ANNUAL REPORT OF ACS GROUP

2012

www.grupoacs.com

Cover photo: A30-Nouvelle Autoroute (Montreal, Canada).

ACTIVITY REPORT OF ACS GROUP **2012**

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MAIN FIGURES OF THE ACS GROUP

FINANCIAL AND OPERATING DATA

MILLION EUROS

	2007 (1)	2008 (2)	2009 (3)	2010 (4)	2011	2012
Turnover	15,344.9	15,275.6	15,387.4	14,328.5	28,471.9	**38,396.2**
Gross operating profit (EBITDA)	1,379.8	1,382.5	1,429.3	1,431.7	2,317.7	**3,088.4**
Net operating profit (EBIT)	1,056.7	1,042.7	1,073.9	1,039.2	1,333.3	**1,579.4**
Attributable net result	1,551.1	1,805.0	1,946.2	1,312.6	961.9	**-1,926.4**
Cash-flow (*)	1,874.1	2,144.8	2,301.5	1,705.1	1,946.4	**-417.3**
Dividends paid	441.1	600.2	653.2	618.2	613.9	**639.2**
Net investments/(Divestments)	2,475.0	170.5	(1,327.2)	2,317.2	2,901.9	**(2,285.2)**
Total assets	49,593.4	51,398.4	31,361.2	34,184.5	47,987.6	**41,563.4**
Equity	10,441.0	9,913.0	4,507.9	4,442.4	6,191.3	**5,711.5**
Equity attributed to the Parent	4,653.8	3,402.4	4,219.6	4,178.5	3,319.1	**2,656.5**
Non- controlling interests	5,787.3	6,510.6	288.3	263.8	2,872.2	**3,055.0**
Total net debt	7,938.7	9,355.8	9,089.3	8,003.1	9,334.2	**4,952.0**
Net debt with recourse	1,871.4	2,933.7	219.4	956.6	3,368.7	**3,569.5**
Non recourse financing	6,067.3	6,422.1	8,870.0	7,046.5	5,965.5	**1,382.4**
Order book	32,322.8	27,679.0	28,581.0	27,602.0	66,152.0	**65,626.0**
Number of employees	132,048	138,117	137,015	89,039	162,262	**162,471**

(*) Net result+ Depreciation + Change in povisions.

DATA PER SHARE

EUROS

	2007 (1)	2008 (2)	2009 (3)	2010 (4)	2011	2012
Net result	4.51	5.43	6.26	4.38	3.24	**-6.61**
Gross dividend	1.750	2.050	2.050	2.050	1.968	**1.150**
Cash-flow	5.44	6.45	7.40	5.70	6.56	**-1.43**
Shareholders´ equity	13.52	10.23	13.57	13.96	11.19	**9.12**

STOCK MARKET DATA

	2007	2008	2009	2010	2011	2012
Listed shares (5)	352,873,134	335,390,427	314,664,594	314,664,594	314,664,594	**314,664,594**
Market capitalization (million euros)	14,344.3	10,950.5	10,953.3	11,036.7	7,205.7	**5,991.1**
Year-end closing price	40.65 €	32.65 €	34.81 €	35.08 €	22.90 €	**19.04 €**
Annual revaluation	-4.82%	-19.68%	6.62%	0.76%	-34.71%	**-16.86%**

KEY RATIOS

	2007 (1)	2008 (2)	2009 (3)	2010 (4)	2011	2012
Operating margin	6.9%	6.8%	7.0%	7.3%	4.7%	**4.1%**
Net margin	10.1%	11.8%	12.6%	9.2%	3.4%	**-5.0%**
ROE	36.9%	41.2%	50.0%	32.5%	23.3%	**n.a.**
Gearing (6)	76.0%	94.4%	201.6%	180.2%	150.8%	**86.7%**
Dividend yield	4.3%	6.3%	5.9%	5.8%	8.6%	**6.0%**

(1) 2007 data proforma, Union Fenosa has been reclassified as" Assets held for sale", using the same criteria that it has been used in 2008.
(2) 2008 data proforma, SPL has been reclassified as" Assets held for sale", using the same criteria that it has been used in 2009.
(3) 2009 are presented applying IAS 31 and IFRIC 12 in comparable terms using the same criteria that it has been used in 2010.
(4) 2010 data proforma, Clece has been reclassified as"Discontinued Operation", using the same criteria that it has been used in 2011.
(5) On July 2008, there was a reduction in the share capital by a nominal amount of € 8,741,385 through the redemption of 17,482,707 shares of treasury stock. Additionally, on January 2009, there was a reduction in the sharecapital by a nominal amount of € 8,373,255, through the redemption of 16,746,453 shares of the treasury stock, according to the resolUtion that was approved in the Extraordinary General Shareholder´s meeting, held in December 2008. On May 25th, 2009, there was a reduction in the stock capital by a nominal amount of € 1,989,690 through the redemption of 3,979,380 shares of treasury stock.
(6) Gearing: Net Debt / (Shareholders´Equity+Adjustments for changes in value+Non-controlling interests).

MAIN FIGURES OF THE ACS GROUP

International presence

Countries in which ACS Group is present

Algeria
Andorra
Angola
Argentina
Australia
Austria
Bahrein
Belgium
Brazil
Cameroon
Canada
Chile
China
Colombia
Czech Republic
Denmark
Dominican Republic
Ecuador
Egypt
El Salvador
Ethiopia
France
Georgia
Germany
Greece
Guatemala
Honduras
Hungary
India
Indonesia
Ireland
Italy
Luxembourg
Malaysia
Mexico
Mongolia
Morocco
New Zealand
Nicaragua
Norway
Panama
Peru
Poland
Portugal
Puerto Rico
Qatar
Romania
Russia
Saudi Arabian
South Africa
Spain
Sweden
Switzerland
The Netherlands
United Arab Emirates
United Kingdom
United States
Uzbekistan
Venezuela
Vietnam

TURNOVER

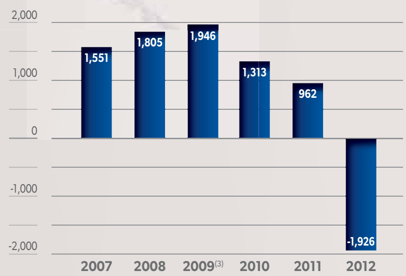
MILLION EUROS

NET OPERATING PROFIT (EBIT)

MILLION EUROS

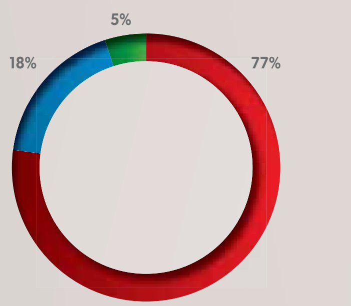
ATTRIBUTABLE NET RESULT

MILLION EUROS



2012 TURNOVER BY BUSINESS (5)

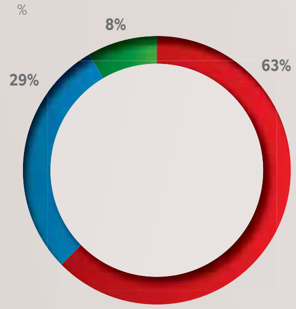
%



- CONSTRUCTION
- INDUSTRIAL SERVICES
- ENVIRONMENT

2012 GROSS OPERATING PROFIT (EBITDA) BY BUSINESS (5)

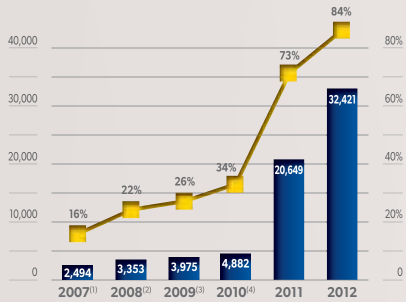
%



- CONSTRUCTION
- INDUSTRIAL SERVICES
- ENVIRONMENT

INTERNATIONALIZATION

MILLION EUROS



- INTERNATIONAL TURNOVER
- % INTERNATIONAL OVER TOTAL

(1) 2007 data proforma, Union Fenosa has been reclassified as" Assets held for sale", using the same criteria that it has been used in 2008.
(2) 2008 data proforma, SPL has been reclassified as" Assets held for sale", using the same criteria that it has been used in 2009.
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(4) 2010 data proforma, Clece has been reclassified as"Discontinued Operation", using the same criteria that it has been used in 2011.
(5) Percentages are calculated considering the sum of activities considered in the graph. Construction includes Dragados, HOCHTIEF and Iridium.

NET RESULT PER SHARE

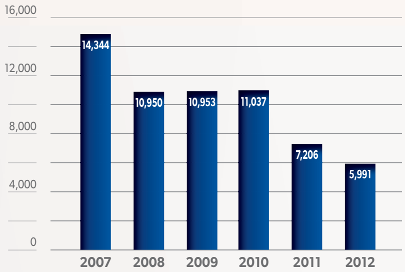
EUROS

DIVIDEND PER SHARE

EUROS

MARKET CAPITALIZATION

MILLION EUROS



CONSTRUCTION 2012 [1]

MILLION EUROS

Turnover	29,683
International	93.9%
Gross operating profit (EBITDA)	1,995
Margin	6.7%
Net profit	249
Margin	0.8%
Order book	49,264
Employees	94,392

INDUSTRIAL SERVICES 2012

MILLION EUROS

Turnover	7,050
International	58.3%
Gross operating profit (EBITDA)	904
Margin	12.8%
Net profit	416
Margin	5.9%
Order book	7,161
Employees	39,140

ENVIRONMENT 2012

MILLION EUROS

Turnover	1,691
International	25.8%
Gross operating profit (EBITDA)	241
Margin	14.3%
Net profit	196
Margin	11.6%
Order book	9,201
Employees	28,886

(1) Construction includes the activity of Dragados, HOCHTIEF and Iridium.

ACTIVITY REPORT OF ACS GROUP

"The ACS Group has great potential to continue to be a world leader in the infrastructures sector"

Florentino Pérez, Chairman of the ACS Group

LETTER FROM THE CHAIRMAN

Dear Shareholder

The serious economic situation Spain is going through, the financial stresses in Europe and their impact on the capital markets caused a widespread fall in stock market prices in 2012. This fact forced us to carry out a process to restructure our investment in Iberdrola, entering extraordinary losses in the accounts for the sale of shares and value adjustments. Given that we see this as a temporary situation, we have taken out a financial derivatives contract, maturing in 2015, with which we are convinced we will recover a significant portion of these losses.

However, I want to emphasise that the ACS Group showed excellent operating performance in this difficult macroeconomic environment, recording record sales of 38,396 million euros and ordinary net profit of over 705 million euros. We owe these good results to the fact that our businesses continue to show good profitability and significant international diversification, making us one of the world's leading infrastructure groups, with involvement in almost all developed markets in both civil works and industrial and energy projects.

By region, Europe contributes 27% of total sales; America provides 32%, mainly North America, where the Group already turns over 27% of its sales; and the Asia Pacific region represents 40% thanks to the activity of Leighton – HOCHTIEF's Australian subsidiary – which we consolidated together with the rest of the German group from June 2011. The remaining 1% comes from our business on the African continent. In 2012, the ACS Group turned over 32,421 million euros outside Spain, impliying a 84.4% of the total.

In short, ACS is the only infrastructure company in all developed markets worldwide, through large companies with a stable presence, adding up to an order book of over 65,600 million euros. This global vision gives us a significant competitive advantage, which we intend to consolidate in the coming years through commercial collaboration and coordination between all the Group companies to expand their activities worldwide.

Another outstanding aspect is the significant efforts made to reduce net debt until this reached practically half of what it was one year ago. The resources obtained by selling assets and generating operating cash flow have enabled us to bolster our financial structure and reduce net debt by 4,382 million euros, in spite of having invested over 2,500 million euros during the year. The ACS Group's net indebtedness now totals 4,952 million euros and represents 1.8 times the EBITDA obtained in 2012.

The extreme volatility of European capital markets affected the evolution of the share price and this has a deep discount against the fundamental value of the Group's assets. ACS's shares ended 2012 at a price of 19.04 euros, implying an annual fall of 16.9%, which when corrected for the dividends paid during the period stands at 7.5%.

I am confident that the recent reform of the financial system and the improved competitiveness of the Spanish economy, translating to a heavier bias towards exports, will contribute to stabilising the stock markets and allowing investors to see the potential for growth and profitability in our stock.

Over the next few years we are going to continue to develop our corporate strategy, based on a firm client service vocation, clear orientation to profits and strict risk control. These are values which have formed part of the Group's culture since its beginnings and have generated our main competitive advantages, the basis for past and future growth.

Our commitment to sustainability, embodied in the creation of value, integrity, technological development and respect for the environment, also experienced a big push during 2012. The main achievements were focused on the operation of ACS's Ethical Channel, which saw all the incidents received in its first year resolved; on the environmental efficiency improvements which enabled us to reduce carbon emissions significantly; and on the continuing efforts to reinforce safety in the workplace, an area in which we invested 2.5% of our net operating profit.

I believe that the ACS Group has great potential to continue to be a world leader in the infrastructures sector. For this we have an agile, decentralised organisation, promoting the excellence needed to offer our clients the best products and services; we have the necessary financial resources to be able to compete efficiently in the most advanced markets; and we have the skill and enthusiasm of over 160,000 employees spread throughout 60 countries.

Thanks to all of this, I am convinced we will achieve our corporate objectives, which seek profitable growth and financial solidity in our Group, resulting in greater profitability for you, our shareholders.

Florentino Pérez
Chairman of the ACS Group

MANAGEMENT BODIES

Board of Directors

Chairman and CEO

Mr. Florentino Pérez Rodríguez
Civil Engineer
Chairman and CEO of ACS Group since 1993
Member of the Board of Directors of
ACS Group since1989

Executive Vice Chairman

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

Vice Chairman

Mr. Pablo Vallbona Vadell
Naval Engineer and MBA from the IESE
Member of the Board of Directors of
ACS Group since 1997
First Vice Chairman of Banca March
Vice Chairman of Consulnor

Member of the Board of Directors

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

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

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

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

Mr. Javier Echenique Landiribar
B.A. in Economics
Member of the Board of Directors of ACS Group since 2003
Vice Chairman of Banco Sabadell
Member of the Board of Directors of Telefónica Móviles México
Member of the Board of Directors-Advisor of Telefónica Europa
Member of the Board of Directors of ENCE
Member of the Board of Directors of Repsol YPF
Member of the Board of Directors of Celistics L.L.C.
Vice Chariman of Calcinor,S.L.

Ms. Sabina Fluxà Thienemann
B.A. in Business Administration and MBA from ESADE
Member of the Board of Directors of ACS Group since 2009
Executive Vice Chairwoman of Grupo Iberostar

Mr. Joan-David Grimà i Terré
Doctorate in Economics and Business Studies
Member of the Board of Directors of ACS Group since 2003
Member of the Board of Directors of Cory Environmental
Holdings Limited (UK)
Member of the Board of Directors of INVIN

Mr. Pedro López Jiménez
Civil Engineer
Member of the Board of Directors of ACS Group since 1989
Member of the Supervisory Board of HOCHTIEF and member of its Executive Committee
Chairman of Grupo Terratest
Member of the Board of Directors of GHESA

Mr. Juan March de la Lastra
B.A. in Business Administration
Member of the Board of Directors of ACS Group since 2008
Member of the Board of Directors of Corporación Financiera Alba
Member of the Board of Directors of Indra
Vice Chairman of Banca March

Mr. Santos Martínez-Conde Gutiérrez-Barquín
Civil Engineer
Member of the Board of Directors of ACS Group since 2001
CEO of Corporación Financiera Alba
Member of the Board of Directors of Acerinox
Member of the Board of Directors of Banca March

Mr. Javier Monzón de Cáceres
B.A. in Economics
Member of the Board of Directors of ACS Group since 2003
Chairman of Indra

Mr. Miquel Roca i Junyent
Lawyer
Member of the Board of Directors of ACS Group since 2003
Secretary of the Board of Directors of Abertis Infraestructuras
Secretary of the Board of Directors of Banco de Sabadell
Member of the Board of Directors de Endesa
Secretary of the Board of Directors of Grupo AGBAR.

Mr. Julio Sacristán Fidalgo
B.S. in Chemistry
Member of the Board of Directors of ACS Group since 1998

Member of the Board of Directors-Secretary General

Mr. José Luis del Valle Pérez
Lawyer and State Attorney
Member of the Board of Directors of ACS Group since 1989
Member of the Supervisory Board of HOCHTIEF

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

MANAGEMENT BODIES

Management Committee

Mr. José Luis del Valle Pérez

General Secretary

Born in 1950.
Lawyer and State Attorney.

From 1975 until 1983 Mr. del Valle held various positions in the Public Administration and was a member of the Parliament from 1979 to 1982 and Deputy Secretary of the Ministry of Territorial Administration. He has been a member of the Board of Directors of the ACS Group since 1989 and has been the Secretary General to the Board of Directors since 1997.

Mr. Antonio García Ferrer

Executive Vice Chairman

Born in 1945.
Civil Engineer.

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

Mr. Florentino Pérez Rodríguez

Chairman and CEO

Born in 1947.
Civil Engineer.

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

Mr. Ángel García Altozano

Corporate General Manager

Born in 1949.
Civil Engineer and MBA.

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

Mr. Eugenio Llorente Gómez

Chairman and CEO of the Industrial Services and Area

Born in 1947.
Industrial Technical Engineer and MBA, Madrid Business School.

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

Management Team

ACS, Actividades de Construcción y Servicios

Mr. Florentino Pérez Rodríguez
Chairman and Chief Executive Officer (CEO)

Mr. Antonio García Ferrer
Executive Vice Chairman

Mr. Ángel García Altozano
Corporate General Manager

Mr. José Luis del Valle Pérez
Secretary General

Construction

HOCHTIEF

Mr. Marcelino Fernández Verdes
Chairman of the Vorstand of HOCHTIEF AG.*
Chief Executive Officer (CEO)

Mr. Peter Sassenfeld
Member of the Vorstand of HOCHTIEF AG.*
Chief Financial Officer(CFO)

Mr. Hamish Tyrwhitt
Chief Executive Officer (CEO) of Leighton Holdings

Mr. Peter Gregg
Deputy Chief Executive Officer and Chief Financial Officer (CFO) of Leighton Holdings.

