 In the event that there are few or no women Board Members, explain the reasons and initiatives adopted to correct this situation.

Explanation of reasons and initiatives

Equal opportunity and non-discrimination, basic principles of ACS included in the Company's Code of Conduct, are determining factors when promoting the professional and personal development of all ACS employees, and the Company assures equal opportunities through its policies. The effectiveness of this equal opportunities policy is guaranteed since it is accompanied by measures aimed at breaking down the traditional barriers on the entrance of females in a sector which is traditionally male and measures to reconcile professional and personal life, which has enabled it to increase the number of women with executive responsibilities in the Group.

In 2009 Ms. Sabina Fluxá Thienemann became a member of the Board of Directors, and is the first women to do so in the Group's history.

Specifically, indicate whether the Appointment and Remuneration Committee has established procedures to assure that recruitment processes are not implicitly biased in a manner which hinders the selection of women Board Members, and that candidates filling the required profile are deliberately sought:

| | |
|-----|----|
| Yes | No |
| | X |

B.1.28 Indicate if there are formal processes for the delegation of votes in the Board of Directors. If so, explain them briefly.

Without prejudice to the obligation to attend, the Board Members who cannot attend a meeting in person may be represented and cast a vote through another Board Member. This delegation must be in made in writing to the Chairman and must be in the form of a letter, telegram, telex or fax or any other written means that acknowledges receipt by the addressee.

B. Structure of the Company Administration

B.1.29 Indicate the number of meetings that the Board of Directors has held during the year.

| | |
|---|---|
| Number of Board meetings | 9 |
| Number of Board meetings without the presence of the Chairman | 0 |

In addition, indicate the number of meetings held during the year without the presence of the Chairman, if applicable:

| | |
|--|----|
| Number of meetings of the Executive or Representative Committee | 10 |
| Number of meetings of the Audit Committee | 8 |
| Number of meetings of the Appointment and Remuneration Committee | 6 |
| Number of meetings of the Appointment Committee | 0 |
| Number of meetings of the Remuneration Committee | 0 |

B.1.30 Indicate the number of meetings that the Board of Directors has held during the year without all Members present. In this calculation, Board Members who have granted proxies without specific instructions shall be considered to be absent:

| | |
|--|-------|
| Number of Board Member absences in the year | 14 |
| % of absences in comparison to the total number of votes in the year | 8.100 |

B.1.31 Indicate whether the separate and consolidated financial statements submitted to the Board of Directors for their approval are previously certified:

| | Yes | No |
|--|-----|----|
| | X | |

Identify, if applicable, the person/people that has/have certified the Company's separate and consolidated financial statements, for their preparation by the board:

| Name | Position |
|----------------------------------|---------------------------|
| Mr. Ángel Manuel García Altozano | Corporate General Manager |

B.1.32 Explain the mechanisms established by the Board of Directors, if any, to prevent the separate and consolidated financial statements which it prepares from being presented at the General Shareholders' Meeting with a qualified auditors' report.

In this respect, routine meetings are held between the accounts auditor and the Audit Committee to analyse with sufficient notice any differences between the accounting criteria of the Company and its Group and the auditor's interpretation of the accounts. The foregoing is in accordance with Article 20 b of the Company Bylaws. It is considered that the 2010 auditors' reports on ACS Actividades de Construcción y Servicios, S.A. and the ACS Group will be favourable, as they were in 2008 and 2009.

B.1.33 Is the Secretary of the Board of Directors a Board Member?

| | Yes | No |
|--|-----|----|
| | X | |

B.1.34 Explain the procedures relating to the appointment and stepping down of the Board Secretary, indicating whether the Secretary's appointment and dismissal were reported by the Appointment Committee and approved by the Board in full.

| Procedure for appointment and dismissal | |
|---|---|
| Following the issuance of a report by the Appointment and Remuneration Committee, the Board of Directors shall appoint a Secretary, who may be a non-member, and who must be a practising lawyer. Apart from the functions laid down by the legislation in force, the Company Bylaws and these Rules, the Secretary to the Board of Directors is responsible for ensuring that actions arising from the company bodies it forms part of comply with the requirements of the law, issuing warnings in this respect and registering them in the Minutes. The appointment of the Secretary was not reported to the Appointment and Remuneration Committee since he was appointed years prior to the formation of this Committee. | |
| | Yes No |
| Does the Appointment Committee report the appointment? | X |
| Does the Appointment Committee report the dismissal? | X |
| Does the Board in full approve the appointment? | X |
| Does the Board in full approve the dismissal? | X |

Is the Secretary of the Board specifically responsible for ensuring that good governance recommendations are complied with?

| | |
|--|---|
| | Yes No |
| | X |

B.1.35 Indicate the mechanisms established by the company, if any, to preserve the independence of the auditor, of the financial analysts, of the investment banks and the rating agencies.

With regard to the auditor, Article 23 of the Rules of the Board expressly sets forth that in addition to the appointment proposal, the Audit Committee shall be responsible for dealing with the external auditors in order to receive information on those matters that could jeopardise their independence and any others related to the process of implementation of the accounts auditing as well as those other communications provided for in accounts auditing legislation and technical standards of auditing. Elsewhere, both Article 20 bis of the Company Bylaws as well as Article 23 of the Rules of the Board of Directors set forth that the appointment of the members of the Audit Committee cannot fall to anybody that is currently performing this task or who had carried out tasks of an executive or work nature in the Company during the three immediately preceding years. Moreover, the appointment of the Chairman must fall to a non-executive board member of the Company who cannot remain in this post for a period greater than four years. He can, however, be re-elected once a period of one year has elapsed from his stepping down.

Among the mechanisms employed to preserve the independence of the financial analysts and investment banks, the principles of maximum transparency and non-discrimination are noteworthy, where the Company bases its relationship with these entities on such principles. The Corporate General Management coordinates the relationship with said entities, establishing communication channels with both institutional investors and with individuals in order to guarantee fair and objective treatment. In addition and in relation to this matter, for the purposes of the General Shareholders' Meeting, a special service for shareholders has been started, especially directed at minority shareholders. The Corporate General Management also handles the mandates of the investment banks. The principles of transparency and non-discrimination are shown in a personalised fashion, and always in accordance with the Spanish National Securities Market Commission (CNMV) regulations, through the communication of information relative to quarterly and other specific information (as a rule, no relevant information is published in the 15 days prior to the publication of the results), by email, on the web page (info@grupoacs.com), presented in person or transmitted through mobile phone and internet. All information for analysts, investors and individuals is included on the corporate website (www.grupoacs.com). There are no rating agencies for the Company.

B.1.36 Indicate whether the Company changed its external auditor in the year. If so, identify the incoming and outgoing auditor:

| | |
|--|---|
| | Yes No |
| | X |

In the event of there being disagreements with the outgoing auditor, explain the contents thereof:

| | |
|--|---|
| | Yes No |
| | X |

B. Structure of the Company Administration

B.1.37 Indicate if the auditing firm undertook other work for the Company and/or its Group other than the audit and in this case indicate the amount paid in fees for said work and the percentage that it represents of the total fees invoiced to the Company and/or Group.

| | Yes | No | |
|---|---------|-------|--------|
| | X | | |
| | Company | Group | Total |
| Amount for works other than the audit (thousand euros) | 885 | 390 | 1,275 |
| Amount for works other than audit / Total Amount invoiced by the auditing firm (in %) | 84.610 | 9.810 | 25.390 |

B.1.38 Indicate whether the Auditors' report on the financial statements for the previous year had any reservations or qualifications. If so, indicate the reasons given by the Chairman of the Audit Committee to explain the contents and scope of these reservations or qualifications.

| | Yes | No |
|--|-----|----|
| | | X |

B.1.39 Indicate the number of uninterrupted years that the current auditing firm has carried out the audit of the financial statements of the Company and/or its Group. Also indicate the percentage that the number of years audited by the current auditing firm represents of the total number of years which the annual accounts have been audited:

| | Company | Group |
|--|---------|-------|
| Number of uninterrupted years | 9 | 9 |
| | Company | Group |
| Number of years audited by the current auditing firm/ number of years that the Company has been audited (in %) | 42.8 | 42.8 |

B.1.40 Indicate the shareholdings of members of the Company's Board of Directors in entities that have the same, analogous or complementary kind of activity to the business purpose of both the Company and its Group, which have been notified to the Company. Also indicate the positions or duties that they perform in these companies:

| Name or company name of the Board Member | Name of the object Company | % of ownership | Position or function |
|---|---|----------------|-----------------------------------|
| Mr. Florentino Pérez Rodríguez | Abertis Infraestructuras, S.A. | 0.000 | Deputy Chairman |
| Mr. Antonio García Ferrer | Ferrovial, S.A. | 0.000 | - |
| Mr. Pablo Vallbona Vadell | Abertis Infraestructuras, S.A. | 0.001 | Board Member |
| Mr. Javier Monzón de Cáceres | Indra Sistemas, S.A. | 0.094 | Chairman (through Fapindus, S.L.) |
| Mr. Julio Sacristán Fidalgo | Autopistas Aumar S.A.C.E. | 0.000 | Board Member |
| Mr. Pedro José López Jiménez | Grupo Terratest | 45.000 | Chairman (through Fapindus, S.L.) |
| Mr. Santos Martínez-Conde Gutiérrez-Barquín | Fomento de Construcciones y Contratas, S.A. | 0.004 | - |
| | Técnicas Reunidas, S.A. | 0.002 | - |
| | Enagas, S.A. | 0.002 | - |
| | Indra Sistemas, S.A. | 0.002 | - |
| | Ferrovial, S.A. | 0.001 | - |
| | Iberdrola, S.A. | 0.001 | - |
| | Endesa, S.A. | 0.000 | - |
| | Iberdrola Renovables, S.A. | 0.000 | - |
| | Gas Natural SDG, S.A. | 0.001 | - |
| | Abertis Infraestructuras, S.A. | 0.001 | - |
| | Telefónica, S.A. | 0.001 | - |
| Mr. José Luis del Valle Pérez | Repsol YPF, S.A. | 0.001 | - |
| | Trebol Internacional, B.V. | 0.000 | Board Member |
| | Inversiones Montecarmelo, S.A. | 23.490 | - |
| | Admirabilia, S.L. | 0.000 | Board Member |
| | Sagital, S.A. | 5.100 | - |
| | Iberpistas, S.A.C.E. | 0.000 | Board Member |
| | Del Valle Inversiones, S.A. | 33.330 | Director Acting Severally |
| Saba Aparcamientos, S.A. | 0.000 | Board Member | |

B.1.41 Indicate and detail, if applicable, if there is any procedure for the Board Members to obtain external advice:

| | Yes | No |
|--|-----|----|
| | X | |

Detail of procedure

Article 15, of the Rules expressly consider the right of the Board Members to request and obtain the information and advice required to carry out their functions. The information that they consider necessary is to be requested through the Chairman or the Secretary of the Board, and under special circumstance, may consist of external advice at the Company's expense.

