

Annual
Report of
ACS Group

2010



ACS

ACTIVIDADES DE CONSTRUCCION Y SERVICIOS





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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%

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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%

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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
Million of euros			
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	

Directors' report for the Consolidated Group for 2010

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	

Directors' report for the Consolidated Group for 2010

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.

Directors' report for the Consolidated Group for 2010

Industrial Services backlog breakdown by activity	2009	2010	Var. 10/09
Million of euros			
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
Million of euros			
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.

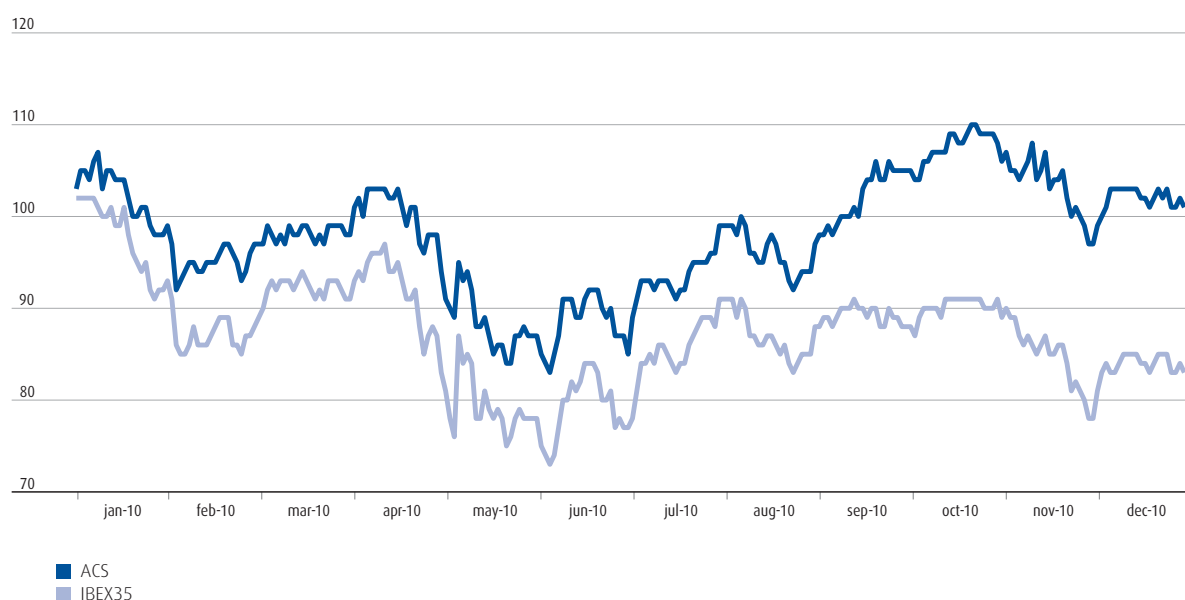
Accordingly, the net contribution of the listed companies to the Group's profit in 2010 was EUR 159.1 million, 36% more than in the same period from last year.

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

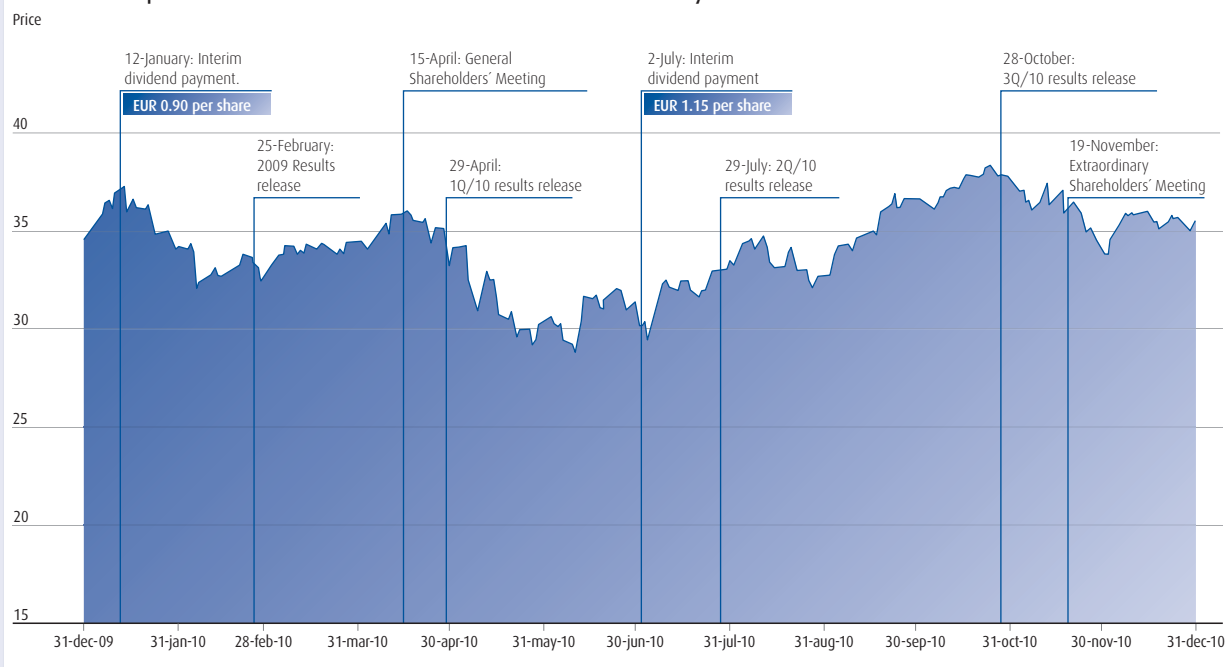


The breakdown of the ACS Group's main Securities Market data in 2009 and 2010 is as follows:

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

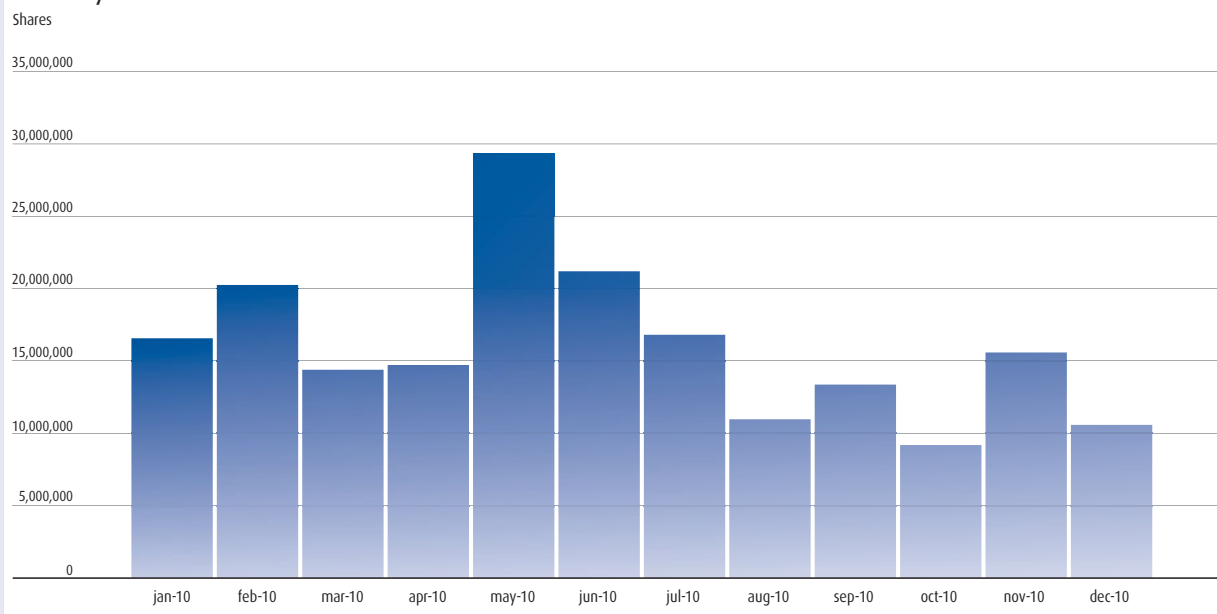
Directors' report for the Consolidated Group for 2010

ACS's stock price evolution in 2010 and main events of the year



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

Monthly Volume of 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.

Directors' report for the Consolidated Group for 2010

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.

Directors' report for the Consolidated Group for 2010

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.

Directors' report for the Consolidated Group for 2010

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.

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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.

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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.

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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 Marimbondó 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 Pulice 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 Alfaro (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
Uirapurú 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 participa- ciones, 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 ofic 2201. Las Condes. Santiago de Chile Chile	Construction	Quezada & Díaz	55.00%
Consorcio Dragados Compax, S.A.	Avda. Vitacura 2939 ofic. 2201. Las Condes. Santiago de Chile. Chile.	Construction	Quezada & Díaz	60.00%
Consorcio Tecdra, S.A.	Avda. Vitacura 2939 ofic. 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 ofic. 2201. Las Condes. Santiago de Chile. Chile.	Construction	Ernst & Young	54.00%
Construrail, 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 ofic. 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 La 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 Manóteras, 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. Weinfelr 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 Plta. 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 Plta. 28709 San Sebastián de los Reyes. Madrid. Spain	Holding company	-	100.00%
Cymi Seguridad, S.A.	C/ Teide, 4-2ª Plta. 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%

Company	Registered Office	Activity	Auditor	% Effective Ownership
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%
Hdra 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 Polígono 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. Leião 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%
Moe	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 Reinosa. 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 Reinosa	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 Rodería Alta, S.L.	Melchor Ocampo, 193 Torre C-Colonia Verónica Anzués. 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 Anzués. 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%

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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 Eneerías 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%
Urbaenergia Instalaciones y Servicios, S.L.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	Renewable energy generation	-	100.00%
Urbaenergia, 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 García	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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Company	Registered Office	Activity	Auditor	% Effective Ownership
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 EUURL	Place de la Madeleine, 6. 75008 Paris. France	Corporate services for Mexican subsidiaries	-	100.00%
Sintax Ile de Francia EUURL	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 Spinola, 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
Samcasol I UTE	Paseo Castellana 149 1ª Planta. 28046 Madrid. Spain	Renewable energy	-	40.00%	Proportional	49,458
Samcasol 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

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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 Fuentesillas, 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	-	-

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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 Girsá 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

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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 Mulas, S.L.	Camino de Las Mulas, 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%	-	-	-	-	-

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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.







Project Director and Editor
ACS Group

Creation and Design
IMAGIA *officina*

Photos
ACS Group Archives