Mr. Peter Davoren
Chairman and Chief Executive Officer (CEO) of Turner Construction

Mr. John DiCiurcio
Chairman and Chief Executive Officer (CEO) of Flatiron

Dragados

Mr. Ignacio Segura Suriñach
Chief Executive Officer (CEO)

Mr. Luis Nogueira Miguelsanz
Secretary General

Mr. Diego Zumaquero García
Exploitation Manager of Spain

Mr. Ricardo Martín de Bustamante
Manager of Europe

Mr. Román Garrido Sánchez
Manager of North America

Mr. Fernando Bolinaga Hernández
Manager of South America

Iridium

Mr. Adolfo Valderas Martínez
Sole Officer

Environment

Mr. José Mª López Piñol
Sole Officer

Industrial Services

Mr. Eugenio Llorente Gómez
Chairman and Chief Executive Officer (CEO)

Mr. José Alfonso Nebrera García
General Manager

Mr. Epifanio Lozano Pueyo
Corporate General Manager

Mr. Ramón Jiménez Serrano
Cobra General Manager

Mr. Cristóbal Gónzalez Wiedmaier
Finance Manager

* Executive Board.

THE ACS GROUP IN 2012

A worldwide leader in the infrastructure development sector

SPAIN

REVENUE	5,975
ORDER BOOK	11,448

REST OF EUROPE

REVENUE	4,349
ORDER BOOK	10,501

AMERICA

REVENUE	12,298
ORDER BOOK	16,067

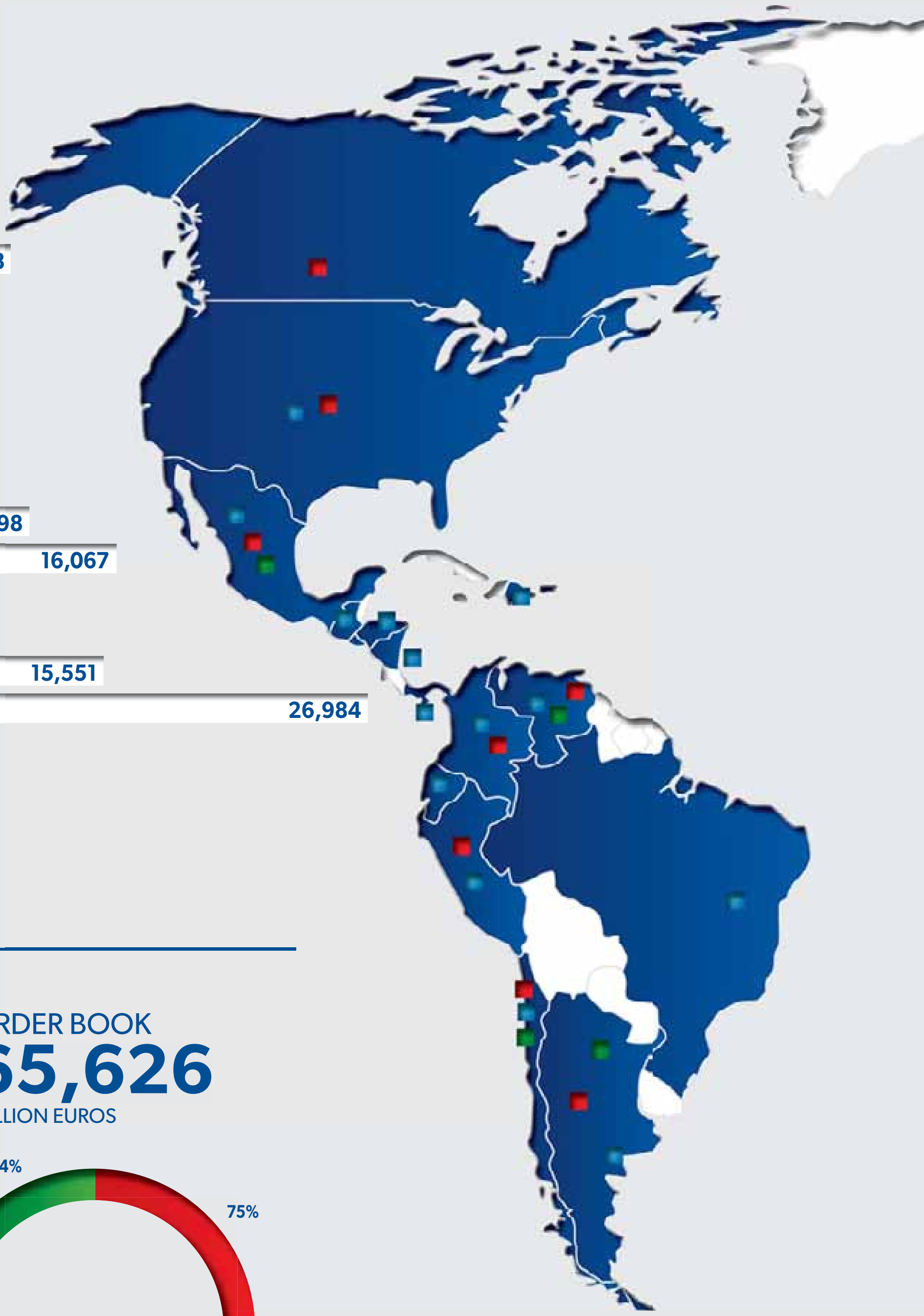
ASIA PACIFIC

REVENUE	15,551
ORDER BOOK	26,984

AFRICA

REVENUE	223
ORDER BOOK	625

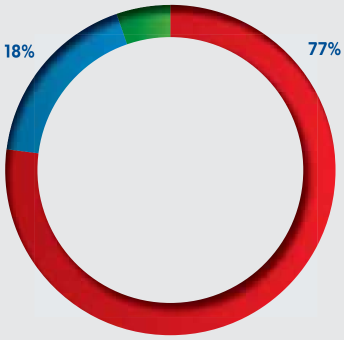
MILLION EUROS



REVENUE

38,396

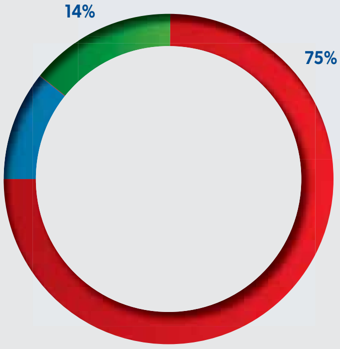
MILLION EUROS



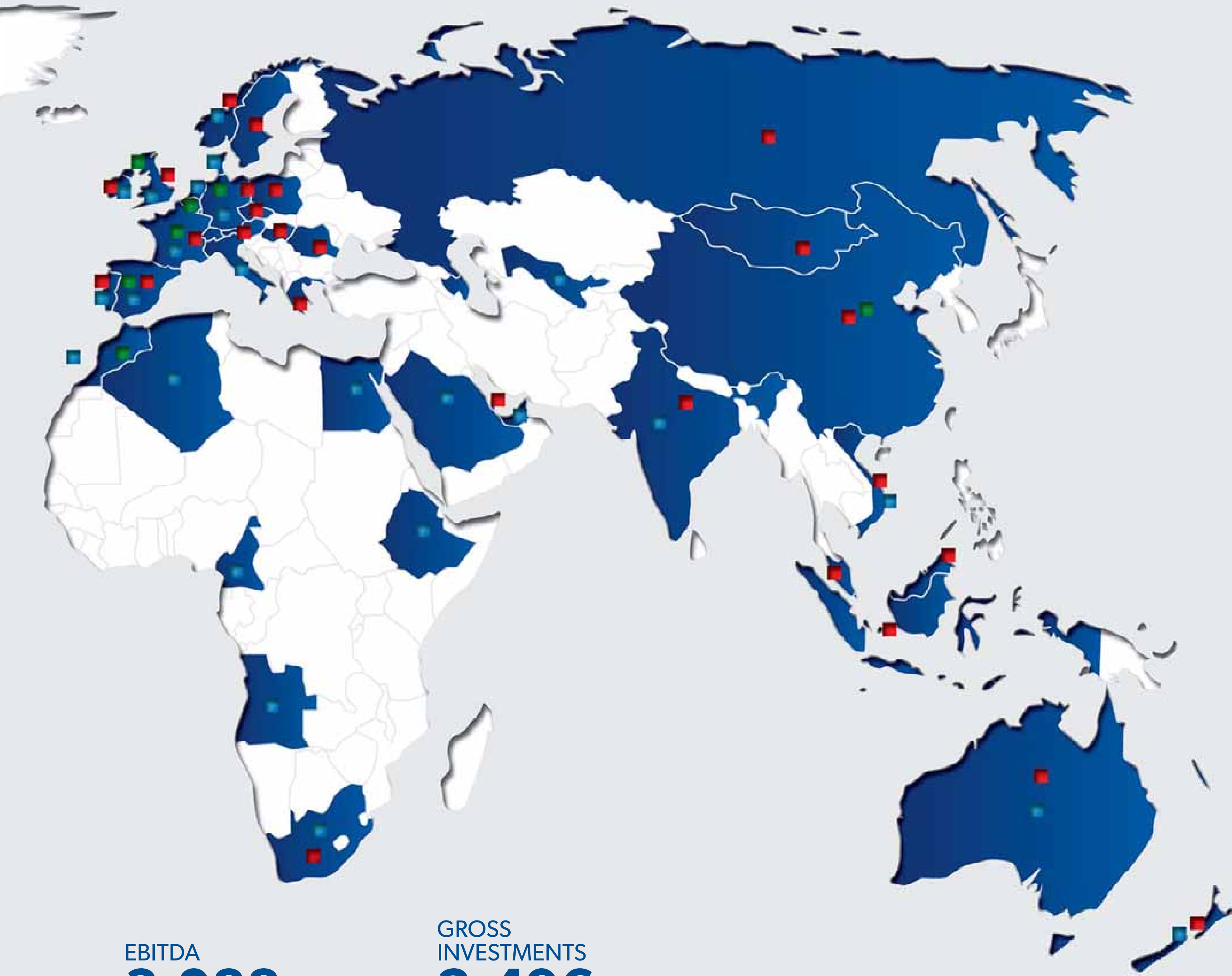
ORDER BOOK

65,626

MILLION EUROS



CONSTRUCTION
INDUSTRIAL SERVICES
ENVIRONMENT



EBITDA
3,088
MILLION EUROS

GROSS INVESTMENTS
2,496
MILLION EUROS

EBIT
1,579
MILLION EUROS

EMPLOYEES
162,471

CORPORATE STRATEGY

VISION

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

MISSION

Pursuing global leadership

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

Optimising the profitability of the resources managed

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

Promoting sustainable growth

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

VALUES

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

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

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

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

CORPORATE STRATEGY

COMPETITIVE ADVANTAGES

Civil Engineering

- Specialization in Infrastructure development.
- Large projects management.
- Development, Construction and Operation of Concessions.

Industrial Engineering

- Integrated value chain: Engineering, development and maintenance contracts.
- Energy turnkey projects.
- Investment capacity: energy concession, high-voltage lines, desalinization plants.

- Client Knowledge.
- Flexibility.
- Global clients.

- Efficient management of resources.
- Constant growth and profitability targets.
- Investment Opportunities.

COMMITMENT TO SUSTAINABILITY

The ACS Group adopts voluntarily and responsibly a commitment to sustainability, based on five areas where it develops its Corporate Responsibility policy.

- Respect for the social setting and environment, framework for the society coexistence.
- Promotion of employment, wellbeing and profitability, as economic motors.
- Support of innovation and research in its application to infrastructure development.
- Respect for ethics, professionalism and quality in the relationship with clients, suppliers and other stakeholders.

HISTORY

1983

Construcciones Padrós, S.A.

Founded in 1968

Construction company based in Badalona (Spain), restructured and relaunched after acquisition. It was the seed for today's ACS Group.

1986

OCISA

Founded in 1942

Spanish construction company, the acquisition of which represented a leap in size for the Group in the 80s.

1988

SEMI

Founded in 1919

A company specialised in power lines, developer of the Spanish grid, the Group's first diversification into industrial services.

1989

cobra GRUPO

Founded in 1948

A leading industrial services company in Spain and Latin America, acquired in the market to lead the Group's expansion in this area.

1992

OCP CONSTRUCCIONES

Founded in 1992

The result of the merger between Ocisa and Construcciones Padrós, creating one of Spain's 10 biggest companies at the time.

1996

AUXINI CONSTRUCCION

Founded in 1945

State-owned construction company, increasing the Group's domestic presence.

1997

GINES NAVARRO CONSTRUCCIONES S.A.

Founded in 1930

One of Spain's most important construction companies, specialised in civil works.

1997

VIAS

Founded in 1928

One of Spain's most practised companies in railway development, with over 80 years' experience. Joined the ACS Group as a Ginés Navarro subsidiary.

ACS
ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS

1997 — ACS

Founded in 1997

A world leader in infrastructure development. Created from the merger between OCP and Ginés Navarro in 1997.

2003 — Grupo Dragados

Founded in 1941

A leader in Spain and a highly diversified company. Its merger with ACS created one of the world's five biggest companies and laid the foundations for the Group's future growth.

2003 — urbaser

Founded in 1983

Created to provide value-added services to local councils and corporations, it is now a world leader in performing environmental activities.

2007 — HOCHTIEF

Founded in 1873

A leading company in Germany and involved in over 50 countries, it is the ACS Group's platform for international growth.

2007 — Turner

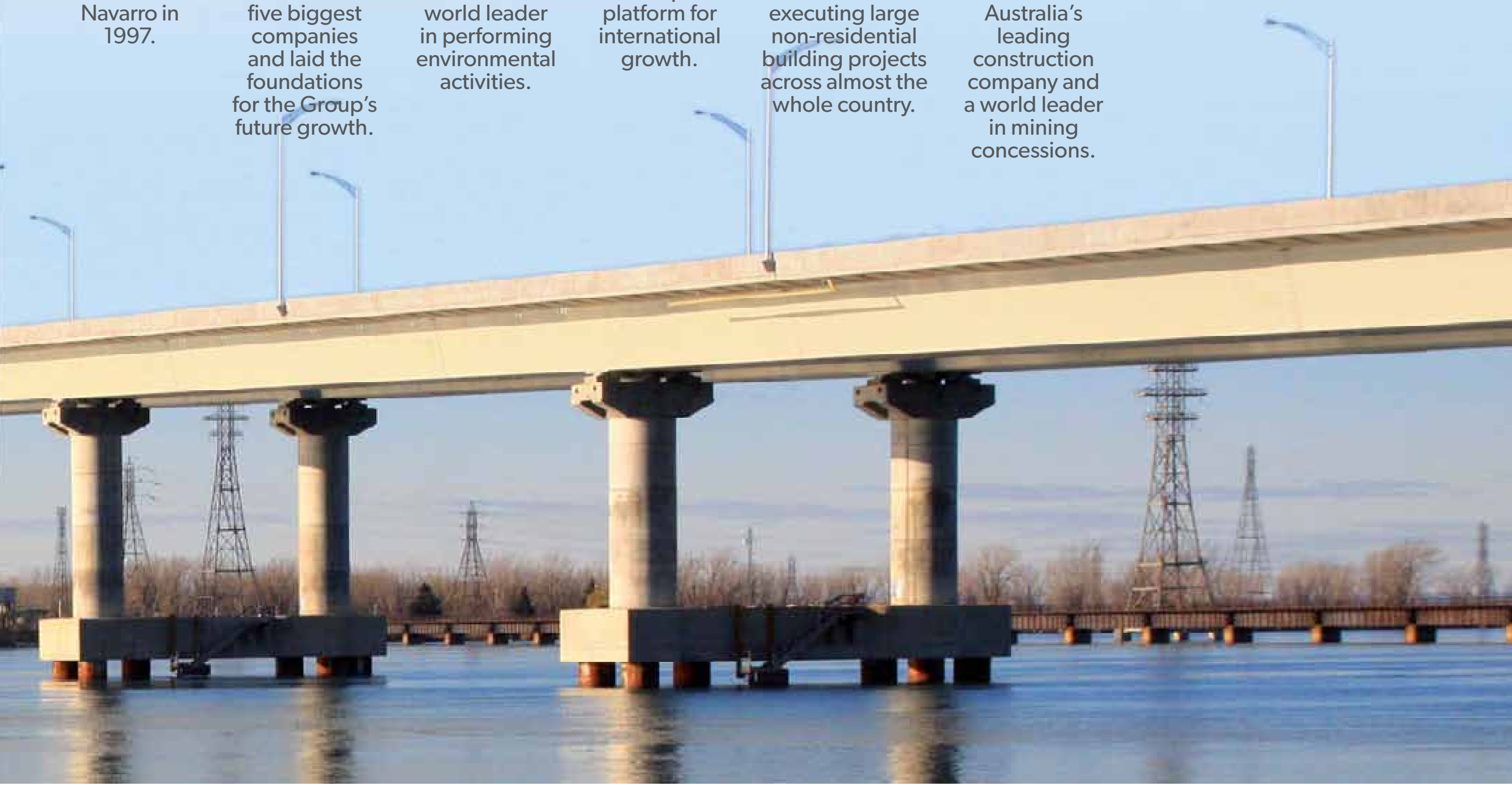
Founded in 1902

A HOCHTIEF subsidiary since 1999, it is a leading "General Contractor" in the United States and is involved in executing large non-residential building projects across almost the whole country.

2007 — Leighton Holdings

Founded in 1949

A subsidiary of HOCHTIEF, which holds 54% of the company's shares, acquired in 1983. It is Australia's leading construction company and a world leader in mining concessions.



THE INFRASTRUCTURES SECTOR: CHALLENGES AND OPPORTUNITIES

The ACS Group is one of the world's leading companies in the civil and industrial infrastructure construction and development sector, with a sound and stable presence in the main markets

THE INFRASTRUCTURES SECTOR: CHALLENGES AND OPPORTUNITIES

The infrastructure sector is critical for each country's economic development and, given its characteristics, is greatly conditioned by macroeconomic factors, principally the growth in activity and financial solidity of states. Furthermore, it is a fundamental element in countries' long term policies, as it improves citizens' quality of life and the country's competitive development.