B.1.42 Indicate and if applicable provide details of any procedure for Board Members to obtain the information required to prepare for the meetings of the administrative bodies with sufficient time:

| | Yes | No |
|--|-----|----|
| | X | |

Detail of procedure

Article 15, of the Rules expressly consider the right of the Board Members to request and obtain the information and advice required to carry out their functions. The information that they consider necessary is to be requested through the Chairman or the Secretary of the Board.

B.1.43 Indicate and if applicable detail whether the Company has set rules requiring Board Members to report, and if necessary, resign in cases where they may harm the Company's credit and reputation:

| | Yes | No |
|--|-----|----|
| | X | |

Explanation of the rules

Article 13 expressly states that in regard to the duty of loyalty, Board Members shall avoid conflicts of interest among themselves, or their most immediate relatives and the Company. Should any conflict of interest exist and be unavoidable, this must be notified to the Board of Directors and recorded in the Minutes of the first Board meeting that takes place. Shares, stock options or derivative options that refer to the value of the share of which they are holders, either directly or indirectly, must also be notified to the Company as soon as possible, and under all circumstances within the five days that follow.

The Board Members must also notify the Company of any significant changes in their professional capacity and, specifically, those changes that affect their designation as a board member. They shall likewise inform the Company of any legal or administrative procedure that could have a negative affect on the reputation of the Company.

The Board Members shall abstain from intervening in the deliberations and of taking part in the voting on those matters in which they have a particular interest. This shall also be expressly recorded in the Minutes.

B.1.44 Indicate whether any member of the Board of Directors has informed the Company that legal action has been taken or that a lawsuit has been filed against him for any of the crimes set forth in Article 124 of the Spanish Corporations' Law:

| | Yes | No |
|--|-----|----|
| | | X |

Indicate whether the Board of Directors has analysed the case. If this response is affirmative, explain the reasons for the decision taken as to whether or not this Board Member should continue to hold office.

| | Yes | No |
|--|-----|----|
| | | X |

B. Structure of the Company Administration

B.2 Committees of the Board of Directors

B.2.1 Detail of all the Committees of the Board of Directors and its members:

Executive Committee

| Name | Position | Type |
|---------------------------------|-----------------|----------------|
| Mr. Florentino Pérez Rodríguez | Chairman | Executive |
| Mr. José María Loizaga Viguri | Deputy Chairman | Independent |
| Mr. Antonio García Ferrer | Member | Executive |
| Mr. Javier Echenique Landiribar | Member | Proprietary |
| Mr. Juan March de la Lastra | Member | Proprietary |
| Mr. Pablo Vallbona Vadell | Member | Proprietary |
| Mr. Pedro José López Jiménez | Member | Other External |

Audit Committee

| Name | Position | Type |
|---|----------|-------------|
| Mr. José María Loizaga Viguri | Chairman | Independent |
| Mr. José Álvaro Cuervo García | Member | Independent |
| Mr. Julio Sacristán Fidalgo | Member | Proprietary |
| Mr. Manuel Delgado Solís | Member | Proprietary |
| Mr. Santos Martínez-Conde Gutiérrez-Barquín | Member | Proprietary |

Appointment and Remuneration Committee

| Name | Position | Type |
|---------------------------------|----------|-------------|
| Mr. José María Aguirre González | Chairman | Independent |
| Mr. Javier Echenique Landiribar | Member | Proprietary |
| Mr. José María Loizaga Viguri | Member | Independent |
| Mr. Miquel Roca i Junyent | Member | Independent |
| Mr. Pablo Vallbona Vadell | Member | Proprietary |

B.2.2 Mark whether the Audit Committee has the following duties:

| | Yes | No |
|---|-----|----|
| Monitor the preparation and the integrity of the financial information prepared on the Company and, where appropriate, the Group, checking for compliance with legal provisions and the correct application of accounting principles. | X | |
| Review internal control and risk management systems on a regular basis, so main risks are properly identified, managed and disclosed. | X | |
| Oversee the independence and effectiveness of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the resources to be assigned to the internal audit function; receive regular reports back on its activities; and verify that senior management is acting on the conclusions and recommendations of its reports. | X | |
| Establish and supervise a mechanism whereby staff can report any irregularities, and particularly financial and accounting irregularities they detect in the course of their work anonymously or confidentially. | X | |
| Make recommendations to the Board for the selection, appointment, reappointment and removal of the external auditor, and the terms and conditions of his engagement. | X | |
| Receive regular information from the external auditor on the progress and findings of the audit plan and check that senior management are acting on its recommendations. | X | |
| Oversee the independence of the external auditor. | X | |
| In the case of groups, the group auditor shall be encouraged to assume responsibility for the audits of all the group companies. | X | |

B.2.3 Provide a description of the organisation and operating rules, as well as the responsibilities attributed to each of the Board Committees.

| Committee Name | Brief description |
|--|---|
| Executive or Representative Committee | <p>The Executive Committee shall be comprised of the Chairman of the Board, who shall be its Chairman; of one or two Deputy Chairmen, if these positions have been designated; of the Board Members designated by the Board of Directors; and of the Secretary of the Board, with voice but without vote, who shall act as Secretary.</p> <p>The Executive Committee shall meet as often as it is convened by the Chairman, either of his own initiative or when at least two members so request. The Committee is understood to be validly constituted when the majority of its elements are either present or represented and, save any other provision set forth in current legislation, in the Company Bylaws or in these Rules, shall adopt its resolutions through a majority of attendees, either present or represented.</p> <p>Through delegation of the Board of Directors, this Committee shall hold all the powers that correspond to this body, except those that cannot be transferred by law or through a provision in the Company Bylaws. That notwithstanding, the Board of Directors may discuss the knowledge and decision of any issue that falls under its terms of reference, and the Executive Committee may submit any matter to the decision of the Board of Directors when, although the matter could be dealt with by the Committee, this body believes it is necessary for the Board to take the appropriate decision.</p> <p>The provisions set forth in the Bylaws or the Rules of the Board of Directors regarding the operation of the Board of Directors shall be applied as necessary and with the natural adaptations.</p> |
| Audit Committee | <p>In accordance with the provisions set forth in Article 20 bis of the Company Bylaws, there shall exist an Audit Committee to be made up of a minimum of three and a maximum of five members who shall be appointed and discharged, from among its members, by the Board of Directors. This appointment cannot fall to anyone who currently occupied this post or who has carried out tasks of an executive or work nature during the three immediately preceding years. The appointment of the Chairman, also to be made by the Board of Directors, must fall on one of the non-executive Board Members of the Company. Nevertheless, he may be re-elected after one year has elapsed since the end of his or her term of office. The Secretary to the Board of Directors shall attend the Committee's meetings, shall act as its Secretary, with entitlement to participate but not to vote, and shall write up the Minutes of the meeting, which shall be forwarded to all members of the Board of Directors following their approval.</p> <p>It shall only be deemed to be constituted when the majority of its members are present and it shall adopt its agreements by majority vote of those attending. In the event of a tie, the Chairman shall have the casting vote. It shall meet whenever the Chairman convenes a meeting and at least twice a year, coinciding with the initial and final stages of the auditing of the Company's financial statements and the consolidated financial statements of the Group of Companies and always prior to the issue of the audit reports. The Company's Auditor may attend these meetings, whenever especially convened, for the purpose of explaining the most significant aspects of the audit performed.</p> <p>The provisions set forth in the Bylaws or the Rules of the Board of Directors regarding the operation of the Audit Committee shall be applied as necessary and with the natural adaptations..</p> |
| Appointment and Remuneration Committee | <p>Likewise, the Board of Directors shall set up an Appointment and Remuneration Committee to be made up of a Chairman and a minimum of two Members who shall be freely elected and moved, from among its members, by the Board of Directors, and who shall perform their functions during the term for which they were elected. The appointment of the Chairman must fall on one of the independent Board Members. The Secretary to the Board of Directors shall attend the Committee's meetings, shall act as its Secretary, with entitlement to participate but not to vote, and shall write up the Minutes of the meeting, which shall be forwarded to all members of the Board of Directors following their approval.</p> <p>It shall only be deemed to be validly constituted when the majority of its members are present and it shall adopt its resolutions through a majority of those attending. In the event of a tie, the Chairman shall have the casting vote. It shall meet whenever the Chairman convenes a meeting and at least twice a year.</p> <p>The provisions set forth in these rules regarding the operation of the Board of Directors shall be applied to the Appointment and Remuneration Committee as necessary and with the natural adaptations.</p> |

B. Structure of the Company Administration

B.2.4 Indicate the powers of advice and consultation and, if applicable, delegations held by each of the Committees.

| Committee Name | Brief description |
|--|--|
| Executive or Representative Committee | Through delegation of the Board of Directors, the Executive Committee shall hold all the powers that correspond to this body, except those that cannot be transferred by law or through a provision in the Company Bylaws. That notwithstanding, the Board of Directors may discuss the knowledge and decision of any issue that falls under its terms of reference, and the Executive Committee may submit any matter to the decision of the Board of Directors when, although the matter could be dealt with by the Committee, this body believes it is necessary for the Board to take the appropriate decision. |
| Audit Committee | <p>The Audit Committee shall be responsible for the following functions:</p> <ol style="list-style-type: none"> Inform the General Shareholders' Meeting on issues of its competence raised by shareholders. Propose the appointment of the external auditors referred to in Section 204 of the Consolidated Text of the Spanish Limited Liability Companies Law to the Board of Directors of the Company for submittal to the General Shareholders' Meeting. Revise and approve any significant changes to accounting policies of the Company and the subsidiaries in the Corporate Group, as well as the Corporate Group itself. Likewise, in general, all dealings with the external auditors in order to receive information on those issues that could jeopardise their independence as well as any others relating to the process of implementation of accounts auditing and any other communications set forth in legislation governing accounts auditing and the technical rules of accounting. Receive periodic reports from the internal auditing services and supervise its operation; propose the appointment, re-election and termination of its head; assure its independence and efficiency; propose a budget for this service; and verify that senior management takes into account its conclusions and recommendations. Supervise compliance with internal conduct codes and corporate governance rules. Be aware of the financial information process and the Company's internal control systems. Periodically review the risk control and management systems, assuring that they appropriately define the different types of risks (operating, technological and financial, including contingent, legal, and image liabilities, etc.) faced by the company; define the acceptable risk level and establish the appropriate measures for mitigating the risks identified in the event that such risks were to arise. Review and provide information on the estimates made by Company management and those forming part of its Group of Companies on possible tax and legal contingencies of a significant nature. Be aware of the results of inspections conducted by official authorities. Be aware of the information periodically provided to the Securities market on the Company's accounts. Previously inform the Board of Directors of any related party transactions to be submitted for its approval. Any other matters for which it is responsible in accordance with the provisions of these Rules, or which may be especially entrusted to it by the Board of Directors. |
| Appointment and Remuneration Committee | <p>The Appointment and Remuneration Committee shall be responsible for the following functions:</p> <ol style="list-style-type: none"> Report on the remuneration system of the Chairman of the Board of Directors and other senior executives of the Company. Where appropriate, make the pertinent recommendations to the Board so that the succession of the Chairman and, if applicable, Chief Executive Officer, proceeds in a planned and orderly manner. It will also consult with the Chairman, and if appropriate, the Chief Executive Officer, on any matters within its competence affecting the Company's executive Board Members and other senior executives. Report on the distribution among the members of the Board of Directors of the overall remuneration agreed upon by the General Shareholders' Meeting, and if applicable, the establishment of supplementary remuneration and other supplementary payments corresponding to executive Directors in relation to their functions. Report on the remuneration of Board Members. Report on long-term plans that may be established in accordance with the value of the share, such as share option plans. Proposed appointment or re-appointment of independent Board members and report on the proposed appointment of other Board Members and of the Secretary to the Board of Directors. For these purposes, the skills, knowledge, experience and dedication to the good performance of their duties of those proposed as Board Members should be assessed. It shall also report on the proposed early resignation of any Independent Board Members. It shall also report on the proposed early resignation of any Independent Board Members. Proposed appointment of Senior Executives, especially those who will form part of the Group's Management Committee, and the basic conditions of their contracts. Issues relating to gender diversity on the Board of Directors. Any other matters for which it is responsible in accordance with the provisions of these Rules, or which may be especially entrusted to it by the Board of Directors. <p>The provisions set forth in these rules regarding the operation of the Board of Directors shall be applied to the Appointment and Remuneration Committee as necessary and with the natural adaptations.</p> |