The peculiarities of the various markets lead to differing investment requirements, which require analysis to understand the needs in each area of activity and to be able to identify associated new business opportunities.

THE ACS GROUP IS A GLOBAL REFERENCE IN THE INFRASTRUCTURES SECTOR AND CARRIES OUT ITS BUSINESS IN MORE THAN 60 COUNTRIES

Global Setting of the Infrastructures Sector

From the purely macroeconomic point of view, investment in infrastructures is basically determined by growth in gross domestic product and the percentage of this allocated to investments in these types of assets (measured by means of gross fixed capital formation percentage). On the other hand, it is affected by the availability of public authority resources (fiscal balance) and the use of these resources (evolution of public expenditure).

Prospects for growth in business in 2013 will be conditioned by the current situation of the advanced economies, which are immersed in a process of fiscal consolidation and reform of the financial system, affecting economic development.

In emerging economies, internal demand, combined with a greater capacity to respond to external crises, mean that sound growth prospects continue to exist, although the lack of stability in developed countries slows this growth due to reduced availability of finance in the market and lower external demand.

Worldwide, according to the International Monetary Fund (IMF)[1] outlook, growth in GDP in 2013 is predicted to be 3.5%, 30 basis points up on 2012, but still at levels below those seen in 2010-11.

One of the most positive indicators seen is the progressive increase in the percentage of GDP allocated to investments in infrastructure assets, resulting mainly from emerging economies needing to adapt their infrastructures to their growth in activity. On the contrary, the IMF estimates that in the most highly developed countries this investment ratio will decrease progressively, although the need to maintain the infrastructure systems executed in the pre-crisis period guarantees stability in the percentage of resources that need to be assigned to these assets.

The aim of reducing government deficits in advanced countries means a reduction in public expenditure, hence there is a clear trend to privatise investments or introduce public-private partnership models.

[1] "World Economic Outlook", International Monetary Fund, October 2012 and January 2013.

%	% GDP change					% Investment over GDP				
	2010	2011	2012e	2013e	2014e	2010	2011	2012e	2013e	2014e
Worldwide	**5.1%**	**3.9%**	**3.2%**	**3.5%**	**4.1%**	**22.7%**	**23.4%**	**23.9%**	**24.4%**	**24.8%**
European Union	2.1%	1.6%	-0.2%	0.5%	1.5%	18.7%	19.0%	18.4%	18.3%	18.5%
United States	2.4%	1.8%	2.3%	2.0%	3.0%	15.5%	15.5%	16.2%	16.8%	17.6%
Canada	3.2%	2.4%	2.0%	1.8%	2.3%	22.2%	22.8%	23.7%	24.4%	24.8%
Latin American	6.2%	4.5%	3.0%	3.6%	3.9%	21.8%	22.6%	22.4%	22.7%	23.0%
Australia	2.5%	2.1%	3.3%	3.0%	3.2%	26.8%	27.2%	28.4%	29.0%	29.1%
ASEAN-5*	7.0%	4.5%	5.7%	5.5%	5.7%	28.7%	28.6%	30.7%	31.3%	31.9%
China	10.4%	9.2%	7.8%	8.2%	8.5%	48.2%	48.6%	47.8%	47.5%	47.0%
India	10.1%	6.8%	4.9%	6.0%	6.4%	34.7%	35.0%	36.0%	35.9%	36.0%
United Arab Emirates	1.3%	5.2%	4.0%	2.6%	3.1%	21.7%	21.7%	23.3%	21.4%	21.2%

%	% Fiscal (deficit)/surplus					% Public Expenditure over GDP				
	2010	2011	2012e	2013e	2014e	2010	2011	2012e	2013e	2014e
Worldwide										
European Union	-6.5%	-4.5%	-3.9%	-3.2%	-2.6%	49.8%	48.4%	48.3%	47.9%	47.2%
United States	-11.2%	-10.1%	-8.7%	-7.3%	-5.6%	42.9%	41.5%	40.6%	40.5%	39.8%
Canada	-5.6%	-4.4%	-3.8%	-3.0%	-2.2%	44.0%	42.7%	42.0%	41.7%	41.3%
Latin American	-3.0%	-2.5%	-2.5%	-1.9%	-1.9%	32.8%	32.9%	33.2%	32.5%	32.4%
Australia	-4.8%	-4.4%	-2.8%	-1.0%	-0.3%	36.6%	36.4%	36.4%	35.3%	34.8%
ASEAN-5*	-1.8%	-2.1%	-2.5%	-2.7%	-2.7%	21.8%	22.0%	22.7%	22.7%	22.4%
China	-1.5%	-1.2%	-1.3%	-1.0%	-0.6%	22.8%	23.9%	24.5%	24.3%	24.0%
India	-9.4%	-9.0%	-9.5%	-9.1%	-8.9%	28.1%	27.5%	28.0%	27.7%	27.6%
United Arab Emirates	4.3%	11.2%	12.0%	11.8%	10.9%	25.7%	23.9%	24.1%	23.2%	22.7%

* Indonesia,Philippines, Malaysia, Singapore and Thailand.
Source: "World Economic Outlook", International Monetary Fund, October 2012 and January 2013.

THE INFRASTRUCTURES SECTOR: CHALLENGES AND OPPORTUNITIES

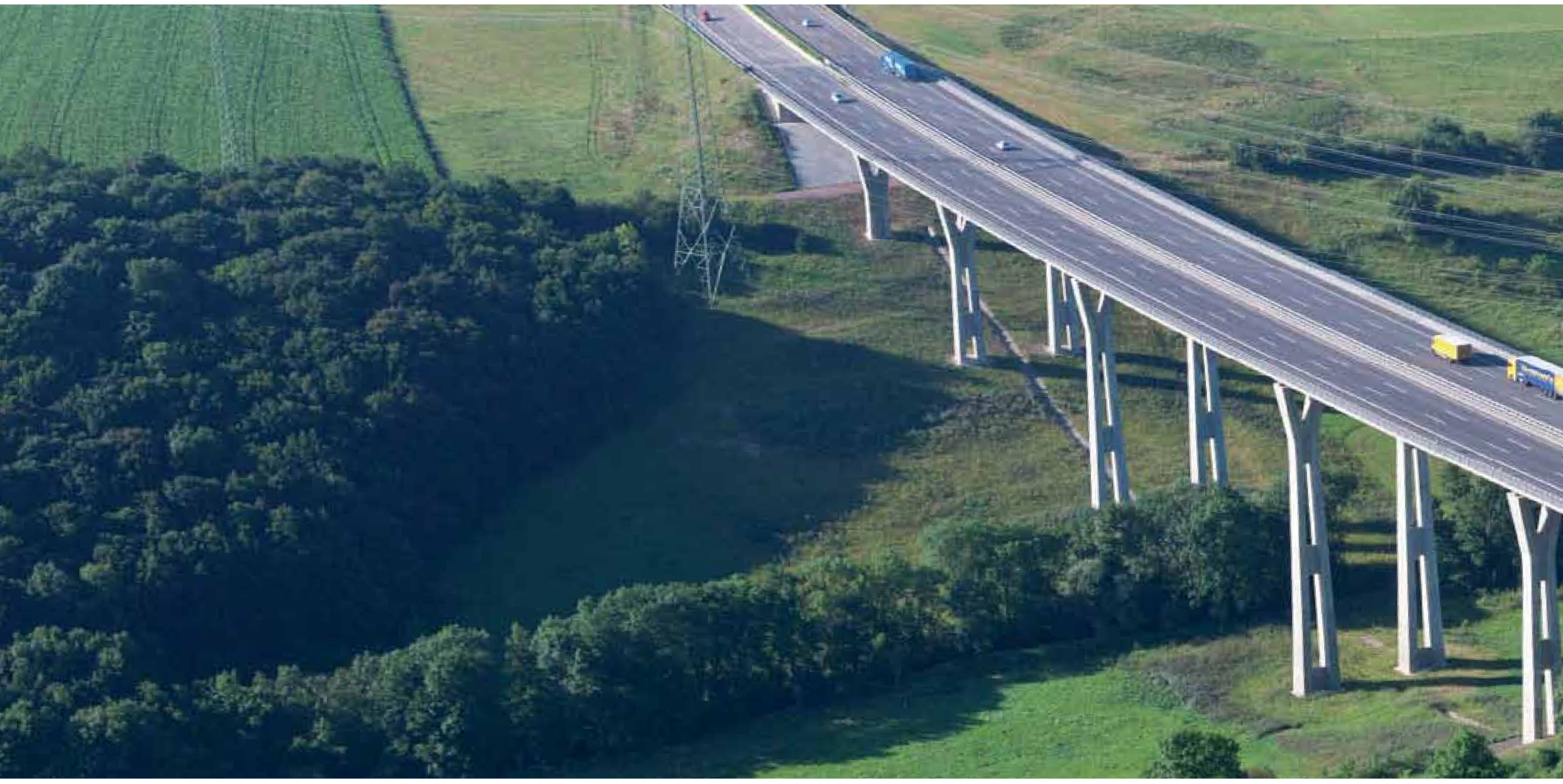
CIVIL WORKS AND BUILDING

The civil works (roads, railways, water facilities, airport facilities, etc.) and building sector, (both public and private) are directly defined by the aforementioned macroeconomic factors, but also by demographic factors and those related to improving quality of life in society.

According to the report published by PWC[2], global population will have grown by 1,400 million inhabitants by 2030 and 60% of the population will live in urban areas. Requirements for transport and housing of the new inhabitants alone will mean the need for 20,000,000 million US dollars in investments. This report estimates that worldwide investments related to transport infrastructures will require 41,000,000 million US dollars up to 2040.

The main demographic change will be experienced in emerging countries.
This study predicts that these will represent almost two-thirds of the planet's urban population in 2015, with significant increases in their demographic density. This will mean a great need for investments, both in transport infrastructures to guarantee mobility for people and goods and in other basic necessities (housing, health, education, water, urban services, etc.). In these countries, investments will be focused on alleviating the deep deficits in transport infrastructure to sustain their economic growth and increase competitiveness by avoiding the bottlenecks deriving from an inefficient logistical system.

[2] "Transport and Logistics 2030", PWC, 2011.



In developed countries, where transport and building assets were already highly developed, investments will be focused mainly on maintaining these assets, replacing obsolete assets and investing in new, more efficient infrastructures by implementing better technologies. One example is the use of information and communications technologies for transport infrastructure management. According to OECD[3] data, the investment needed in airport, railway and port infrastructures alone in advanced countries for the 2009-2030 period is over 8,000,000 million US dollars.

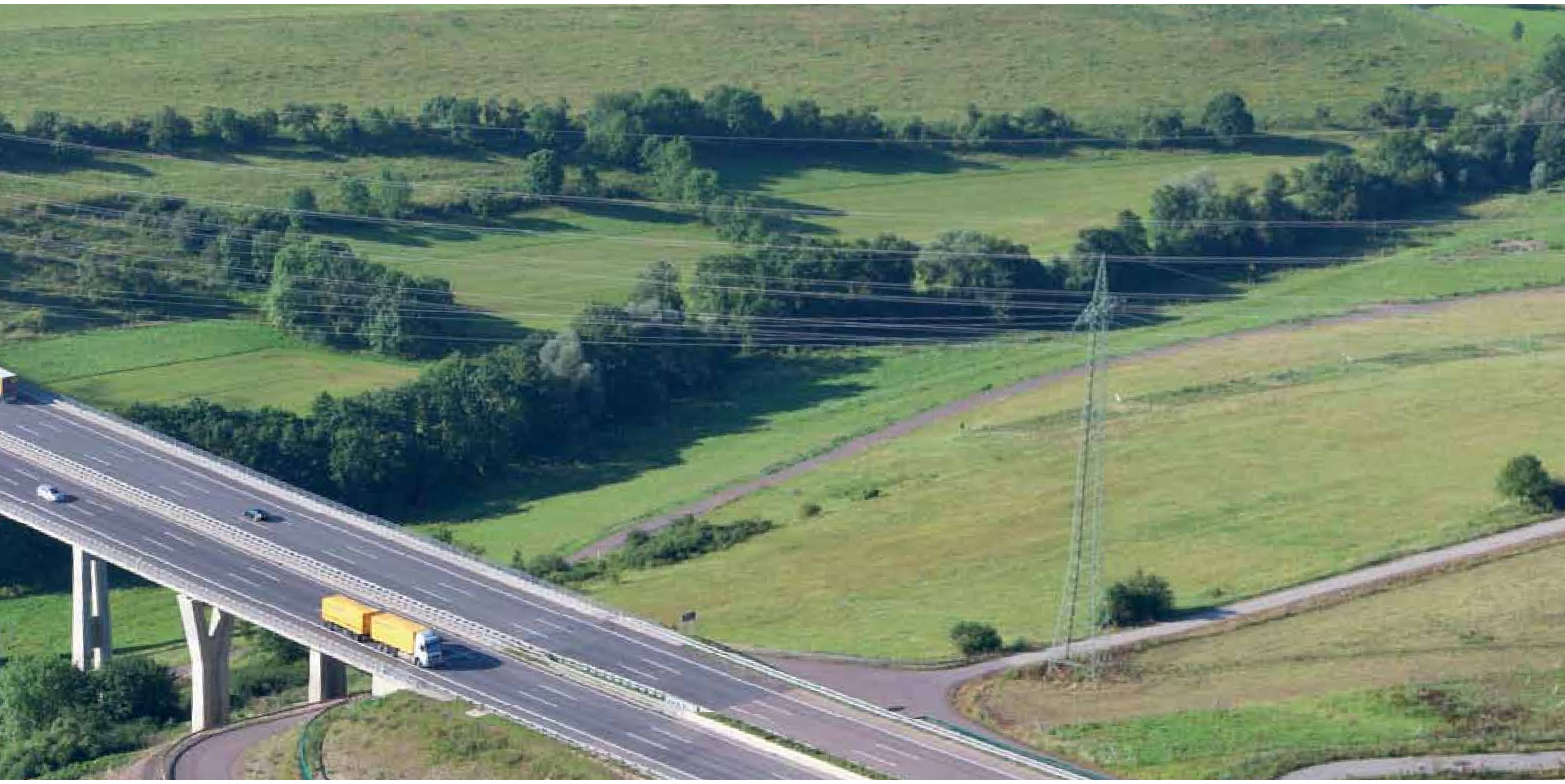
Another of the determining factors for the sector is the search for new forms of financing, basically in developed countries, to compensate for fiscal consolidation and budgetary restraint. Legislative improvements are being driven in emerging countries to guarantee greater legal security, enabling new forms of financing through public-private partnership projects. Up to October 2012, around 2,100 civil infrastructure and building projects had been financed worldwide using this system, which has great prospects for future growth.

[3] "Strategic Transport Infrastructure Needs to 2030", OECD, 2011.

PUBLIC-PRIVATE PARTNERSHIP PROJECTS WORLDWIDE

INVESTMENT (MILLION US DOLLARS)	Roads		Railway		Water		Building		**Total**	
	Projects	Investment	Projects	Investment	Projects	Investment	Projects	Investment	**Projects**	**Investment**
Announced projects since 1985 to October 2012	1,134	738,584	344	419,040	932	172,766	745	1 74,369	**3,155**	**1,504,759**
Funded projects up to October 2012	700	393,864	176	176,561	651	118,835	568	131,356	**2,095**	**820,616**

Source: Public Works Financing, October 2012.



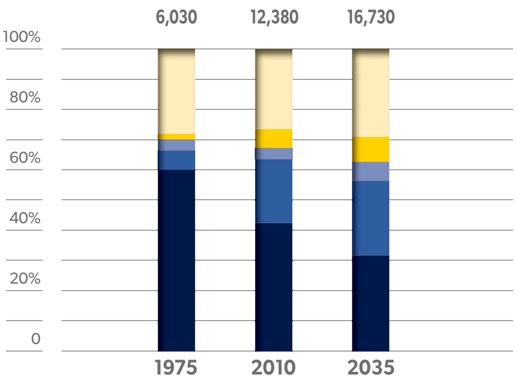
THE INFRASTRUCTURES SECTOR: CHALLENGES AND OPPORTUNITIES

INFRASTRUCTURES FOR ENERGY AND RELATED TO NATURAL RESOURCES

The evolution of infrastructures for energy and those related to natural resources has been influenced by the global evolution in energy consumption. According to estimates in World Energy Outlook, published by the International Energy Agency (IEA)[4], worldwide demand for primary energy will increase by over 35% between 2010 and 2035, based fundamentally on improving quality of life in emerging countries. China will be the country which contributes most to this growth, with a 60% increase in demand between 2010 and 2035, followed by India, which will double its demand, and the Middle East. In OECD countries the increase in demand will be 3%, coming to represent 35% of total demand compared with the 45% at present.

GLOBAL DEMAND FOR PRIMARY ENERGY BY AREA

MTOE



Source: "World Energy Outlook", International Energy Agency, 2012.

To meet the needs of increased demand, it will be necessary to make a global investment in energy infrastructures of 37,000,000 million US dollars, which is equivalent to an annual investment of 1.5% of global GDP over the period analysed. Sixty-one percent of the investment needs will arise in emerging countries.

As regards energy sources in OECD countries, the IEA forecasts a reduction in the use of oil products and coal and their replacement with energy sources with lower CO_2 emissions. On the other hand, the growth in consumption of oil products in emerging countries will mean that the number of barrels consumed in 2035 will be 14% higher than at present. Demand for coal will increase, but this will basically be focused on non-OECD-member countries, especially China and India. Demand for natural gas will increase in all geographical areas, especially in China where demand is forecast to quintuple by 2035. The estimated investments in oil and gas represent 51% of the total investment in the period, including assets for exploration, prospecting, storage and distribution.

The IEA forecasts that demand for electricity will increase by 70% between 2010 and 2035 to reach 32,000 TWh, mainly in emerging countries. The energy mix will change: coal will continue to be the main resource used for generation, although it will lose weight in the total (from 66% to 33%) to gas and renewable energies, especially in developed countries.

According to the IEA report, to attend to this growth, 46% of the estimated investment (16,900,000 million US dollars) will be allocated to the electricity segment, including generating, transmission and distribution assets. In terms of generating assets, this report estimates the need to add 5,890 GW of new capacity during the period (a figure which is higher than currently installed global capacity), of which one-third will be to replace inefficient plants and the rest to meet the new demand needs. The investment needed in generating assets is over 10,000,000 million US dollars, while investment in electricity transmission and

[4] "World Energy Outlook", International Energy Agency, 2012.

distribution assets estimated for the period will be around 7,000,000 million US dollars worldwide.

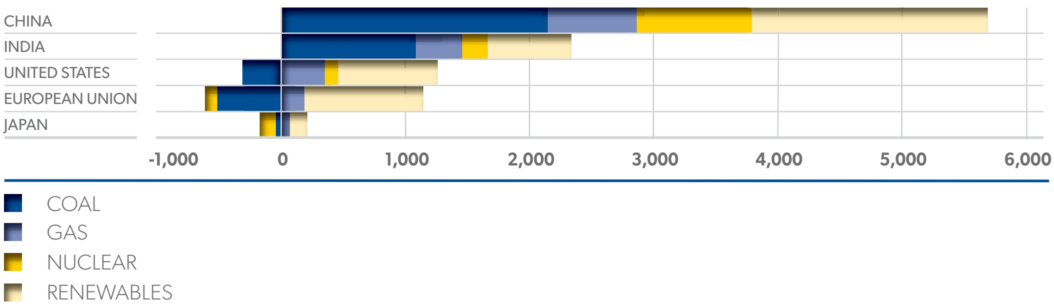
Generation from renewable energies will probably triple over the period, coming to represent 31% of total generation. In developed countries, 47% of the expected growth will come from wind power, followed by biomass, photovoltaic and hydroelectric. In non-OECD-member countries, the forecast increase will come basically from generation using hydroelectric plants, representing 42% of total growth. The IEA also predicts significant developments in wind power, with 25% of the forecast growth. For this reason, it is predicted in the WEO that more than 6,000,000 million US dollars will be allocated to renewable energies, with the construction of an additional 3,000 GW of capacity. Of the total investment, 1,300,000 million US dollars will be allocated to wind power generation assets.

THE ACS GROUP'S INDUSTRIAL SERVICES AREA IS A WORLD LEADER IN THE CONSTRUCTION OF:

- ***RENEWABLE ENERGY INSTALLATIONS, BOTH SOLAR THERMAL AND WIND***
- ***ELECTRICITY INSTALLATIONS, SUCH AS COMBINED CYCLE AND HYDROELECTRIC PLANTS***
- ***ASSETS RELATED TO OIL, SUCH AS REFINERIES AND PLATFORMS***
- ***ASSETS RELATED TO GAS, SUCH AS LIQUEFACTION, REGASIFICATION AND MASS STORAGE PLANTS***

CHANGE IN POWER GENERATION SOURCES 2010-2035

TWH



Source: "World Energy Outlook", International Energy Agency, 2012.

INVESTMENTS IN ENERGY ASSETS

MILLION US DOLLARS

	Total investment 2012-2035	Annual Investment
World energy assets investment needs	**37,000,000**	**1,608,696**
Assets related to oil and gas	19,000,000	826,087
Assets related to electricity	16,900,000	734,783
Electricity distribution and transmission assets	6,760,000	293,913
Electricity generation assets	10,140,000	440,870
Conventional	4,056,000	176,348
Renewables	6,084,000	264,522
Wind	1,338,480	58,195
Hidroelectric	973,440	42,323
Photovoltaic solar	790,920	34,388
Other renewable energy	2,981,160	129,616
Other energy assets	1,100,000	47,826

Fuente: "World Energy Outlook", International Energy Agency, 2012.

THE INFRASTRUCTURES SECTOR: CHALLENGES AND OPPORTUNITIES

Economic Analysis and Future Prospects by Region

EUROPE

In 2012, the economic situation in **Europe** was affected by the sovereign debt crisis, the financial crisis with credit institutions and rumours about the long term monetary viability of the European Union. In the short term, this situation continues to moderate growth in activity, especially due to the impact it is having on unemployment rates. However, both the IMF[5] and the European Commission[5] agree that a recovery in activity will be seen in the zone as a whole in 2013, with a 0.5% increase in GDP thanks to the structural reforms being made, which will enable a reduction in levels of public debt, the restructuring of the financial system and improvement in consumer and investor confidence.

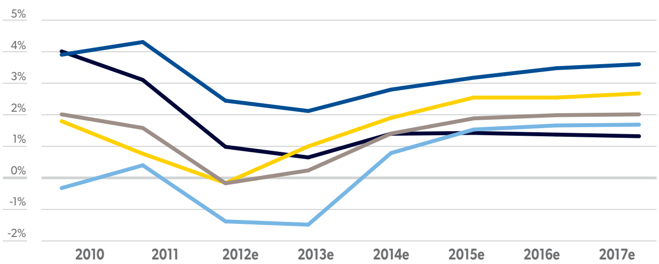
In Spain, the estimate is that the measures taken for consolidation of the fiscal deficit will mean a drop of 1.5% in gross domestic product in 2013. For 2014, the IMF predicts that the consolidation of the reforms will aid a progressive recovery of the economy, with forecasts of higher, more homogeneous growth among the member states as well as in Spain. The forecast development of investment levels is disparate according to the countries analysed. In Eastern European countries, such as Poland, the IMF forecasts growth in percentage investment, accompanied by an increase in GDP, to tackle needs for infrastructure deriving from their economic convergence. In Spain, investment will converge on ratios more in line with countries such as Germany and the United Kingdom.

[5] "World Economic Outlook", International Monetary Fund, October 2012 and January 2013;"Autumn 2012 Forecast", European Commission, November 2012.

EVOLUTION OF THE MAIN MACROECONOMIC INDICATORS IN EUROPE

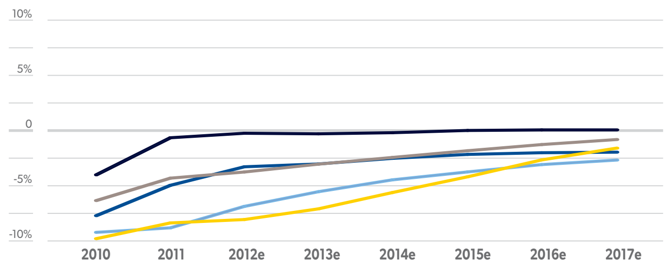
GDP EVOLUTION

% GDP ANNUAL CHANGE



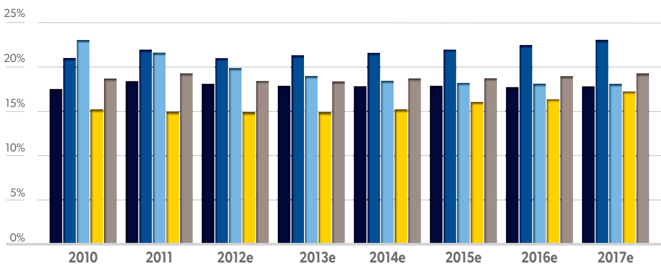
FISCAL (DEFICIT)/SURPLUS EVOLUTION

% FISCAL (DEFICIT)/ SURPLUS



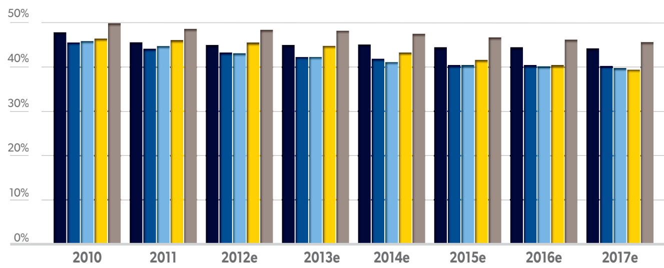
INVESTMENT EVOLUTION

% INVESTMENT OVER GDP



PUBLIC EXPENDITURE EVOLUTION

% PUBLIC EXPENDITURE OVER GDP



- GERMANY
- POLAND
- SPAIN
- UNITED KINGDOM
- EUROPEAN UNION

Source: "World Economic Outlook", International Monetary Fund, October 2012 and January 2013.

EUROPE REPRESENTED 26.9% OF GROUP SALES AND 33.4% OF ITS TOTAL ORDER BOOK IN 2012. THE MAIN COUNTRIES IN WHICH ACS COMPANIES OPERATE ARE SPAIN, GERMANY, POLAND, THE UNITED KINGDOM, PORTUGAL, FRANCE AND THE CZECH REPUBLIC

Civil Works and Building

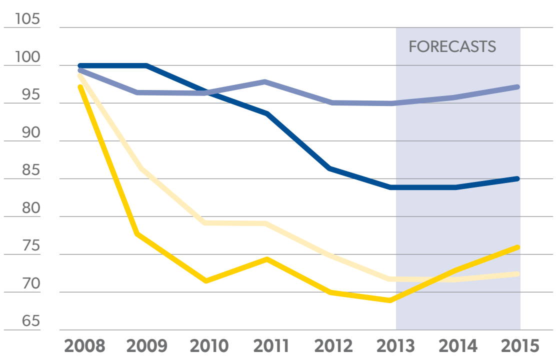
In Europe, the data for the evolution of construction show clear worsening of the sector in 2012. For 2013, European Commission forecasts continue to show stagnation in activity, with a 1.3% reduction in investment in construction in the euro zone. The European Commission expects a return to growth in 2014 (between 0.9% and 1.8%). Although still moderate, the differences in trend will be less heterogeneous by country.

By sector in Europe, both the estimates from AMECO (the European Commission's macroeconomic database), which takes investment data, and Euroconstruct production estimates agree that the residential market, after some years of steep drops and with prospects for a -1.1% reduction in activity in 2013[6], will be the sector in the construction area which sees the earliest recovery. The civil works and non-residential building segments have suffered less severe adjustments during the last four years of crisis, hence their recovery will be slower and progressive. The rehabilitation sector will maintain its level and even increase in 2014-15, given the high requirement for maintenance funds resulting from the heavy investments made in infrastructures before the crisis.

[6] "Autumn 2012 Forecast", European Commission, November 2012.

EVOLUTION OF THE DIFFERENT SUB-SECTORS IN THE EUROPEAN MARKET

PRODUCTION INDICES AT CONSTANT PRICES, BASE: 2008=100



- REHABILITATION
- CIVIL ENGINEERING
- RESIDENTIAL BUILDING
- NON RESIDENTIAL BUILDING

Source: ITeC- Euroconstruct December, 2012.

THE INFRASTRUCTURES SECTOR: CHALLENGES AND OPPORTUNITIES

Public-private partnership projects will take on special importance in Europe to fulfill the considerable needs for investment in infrastructure in these countries in a context of fiscal consolidation and restrictions on public expenditure by public authorities. These projects have historically been well established in the European market not just for transport infrastructures, but also for social facilities and they offer important opportunities for the sector. One of the markets with the greatest potential in Europe for these types of projects is the United Kingdom, especially in the social infrastructures segment.

An important segment in infrastructure development is waste treatment, in which regard a European Directive has promoted the construction of new installations, particularly in Spain, the United Kingdom and France, where this sector is being vigorously developed.

PUBLIC-PRIVATE PARTNERSHIP PROJECTS IN EUROPE

INVESTMENT (MILLION US DOLLARS)	Roads		Railway		Water		Building		**Total**	
	Projects	Investment	Projects	Investment	Projects	Investment	Projects	Investment	**Projects**	**Investment**
Announced projects since 1985 to October 2012	362	359,569	115	186,734	230	42,324	372	102,762	**1,079**	**691,389**
Funded projects up to October 2012	217	198,765	64	70,892	181	25,679	273	78,346	**735**	**373,682**

Source: Public Works Financing, October 2012.

URBASER HAS OVER TWENTY YEARS' EXPERIENCE IN DEVELOPING WASTE TREATMENT INFRASTRUCTURES UNDER THE PUBLIC-PRIVATE PARTNERSHIP MODEL

The trends in the construction sector by country in Europe are clearly disparate:

EVOLUTION OF INVESTMENT IN CONSTRUCTION SECTOR

% VARIATION	2009	2010	2011	2012e	2013e	2014e
Spain	-16.6%	-9.8%	-9.0%	-11.4%	-7.2%	-0.9%
Germany	-3.2%	3.2%	5.8%	-0.1%	1.9%	1.9%
Poland	4.9%	2.2%	9.5%	-0.5%	-6.1%	-2.3%
United Kingdom	-12.8%	2.4%	-3.1%	7.5%	2.5%	3.8%
Portugal	-4.7%	-6.4%	-4.2%	-12.2%	-17.0%	-8.3%
France	-6.3%	-5.9%	3.5%	1.0%	0.1%	0.7%
Czech Republic	-4.1%	-1.5%	-3.5%	-6.3%	-2.6%	0.5%

EVOLUTION OF INVESTMENT IN CIVIL WORKS AND NON RESIDENTIAL BUILDING

% VARIATION	2009	2010	2011	2012	2013	2014
Spain	-9.1%	-9.6%	-11.0%	-16.0%	-12.6%	-1.6%
Germany	-3.9%	1.3%	5.3%	-4.4%	-0.1%	2.1%
Poland	7.9%	3.7%	10.4%	-1.5%	-8.0%	-4.5%
United Kingdom	-9.1%	3.3%	-8.1%	8.9%	1.3%	3.5%
Portugal	0.0%	-3.0%	-2.3%	-11.1%	-15.2%	-6.3%
France	-4.9%	-9.4%	3.5%	1.0%	0.1%	0.7%
Czech Republic	-0.5%	-6.2%	-1.9%	-5.5%	-2.0%	0.5%

EVOLUTION OF INVESTMENT IN RESIDENTIAL BUILDING

% VARIATION	2009	2010	2011	2012	2013	2014
Spain	-23.1%	-10.1%	-6.7%	-6.3%	-2.2%	-0.3%
Germany	-2.5%	4.6%	6.3%	3.1%	3.4%	1.8%
Poland	-4.3%	-3.3%	6.2%	3.2%	0.8%	5.1%
United Kingdom	-13.7%	-3.9%	7.9%	5.1%	5.1%	4.2%
Portugal	-11.4%	-14.3%	-8.3%	-14.5%	-21.3%	-13.5%
France	-7.8%	-2.3%	3.5%	1.0%	0.1%	0.7%
Czech Republic	-11.7%	9.3%	-6.6%	-8.0%	-4.0%	0.5%

Source: AMECO, November 2012.

THE INFRASTRUCTURES SECTOR: CHALLENGES AND OPPORTUNITIES

THE ACS GROUP CARRIES OUT ITS CIVIL WORKS AND BUILDING CONSTRUCTION ACTIVITIES THROUGH DRAGADOS AND IRIDIUM IN THE CONCESSIONS AREA. TOTAL SALES IN THE CONSTRUCTION SECTOR IN SPAIN REPRESENTED 4.7% OF TOTAL GROUP SALES IN 2012

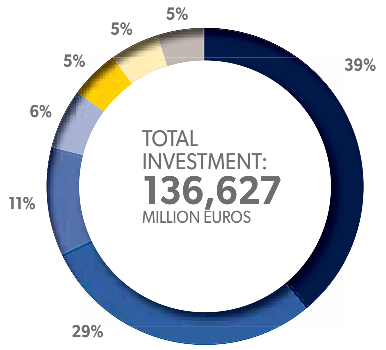
The prospects in **Spain**, according to AMECO, continue to be negative given the current economic situation, affected by the fiscal consolidation which generates a powerful impact on reducing public expenditure. Although smaller falls are expected in levels of investment in the sector than in previous years, forecasts for 2013 and 2014 according to AMECO continue to be negative. By sector, the one which will be slowest to recover to growth will be civil works and non-residential building. On the other hand, the residential building sector suffered a very severe adjustment in previous years and AMECO predicts that it will reach its lowest point in 2013.

In spite of this negative economic environment in the short term, for the long term the Spanish Ministry of Development in September 2012 published its Plan for Transport Infrastructures and Housing (PITVI) for 2012-24. The investment related to infrastructures anticipated in this plan, over the 12 years, is 136,627 million euros, focused on making investments in the areas of roads and rail transport.

One area with growth potential within this segment is urban waste treatment. Spain needs to meet the objectives set in European Directive 2008/98 as regards the dumping of biodegradable waste. To do this, energy recovery plants need to be built to treat at least five million tonnes of waste. This would translate to an investment of around 5,000 million euros in the coming years. Due to the market economic environment, the infrastructures will mainly be developed under the public-private partnership model.

PLAN FOR TRANSPORT INFRASTRUCTURES AND HOUSING (PITVI) RELATED TO TRANSPORT INFRASTRUCTURES

%



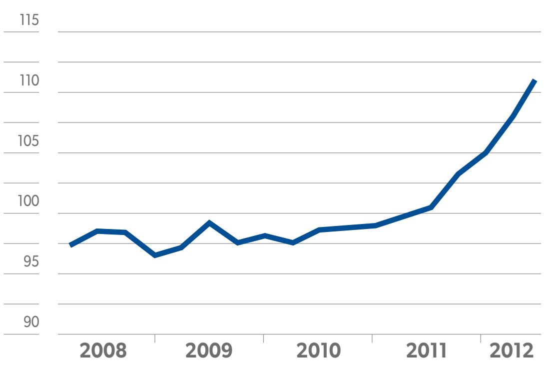
- RAILWAY
- ROADS
- AIRPORTS
- SUBSIDIES TO TRANSPORT
- PRIVATE INVESTMENTS IN ROADS
- PRIVATE INVESTMENTS IN PORTS
- PORTS

Source: Directorate General for Economic Planning and Budgets, Spanish Ministry of Development.

In **Germany**, prospects for investment in construction for 2013 show improvement due to residential building, which is set to grow 3.4% due to the chance of low-cost financing and low unemployment rates, which increased housing demand and prices during 2012.

HOUSING PRICE EVOLUTION IN GERMANY

BASE 2005 = 100



Source: OECD (2012), OECD Economic Outlook, Vol. 2012/2, OECD Publishing.