B.2.5 Indicate, if applicable, if there are Rules of the Board Committees, where they can be consulted, and amendments made during the year. In addition, indicate on a voluntary basis if any annual report has been prepared on the activities of each Committee.

| Committee Name | Brief description |
|--|--|
| Executive or Representative Committee | The Board Committees are regulated in Articles 19, 20 and 20 bis of the Bylaws and Article 21 to 24 of the Rules of the Board of Directors. Both documents are available on the corporate website www.grupoacs.com . The specific rules relating to the Executive Committee are set forth in Article 22 of the Rules of the Board of Directors. |
| Audit Committee | The Board Committees are regulated in Articles 19, 20 and 20 bis of the Bylaws and Article 21 to 24 of the Rules of the Board of Directors. Both documents are available on the corporate website www.grupoacs.com . The Audit Committee is regulated in accordance with Article 23 of the Rules of the Board of Directors. |
| Appointment and Remuneration Committee | The Board Committees are regulated in Articles 19, 20 and 20 bis of the Bylaws and Article 21 to 24 of the Rules of the Board of Directors. Both documents are available on the corporate website www.grupoacs.com . The Audit Committee is regulated in accordance with Article 24 of the Rules of the Board of Directors. |

B.2.6 Indicate if the members of the Executive Committee reflect the shareholding in the Board of the different Board Members based on their status:

| | Yes | No |
|--|-----|----|
| | X | |

C. Related-Party Transactions

C.1 Mark whether, following a favourable report from the Audit Committee or any other Committee assigned this task, the Board in full is responsible for approving the Company's transactions with Board Members, significant shareholders or shareholders represented on the Board, or individuals related thereto.

| | Yes | No |
|--|-----|----|
| | X | |

C.2 Detail the relevant operations that involve a transfer of resources or obligations between the Company or entities of the Group and significant shareholders of the Company:

| Name or company name of the significant shareholder | Name or company name of the Company or Group entity | Nature of relationship | Description of the operation | Amount (thousands of euros) |
|---|---|---------------------------------|------------------------------|-----------------------------|
| Corporación Financiera Alba, S.A. | ACS, Actividades de Construcción y Servicios, S.A. | Share loan commitment agreement | Other expenses | 15,291 |
| Inversiones Vesán, S.A. | ACS, Actividades de Construcción y Servicios, S.A. | Share loan commitment agreement | Other expenses | 2,885 |
| Iberostar Hoteles y Apartamentos, S.L. | ACS, Actividades de Construcción y Servicios, S.A. | Share loan commitment agreement | Other expenses | 2,860 |

C.3 Detail the relevant operations that involve a transfer of resources or obligations between the Company and entities of its Group and the Board Members or executives of the Company:

—

C.4 Detail the relevant operations made by the Company with other companies belonging to the same Group, provided that they are not eliminated in the process of preparing the consolidated financial statements and do not form part of the normal business of the company in terms of its business purpose and conditions:

—

C.5 Indicate whether the members of the Board of Directors have had any conflicts of interest in the year, pursuant to the provision of Spanish Limited Liability Companies Law 127 ter.

| | Yes | No |
|--|-----|----|
| | | X |

C.6 Mechanisms established to detect and regulate possible conflicts of interest between the Company and/or the Group, and its Board Members, Executives or significant shareholders.

1. There are several standards included in the Rules of the Board of the Directors. Article 13 specifically regulates conflicts of interest. With regard to the duty of loyalty, this Article stipulates that the Board Members shall avoid conflicts of interest between themselves, or their most immediate relatives and the Company. Should any conflict of interest exist and be unavoidable, this must be notified to the Board of Directors and recorded in the Minutes of the first Board meeting that takes place. Shares, stock options or derivative options that refer to the value of the share of which they are holders, either directly or indirectly, must also be notified to the Company as soon as possible, and under all circumstances within the five days that follow. This applies both to the Board Members as well as their most immediate relatives.

The Board Members must also notify the Company of any significant changes in their professional capacity and, specifically, those changes that affect their designation as a board member. They shall likewise inform the Company of any legal or administrative procedure that could have a negative affect on the reputation of the Company.

The Board Members shall abstain from intervening in the deliberations and from taking part in the voting on those matters in which they have a particular interest. This shall also be expressly recorded in the Minutes.

Board members may not form part of more than five management bodies of companies other than those in the group of companies in which the company is the parent, without previous express authorisation from the Board provided on a reasonable basis. For these purposes, companies in the same group shall be considered as a single company. Board Members may not directly or indirectly hold positions in companies or organisations in competition with the Company or of any of the Group companies, or provide services of representation for them.

Board Members may not make use for private purposes of the restricted information of which they have become aware in carrying out their functions as Board Member. More specifically, unless expressly authorised by the Board of Directors, the Board Members may not take advantage of the commercial transactions of which they have become aware in carrying out said functions.

Unless it is a duly authorised payment in kind, Board Members cannot make use of Company assets or use these assets to obtain a patrimonial advantage without paying the adequate consideration.

2. Likewise, there are Rules of Conduct in the Securities Markets that include a set of rules designed to detect and regulate any possible conflicts of interest between the Company and/or its Group, its Board Members, Directors or significant shareholders.

At its meeting of 17 July 2003, the Executive Committee of ACS, Actividades de Construcción y Servicios, S.A., by virtue of the powers vested in it by the Board of Directors, approved the Rules of Conduct in the Securities Markets, informing the Spanish National Securities Market Commission (CNMV) of this on 31 July 2003. At its meeting of 1 July 2004, the Board of Directors unanimously resolved to approve a series of amendments to the Rules of Conduct in the Securities market which was notified to the CNMV on 2 July 2004.

In general, the Rules apply to the Members of the Board of Directors, members of the Group Management Committee as well as, in general, those representatives and personnel of the Company that carry out activities that could fundamentally influence the Company's share listing. It also applies to Company representatives, personnel and external consultants who, for specific purposes, have privileged or reserved information regarding Company shares.

C. Related-Party Transactions

The Monitoring Unit provided for in the Rules shall have an updated list of the Board Members, representatives and personnel of the Company as well as external consultants bound by the same regulations. This list shall be made available to all supervising authorities of the securities markets. Both the inclusion on this list as well as exclusion from same shall be communicated in writing by the Chairman of the Monitoring Unit to all those affected.

The Rules are applied with regard to shares, stock options and similar contracts that grant the right to subscribe to or acquire Company shares, convertible or non-convertible securities, bonds, promissory notes, junior debt and, in general, any kind of financial instrument issued by the Company or, if applicable, by Group entities. The Rules shall also apply to cases of conflicts of interest pursuant to Article 7 of same.

All persons to whom the Regulations apply must abstain from carrying out, or preparing to carry out, any kind of acts that falsify the free formation of prices on the securities market. Moreover, they must abstain from using all manner of privileged information, whether for personal gain or on behalf of third parties, which they have gained through the exercise of their functions at the Company or on behalf of the Company.

All members of the Board of Directors, representatives and personnel of the Company that possess privileged information regarding the negotiable securities and financial instruments issued by the Company or Group entities, are bound to safeguard same. This is without prejudice to their duty to communicate this information and to collaborate with the legal and administrative authorities in the terms legally set forth.

During the study or negotiation stages of any kind of legal or financial operation that could have an appreciable influence on the listing of the securities to which the Regulations refer, the Company personnel that are in charge of these operations shall be obliged to:

- a) Inform only those people about the transaction, whether inside or outside the organisation, whose involvement is indispensable.
- b) Maintain, for each transaction, a register of the names of the people referred to in paragraph a), stating the date on which each had access to the information.
- c) Clearly inform the persons listed on the register of the nature of the information, their duty to keep it confidential and the prohibition from using it.
- d) Establish security measures for maintaining, filing, accessing, copying and distributing the information.
- e) To watch over the trend of the negotiable securities or financial instruments market related to the operation underway, as well as the news broadcasts by the communication media, whether or not specialised in financial information, which could affect them.
- f) In the event of unusual corporate volumes or prices, and if there are reasonable grounds to believe that these changes are the result of premature, partial or distorted reporting of the transaction, the individuals responsible for the transaction shall immediately inform the Secretary of the Board of Directors, who shall then report a relevant occurrence, providing clear and precise information on the status of the transaction underway or containing advanced notice of the information to be made public.

Persons subject to the Rules who carry out any kind of operation on negotiable securities or financial instruments issued by the Company must observe the following duties:

- a) Provide the Company, via the Chairman of the Monitoring Unit, with written information on any kind of purchase or sale or acquisition of option rights operation, carried out on their own behalf and which is related to the securities that constitute the target scope of these Rules. Also considered on the same level as operations carried out on their own behalf are those carried out by the spouse, unless this only affects their private or exclusive wealth in accordance

with the financial marriage rules, by children under legal age or disabled under paternal powers of the obligee or by companies that are directly or indirectly controlled, or by intervening persons. Those operations that have not involved intervention by the person that is subject to these Rules because they were ordered by the entities that the affected person has entrusted their securities portfolio management to on a stable basis are excluded from this information obligation. In this case it shall be sufficient to inform the Chairman of the Monitoring Unit of the existence of the portfolio management contract and the name of the managing agent.

- b) At the request of the Chairman of the Monitoring Unit, to provide full details of the operations carried out on their own behalf that are related to the securities that constitute the objective sphere of application of these Regulations.
- c) Communicate in writing to the Chairman of the Monitoring Unit, at the time of acquiring the status of Board Member, representative or staff member of the Company that is subject to these Rules, the list of the securities of the Company or the Group entities of which they are the holder, directly or indirectly via controlled companies or through intervening persons or entities or persons and entities that act jointly, as well as those that are owned by their children under the legal age or disabled under paternal powers of the obligee or those carried out by the spouse, unless this only affects their private or exclusive wealth in accordance with the financial marriage rules. In addition, written notification of the existence of the portfolio management contract and the name of the managing agent must be given.
- d) Submit to the Monitoring Unit, via its Chairman, any doubts regarding the application of these Rules, abstaining from any action until a response to the query has been received.