A reduction of 0.1% has been considered for non-residential building and civil works in 2013, due to their dependence on macroeconomic development, a trend which AMECO estimates will change in 2014, in which growth of 2.1% is forecast. These prospects for improvement in activity are endorsed by the data from the German Statistics Institute (Statistisches Bundesamt), of October 2012, which show a 6.3% increase in projects in the construction sector, with a 7.5% increase in building projects and a 4.5% increase in civil works projects.

In **Poland**, after the heavy investment made during the 2009-11 period, resulting from the construction of the infrastructures for Euro 2012, a reduction in activity is expected according to AMECO estimates. In the long term there continues to be potential for growth in the sector at 3.6%[7] annually between 2012 and 2021, based on infrastructure development plans driven by the Government and financed with European community funds which seek the country's convergence with the rest of the European economies.

HOCHTIEF IS THE LEADING CONSTRUCTION COMPANY IN GERMANY, SPECIALISING IN THE DEVELOPMENT, CONSTRUCTION AND OPERATION OF INFRASTRUCTURE PROJECTS, THE BUILDING OF RESIDENTIAL PROJECTS AND SOCIAL FACILITIES AND INSTALLATIONS

Infrastructures for Energy and Related to Natural Resources

According to the WEO report, demand for primary energy in Europe is expected to grow by 3%[8] between 2013 and 2035. Among the objectives set by the European Union[9] for 2020, it is noteworthy that 20% of electricity generation will come from renewable energies. The member states are making a big investment effort, paralleled by an R&D effort to promote research into new power generation technologies, with the main one among these being offshore wind energy. In Germany, the Government expects to complete construction of 10 gigawatts of new installed capacity by 2020 and according to the German Ministry of the Environment, objectives in this market will involve investment of 100,000 million euros.

This plan for growth and the change in the electricity generating mix, which involves significant investments in renewable energies, means greater volatility in power generation due to the limited manageability of these types of energy. This situation makes investment in storage assets necessary, as well as in an effective distribution network capable of connecting new installations and effectively serving demand.

THE ACS GROUP HAS BEEN OPERATING IN THE CONSTRUCTION SECTOR IN POLAND SINCE 2009 THROUGH ITS SUBSIDIARY POL-AQUA

[7] "Poland Infrastructure Report Q3 2012", BMI, 2012.

[8] "World Energy Outlook", International Energy Agency, 2012.

[9] "Europe 2020", European Commission.

THE INFRASTRUCTURES SECTOR: CHALLENGES AND OPPORTUNITIES

AMERICA

In the **United States**, after the recovery in activity seen in 2012, there are uncertainties about the country's economic development in 2013 due to the country's current fiscal situation, with possible budget cuts and tax increases coming into effect in 2013. Although in January 2013 IMF forecasts were for GDP growth of 2% in 2013 and for increases in percentage of GDP allocated to fixed assets, going from 16.2% in 2012 to 17.6% in 2014, the IMF warned that application of these cuts would lead to it reviewing its estimates. However, the United States has infrastructure deficits and its levels of investment are below those of the other advanced economies, so growth prospects continue to exist.

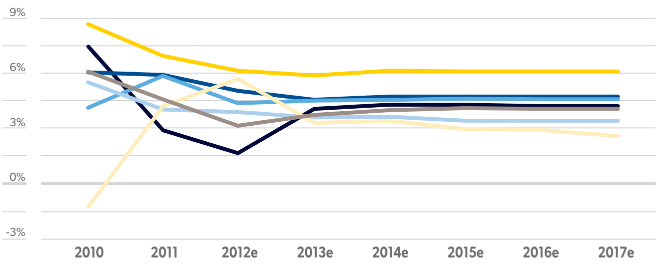
Canada has shown the strength of its economy during the crisis period and the IMF predicts growth of 2% of GDP for 2013. This forecast may be affected by its dependence on the United States market. The gross fixed capital formation percentage in Canada in 2012 was 23.7% of GDP, above that of the United States, and this figure is forecast to increase to 24.7% in 2014.

Growth prospects in **Latin America** continue to be positive, thanks to strong internal demand and positive conditions for financing. The impact of the crisis on advanced economies has weakened external demand and reduced raw material prices. This has moderated growth rates compared to those seen in previous years, but without affecting levels of investment in assets, which will continue to evolve positively.

EVOLUTION OF THE MAIN MACROECONOMIC INDICATORS IN LATIN AMERICA

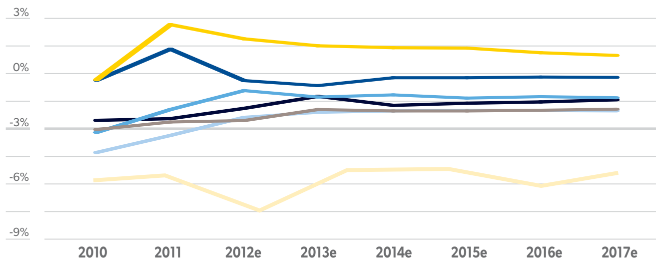
GDP EVOLUTION

% GDP ANNUAL CHANGE



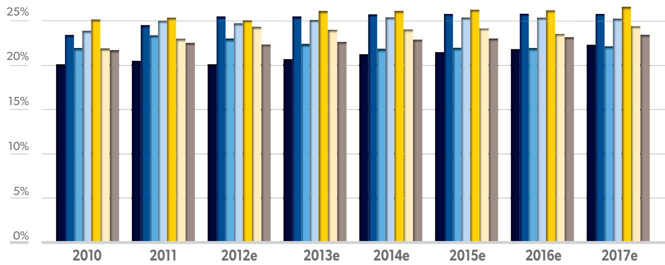
FISCAL (DEFICIT)/SURPLUS EVOLUTION

% FISCAL (DEFICIT)/SURPLUS



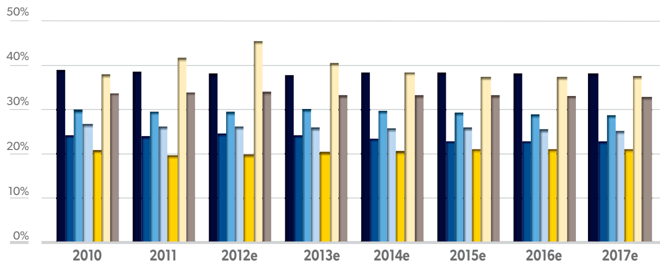
INVESTMENT EVOLUTION

% INVESTMENT OVER GDP



PUBLIC EXPENDITURE EVOLUTION

PUBLIC EXPENDITURE OVER GDP



- BRAZIL
- CHILE
- COLOMBIA
- MEXICO
- PERU
- VENEZUELA
- LATIN AMERICAN

Source: "World Economic Outlook", International Monetary Fund, October 2012 and January 2013.

THE ACS GROUP HAD TURNOVER OF OVER 9,187 MILLION EUROS IN THE UNITED STATES AND CANADA IN 2012, 23.9% OF TOTAL SALES, WHILE ITS ORDER BOOK FOR CONSTRUCTION, CONCESSION, CIVIL WORKS, BUILDING AND ENERGY PROJECTS EXCEEDED 12,527 MILLION EUROS

THE INFRASTRUCTURES SECTOR: CHALLENGES AND OPPORTUNITIES

Civil Works and Building

In the **United States**, after the reduction in construction activity during the 2009-11 period, it returned to growth in 2012 and an increase of 6%[10] was recorded in the works started between January and December 2012 compared to the previous year, with a 29% increase in works begun in the residential sector, 2% in civil works, while non-residential building fell by 9%.

This improvement in construction in 2012 agrees with IMF Management Consulting estimates for the 2012-15 period, which forecasts progressive recovery in the sector until pre-crisis levels are reached in 2015.

The United States is the second biggest construction market in terms of size and offers great potential for infrastructure development, especially for transport and water management, as there is a clear deficit in these types of infrastructure. According to a report prepared by the Spanish Institute of Foreign Trade (ICEX)[11], the percentage of United States government investment allocated to infrastructures is 2.4% of GDP, as compared to 5% in Europe and 9% in China.

In transport infrastructures, expenditure plans are provided by means of multi-year budget laws. After three years of extensions, the law guaranteeing public provision of 105,000 million US dollars for 2013 and 2014 was signed in July 2012.

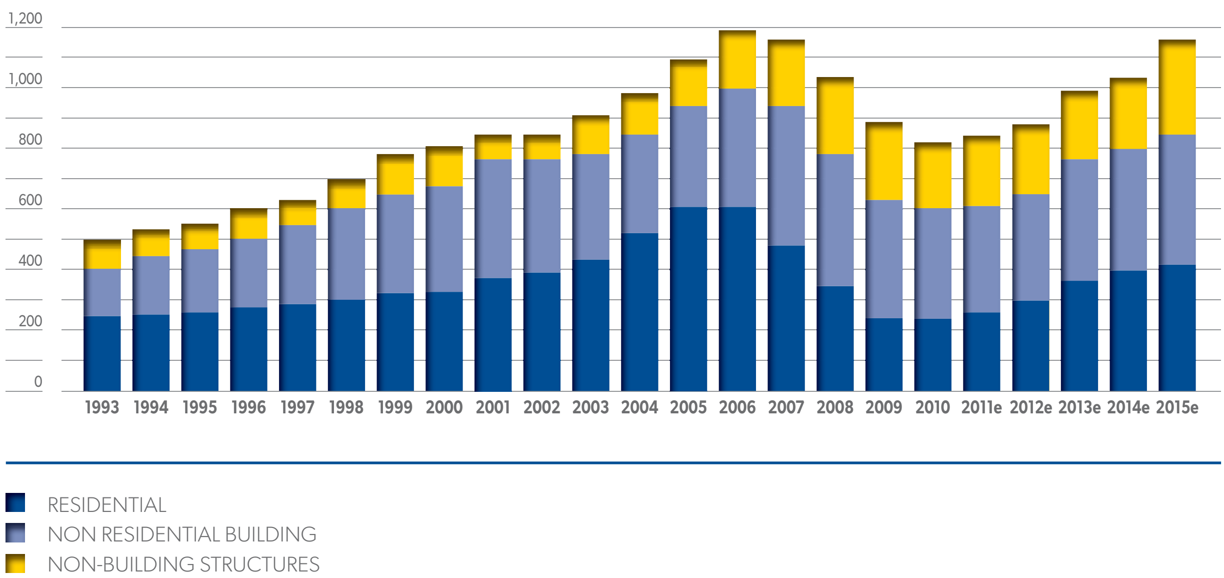
In spite of this, various associations indicate that this provision is insufficient to maintain the current installations and cover the needs of the population. According to the National Infrastructure Financing Commission, maintenance investments of 172,000 million US dollars per year would be needed over the next 20 years (compared to the current 75,000 million US dollars). If expansion and improvement works are also taken into account, this figure increases to 214,000 million US dollars per year. The same occurs with infrastructures for water management, in which 36,400 million US dollars are invested annually, when the estimated needs are 91,000 million US dollars per year.

[10] December 2012 data, McGraw-Hill Construction.

[11] "The Engineering and Construction sector in the USA and Florida", Economic and Commercial Office of the Spanish Embassy in Chicago, November 2012.

UNITED STATES CONSTRUCTION SECTOR (1993-2015)

THOUSAND MILLION US DOLLARS



Source: FMI Management Consulting Inc, Construction Overview 2012.

THE ACS GROUP DEVELOPS CIVIL WORKS INFRASTRUCTURES IN THE UNITED STATES THROUGH DRAGADOS USA, SCHIAVONE, PULICE, PICONE, FLATIRON AND E.E. CRUZ

This need for investments while faced with the efforts to reduce public deficit means that the United States is increasing the use of new forms of financing, such as public-private partnership projects. This formula is not as widely used as in other countries and only 35 states have legislation permitting the financing of these types of projects. The attempt is being made to drive this through the TIFIA (Transportation Infrastructure Finance and Innovation Act), with which the Federal Government provides credits with better financing conditions for public-private partnership projects.

As regards the residential building sector, its growth prospects are better than those for civil works, while non-residential building will decrease due to falls in both consumption and public expenditure. Outstanding within this segment is growth in "green" building. According to data from McGraw-Hill (Construction's 2013 Dodge Construction Green Outlook Report), the sector currently represents around 85,000 million US dollars and expectations for growth in the sector in 2013 are around 15%-25%. The same report expects the total figure to double to 204,000 - 248,000 million US dollars in 2016.

PUBLIC-PRIVATE PARTNERSHIP PROJECTS IN UNITED STATES

INVESTMENT (MILLION US DOLLARS)	Roads		Railway		Water		Building		**Total**	
	Projects	Investment	Projects	Investment	Projects	Investment	Projects	Investment	**Projects**	**Investment**
Announced projects since 1985 to October 2012	110	108,133	38	39,449	221	18,513	170	13,846	**539**	**179,941**
Funded projects up to October 2012	52	28,190	24	16.439	160	13,890	163	9,260	**399**	**67,779**

Source: Public Works Financing, October 2012.

TURNER IS THE NUMBER ONE GENERAL BUILDER IN UNITED STATES AND A REFERENCE IN THE GREEN BUILDING SEGMENT IN THIS MARKET. IT HAS 567 PROJECTS WHICH HAVE RECEIVED OR ARE REGISTERED FOR RECEIPT OF LEED[12] CERTIFICATION FROM THE GREEN BUILDING COUNCIL

[12] LEED (Leadership in Energy and Environmental Design) corresponds to the U.S. Building Council's rating system and defines specific standards which must be met by "green" building constructions.

THE INFRASTRUCTURES SECTOR: CHALLENGES AND OPPORTUNITIES

In **Canada**, according to experts at BMI[13], growth estimated for the construction sector in 2013 is 3.8%, in real terms, thanks to new infrastructures, especially railways, with a portfolio of 36,000 million Canadian dollars.

IN 2012, HOCHTIEF CONSOLIDATED ITS POSITION IN CANADA THROUGH THE PURCHASE OF A MAJORITY SHARE IN CLARK BUILDERS, WHICH ADDS TO THE REST OF THE ACS GROUP COMPANIES –DRAGADOS CANADA, FLATIRON AND IRIDIUM– CARRYING OUT THEIR BUSINESS IN THIS MARKET

Furthermore, the government has been investing heavily over the last 10 years to adapt its infrastructure system by driving investment, especially in transport, through various plans such as "Building Canada" (33,000 million Canadian dollars between 2007 and 2014); the "Economic Action Plan" (15,000 million Canadian dollars in financing) and the "Gas Tax Fund" (13,000 million Canadian dollars between 2005 and 2014 and 2,000 million Canadian dollars annually thereafter).

On the other hand, Canada has become one of the leading players in the public-private partnership project market thanks to government support, infrastructure fund investments, the stability of Canada's financial market and the country's needs for investment.

[13] "Canada Infrastructure Report Q1 2013", Business Monitor International.

PUBLIC-PRIVATE PARTNERSHIP PROJECTS IN CANADA

INVESTMENT (MILLION US DOLLARS)	Roads		Railway		Water		Building		**Total**	
	Projects	Investment	Projects	Investment	Projects	Investment	Projects	Investment	**Projects**	**Investment**
Announced projects since 1985 to October 2012	35	27,008	14	11,915	29	2,083	113	30,730	**191**	**71,736**
Funded projects up to October 2012	28	19,174	3	2,325	22	1,452	84	27,867	**137**	**51,358**

Source: Public Works Financing, October 2012.

IN 2012, THE ACS GROUP MANAGED FOUR HIGHWAY CONTRACTS AND ONE RAILWAY CONTRACT UNDER PUBLIC-PRIVATE PARTNERSHIPS IN CANADA

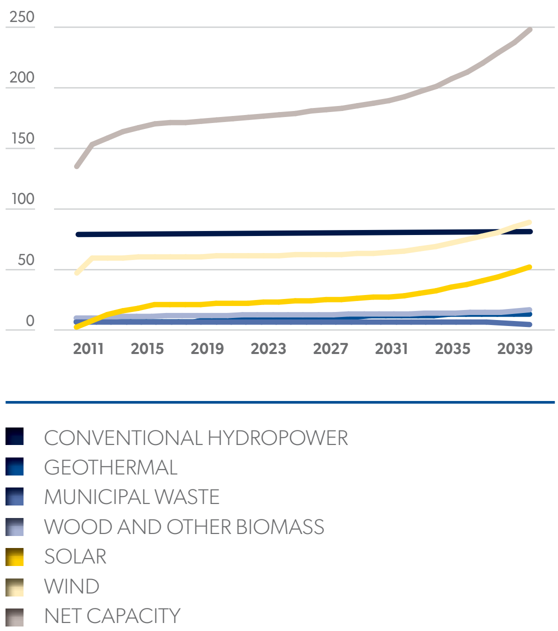
Infrastructures for Energy and Related to Natural Resources

According to World Energy Outlook data, oil and gas production in the **United States and Canada** will increase greatly thanks to unconventional sources, basically tight oil in the United States and tar sands in Canada. The investment needed for this increase in production will reach 4,500,000 million US dollars between 2010 and 2035.

Another of the highest growth sectors in the United States is the renewable energy sector, supported by fiscal incentives, active policies from various states and environmental requirements, which attempt to promote the use of this type of energy. According to the latest data from the U.S. Energy Information Administration[14], 16% of electricity generation is expected to use renewables by 2040, compared to 11% in 2011. Net installed capacity is set to grow 71% between 2011 and 2040, reaching 245.2 gigawatts, implying an annual rate of growth over the period of 1.9%. The renewable electricity generation will continue to be supplied mainly by the wind power sector, with 36% of the net installed capacity in 2040. Solar energy (photovoltaic and solar thermal) will grow at an average annual rate of 8% over the period and come to represent 21% of renewable capacity installed in 2040.

RENEWABLES NET CAPACITY INSTALLED IN THE UNITED STATES 2011-2040

GIGAWATTS



Source: "Annual Energy Outlook 2013", U.S. Energy Information Administration, December 2012.

[14] "Annual Energy Outlook 2013", U.S. Energy Information Administration, December 2012.

THE INFRASTRUCTURES SECTOR: CHALLENGES AND OPPORTUNITIES

In **Latin America**, there are significant opportunities for investment in the energy infrastructures sector due to the natural energy resources some countries have and their strong demand for energy, as well as the need to solve the deficit in existing infrastructures.