Without prejudice to the foregoing, when the operations on securities or financial instruments issued by the Company are carried out by Board Members, these must also be notified to the Securities markets where the shares are listed and the Securities market Committee, in the legally determined manner.

The Secretary of the Monitoring Unit shall maintain the communications, notifications and anything else related to the Rules duly filed and organised. Moreover, the Secretary shall maintain said file confidential and may, at any time, request confirmation from persons that are bound by the Rules of balances of securities and financial instruments that derive from the file.

The Monitoring Unit, through its Chairman, is responsible for formulating and maintaining an updated list of all persons subject to these Rules. The Monitoring Unit shall comprise the Secretary of the Board of Directors, who shall chair, the Corporate Director General and the Director of Administration, who shall act as Secretary.

Breach of the rules of conduct contained herein with regard to the provisions set forth in the Securities market regulations may give rise to the corresponding administrative sanctions and other consequences that derive from applicable legislation. This shall be considered to be a work misdemeanour in so far as it affects Company staff.

C.7 Is more than one Group company listed in Spain?

| | Yes | No |
|--|-----|----|
| | | X |

Identify the subsidiaries listed in Spain:

—

D. Risk Control Systems

D.1 General description of the risk policies of the Company and/or its Group, detailing and evaluating the risks covered by the system, along with the justification of the appropriateness of these systems for the profile of each type of risk.

The ACS Group's risk control system is based on a range of strategic and operational actions designed to mitigate risks and fulfil the objectives established by the Board of Directors.

The diversity and complexity of the sectors in which the Group carries out its activities implies a variety of risks; the Corporate Unit is responsible for defining basic guidelines in order to homogenise performance criteria in each of the divisions to guarantee an adequate level of internal control. The companies and divisions of the Group are responsible for developing the required and appropriate internal regulation to govern the implementation of any necessary internal controls, which, in turn, shall guarantee optimum performance of such internal control in accordance with the special circumstances of their activities.

In order to respond to the need for global and homogeneous risk management, the Corporate Unit has established a risk management model which includes the identification, evaluation, classification, valuation, processing and follow-up of risks at the Group and operational business line levels. Once these risks have been identified, a risk map is prepared.

In light of the above, risks have been identified as follows:

- Operating risks, stemming from the different businesses that the Group develops and which vary depending on the area of activity, but which can be summarised in risks relative to entering into contracts, planning and control of the execution of the various works and projects, quality-related risks, environmental risks, and risks related to international activities.
- Non-operating risks, which also vary depending on the different businesses that the Group develops, such as risks relating to image, human resources, legal or regulatory matters, tax, financial matters and insurance coverage.

As indicated previously, the Group's risk control systems are based on a series of strategic and operational actions aimed at complying with risk policies by each area of Group activity. The actions are organised according to a decentralised model that allows each business unit to carry out its risk control and evaluation policies in accordance with certain basic principles. These principles are the following:

- Definition of the maximum risk limits that may be assumed by each business in accordance with the characteristics and expected return of the same, and which are implemented at the time contracts are entered into.
- Establishment of procedures to identify, approve, analyse, control and report the different risks for each business area.
- Coordination and communication to ensure that the risk policies of each business area are consistent with the Group's overall risk strategy.

The systems provide the necessary information to supervise and evaluate the risk exposure of each business area and develop the corresponding management information required for decisions with the monitoring of the appropriate indicators.

The control systems implemented in each business area may be classified into the following categories:

Management systems for the entering into contracts and bidding processes for works and projects

Aimed at evaluating the profitability of projects from a technical and economic point of view, with sufficient guarantees to ensure client solvency.

Management systems for the planning and execution of works and projects

The Group and the various activity areas have several economic and production control systems designed to give reliable knowledge of the economic forecasts and deadlines for projects, from planning phase through execution of the projects, and information on the actual status at all times. These systems are part of a comprehensive economic and budgetary control

system for each business area, and are adapted to the characteristics of their activities in order to provide the necessary information to the persons responsible for each area so that they may control the risks deriving from any possible deviation and make the appropriate decisions to optimise the management process. All information is kept in economic information systems which allow the consolidated parameters to be easily monitored and controlled in a dynamic and strict manner. By giving Group Management detailed knowledge of the economic situation and potential and assumed risks, the system has become an essential element in the decision-making process.

Quality management systems

These are the means used to ensure the products manufactured and the services provided are in accordance with the requirements specified in the contract, as well as legal and statutory requirements, for the purpose of ensuring client satisfaction. The systems, which meet the requirements of the ISO 9001 standard, are based on preliminary identification of the relevant processes from the quality management point of view in which the activities developed in different areas are organised in order to plan them and track them accordingly. The periodic review of the systems by the management and the setting of targets allows for ongoing improvements to be made to same.

Environmental management systems

The implementation of these systems in the different business areas of the Group allows them to undertake their activities while guaranteeing maximum respect for the environment. The systems, regulated by international standard ISO 14001, are based on the identification and evaluation of environmental aspects on which the business can have an impact, planning the necessary steps in order to eliminate or minimise risks by establishing adequate control measures in accordance with current legal requirements and the environmental code of conduct corresponding to each business unit. The basic criteria are as follows:

- Incorporation of the most advanced technologies in environmental issues, such as:
 - Conservation of energy and raw materials.
 - Using recyclable and biodegradable materials.
 - Minimising waste production and a respectful treatment with the environment.
 - Promoting the reforestation and landscaping of construction sites.
- Development of specific actions for activities that so require, depending on the effect of the impact and the means to provide clients with continuous information regarding environmental risks and possible preventive measures.

Human resources management systems

These systems are designed to establish compensation remuneration and objectives (especially for management personnel), hiring, training, evaluation of performance, motivation, control and follow-up of collective labour agreements and policies on expatriates. Under this heading, the prevention of labour risks is noteworthy. The ACS Group has developed a labour risk prevention policy that fully complies with current legislation. The policy is based on specific management systems for each business area. The criteria taken into consideration in this policy follow the basic principles of training, participation, individual responsibility and control of safety conditions. The systems are adapted to the specific characteristics of each business area. Occupational risk prevention plans based on the identification of risks are designed and implemented in order to eliminate them, evaluating potential risks to minimise these and take the necessary protective measures.

Financial risk control systems

The following are financial risks associated with Group activities:

- The liquidity risk is managed by maintaining sufficient amounts available to negotiate the substitution of transactions coming due for different, new transactions under the best terms and to meet short-term cash needs. In loan transactions, periodically a follow-up is performed on the concentration risk by financial entity to avoid an excessive concentration and be able to rely on a number of entities to manage risk situations in case the need should arise. In this area, the Group's objectives in relation to capital management are to maintain an optimal financial-equity structure in order to reduce the cost of capital, while safeguarding the Company's ability to continue operating with an adequately stable debt-to-equity ratio.

D. Risk Control Systems

- Risks arising from changes in foreign exchange currency rates. In this case the Group finances its investments, when possible, in the same currency as the cash flows from said investments. This is not possible in the shallow markets associated with investments fundamentally in Latin America.
- The risk arising from changes in interest rates, in which the impact that this could have on the Group results is evaluated. In this way, to avoid that such risk may give rise to elevated volatilities, the need to reduce said volatility is considered in such a way that the financing expense has a reduced percentage of variation.
- Credit risk, which arises from the incapacity of clients and debtors to fulfil the obligations established under contract. Client analysis is performed in specific cases and by analysing payment capacity through the knowledge existing in the Group on transactions with such client, from the moment at which negotiations with the client are to begin. In the case of foreign transactions, this analysis is performed in a thorough manner. In countries in which there is elevated risk, transactions are only performed if the party paying the job or service is an international entity of acknowledged prestige and solvency, or is sufficiently insured.
- Exposure to equity security risk arises in investments performed in listed companies. Therefore, the market price of the securities of these companies are monitored and impairment tests are performed to verify their appropriateness. In this connection, the performance of investments by means of equity swaps is aimed at hedging possible changes in the disbursements to be made to obtain strategic holdings. Although the uncertainty of the effects of the disbursements to be made and of the obtainment of strategic holdings is eliminated, since the IFRS do not consider these to be hedges, they are subject to positive and negative fluctuations in the event of increases and decreases in value. The monitoring of financial risks is performed through methodological application in accordance with personal income tax and the preparation of a series of reports that allow for the monitoring and control of said risks for decision-making.

Other systems

For legal or tax risks, the appropriate departments in each Company, business area or at the corporate level are relied upon, along with external support of renowned prestige in the area necessary to mitigate regulatory risks, litigation, etc. Additionally, the signing of contracts is supervised by the legal counsel of each company and, depending on its relevance, by the legal counsel of the various business areas or of the Group. The Group has a strategy for covering accidental risks which could affect Group assets and activities that involves the underwriting of insurance policies for any coverable risks.

The Group has a strategy for covering accidental risks which could affect Group assets and activities that involves the underwriting of insurance policies for any coverable risks. These policies are reviewed periodically to adapt them to the current and specific status of the risk covered. These policies are reviewed periodically to adapt them to the current and specific status of the risk covered.

D.2 Indicate if any of the different types of risk (operating, technological, financial, legal, reputational, tax-related, etc.) affecting the Company and or group, arose during the year.

| | Yes | No |
|--|-----|----|
| | X | |

If so, indicate the circumstances leading to the risk and whether the control systems established operated correctly.

Risk arising in the year

Those intrinsic to the Group companies' activities.

Related circumstances

Those arising from normal operations.

Operation of the control systems

All the risk control systems operated correctly, enabling them to be managed appropriately, without any relevant effect on the operating and strategic performance of the Group or its equity.

D.3 Indicate whether there is a committee or other government body responsible for setting up and supervising these control mechanisms:

| | Yes | No |
|--|-----|----|
| | X | |

If so, describe their duties:

| Name of Committee or Body | Description of duties |
|---------------------------|--|
| Audit Committee | The Board of Directors delegates the supervision of compliance with the established procedures to the Audit Committee, with the latter also responsible for the generic monitoring of compliance with the risk levels relevant to each activity. |
| Management Committee | The Management Committee determines the Group's global risk policy and, if appropriate, sets up the management mechanisms that ensure that the risks are kept within the approved levels. |

D.4 Identification and description of the processes of compliance with the different Rules that affect the Company and/or its Group.

Throughout this report, direct or indirect reference has been made to the processes for complying with the various Rules to which the Company is subject in relation to corporate governance.

Additionally, at an operating level, there is a risk management system under which each management level is responsible for complying with internal rules and procedures applicable to its activity. Its effectiveness is verified by means of periodic assessment by the technical services of the different activity areas as well as the Internal Audit Services.

The internal Audit Committee contributes to the management of the risks faced by the Group in relation to the fulfilment of its aims and to the prevention and control of fraud, by means of the ongoing analysis of the procedures and control systems of each of the companies forming part of the Group in the various business areas. The related conclusions and recommendations are reported to the Group management and to the heads of the companies assessed. Subsequently, the implementation of the actions contained in the aforementioned recommendations is strictly monitored.

In accordance with the Company Bylaws and Rules of the Board of Directors, the Audit Committee receives periodic information from the internal audit services and assures compliance with the internal conduct code and rules of corporate governance.

Lastly, at its meeting held on 16 December 2010, the Board of Directors agreed to adhere to the Code of Good Tax Practices.

E. General Shareholders' Meeting

E.1 Indicate, and if applicable describe the differences between the minimum required under the Spanish Limited Liability Companies Law and the quorum required for holding the General Shareholders' Meeting.

| | Yes | No |
|--|-----|----|
| | | X |

| | % quorum differing from the quorum required under the CL 102 for general cases | % quorum differing from the quorum required under CL 103 for special cases of Art. 103 |
|------------------------------------|--|--|
| Quorum required on the first call | 0 | 0 |
| Quorum required on the second call | 0 | 0 |

E.2. Indicate whether there are differences between the Board's system for adapting resolutions and the system provided under Spanish Limited Liability Companies Law, and if so, explain this difference:

| | Yes | No |
|--|-----|----|
| | | X |

Describe how it differs from the system envisaged in the Spanish Limited Liability Companies Law.

—

E.3 Detail the rights of shareholders with respect to Shareholders' Meetings that are different from those established in the Spanish Limited Liability Companies Law.

There are no rights different from those provided by the Spanish Limited Liability Companies Law, except that in order to be able to attend General Shareholders' Meetings, it is necessary to hold 100 shares either alone, or together with other shareholders.

E.4 Indicate, if applicable, the measures adopted to encourage the participation of shareholders in the General Shareholders' Meetings.

Implementation of measures that make the vote delegation mechanism more transparent and to accentuate communication of the Company with its shareholders.

Provide detailed justification of the voting proposals that are offered in the application, with regard to the adoption of resolutions that involve a certain delegation importance, and reveal the existence of any conflict of interest, whenever appropriate.

The creation of channels or instruments of flexible communication. In addition to the standard information that the Company provides in the form of annual, six-monthly or quarterly reports, to promote meetings with market analysts, in order that these experiences reach the investors. The purpose of these measures is to maintain permanent communication channels with the shareholder that are complementary to the right to question at the General Shareholders' Meeting provided for under current legislation. This will allow shareholders to obtain the information they require at any time. In addition, Article 26 of the Company Bylaws expressly includes the possibility of shareholders casting their vote from outside the General Meeting. Since the Ordinary Shareholders' Meeting hold on 19 May 2005, this method of voting has been disseminated and the necessary rules and procedures for the remote voting via internet or fax are detailed at the corporate website of the Company.

E.5 Indicate if the position of Chairman of the Shareholders' Meeting coincides with the Chairman of the Board of Directors. Detail, in this event, the measures adopted to guarantee the independence of the Shareholders' Meeting and that it functions correctly:

| | Yes | No |
|--|-----|----|
| | X | |

Detail of measures

—

E.6 Indicate, if applicable, the amendments made to the Rules of the Shareholders' Meeting during the year.

—

E.7 Indicate attendance figures for the Shareholders' Meetings held in the year that the present annual report refers to:

Attendance information

| Date of the General Meeting | % attending in person | % in representation | % remote voting | | Total |
|-----------------------------|-----------------------|---------------------|-----------------|-------|--------|
| | | | Electronic | Other | |
| 15/04/2010 | 19.437 | 58.227 | 0.000 | 0.000 | 77.664 |
| 19/11/2010 | 19.928 | 57.109 | 0.000 | 0.000 | 77.037 |

E.8 Indicate briefly the resolutions adopted in the Shareholders' Meetings held during the year that the present annual report refers to and voting percentage by which each resolution was adopted.

Ordinary General Meeting Held on 15 April 2010

The proposals of the Board regarding item 1 on the Agenda, read by the Secretary under letters a) and b) (approval of the separate and consolidated financial statements, which includes the annual Corporate Governance Report, and approval of the proposal for the distribution of profits), were approved by a majority: the proposal read under letter a) with 244,280,071 votes in favour (representing 99.9591% of the shares present or represented), 2,979 abstentions (representing 0.0012% of the shares present or represented) and 96,886 vote against (representing 0.0396% de of the shares present or represented); the proposal read under letter b) with 244,280,071 votes in favour (representing 99.9591% of the shares present or represented), 2,979 abstentions (representing 0.0012% of the shares present or represented) and 96,886 votes against (representing 0.00396% of the shares present or represented).

Point 2 on the Agenda, read by the Secretary under letters c) and d) and e) (acknowledgement of the Annual Corporate Governance Report, the Corporate Responsibility Report and the Special Report on Article 116 bis of the Spanish Securities Market Law, all for 2009 as well as the Report on the Amendments to the Rules of the Board of Directors) (the simple acknowledgement was not taken to a vote).

E. General Shareholders' Meeting

The proposal of the Board regarding point 3 of the Agenda, read by the Secretary under letter f) (approval of the management of the Board of Directors), was then taken to a vote and was approved by a majority with 243,832,490 votes in favour (representing 99.7760% of the shares present or represented), 8,565 abstentions (representing 0.0035% of the shares present or represented) and 538,881 votes against (representing 0.2205% of the shares present or represented).

The proposal of the Board regarding point 5 of the Agenda, read by the Secretary under letter g) (appointment of auditors of both the Company and the Group), was then taken to a vote and was approved by a majority with 244,353,412 votes in favour (representing 99.9891% of the shares present or represented), 1,063 abstentions (representing 0.0004% of the shares present or represented) and 25,461 votes against (representing 0.0104% of the shares present or represented).

The proposal of the Board regarding point 6 of the Agenda, read by the Secretary under letter h) (authorisation to acquire shares in the Company for consideration), was then taken to a vote and was approved by a majority with 244,020,113 votes in favour (representing 99.8528% of the shares present or represented), 228 abstentions (representing 0.0001% of the shares present or represented) and 359,595 votes against (representing 0.01471% of the shares present or represented).

The proposal of the Board regarding item 7 on the Agenda, read by the Secretary under letter i) (authorisation to the Board of Directors for the establishment of a Share Option Plan), was approved by a majority with 242,300,089 votes in favour (representing 99.1612% of the shares present or represented), 414,869 abstentions (representing 0.1698% of the shares) and 1,633,367 votes against representing 0.6684% of the shares present or represented) (In relation to this item, it was recorded in the Minutes that the Executive Board Members who received discretionary voting delegations abstained from voting on these items on behalf of the delegated votes).

The proposal of the Board regarding point 8 of the Agenda, read by the Secretary under letter j) (empowerment to formalise and execute the resolutions adopted at the meeting), was approved by a majority with 244,167,406 votes in favour (representing 99.9130% of the shares present or represented), 0 abstentions and 212,530 votes against (representing 0.0870% of the shares present or represented).

The Secretary then read an extract of the Minutes, which he had prepared as the Meeting took place, and the proposal of the Board for the approval of said Minutes. This proposal was approved by a majority vote with 244,374,062 votes in favour (representing 99.9976% of the shares present or represented), 5,874 abstentions (representing 0.0024% of the shares present or represented) and no votes against.

Ordinary General Meeting Held on 19 November 2010

The proposal of the Board regarding point 1 on the Agenda, read by the Secretary under letter a) (Capital increase and subsequent amendment of Article 6 of the Company's Bylaws, which was approved with 241,232,555 votes in favour (representing 99.5152% of the shares present or represented), 440,553 abstentions (representing 0.1871% of the shares present or represented) and 734,570 votes against (representing 0.3030% of the shares present or represented).

The proposal of the Board regarding point 2 of the Agenda, read by the Secretary under letter b) (Delegation of powers to execute and formalise resolutions), was then taken to a vote and was approved by a majority with 241,405,634 votes in favour (representing 99.5152% of the shares present or represented), 328,047 abstentions (representing 0.1353% of the shares present or represented) and 673,997 votes against (representing 0.2780% of the shares present or represented).

E.9 Indicate whether there is a statutory restriction requiring that a minimum number of shares be held to be able to attend the General Shareholders' Meeting.

| | Yes | No |
|---|-----|-----|
| | X | |
| Number of shares required to attend the General Shareholders' Meeting | | 100 |

E.10 Outline and justify the policies followed by the Company regarding voting by proxy in the General Shareholders' Meeting.

The company does not pursue any policy with regard to the vote delegation at the General Meeting.

E.11 Indicate if the company is aware of the policy of institutional investors regarding whether they participate or not in Company decisions:

| | Yes | No |
|--|-----|----|
| | | X |

E.12 Indicate the Internet address and procedure to access to the information on corporate governance at the Company's website.

The address is <http://www.grupoacs.com/index.phples/c/gobiernocorporativo>

Access is very simple: once at the web page, a page appears with several tabs on the edge, one of which is "CORPORATE GOVERNANCE"; if you click on this tab, the following sub-sections appear: "Company Bylaws", "Shareholders' General Meeting Bylaws", "Annual Corporate Governance Report", "Board of Directors", "Shareholders' Agreements" and "Rules of Conduct of the Securities Market"; each sub-section contains pertinent information. If you click on "Annual Corporate Governance Report" and following a brief introduction, there is a specific instruction to click on it and download the annual reports for 2003-2009 as PDFs.

F. Degree of Compliance with the Corporate Governance Recommendations

Indicate the Company's degree of compliance with the recommendations of the Unified Code of Good Governance. In the event that any recommendations are not complied with, explain the recommendations, rules, practices or criteria that the Company follows.

1. The Bylaws of listed companies may not limit the number of votes held by a single shareholder, or impose other restrictions on the company's takeover via the market acquisition of its shares.
See sections: A.9, B.1.22, B.1.23 and E.1, E.2.

| | Complies | Explain |
|--|----------|---------|
| | X | |

2. In the event that a parent and subsidiary company are separately listed, they must publish an exact definition of:
- The respective activity areas and any business dealings between them, as well as the listed subsidiary's dealings with the other Group companies;
 - The mechanisms in place to resolve possible conflicts of interest.
- See sections: C.4 and C.7

| | Complies | Partially complies | Explain | Not Applicable |
|--|----------|--------------------|---------|----------------|
| | | | | X |

3. Even if not expressly required under Company law, transactions involving a structural change in the company, and particularly the following, are subject to the approval of the General Shareholders' meeting:
- The transformation of listed companies into holding companies through the process of subsidiarisation, i.e., reallocating to subsidiaries core activities that were previously carried out by the originating firm, even though the latter retains full control of the former;
 - The acquisition or disposal of key operating assets that would effectively alter the Company's corporate purpose;
 - Operations that effectively add up to the company's liquidation.

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | X | | |

4. That the proposed resolutions to be adopted at the General Shareholders' Meeting including the information referred to in Recommendation 28, be made public on the date on which the call of the meeting is published.

| | Complies | Explain |
|--|----------|---------|
| | X | |

5. Separate votes are to be taken at the General Meeting on materially separate items, so shareholders can express their preferences in each case. This rule particularly applies to the following:
- Appointment or ratification of Directors, with separate voting on each candidate;
 - Changes to the Bylaws, with votes taken on all articles or groups of articles that are materially different.
- See section: E.8

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | X | | |

6. Companies shall allow split votes, so that financial intermediaries who are shareholders of record but acting on behalf of different clients can issue their votes according to instructions.
See section: E.4

| | Complies | Explain |
|--|----------|---------|
| | X | |

7. The Board of Directors shall perform its duties with unity of purpose and independence, according all shareholders the same treatment. It shall be guided at all times by the Company's best interest, to be understood as maximising the Company's value over time.