In Mexico, a new Plan is in preparation after the end of the 2007-12 National Infrastructure Plan. According to the Mexican Civil Engineers' Association[15], annual growth of 5.5% in GDP over the period and investments of 415,700 million US dollars between 2013 and 2018 are estimated, compared to 227,000 million US dollars in the 2007-12 plan. These investments would mean an average of 5.7% of GDP, up from 4.8% for 2011.

AT 31 DECEMBER 2012, THE ACS GROUP WAS MANAGING SEVEN TRANSMISSION LINES AT 2,941 KILOMETRES AND ONE ELECTRICITY SUBSTATION, AFTER THE EFFECTIVE SALE DURING THE YEAR OF ANOTHER FIVE TRANSMISSION LINES

Within the plan, infrastructures related to energy would be the most significant, with 63.8% of total plan investment. This would include 43,000 million US dollars for electricity infrastructures and 222,000 million US dollars for the hydrocarbons sector.

Brazil is another of the big markets in Latin America, where investment in energy-related infrastructures has been driven vigorously. Currently, within the second growth acceleration programme (PAC-2) passed by the country's Federal Government, investment in generating assets to the value of 113,700 million Brazilian reais between 2011 and 2014 is consider and an additional 22,900 million reais would be invested after this date to complete the programme's 136,600 million reais budget.

IN 2012, THE ACS GROUP OBTAINED NEW PROJECTS IN THE HYDROCARBONS AREA IN MEXICO FOR A VALUE OF OVER 650 MILLION EUROS, WHILE ONE OF ITS MAIN CLIENTS IN THE ELECTRICITY AREA IS THE COUNTRY'S FEDERAL ELECTRICITY COMMISSION, FOR WHICH IT IS CARRYING OUT NUMEROUS PROJECTS FOR TRANSMISSION AND DISTRIBUTION PROJECTS

In Colombia, within the 2010-14 National Development Plan published by the Government, the energy and mining sector is established as the driver for growth, with support for competitiveness across the rest of the sectors. To achieve the objectives in this plan, the National Planning Department estimates investments of around 96,000 million US dollars between 2011 and 2014, with over 95% of this coming from private investment.

Chile is another country with great needs for investment in energy infrastructures. According to the Chilean National Ministry of Energy, there is currently 16,900 MW of installed capacity in the country and the organisation estimates that 8,000 MW of new generating capacity will be needed to meet demand in 2020. For this reason, the country's National Energy Strategy is oriented towards investment in renewable energies and programmes to improve energy efficiency.

In Peru, the Ministry of Energy and Mines estimates that to ensure supply up to 2016, 4,163 MW of installed capacity will be needed, with an estimated investment of 7,300 million US dollars over the period. Noteworthy within these investments are the 864 million US dollars allocated to the extension of high-voltage transmission lines by 3,175 kilometres.

[15] "Proposed National Infrastructure Plan 2013-18", Mexican Civil Engineers' Association, AC, 2012.

ASIA PACIFIC

In Australia, after the natural disasters which hit the zone in 2011, economic growth rallied in 2012, leading GDP to grow by 3.3% according to IMF and increasing the percentage allocated to investment for recovering areas affected in 2011. In addition, Australia is making great efforts investing in mining to support demand from the area's emerging countries and it is immersed in improving its transport and communications infrastructures. The announcement of more restrictive monetary policies and greater fiscal consolidation, combined with the strengthening of the exchange rate which may affect the competitiveness of its exports, mean that its growth prospects for the next few years have moderated. The emerging economies in the area are returning to the upward growth path, although at lower rates than those seen before the crisis. In these areas, anticipated growth in GDP for 2013-14 is over 5%, with investment ratios in excess of 30%. In China it will even be over 47%.

IN 2012, THE ASIA PACIFIC AREA WAS THE ACS GROUP'S MAIN AREA OF ACTIVITY, WITH AUSTRALIA REPRESENTING 32.5% OF TOTAL SALES AND THE REST OF ASIA 8%, IN ADDITION TO HAVING AN ORDER BOOK OF PROJECTS IN THE AREA FOR APPROXIMATELY 27,000 MILLION EUROS

THE INFRASTRUCTURES SECTOR: CHALLENGES AND OPPORTUNITIES

Civil and Building Infrastructures

In Australia, the gross added value of the infrastructures area, excluding those related to mining, has doubled over the last twenty years, driven by the favourable macroeconomic environment and the need to to solve country´s infrastructure deficit.

According to data from the Department of Infrastructure[16], the main sectors currently represent 10.5% of the country's GDP. The sector with the highest weight is transport and logistics infrastructures, representing 5.4% of total GDP. Also noteworthy for its level of growth is that related to telecommunications, with an annual compound rate of growth of 5.5% over the 1990-2011 period.

According to the Department of Infrastructure and Transport, Canberra, investment in infrastructures will grow by 9.5% in 2013.

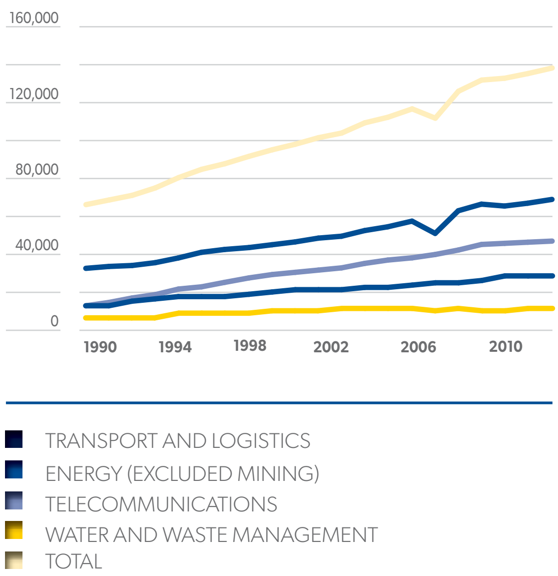
In spite of this significant investment effort, the Australian Government continues to drive measures through the creation of various organisations, such as "Infrastructure Australia", or year to year plans such as the "Australian Government's National Building Plan", with investments in infrastructures of 36,000 million Australian dollars in the 2008-14 period. The most recent action was the creation of the National Infrastructure Construction Schedule (NICS), in May 2012, with 74 projects registered with an economic value of 57,000 million Australian dollars.

As regards residential building, the report from experts at BIS[17] indicates that the deficit in housing, added to low interest rates, is driving demand for residential land in the majority of Australia's areas. The sector is expected to reach its maximum level in 2014/15. These data agree with IHS Global Insight's view, which forecasts growth of 6.2% in the residential sector in Australia in 2013.

LEIGHTON, A COMPANY IN WHICH HOCHTIEF HAS A MAJORITY HOLDING, IS THE LARGEST CONTRACTOR IN THE AUSTRALIAN MARKET AND IS DEVOTED TO MINE OPERATION, BUILDING AND THE CONSTRUCTION AND DEVELOPMENT OF INFRASTRUCTURES, CONCESSIONS AND SERVICES

GROSS ADDED VALUE- AUSTRALIAN INFRASTRUCTURES

MILLION AUSTRALIAN DOLLARS



Source: Australian infrastructure statistics Yearbook 2012, Department of Infrastructure and Transport, Canberra, Australia, 2012.

[16] "Australian infrastructure statistics Yearbook 2012", Department of Infrastructure and Transport, Canberra, Australia, 2012.

[17] "Outlook for Residential Land, 2012 to 2017", BIS Shrapnel, 2012.

In the rest of Asia, the vigorous expansion of the two Asian powers, China and India, combined with the increased development of South-east Asian countries, together with high capital market availability in this area in the sector, is providing a powerful impetus to the development of large infrastructure projects, boosting financing through public-private partnerships. According to experts at IHS Global Insight, Asia Pacific (not including the Middle East) was the area with the highest growth in construction (5.4%) and the forecast rate of growth for 2013-2014 is 7.5%.

The Gulf region also stands out, and more specifically Qatar, which is becoming one of the leading markets in the construction sector due to the increase in works activity associated with the holding of the football World Cup in 2022, for which the Government estimates that investment will reach around 100,000 million dollars in building and infrastructure projects.

PUBLIC-PRIVATE PARTNERSHIP PROJECTS IN ASIA AND AUSTRALIA

INVESTMENT (MILLION US DOLLARS)	Roads		Railway		Water		Building		**Total**	
	Projects	Investment	Projects	Investment	Projects	Investment	Projects	Investment	**Projects**	**Investment**
Announced projects since 1985 to October 2012	333	121,080	94	104,244	188	55,715	48	20,693	**663**	**301,732**
Funded projects up to October 2012	223	74,520	53	70,635	128	41,422	29	12,246	**433**	**198,553**

Source: Public Works Financing, October 2012.

THE INFRASTRUCTURES SECTOR: CHALLENGES AND OPPORTUNITIES

Infrastructures for Energy and Related to Natural Resources

As World Energy Outlook estimates indicate, over 60% of the total growth in demand for energy in the 2010-35 period will come from China, India and the Middle East, involving vast needs for investment to adapt the energy infrastructure system, in addition to investments in areas of prospecting and production. Furthermore, the complete shutdown of Japan's nuclear power stations by 2025 will need to be made up for in part by means of increases in power generation from coal and fossil fuels.

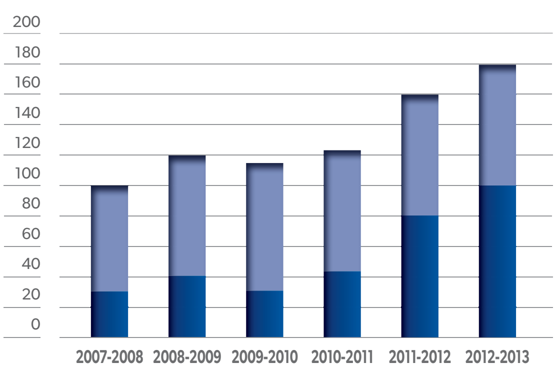
In spite of the fact that coal will lose importance in the energy mix in OECD countries, demand will continue to rise in China and India to represent over 75% of the increase in demand for coal in non-OECD-member countries. In Australia, due to its closeness to these two Asian countries and its natural resources in coal and metals, a very large increase has occurred in the mining sector.

The fall in the price of coal and other mining products in 2012, as well as decreased demand in China, means that prospects are more cautious as regards sector growth. According to data published by BIS Shrapnel[18], mining sector production would grow by 4.4% in 2012 and average annual sector growth forecast until 2016-17 will be 7.6%, with which mining would represent 9.1% of total GDP and would be the country's second biggest industry.

As regards investments in fixed capital, the BIS Shrapnel report estimates that investment in Australia in the 2012-17 period will be maintained at an average level of 71,000 million Australian dollars per year, 66% higher than average investments between 2007 and 2012. These figures agree with the estimate published by the International Monetary Fund[19] which, taking Australian

[18] "Mining in Australia 2012 to 2027", BIS Shrapnel, 2012.
[19] "Australia: IMF Country report", IMF, November 2012.

PRIVATE CAPITAL INVESTMENTS IN AUSTRALIA
THOUSAND MILLIONS OF AUSTRALIAN DOLLARS



MINING INVESTMENT
NON-MINING INVESTMENT

Source: ABS.

DURING 2012, LEIGHTON'S SUBSIDIARIES WHICH PROVIDE MINING SERVICES IN AUSTRALIA –LEIGHTON CONTRACTORS, THIESS AND JOHN HOLLAND– OBTAINED NEW CONTRACTS IN THIS SECTOR FOR OVER 6,000 MILLION EUROS

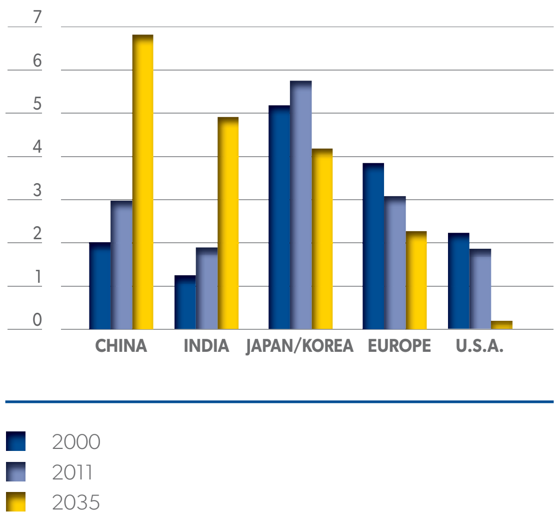
Bureau of Statistics data, shows growth in capital expenditure during recent years and the increasing percentage of total industry this percentage represents.

Another of the sectors which will benefit from increased demand is that of mining operation contracts. According to data from BIS, this market currently represents 7,500 million dollars annually in investment and growth of the market on these figures of over 20% is forecast for the coming years.

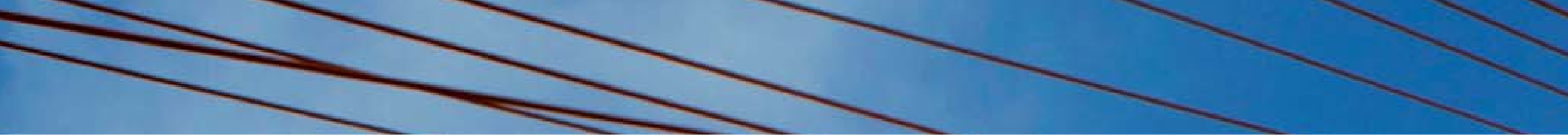
The increase in energy demand in China and India will not only benefit Australia. The IEA also estimates that 90% of oil exports from the Middle East are destined for Asia, which means significant investment opportunities in exploration, production and distribution assets in the originating countries and storage and distribution assets in the destination countries.

OIL EXPORTS FROM THE MIDDLE EAST BY DESTINATION COUNTRY

MB/D

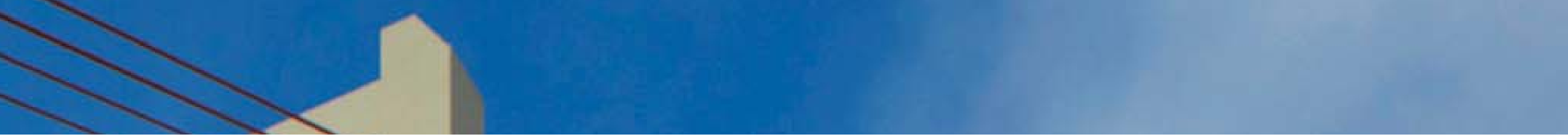


Source: "World Energy Outlook", International Energy Agency, 2012.



CONSTRUCTION

The ACS Group carries out its Construction activity through an extensive group of companies, with Dragados, HOCHTIEF and Iridium being the three lead companies in this area




CONSTRUCTION

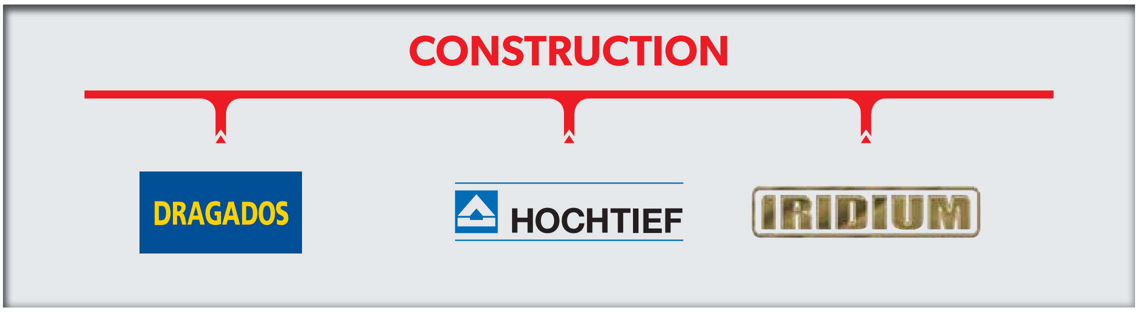
The ACS Group carries out its **Construction activity** through an extensive group of companies, with Dragados, HOCHTIEF and Iridium being the three lead companies in this area.

The ACS Group's Construction activity is aimed at executing all kinds of civil infrastructure and building works and projects related to the mining sector.

These assets are developed by direct construction for clients, both public and private, or under a concession system through various public-private partnership contractual models, covering the whole value chain for the concession business, from project conception through financing, construction and start-up to operation.

During 2012, HOCHTIEF was integrated into the ACS Group, thereby reinforcing the consolidation and expansion of the Construction business internationally, especially in North America and the Asia Pacific region, by taking advantage of the experience and complementary nature of the Group's companies in these areas. The position of leadership in Spain was also maintained through Dragados and Iridium.

By integrating all the Group's companies, the aim is to place special emphasis on maximising operating efficiency by carrying out larger, more technically complex projects which provide the Group with greater profitability, always maintaining strict control and monitoring of the whole operating process to minimise risks.



Main Aggregates for 2012

Revenue for the Construction area in 2012 totalled 29,683 million euros, 49.9% up on the 2011 figure. In comparable terms, considering full consolidation of HOCHTIEF for all of 2011, as in 2012, growth in sales in 2012 would have been 5.3%.

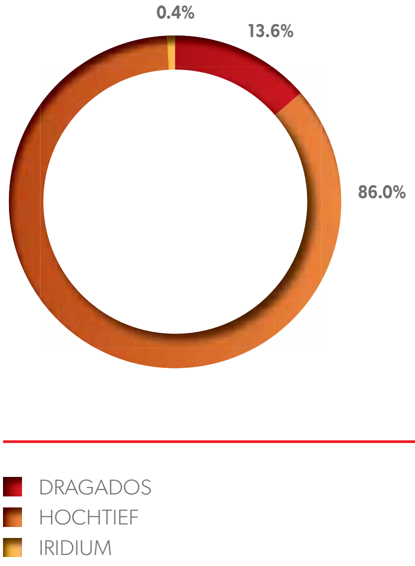
During 2012, Dragados' sales totalled 4,039 million euros, a reduction of 15.9% compared to 2011, resulting from the contraction of public investment in infrastructures and the fall in construction in Spain.