It shall ensure that the Company abides by the laws and regulations in its relations with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | X | | |

8. The core components of the Board's mission shall be to approve the Company's strategy, authorise the organisational resources to carry it forward, and ensure that management meets the objectives set while pursuing the Company's interests and corporate purpose. As such, the Board in full shall approve:

- a) The Company's general policies and strategies, and specifically:
- i) The strategic or business plan, management targets and annual budgets.
 - ii) Investment and financing policy.
 - iii) Definition of the structure of the corporate group
 - iv) Corporate governance policy
 - v) Corporate social responsibility policy
 - vi) Senior executives remuneration and performance evaluation policy.
 - vii) Risk control and management policy, and the periodic monitoring of internal information and control systems.
 - viii) Policy on dividends and on treasury shares, and the limits to apply

See sections: B.1.10, B.1.13, B.1.14 and D.3

- b) The following decisions:

- i) On the proposal of the Company's Chief Executive, the appointment and removal of senior executives and their termination clauses.

See section: B.1.14

- ii) The remuneration of the Board Members and in the case of Executive Board Members, additional consideration for their management duties and other conditions that should be respected under their contracts.

See section: B.1.14

- iii) The financial information to be periodically disclosed by the Company given that it is listed on the securities market.

- iv) Investments or transactions of all kinds which, because of the elevated amounts involved or their special characteristics, are of a strategic nature, unless their approval corresponds to the General Shareholders' Meeting;

- v) The incorporation or acquisition of special purpose vehicles or entities resident in countries or territories defined as tax havens, as well as any analogous transactions or operations whose complexity may impair the Group's transparency.

F. Degree of Compliance with the Corporate Governance Recommendations

- c) Transactions conducted by the Company with Board Members, significant shareholders, shareholders with Board representation or other persons related thereto ("related-party transactions").

It is understood, however, that said authorisation from the Board shall not be necessary in those related-party transactions in which the follow three conditions are simultaneously fulfilled:

1. They are governed by standard contracts applied on an across-the-board basis to a large number of clients;
2. They are performed at the general prices or rates set by the supplier of the good or service at issue;
3. The transaction amount does not exceed 1% of the Company's annual revenues.

It is recommended that related-party transactions only be approved by the Board on the basis of a favourable report from the Audit Committee, or other committee to which this task was assigned. Board Members related to the transaction may neither exercise nor delegate their votes, and shall be absent from the meeting room while the Board deliberates and votes.

It is recommended that the powers attributed to the Board not be allowed to be delegated, with the exception of those mentioned in b) and c), which can be delegated to the Executive Committee in urgent cases, subject to subsequent ratification by the full Board.

See sections: C.1 and C.6

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | X | | |

9. In the interests of the effectiveness and participatory nature of its functioning, the Board of Directors should comprise between five and fifteen members.

See section: B.1.1

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | | | X |

There are currently 19 Board members, which is a number comprised within the 11 to 21 member limit provided in Article 13 of the Bylaws, and in accordance with the Spanish Limited Liability Companies Law. To date, this was considered to be most appropriate number in consideration of the needs and characteristics of the company with respect to the structure of the shareholder body.

10. A broad majority of the Board shall be external proprietary and independent Board Members and the number of Executive Board Members should be the minimum necessary, taking into account the complexity of the group of companies as well as each Executive Board Members' holding in the share capital of the company.

See sections: A.2, A.3, B.1.3 and B.1.14

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | X | | |

11. Where an external Board Member cannot be considered either proprietary or independent, the Company shall explain this circumstance and disclose his ties to the Company, management or shareholders.

See section: B.1.3

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | X | | |

12. Among external Board Members, the relation between proprietary Board Members, and independent Board Members should reflect the proportion between the capital represented on the Board and the remainder of the Company's capital.

This criterion of strict proportionality may be relaxed, so the weight of proprietary Board Members is greater than would strictly correspond to the total percentage of capital they represent, in the following cases:

1. In large cap companies where few or no equity stakes attain the legal threshold or significant shareholdings, despite the considerable sums actually invested.
2. In companies with a plurality of shareholders represented on the Board but not otherwise related.

See sections: B.1.3, A.2 and A.3

| | Complies | Explain |
|--|----------|---------|
| | X | |

13. The number of independent Board Members shall represent at least a third of all Board Members.

See section: B.1.3

| | Complies | Explain |
|--|----------|---------|
| | | X |

It is to our understanding that the distribution of the different types of Shareholders (executive, proprietary and independent) is appropriate based on the characteristics of the Company, i.e., a large cap company with four significant shareholders holding different ownership percentages ranging from 23% to 5%.

14. The nature of each Board Member must be explained to the General Shareholders' Meeting, which shall make or ratify his or her appointment. Such determination shall subsequently be reviewed in each year's Annual Corporate Governance Report following verification by the Appointment Committee. This report shall also explain the reasons for having appointed a proprietary Board Members at the proposal of shareholders holding less than 5% of the share capital, as well as the reasons for any rejection of a formal request for a Board place from shareholders whose ownership interest is equal to or greater than that of others at whose request proprietary Board Members were appointed.

See sections: B.1.3 and B.1.4

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | X | | |

15. When women Board Members are few or non existent, the Board should state the reasons for this situation and the initiatives taken to correct it. In particular, in the event of new vacancies, the Appointment Committee should take steps to ensure that:

- a) Recruitment processes are not implicitly biased in a manner which hinders the selection of women Board Members;
- b) The Company makes a conscious effort to include women with the target profile among potential candidates.

See sections: B.1.2, B.1.27 and B.2.3

| | Complies | Partially complies | Explain | Not Applicable |
|--|----------|--------------------|---------|----------------|
| | X | | | |

F. Degree of Compliance with the Corporate Governance Recommendations

16. The Chairman shall be responsible for the proper operation of the Board of Directors. He or she will ensure that Board Members are supplied with sufficient information in advance of Board meetings, and will work to ensure a good level of debate. He or she will organise and coordinate regular evaluations of the Board and, when different from the chairman of the Board, the company's chief or top executive.

See section: B.1.42

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | X | | |

17. When the Chairman and Chief Executive of the Company, one of the Company's independent Board Members shall be empowered to request the calling of Board meetings or the inclusion of new business on the Agenda, in order to coordinate and voice the concerns of external Board Members and will take charge of the Chairman's evaluation.

See section: B.1.21

| | Complies | Partially complies | Explain | Not Applicable |
|--|----------|--------------------|---------|----------------|
| | X | | | |

18. The Secretary of the Board of Directors shall take steps to assure that the Board's actions:

- Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies;
- Comply with the Company Bylaws, General Shareholders' Meeting Bylaws, Rules of the Board of Directors and any other related rules;
- Take into account the good governance recommendations of this Unified Code accepted by the company.

To safeguard the independence, impartiality and professionalism of the Secretary, his or her appointment and removal must be proposed by the Appointment Committee and approved by a full Board meeting. This appointment and removal procedure must be detailed in the Rules of the Board of Directors.

See section: B.1.34

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | X | | |

19. The Board of Directors shall meet as often as required to properly carry out its duties, following the timetable of dates and issues agreed at the beginning of the year, Board Members may propose that business not initially foreseen be included on the Agenda of these meetings.

See section: B.1.29

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | X | | |

20. Board Member absences will be kept to the bare minimum and quantified in the Annual Corporate Governance Report. In the event that Board Members' votes must be delegated, proxies shall be provided with proper instructions. See sections: B.1.28 and B.1.30

| Complies | Partially complies | Explain |
|----------|--------------------|---------|
| X | | |

21. When Board Members or the Secretary express concerns about some proposal or, in the case of Board Members, about the Company's performance, and such concerns are not resolved at the meeting, the member expressing them will request that they be recorded in the Minute book.

| Complies | Partially complies | Explain | Not Applicable |
|----------|--------------------|---------|----------------|
| X | | | |

22. The full Board shall evaluate the following points on a yearly basis:

- a) The quality and efficiency of the Board's stewardship;
 - b) Based on the report issued by the Appointment Committee, how well the Chairman and Chief Executive Officer have carried out their duties;
 - c) The performance of the Board's Committees, on the basis of the reports furnished thereby.
- See section: B.1.19

| Complies | Explain |
|----------|---------|
| X | |

23. All Board Members shall be entitled to receive any additional information they require on matters within the Board's competence. Unless the Bylaws or Rules of the Board of Directors indicate otherwise, such requests should be addressed to the Chairman or Secretary. See section: B.1.42

| Complies | Explain |
|----------|---------|
| X | |

24. All Board Members shall be entitled to call on the Company for the advice they need to carry out their duties. The Company shall establish suitable channels for the exercise of this right, extending in special circumstances to external assistance at the Company's expense. See section: B.1.41

| Complies | Explain |
|----------|---------|
| X | |

25. Companies shall organise induction courses for new Board Members to supply them rapidly with the information they need on the Company and its corporate governance rules. Board Members shall also be offered refresher courses when circumstances so advise.

| Complies | Partially complies | Explain |
|----------|--------------------|---------|
| X | | |

F. Degree of Compliance with the Corporate Governance Recommendations

26. The companies shall require their Board Members to devote sufficient time and effort to perform their duties effectively. As such:

- a) Board Members shall apprise the Appointment Committee of their other professional obligations which might detract from the necessary dedication;
- b) The companies shall set rules regarding the number of Board positions their Board Members may hold.

See sections: B.1.8, B.1.9 and B.1.17

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | X | | |

27. The proposal for the appointment or renewal of Board Members which the Board submits to the General Shareholder's Meeting, as well as provisional appointments through cooptation, shall be approved by the Board:

- a) At the proposal of the Appointment Committee, in the case of independent Board Members.
- b) Subject to a report from the Appointment Committee in the case of all other Board Members.

See section: B.1.2

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | X | | |

28. Companies shall post the following information regarding the Board Members on their websites, and keep them permanently updated:

- a) Professional experience and background;
- b) Other Boards of Directors of which they are a member, regardless of whether or not the related companies are listed on the securities market;
- c) Indication of the Board Member's classification as executive, proprietary or independent, as the case may be. In the case of proprietary Directors, the shareholder they represent or to whom they are affiliated shall be stated.
- d) The date of their first and subsequent appointments as a company Board Member; and;
- e) Shares held in the company and any options on the same.

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | X | | |

29. Independent Board Members may not hold this office for over an uninterrupted period of 12 years.

See section: B.1.2

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | | | X |

It is to our understanding that holding office for over a period of 12 years does not compromise the Board Member's independence in any manner, and since there is no limit (legal, statutory or regulatory) regarding age or permanence on the Board, it is not appropriate to specifically lay down a rule for independent Board Members.

30. Proprietary Board Members shall resign when the shareholders they represent dispose of the shares owned in their entirety. The corresponding number of proprietary Board Members shall also resign, when the shareholders they represent reduce their ownership interest to a level requiring a reduction in the number of proprietary Board Members.