HOCHTIEF's sales in 2012 were 25,528 million euros compared to 14,882 million euros in 2011, included in the accounts for seven months as fully integrated in the ACS Group. In comparable terms, growth in HOCHTIEF's business would have been 9.6%. Iridium's revenue in 2012 was 116 million euros.

Sales in the international area now represent 93.9% of total revenue for 2012, due both to global consolidation of HOCHTIEF during the full 2012 financial year and the growth of 20.7% in Dragados' business abroad.

2012 CONSTRUCTION REVENUE BREAKDOWN BY COMPANY

%



CONSTRUCTION

MILLION EUROS

	2011	**2012**	% Var.
Revenue	**19,802**	**29,683**	**+49.9%**
Domestic Revenue	2,943	1,810	-38.5%
International Revenue	16,858	27,873	+65.3%
EBITDA	**1,210**	**1,995**	**+65.0%**
Margin	6.1%	6.7%	
EBIT	**449**	**685**	**+52.5%**
Margin	2.3%	2.3%	
Ordinary net profit	**277**	**274**	**-1.0%**
Margin	1.4%	0.9%	
Order book	**50,336**	**49,264**	**-2.1%**
Months	22	20	
Domestic Order book	4,311	3,598	-16.5%
International Order book	46,025	45,666	-0.8%
Employees	**90,819**	**94,392**	

CONSTRUCTION

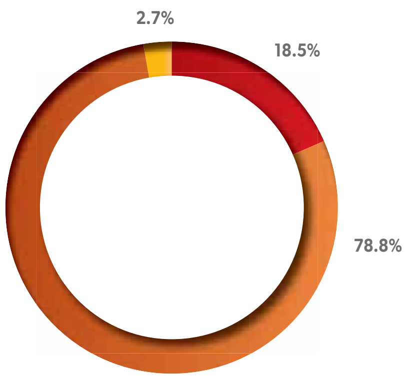
In 2012, **gross operating profit** was 1,995 million euros, while the margin on sales was 6.7%, representing an increase in operating efficiency of 60 basis points with respect to 2011.

Consolidated **ordinary net profit** in 2012 was 274 million, 1% lower than recorded in 2011.

At 31 December 2012, the Group's **order book** in Construction stood at 49,264 million euros, 2.1% lower than the order book in 2011, impacted by the sale of Thiess Waste Management during 2012. This figure represents 20 months of activity.

2012 CONSTRUCTION EBITDA BREAKDOWN BY COMPANY

%



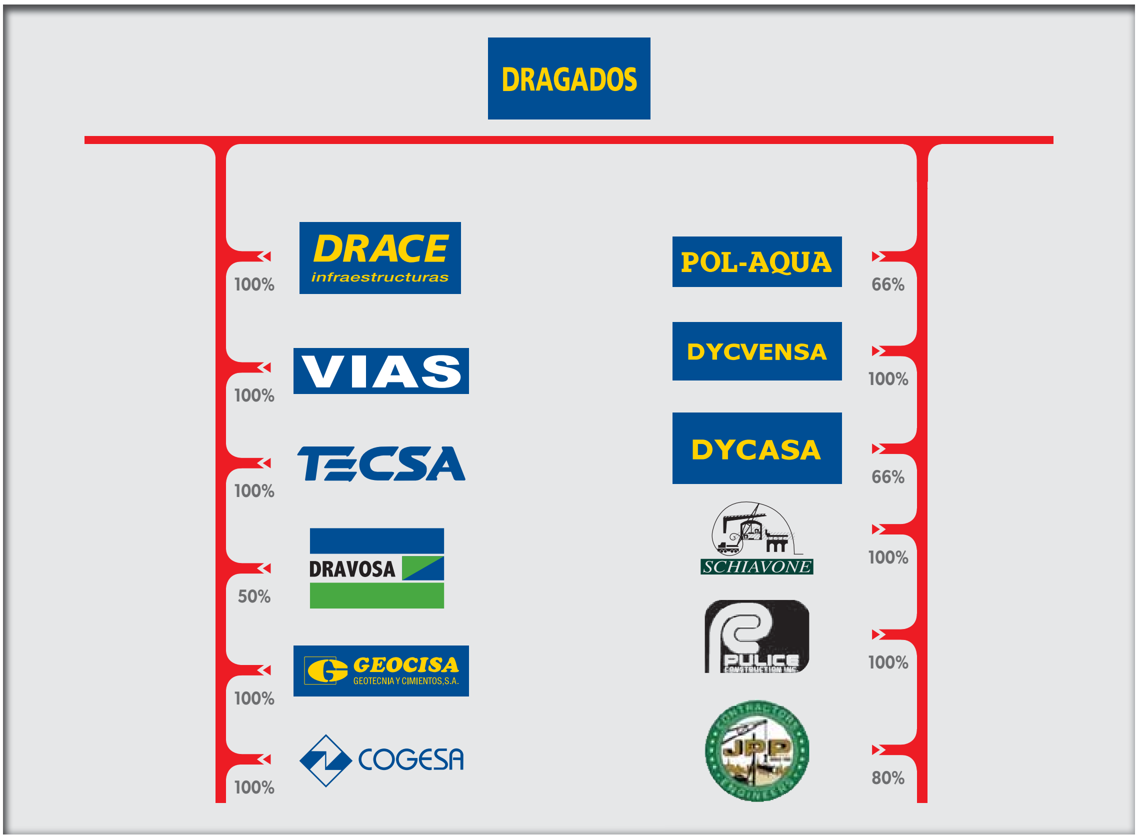
DRAGADOS
HOCHTIEF
IRIDIUM

DESCRIPTION AND MAIN AGGREGATES FOR DRAGADOS

Dragados is the leading company in Spain's Construction sector, as well as carrying out its business in the rest of Europe, mainly in Poland, Portugal, the United Kingdom and Ireland. The activity expansion in the United States and Canada is particularly significant, where it is consolidating its position in the market through its North American subsidiaries (Dragados USA, Schiavone, Pulice and John P. Picone) and by exploiting its synergies with Iridium. Dragados is also present in Latin America, especially in Chile, Argentina and Venezuela, where it has its own subsidiaries (Dycasa and Dycvensa) and extensive experience in project execution.

Dragados' activity is oriented towards developing Civil Works infrastructures, such as highways and railways, maritime, water and airport works, as well as building projects.

DRAGADOS IS THE LEADING COMPANY IN SPAIN'S CONSTRUCTION SECTOR



CONSTRUCTION

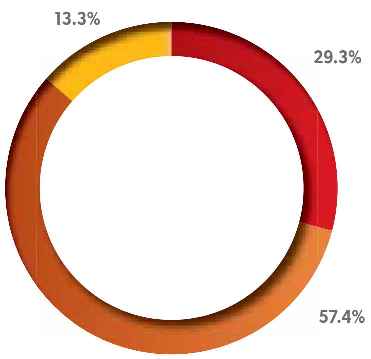
Dragados' **revenue** for 2012 totalled 4,039 million euros, representing a reduction of 15.9% compared to 2011, resulting from the contraction of the construction market in Spain, which was partially offset by its improvement in international markets, which increased by 20.7% and now represents 57.4% of total revenue.

Gross operating profit (EBITDA) totalled 305 million euros with sound margin over sales, thanks to the Group's orientation towards carrying out large projects of high technical complexity which provide greater profitability, as well as strict controls implemented for monitoring project risks and costs.

Dragados' **ordinary net profit** in 2012 was 135 million euros. Its order book totalled 8,432 million euros, representing coverage of 25 months of activity.

DRAGADOS REVENUE BREAKDOWN BY TYPE OF ACTIVITY

%



- DOMESTIC CIVIL WORKS
- INTERNATIONAL CIVIL WORKS
- BUILDING

DRAGADOS

MILLION EUROS

	2011	**2012**	% Var.
Revenue	**4,800**	**4,039**	**-15.9%**
Domestic Revenue	2,880	1,721	-40.3%
International Revenue	1,920	2,318	+20.7%
EBITDA	**375**	**305**	**-18.5%**
Margin	7.8%	7.6%	
EBIT	**298**	**258**	**-13.5%**
Margin	6.2%	6.4%	
Ordinary net profit	**180**	**135**	**-25.2%**
Margin	3.8%	3.3%	
Order book	**9,850**	**8,432**	**-14.4%**
Months	25	25	
Domestic Order book	4,311	3,598	-16.5%
International Order book	5,539	4,835	-12.7%
Employees	**14,989**	**13,474**	

DESCRIPTION AND MAIN AGGREGATES FOR HOCHTIEF

HOCHTIEF is one of the world's leading construction groups, with 140 years' experience in the sector and a consolidated presence in the Asia Pacific, Middle East, United States and Canadian markets, as well as in Central Europe.

According to the magazine ENR, HOCHTIEF is the seventh largest company in the world in the sector and the largest as regards its level of globalisation, with 90% of its sales from outside its own market ,Germany ,where it is also a benchmark in the sector.

HOCHTIEF's business focuses on development, construction and operation of complex infrastructure projects, many of which are carried out under a concession system, in the transport, energy and mining spheres. The company also carries out residential building, social facilities and urban installations projects.

HOCHTIEF's strategic focus is based on its orientation towards the infrastructure sector by means of unique solutions, optimisation of the financial structure, continual improvement of risk management and an excellent team; objectives which are in line with the ACS Group's strategy.

During 2012, HOCHTIEF's **revenue** was 25,528 million euros, 9.6% up on 2011, with growth in sales in the Americas division of 19.4% and 11.4% in Asia Pacific, while turnover in Europe was 14.6% down on that recorded in 2011. Its order book stood at 40,832 million euros, 0.9% higher than in 2011, affected by the sale of Thiess Waste Management during 2012.

Gross operating profit (EBITDA) also grew by 9.2% to 1,303 million euros. Finally, net profit in 2012 returned to the growth path, with a profit of 158 million euros recorded after losses of 160 million euros in the previous year, which was affected by isolated losses on two projects in Australia (Victoria Desalination Plant and Airport Link) and in its United Arab Emirates subsidiary (Habtoor Leighton Group), which ended during this year.

HOCHTIEF was fully consolidated for the whole financial year in 2012, while it was consolidated by the equity method up to 1 June 2011 in the 2011 financial year. HOCHTIEF's contribution to the ACS Group was affected in both financial years due to the revaluation of HOCHTIEF's assets and liabilities, the resulting apportioning of goodwill and other consolidation adjustments.

HOCHTIEF

MILLION EUROS	HOCHTIEF*			HOCHTIEF contribution to ACS**	
	2011	**2012**	% Var.	2011	**2012**
Revenue	**23,282**	**25,528**	**+9.6%**	**14,882**	**25,528**
EBITDA	**1,194**	**1,303**	**+9.2%**	**789**	**1,645**
Margin	5.1%	5.1%		5.3%	6.4%
EBIT	**414**	**349**	**-15.7%**	**119**	**408**
Margin	1.8%	1.4%		0.8%	1.6%
Ordinary net profit	**(160)**	**158**	**n.a.**	**127**	**160**
Margin	-0.7%	0.6%		0.9%	0.6%
Order book	**40,486**	**40,832**	**+0.9%**	**40,486**	**40,832**
Months	21	19		21	19
Employees	**75,449**	**80,593**		**75,449**	**80,593**

* Full year 2011 and 2012. Data presented according ACS Group management criteria.

** HOCHTIEF contribution to ACS in 2011 (five months consolidated by equity method and seven months fully consolidated) and in 2012 (fully consolidated the during the whole year), including consolidation adjustments. Neither in 2011 nor in 2012 financial expenses derived from HOCHTIEF´s stake acquisition have been included.

CONSTRUCTION

HOCHTIEF's businesses, after the reorganisation of the divisional structure carried out in the first quarter of 2012, are divided into the three large geographical areas in which the company operates: HOCHTIEF Americas, HOCHTIEF Asia Pacific and HOCHTIEF Europe.

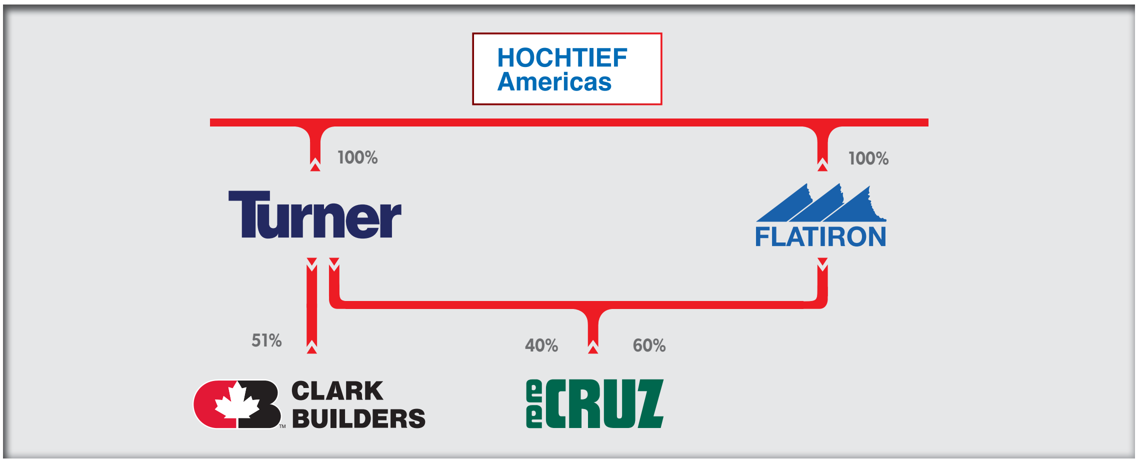
HOCHTIEF. EARNINGS BY BUSINESS AREA IN 2012*

MILLION EUROS	HOCHTIEF AMERICAS	HOCHTIEF ASIA PACIFIC	HOCHTIEF EUROPE	HOCHTIEF AIRPORTS	HEADQUARTER/ ADJUSTMENTS	TOTAL
Revenue	7,375	15,180	2,856	11	106	25,528
EBITDA	67	1,376	(59)	(3)	(78)	1,303
Margin	0.9%	9.1%	-2.1%	n.s.		5.1%
EBIT	38	528	(117)	(3)	(96)	349
Margin	0.5%	3.5%	-4.1%	n.s.		1.4%
Ordinary net profit	46	153	(54)	47	(34)	158
Margin	0.6%	1%	-1.9%	n.s.		0.6%
Order book	9,760	26,325	4,775	-	(28)	40,832
Months	16	21	20	n.s.		19

*Full year 2011 and 2012. Data presented according ACS Group management criteria.

HOCHTIEF Americas

The HOCHTIEF Americas division coordinates HOCHTIEF's activity in the United States and Canada. With the companies Turner, Flatiron, E.E. Cruz and Clark Builders (since 1 January 2012), the company operates in the building, civil works and infrastructure sectors in one of the biggest market in the world in the construction area.



In the annual "Top 400 Contractors" ranking, published by the magazine *Engineering News Record*, Turner was again named as the leading constructor in the United States, while Flatiron also appears among the most significant companies in this ranking.

Similarly, independent experts for the magazine *Alberta Venture* named Flatiron "Heavy Civil Contractor of the Year in Alberta".

During this year, the group has continued to strengthen cooperation and exploitation of know-how between each of its companies in the North American market. In the public-private partnership project segment, HOCHTIEF Americas has been awarded three new projects; two road projects in Canada and California and a project for a school complex in Canada, where the construction works have been carried out by the group subsidiaries Flatiron, Clark Builders or Turner. The collaboration between Group subsidiaries enables the Group to offer the majority of the services for a project with these characteristics.

HOCHTIEF AMERICAS*

MILLION EUROS

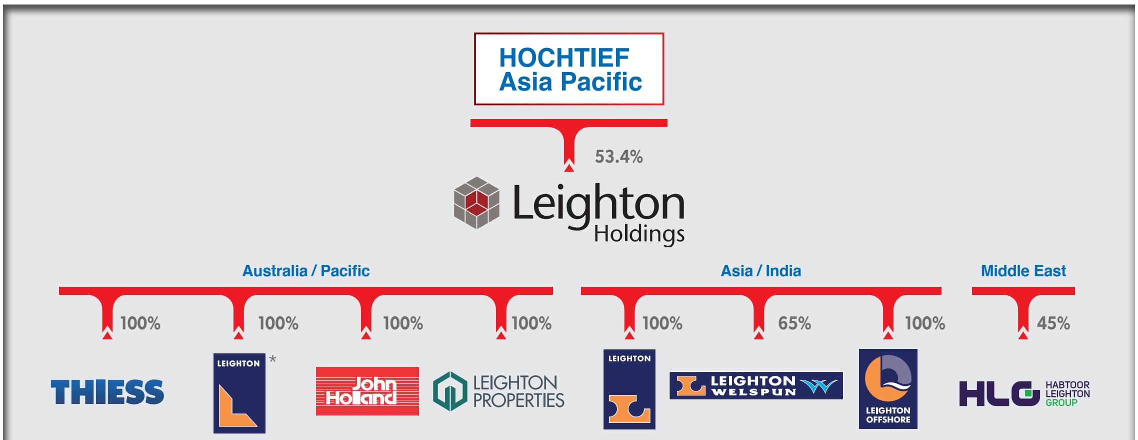
	2011	**2012**	% var.
Revenue	**6,179**	**7,375**	**+19.4%**
EBITDA	**104**	**67**	**-35.4%**
Margin	1.7%	0.9%	
EBIT	**83**	**38**	**-54.0%**
Margin	1.3%	0.5%	
Ordinary net profit	**88**	**46**	**-47.3%**
Margin	1.4%	0.6%	
Order book	**8,924**	**9,760**	**+9.4%**
Months	16	16	

*Full year 2011 and 2012. Data presented according ACS Group management criteria.

CONSTRUCTION

HOCHTIEF Asia Pacific

Leighton Holdings holds a position of leadership in construction in Australia, Asia and the Middle East. HOCHTIEF has a majority holding in the Australian group, which has operating units in Leighton Contractors, Thiess, John Holland and Leighton Properties in Australia; Leighton Asia, India and Offshore Group in Asian markets and the offshore projects market worldwide; and the Habtoor Leighton Group in the Middle East and North Africa.