See sections: A.2, A.3 and B.1.2

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | X | | |

31. The Board of Directors may not propose the removal of independent Directors before the expiry of the statutory term for which they were appointed, as mandated by the Bylaws, except where just cause is found by the Board based on a report of the Appointment Committee. In particular, just cause will be presumed when a Board Member is in breach of the duties inherent to his position or comes under one of the disqualifying grounds enumerated in section 5 of chapter III on the definitions of this Code.

The removal of independent Board Members may also be proposed when a takeover bid, merger or similar corporate operation causes changes in the capital structure of the company, in order to meet the proportionality criterion set out in Recommendation 12.

See sections: B.1.2, B.1.5 and B.1.26

| Complies | Explain |
|----------|---------|
| X | |

32. The companies shall lay down rules requiring Board Members to inform the Board, and if necessary, resign, in cases where the company's name and reputation is harmed. In particular, Board Members shall be required to inform the Board immediately of any criminal charges brought against them and the progress of any subsequent trial.

If a Board Member is indicted or brought to trial for any of the crimes stated in Article 124 of the Spanish Limited Liability Companies Law, the Board will examine and, in view of the particular circumstances, determine whether or not the Board Member shall continue in his position. The Board shall provide a reasonable explanation of all determinations made in the Annual Corporate Governance Report.

See sections: B.1.43 and B.1.44

| Complies | Partially complies | Explain |
|----------|--------------------|---------|
| X | | |

33. All Board Members should express clear opposition when they feel a proposal submitted for the Board's approval might harm the corporate interest. In particular, independent Board Members, and other Board Members not subject to a potential conflict of interest should strenuously challenge any decision that might unjustifiably harm the interests of shareholders lacking board representation.

When the Board makes material or reiterated decisions about which a Board Member has expressed serious reservations, then he or she must draw the pertinent conclusions. Board Members resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

The term of this Recommendation will also apply to the Board Secretary in the discharge of his or her duties.

| Complies | Partially complies | Explain | Not Applicable |
|----------|--------------------|---------|----------------|
| X | | | |

F. Degree of Compliance with the Corporate Governance Recommendations

34. Board Members who resign or otherwise step down before their term expires, shall explain their reasons for doing so in a letter sent to all the Board Members. Notwithstanding whether it is reported as a relevant fact, the removal of any Director and the motives for the same must be explained in the Annual Corporate Governance Report.

See section: B.1.5

| Complies | Partially complies | Explain | Not Applicable |
|----------|--------------------|---------|----------------|
| | | | X |

35. The company's remuneration policy, as approved by its Board of Directors, will specify at least the following points:

- a) The amount of the fixed components, itemised where necessary, of Board and Board committee attendance, with an estimate of the fixed annual payment they give rise to.
- b) Variable remuneration items, including specifically:
 - i) The types of Board Members they apply to, with an explanation of the relative weight of variable to fixed remuneration items.
 - ii) Performance evaluation criteria used to calculate entitlement to the award of shares or stock options or any variable remuneration;
 - iii) The main parameters and justification for any system of annual bonuses or other, non cash benefits; and
 - iv) An estimate of the total variable pay resulting from the proposed remuneration plan based on the extent to which the applicable benchmarks are complied with.
- c) Main characteristics of pension systems (for example, supplementary pensions, life insurance and similar arrangements), and an estimate of the equivalent amount or cost.
- d) The conditions to apply to the contracts of executive Directors exercising senior management functions, including:
 - i) Term;
 - ii) Notice periods; and
 - iii) Any other clauses covering hiring bonuses, as well as indemnities or 'golden parachutes' in the event of early termination of the contractual relation between company and executive Director.

See section: B.1.15

| Complies | Partially complies | Explain |
|----------|--------------------|---------|
| | X | |

36. Remuneration comprising the delivery of shares in the company or other companies in the group, stock options or other share-based incentives, or incentive payments linked to the Company's performance or membership of pension schemes shall be confined to executive Board Members.

The delivery of shares is excluded from this limitation, when such delivery is contingent on Board Members retaining the shares till the end of their term.

See sections: A.3 and B.1.3

| Complies | Explain |
|----------|---------|
| X | |

37. Board Member remuneration shall sufficiently compensate them for the commitment, qualifications and responsibility that the position entails, but should not be so high as to jeopardise their independence.

| Complies | Explain |
|----------|---------|
| X | |

38. In the case of remuneration linked to Company earnings, deductions should be computed for any qualifications stated in the independent auditor's report.

| | Complies | Explain | Not Applicable |
|--|----------|---------|----------------|
| | X | | |

39. In the case of variable pay, remuneration policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the Company's sector, atypical or exceptional transactions or circumstances of this kind.

| | Complies | Explain | Not Applicable |
|--|----------|---------|----------------|
| | X | | |

40. The Board shall submit a consultative report on the Board Members' remuneration policy to the vote of the General Shareholders' Meeting, as a separate point on the Agenda. The said report shall be provided to shareholders separately or in any form deemed appropriate by the Company.

The report will focus on the remuneration policy the Board has approved for the current year, with reference, as the case may be, to the policy planned for future years. It will address all the questions referred to in Recommendation 35, except points potentially involving the disclosure of commercially sensitive information. It will also identify and explain the most significant changes in remuneration policy with respect to the previous year referred to the General Shareholders' Meeting. It shall also provide a general summary of how remuneration policy was implemented in the prior year.

The role of the Remuneration Committee in designing the policy and, if external advisors have been retained, their identity shall also be reported.

See section: B.1.16

| | Complies | Explain | Not Applicable |
|--|----------|---------|----------------|
| | X | | |

41. This report shall include a detail of the payments made in the period to individual Board Members, including:

- a) A breakdown of the remuneration obtained by each company Board Member, to include where appropriate:
 - i) Participation and attendance fees and other fixed Board Member payments;
 - ii) Additional compensation for acting as chairman or member of a Board committee;
 - iii) Any payments made under profit-sharing or bonus schemes, and the reason for their accrual;
 - iv) Contributions on the Director's behalf to defined-contribution pension plans; or any increase in the Director's vested rights in the case of contributions to defined-benefit schemes;
 - v) Any indemnities agreed or paid on the termination of their functions;
 - vi) Any compensation they receive as Board Members of other companies in the group;;
 - vii) The remuneration executive Directors receive in respect of their senior management positions;
 - viii) Any kind of compensation other than those listed above, of whatever nature and provenance within the group, especially when it may be considered a related-party transaction or when its omission would detract from a true and fair view of the total remuneration received by the Board Member.
- b) An individual breakdown of deliveries to Board Members of shares, stock options or other share-based incentives, itemised by:
 - i) Number of shares or options awarded in the year, and the terms set for their execution;

F. Degree of Compliance with the Corporate Governance Recommendations

- ii) Number of options exercised in the year, specifying the number of shares involved and the exercise price;
 - iii) Number of options outstanding at the annual close, specifying their price, date and other exercise conditions;
 - iv) Any change in the year in the exercise terms of previously awarded options.
- c) Information on the relation in the year between the remuneration obtained by executive Board Members and the Company's profits or some other measure of enterprise results.

| Complies | Partially complies | Explain |
|----------|--------------------|---------|
| | X | |

The information furnished by the Company, particularly in the Notes to financial statements and the Report on the Board Members' Remuneration and in the Relevant Facts relating to stock options contain the information referred to in this recommendation, excluding certain aspects relating to the individual remuneration of each Board Member.

42. When the company has a Delegate or Executive Committee (hereafter, "Executive Committee"), the breakdown of its Board Members by category should roughly mirror that of the Board itself.
See sections: B.2.1 and B.2.6

| Complies | Partially complies | Explain | Not Applicable |
|----------|--------------------|---------|----------------|
| X | | | |

43. The Board shall be kept fully informed of the business transacted and decisions made by the Executive Committee. All Board members will receive a copy of the Committee's minutes.

| Complies | Partially complies | Explain |
|----------|--------------------|---------|
| X | | |

44. In addition to the Audit Committee, which is mandatory under the Securities Market Law, the Board of Directors shall form a Committee, or two separate Committees, of Appointment and Remuneration.

The rules governing the make-up and operation of the Audit Committee and the Committee or committees of Appointment and Remuneration will be set forth in the Rules of the Board of Directors, and shall include at least the following:

- a) The Board of Directors shall appoint the members of these Committees with regard to the knowledge, skills and experience of its Board Members and the duties each Committee; shall discuss their proposals and reports; and at the first meeting of the Board following their meetings, the Committee members shall report on and take responsibility for the work performed.
- b) These Committees shall be composed exclusively of external Board Members and shall have a minimum of three members. This is without prejudice to executive Board Members or senior managers attending meetings, for informational purposes, at the Committees' invitation.
- c) Their Chairmen shall be independent Board Members.
- d) They may engage external advisors, when they feel this is necessary for the discharge of their duties.
- e) Meeting proceedings shall be recorded in minutes, a copy of which is to be sent to all Board members.

See sections: B.2.1 and B.2.3

| Complies | Partially complies | Explain |
|----------|--------------------|---------|
| X | | |

45. The task of supervising compliance with internal codes of conduct and corporate governance rules will be assigned to the Audit Committee, the Appointment Committee or, as the case may be, separate Compliance or Corporate Governance committees.

| | Complies | Explain |
|--|----------|---------|
| | X | |

46. All members of the Audit Committee, particularly its Chairman, will be appointed with regard to their knowledge and experience in accounting, auditing or risk management matters.

| | Complies | Explain |
|--|----------|---------|
| | X | |

47. Listed companies will have an internal audit function, under the supervision of the Audit Committee, to ensure the proper operation of internal information and control systems.

| | Complies | Explain |
|--|----------|---------|
| | X | |

48. The head of internal audit shall present an annual work programme to the Audit Committee, report to it directly on any incidents arising during its implementation, and submit an activities report at the end of each year.

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | X | | |

49. The control and risk management policy shall specify at least:

- a) The different types of risk (operational, technological, financial, legal, reputational, etc.) the company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks;
- b) The determination of the risk level the Company sees as acceptable;
- c) The measures provided to mitigate the impact of the risks identified, in the event that they were to materialise;
- d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

See sections: D

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | X | | |

50. The Audit Committee's role will be as follows:

1. In relation to internal control and reporting systems:
 - a) Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions and the correct application of accounting principles.
 - b) Review internal control and risk management systems on a regular basis, so main risks are properly identified, managed and disclosed.
 - c) Oversee the independence and effectiveness of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the resources to be assigned to the internal audit function; receive regular report backs on its activities; and verify that senior management are acting on the conclusions and recommendations of its reports.
 - d) Establish and supervise a mechanism whereby staff can report any irregularities, and particularly financial and accounting irregularities they detect in the course of their work anonymously or confidentially.

F. Degree of Compliance with the Corporate Governance Recommendations

2. In relation to the external auditor:

- a) Make recommendations to the Board for the selection, appointment, reappointment and removal of the external auditor, and the terms and conditions of his engagement.
- b) Receive regular information from the external auditor on the progress and findings of the audit plan, and check that senior management are acting on its recommendation.
- c) Oversee the independence of the external auditor, to which end:
 - i) The company will notify any change of auditor to the Spanish National Securities Market Commission in the form of a relevant fact, stating the reasons for its decision.
 - ii) The Committee will ensure that the company and the auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other requirements designed to safeguard auditors' independence;
 - iii) The Committee will investigate the issues giving rise to the resignation of any external auditor.
- d) In the case of groups, the group auditor shall be encouraged to assume responsibility for the audits of all the group companies.

See sections: B.1.35, B.2.2, B.2.3 and D.3

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | X | | |

51. The Audit Committee may meet with any company employee or manager, even ordering their appearance without the presence of any senior manager.

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | X | | |

52. The Audit Committee will report on the following points from Recommendation 8 before any decisions are taken by the Board:

- a) The financial information to be periodically disclosed by the Company given that it is listed on the securities market. The Committee shall ensure that intermediate statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review.
- b) The incorporation or acquisition of special purpose vehicles or entities resident in countries or territories defined as tax havens, as well as any analogous transactions or operations whose complexity may impair the Group's transparency.
- c) Related-party transactions, unless this responsibility has been another supervision and control Committee.

See sections: B.2.2 and B.2.3

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | X | | |

53. The Board of Directors shall present the financial statements to the General Shareholders' Meeting without reservations or qualifications in the audit report. Should such reservations or qualifications exist, both the Committee chairman and the auditors will give a clear account to shareholders of their scope and content.

See section: B.1.38

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | X | | |

54. The majority of the members of the Appointment Committee or of the Appointment and Remuneration Committee, in the case that there is only one, of independent Board Members.
See section: B.2.1

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | X | | |

55. The Appointment Committee shall have the following functions in addition to those stated in earlier Recommendations:

- a) Evaluate the skills, knowledge and experience of the Board, define the roles and abilities required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties.
- b) Examine or organise, in appropriate form, the succession of the Chairman and Chief Executive Officer, making the pertinent recommendations to the Board so the handover proceeds in a planned and orderly manner.
- c) Report on the senior management appointments and removals which the Chief Executive Officer proposes to the Board.
- d) Report to the Board on the gender diversity issues discussed in Recommendation 14 of this Code.

See section: B.2.3

| | Complies | Partially complies | Explain | Not Applicable |
|--|----------|--------------------|---------|----------------|
| | X | | | |

56. The Remuneration Committee will consult with the Chairman or Chief Executive Officer, especially on issues involving executive Board Members and senior executives.

Any Board Member may request that the Appointment Committee take into consideration potential candidates considered to be appropriate to fill Board Member vacancies.

| | Complies | Partially complies | Explain |
|--|----------|--------------------|---------|
| | X | | |

57. The Remuneration Committee shall have the following functions in addition to those stated in earlier Recommendations:

- a) Make proposals to the Board of Directors regarding:
 - i) The remuneration policy for Board Members and senior executives;
 - ii) The individual remuneration of Board Members and other contract conditions;
 - iii) The basic conditions of the contracts of senior executives.
- b) Oversee compliance with the remuneration policy set by the company.

See sections: B.1.14 and B.2.3

| | Complies | Partially complies | Explain | Not Applicable |
|--|----------|--------------------|---------|----------------|
| | X | | | |

58. The Remuneration Committee will consult with the Chairman or Chief Executive Officer, especially on issues involving executive Board Members and senior executives.

| | Complies | Explain | Not Applicable |
|--|----------|---------|----------------|
| | X | | |

G. Other Information of Interest

If it is considered that there is some principle or matter that is relevant with respect to the practices of corporate governance applied by the Company that has not been covered by the present report, include it below and explain its content.

B.1.11. The obligations assumed in relation to pension plans are the same as the amounts contributed in this connection, since these obligations have been externalised and transferred to an insurance company. Accordingly, the Group has not assumed any outstanding obligation other than the contribution of the annual premium.

B.1.21 (2). In accordance with the Rules of the Board amended on 25 February 2010, an independent Board Member shall have this power, and for these purposes, Mr. José María Aguirre González has been appointed.

B.1.30. The percentage of absent votes in the Board are not calculated by the number of meetings at which all the Board Members were not present with respect to the total number held, but rather by the number of votes (fourteen) with respect to the total theoretical number (nine meetings by 19 Board Members).

C.2. and C.3. In relation to this section, the relevant operations that involved a transfer of resources or obligations between the Company or entities of the Group and significant shareholders of the Company are detailed. In relation to this section, the only transactions between management and Board Members related to the remunerations already detailed in the different sections of the Corporate Governance Report, and specifically sections B.1.11 and B.1.12.

| | |
|---|---|
| Management or cooperation agreements: | Terratest Técnicas Especiales, S.A. amounting to EUR 3,806 thousand |
| Leases: | Fidalsar, S.L. amounting to EUR 302 thousand |
| Reception of services: | Fidalsar, S.L. amounting to EUR 50 thousand Terratest Técnicas Especiales, S.A. amounting to EUR 1,548 thousand Indra amounting to EUR 2,999 thousand Zardoya Otis, S.A. amounting to EUR 1,762 thousand |
| Purchase of goods (unfinished or finished): | Gebblasa amounting to EUR 8 thousand |
| Other expenses: | Unipsa, Correduría de Seguros, S.A. amounting to EUR 52,835 thousand Alba Participaciones, S.A. amounting to EUR 15,291 thousand Inversiones Vesán, S.A. amounting to EUR 2,885 thousand Grupo Iberostar amounting to EUR 2,860 thousand |
| Provision of services: | Rosán Inversiones, S.L. amounting to EUR 428 thousand Grupo Iberostar amounting to EUR 1,019 thousand Indra amounting to EUR 1,453 thousand |
| Financing agreements: loan and capital contributions: | Banca March amounting to EUR 81,003 thousand Banco Guipuzcoano amounting to EUR 97,079 thousand |
| Guarantees: | Banca March amounting to EUR 60,230 thousand Banco Guipuzcoano amounting to EUR 100,635 thousand |
| Dividends and other distributed profit: | Fidwei Inversiones, S.L. amounting to EUR 1,311 thousand Lynx Capital, S.A. amounting to EUR 916 thousand Fidalsar, S.L. amounting to EUR 575 thousand |
| Other transactions: | Banca March amounting to EUR 149,687 thousand |

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, confirming and non-recourse factoring to several ACS Group Companies.

The Iberostar Group is listed due to its relationship 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 entities as part of its business operations. The ACS Group has also carried out air-conditioning activities in main hotels owned by Iberostar.

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

With the three aforementioned shareholders (Corporación Financiera Alba, S.A, Iberostar Hoteles and Apartamentos, S.L. e Inversiones Vesán, S.A.), ACS, Actividades de Construcción y Servicios, S.A. entered into share loan commitment agreements by which 93,113,937 shares of ACS (representing 29.59% of the share capital) were made available so that combined with their portfolio and used in the takeover bid for Hochtief. In the end, these shares were not authorised by the German regulator in the prospectus giving rise to the approval of the takeover bid. The expenses incurred by ACS in relation to this share loan commitment was EUR 21,036 thousand.

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 a senior management position. In this connection, the transactions with Fidalse, S.L., Terratest Técnicas Especiales, S.A., Fidwei Inversiones, S.L and Lynx Capital, S.A. are listed given the relationship of the Board Member Pedro López Jiménez with them. Transactions with Indra are listed due to its relationship with the Board Member Javier Monzón. Transactions with Geblasa are listed due to its relationship with the Board Member Julio Sacristán, and the transactions with Zardoya Otis, S.A. due to its relationship with the Board Member José María Loizaga. Transactions with Banco Guipuzcoano are listed due to the relationship of the Board Member Javier Echenique. Transactions with Unipsa, Compañía de Seguros, S.A. are listed due to the relationship with Banca March, although in this case, the figures listed are intermediate premiums paid by companies of the ACS Group, although these amounts are not consideration for insurance Brokerage services.

“Other transactions” solely affect Banca March. Banca March, as a financial institution and in the ordinary course of business, provides different financial services to ACS Group companies amounting to a total EUR 149,687 thousand, and in this case they relate to “confirming” lines of credits for suppliers amounting to EUR 148,597 thousand as well as invoice advances and loans amounting to EUR 1,090 thousand.

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

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

B.1.40. Mr. José Luis del Valle Pérez is a Board Member of Iberpistas, S.A.C.E., Saba Aparcamientos, S.A., Admirabilia, S.L. and Trebol Internacional, B.V. The latter two are subsidiaries of Abertis Infraestructuras, S.A. accounted for in the ACS Group by the equity method and the latter two are also accounted for by the equity method.

G. Other Information of Interest

F. Degree of Compliance with the Corporate Governance Recommendations

With respect to Recommendation 42 of Section F, the following structure of participation of the different categories of Board Members on the Board of Directors and Executive Committee is noteworthy:

| | |
|--|---------|
| Executive Board Members on the Board of Directors: | 21.05% |
| Executive Board Members on the Executive Committee: | 28.6% |
| External proprietary Board Members on the Board of Directors: | 47.368% |
| External proprietary Board Members on the Executive Committee: | 42.857% |
| External independent Board Members on the Board of Directors: | 26.3% |
| External independent Board Members on the Executive Committee: | 14.3% |
| Other external Board Members on the Board of Directors: | 5.263% |
| Other external Board Members on the Executive Committee: | 14.3% |

This section may include any information, clarification or detail related to the above sections of the report, so far as it is relevant and not repetitive.

Specifically, indicate whether the Company is subject to legislation other than Spanish legislation in matters of corporate governance and, if applicable, include information that the Company is required to supply and which is different to that required in this report.

Binding definition of independent Board Member:

Indicate whether any of the independent Board Members has or has had any relation to the company, its significant shareholders or managers, which having been sufficiently significant or important, would have caused this Board Member to lose his consideration as an independent in accordance with the definition set forth in section 5 of the Unified Code of Good Governance:

| | Yes | No |
|--|-----|----|
| | X | |

| Name | Type of relationship | Explanation |
|---------------------------------|---|--|
| Mr. José María Loizaga Viguri | Member of the Board of Directors of Zardoya Otis,S.A. | Zardoya Otis, S.A. is a normal supplier to the construction companies of the ACS Group, without the volume of operations being significant. |
| Mr. José María Aguirre González | Honorary Chairman of Banco Guipuzcoano | Banco Guipuzcoano S.A. is one of the Group's and different Group companies' normal financial service providers with a fairly irrelevant business volume. |
| Mr. Miquel Roca i Junyent | Lawyer | Mr. Roca has served as a lawyer in relation to certain matters which are individually of significance, but not when taken into consideration as a whole. |

Date and signature:

This Annual Corporate Governance Report was approved by the Board of Directors of the Company at its session held on:

10/03/2011

Indicate if any Board Members voted against or abstained with regard to the approval of this Report.

| | Yes | No |
|--|-----|----|
| | | X |



JUNTA GENERAL
DE ACCIONISTAS





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DE ACCIONISTAS

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Project Director and Editor
ACS Group

Creation and Design
IMAGIA *oficina*

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