*As 1 July 2012 responsibility for Leighton Africa has been transferred to Leighton Contractors.

Through these companies, the Leighton Group offers a broad portfolio of services aimed at the infrastructure, natural resources and property market sectors. Furthermore, Leighton is the world's biggest mining services contractor.

Leighton has embarked on a strategic reorientation process, involving a process of transformation in three phases: stabilisation, redefinition of objectives and, finally, growth. The objective of this process is to seek to orient the business more towards achieving better operating margins and improving return on capital than towards seeking sales growth.

After the year 2011 with unsatisfactory results, the Leighton Group improved its performance substantially during 2012. Leighton is well positioned and has a significant project order book and presence in markets with growth prospects.

The two projects which generated losses during the year, the Brisbane Airport Link and the Victoria desalination plant in Melbourne, are now complete and have been delivered to the clients.

HOCHTIEF ASIA PACIFIC*

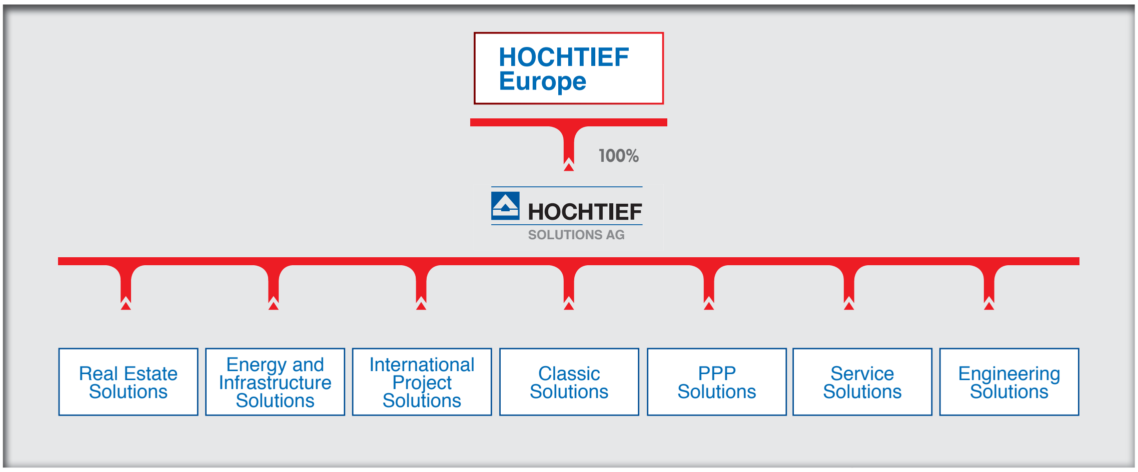
MILLION EUROS

	2011	2012	% var.
Revenue	**13,631**	**15,180**	**+11.4%**
EBITDA	**1,215**	**1,376**	**+13.3%**
Margin	8.9%	9.1%	
EBIT	**499**	**528**	**+5.8%**
Margin	3.7%	3.5%	
Ordinary net profit	**(155)**	**153**	**n.a.**
Margin	-1.1%	1.0%	
Order book	**33,426**	**26,325**	**-21.2%**
Months	26	21	

*Full year 2011 and 2012. Data presented according ACS Group management criteria.

HOCHTIEF Europe

The HOCHTIEF Europe division is where the HOCHTIEF Group's main activities in Europe and selected areas of the world with high growth prospects are covered. The lead company in this division is HOCHTIEF Solutions AG, which offers its clients a wide range of construction services and services related to this segment for the infrastructure projects, property market and installations areas.



During 2012, problems associated with the Elbe Philharmonic Hall building project in Hamburg and the provisions deteriorated the division's results. HOCHTIEF and the city of Hamburg found a solution to continue with the project which involved some financial concessions by HOCHTIEF which were taken into account in the 2012 figures.

In early 2011, the activities of the formerly separate Construction, Real Estate, and Services divisions were consolidated in HOCHTIEF AG and the public-private partnership (PPP) activities were integrated into this area in the first quarter of 2012.

This increased the number of projects in which HOCHTIEF offers development, construction and operating services among its different divisions. In the future, HOCHTIEF Solutions will also offer its experience in the execution of PPP projects in Poland and Holland.

HOCHTIEF EUROPE*

MILLION EUROS

	2011	**2012****	% var.
Revenue	**3,346**	**2,856**	**-14.6%**
EBITDA	**54**	**(59)**	**n.a.**
Margin	1.6%	-2.1%	
EBIT	**21**	**(117)**	**n.a.**
Margin	0.6%	-4.1%	
Ordinary net profit	**19**	**(54)**	**n.a.**
Margin	0.6%	-1.9%	
Order book	**5,885**	**4,775**	**-18.9%**
Months	21	20	

*Full year 2011 and 2012. Data presented according ACS Group management criteria.
**In 2012 Hochtief PPP Solutions is integrated into Hochtief Solutions.

CONSTRUCTION

DESCRIPTION AND MAIN AGGREGATES FOR IRIDIUM

Iridium Concesiones de Infraestructuras is the ACS Group company which specialises in executing public-private partnership projects for transport infrastructures and public facilities.

Iridium, together with the rest of the ACS Group, is a worldwide reference in infrastructure development, as shown by its current portfolio of over 90 managed companies, as well as its heading the ranking, for another year in 2012, of the world's main concession groups, according to the report published by the specialist journal *Public Works Financing*.

Iridium's global strategy is based on three basic pillars:

- Growth in existing markets, focusing its efforts on countries where it can capitalise on and consolidate its leadership position.
- Entry into attractive markets with long-term stability, exploiting the ACS Group's extensive international presence.
- Optimisation of the current portfolio of concessions, focusing on optimising value and mitigating risks.

Iridium's position as a worldwide reference, together with its successful track record and the experience accumulated over 45 years, enable it to successfully capitalise on the opportunities its target markets offer, in which public-private partnerships continue to be an excellent tool for developing new infrastructures, particularly in the current situation of fiscal and financial prudence.

Based on its experience and knowledge, Iridium lays special emphasis on identifying and mitigating risks, so achieving optimal and manageable structures for them, permitting the viability and success of its projects.

As results of Iridium's efforts in 2012, the success achieved in key markets such as Canada and the United States and the recovery of other existing markets in both Europe and Latin America are noteworthy. In addition to its priority markets of the United States and Canada, Iridium has tracked the markets in the United Kingdom, Poland, Australia and Chile with special interest. Additionally, the ambitious programme of concessions in Colombia, together with the opportunities offered in Peru and Uruguay, mean that Iridium is monitoring the Latin American region very closely. Growth expectations make this a region to be taken into account now and in the future.

Entry into new markets continues, subject to prudent selection of those countries with attractive infrastructure programmes with great potential, but which at the same time have the necessary stability and legal security, as well as a well-developed financial system. As a result of this international effort, Iridium was participating at the end of 2012 in various pre-selected or short-listed consortia in the United Kingdom, among others for the Mersey Gateway Bridge, the M8 highway from Baillieston to Newhouse and the North Tees Hospital.

IRIDIUM

MILLION EUROS

	2011	2012	% var.
Revenue	119	116	-2.7%
EBITDA	46	45	-3.0%
EBIT	32	19	-42.1%
Ordinary net profit	(30)	(21)	n.a.
Employees	381	325	

Shown below is a detail of the projects making up the Group's portfolio current at 31 December 2012:

Concession - Description	ACS Group stake	Country	Activity	Phase	Units	Expiry date	Total Investment (million euros)	ACS Group investment (million euros)
A8/AP1 - Bidelan	50.0%	Spain	Highways	Operation	124	2018	57	3
Autovía de La Mancha	75.0%	Spain	Highways	Operation	52	2033	128	21
Circunvalación de Alicante	50.0%	Spain	Highways	Operation	148	2040 (1)	464	78
Autopista del Henares (R2 y M50)	35.0%	Spain	Highways	Operation	87	2024	898	81
Accesos Madrid (R3/R5 y M50)	19.7%	Spain	Highways	Operation	90	2049	1,665	54
Reus-Alcover	100.0%	Spain	Highways	Operation	10	2038	72	15
Santiago Brión	70.0%	Spain	Highways	Operation	16	2035	118	15
Autovía de los Pinares	53.3%	Spain	Highways	Operation	44	2041	96	14
Autovía Medinaceli-Calatayud	95.0%	Spain	Highways	Constr./Operation	93	2026	183	23
Autovía del Camp del Turia (CV 50)	65.0%	Spain	Highways	Construction	20	2042	110	10
Autovía del Pirineo (AP21)	72.0%	Spain	Highways	Operation	46	2039	226	58
Autovía de la Sierra de Arana	40.0%	Spain	Highways	Construction	39	2040	200	8
EMESA (Madrid Calle 30)	50.0%	Spain	Highways	Operation	33	2040	221	48
Eje Diagonal	100.0%	Spain	Highways	Operation	67	2041	403	155
A-30 Nouvelle Autoroute 30	50.0%	Canada	Highways	Construction	74	2042	1,455	86
Capital City Link (NEAH)	25.0%	Canada	Highways	Construction	27	2042	1,175	14
FTG Transportation Group	50.0%	Canada	Highways	Construction	45	2034	546	14
Windsor Essex	33.3%	Canada	Highways	Construction	11	2044	1,019	8
Ruta del Canal	51.0%	Chile	Highways	Construction	55	2050	162	20
Autopista Jónica (NEA ODOS)	33.3%	Greece	Highways	Constr./Operation	380	2037	1,384	63
Central Greece	33.3%	Greece	Highways	Construction	231	2038	1,692	52
CRG Waterford - Southlink	33.3%	Ireland	Highways	Operation	23	2036	321	22
CRG Portlaoise - Midlink	33.3%	Ireland	Highways	Operation	41	2037	328	23
Sper - Planestrada (Baixo Alentejo)	49.5%	Portugal	Highways	Construction	347	2038	539	79
Rotas do Algarve - Marestrada	45.0%	Portugal	Highways	Construction	260	2039	271	50
A-13, Puerta del Támesis	25.0%	United Kingdom	Highways	Operation	22	2030	295	7
I595 Express	50.0%	USA	Highways	Construction	17	2044	1,240	79
Total Highways (km)					**2,402**		**15,269**	**1,100**
Figueras Perpignan - TP Ferro	50.0%	Spain - France	Railways	Operation (2)	45	2057	1,185	51
Línea 9 Tramo II	50.0%	Spain	Railways	Construction	n.a.	2042	711	41
Línea 9 Tramo IV	50.0%	Spain	Railways	Constr./Operation	n.a.	2040	624	30
Metro de Sevilla	34.0%	Spain	Railways	Operation	18	2038	683	45
Metro de Arganda	8.1%	Spain	Railways	Operation	18	2029	149	3
ELOS - Ligações de Alta Velocidade	15.2%	Portugal	Railways	Construction	167	2050	1,649	19
Light Rail Train Ottawa	40.0%	Canada	Railways	Construction	13	2048	1,552	23
Total Railways (km)					**260**		**6,553**	**212**
Cárcel de Brians	100.0%	Spain	Jail	Operation	95,182	2034	106	14
Comisaría Central (Ribera norte)	100.0%	Spain	Police Station	Operation	60,330	2024	70	12
Comisaría del Vallés (Terrasa)	100.0%	Spain	Police Station	Operation	8,937	2031	17	3
Comisaría del Vallés (Barberá)	100.0%	Spain	Police Station	Operation	9,269	2031	16	4
Green Canal Golf	100.0%	Spain	Sport premises	Operation	60,000	2013	1	2
Public facilities (m^2)					**233,718**		**210**	**35**
Hospital Majadahonda	55.0%	Spain	Hospitals	Operation	749	2035	257	19
Hospital Son Dureta	49.5%	Spain	Hospitals	Operation	987	2038	306	17
Hospital de Can Misses (Ibiza)	40.0%	Spain	Hospitals	Construction	297	2042	130	12
Centros de Salud de Mallorca	49.5%	Spain	Health Centre	Operation	n.a.	2021	19	3
Public facilities (number of beds)					**2,033**		**711**	**51**
Intercambiador Plaza de Castilla	22.2%	Spain	Transfer stations	Operation	59,650	2041	169	15
Intercambiador Príncipe Pío	42.0%	Spain	Transfer stations	Operation	28,300	2040	67	6
Intercambiador Avda América	60.0%	Spain	Transfer stations	Operation	41,000	2026	76	30
Total Transfer Stations (m^2)					**128,950**		**313**	**51**
Iridium Aparcamientos	100.0%	Spain	Parkings	Constr./Operation (3)	19,690	2058	58	58
Serrano Park	50.0%	Spain	Parkings	Operation	3,157	2048	130	20
Total Parkings (number of places)					**22,847**		**188**	**78**
TOTAL CONCESSIONS							**23,244**	**1,527**

The investment paid already by ACS up to December 2012 accounted for € 1,143 mn, While € 384 mn where pending.
(1) Extendable by 2044.
(2) Construction completed in 2011. Partial explotaition began in December, 2010.
(3) Cover main contracts managed by Iridium Aparcamientos.

CONSTRUCTION

The ACS Group's Construction Activity in 2012*

REVENUE

SPAIN	2011	2,943
	2012	1,810
REST OF EUROPE	2011	2,456
	2012	3,370
AMERICA	2011	5,345
	2012	9,416
ASIA PACIFIC	2011	9,056
	2012	15,355

MILLION EUROS

ORDER BOOK

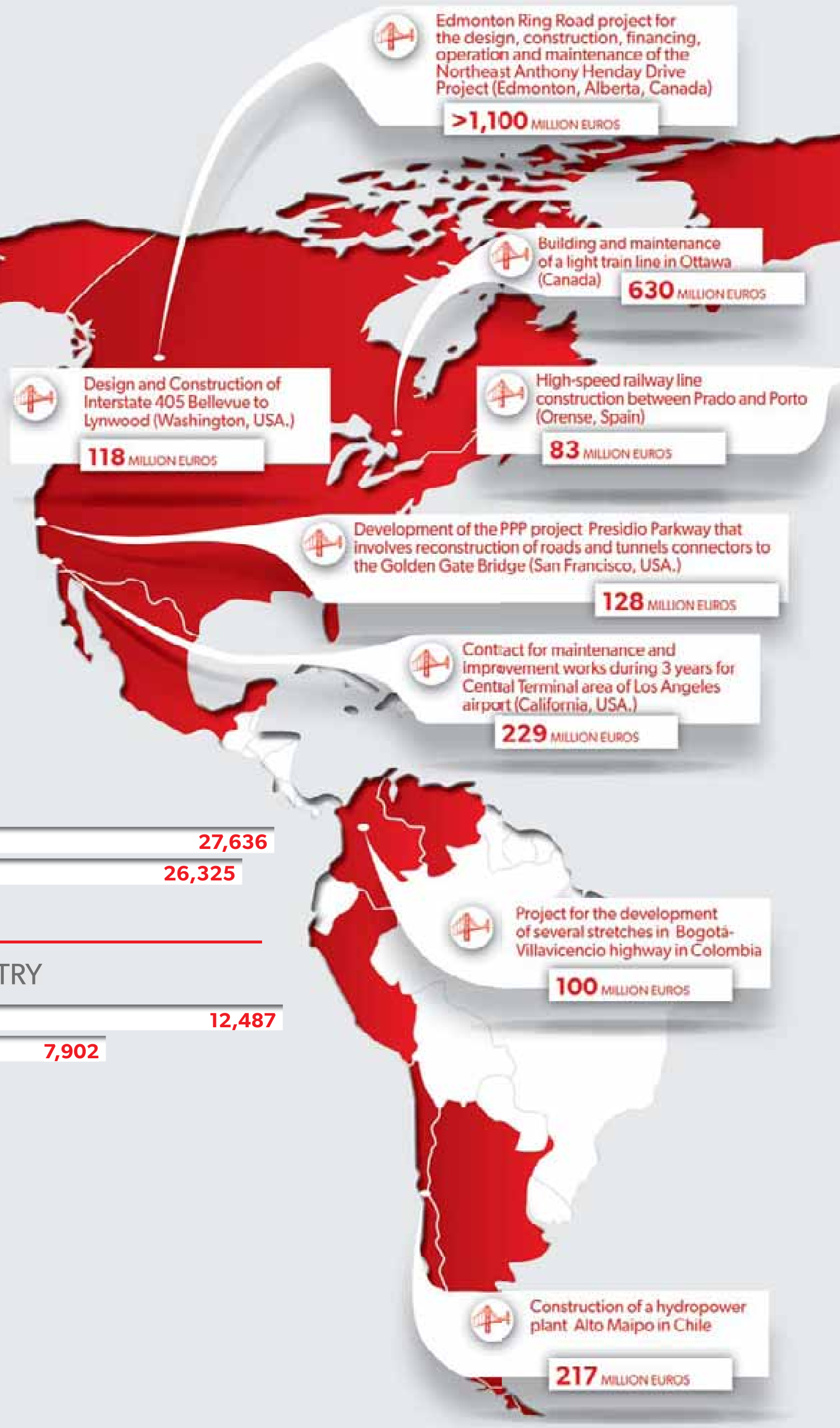
SPAIN	2011	4,311
	2012	3,598
REST OF EUROPE	2011	7,204
	2012	6,866
AMERICA	2011	11,185
	2012	12,475
ASIA PACIFIC	2011	27,636
	2012	26,325

MILLION EUROS

2012 REVENUE BREAKDOWN BY COUNTRY

AUSTRALIA	12,487
UNITED STATES	7,902
GERMANY	1,857
SPAIN	1,810
INDONESIA	1,016
CANADA	936
UNITED ARAB EMIRATES	923
POLAND	721
CHINA	509
UNITED KINGDOM	321
CZECH REPUBLIC	158
QATAR	144
MONGOLIA	135
INDIA	119
ARGENTINA	115
OTHERS	531

MILLION EUROS



* Countries where the Construction Area reported ongoing projects or new awarded projects.


Crossrail


Construction of several tunnel (highway and railway), Norway
84 MILLION EUROS
Construction of strecht 5 of S8 highway between (Poland)
330 MILLION EUROS
Upgrade works for the E-20 railway line between Lukow-Siedice (Poland)
126 MILLION EUROS
Construction of a tunnel for a new Stuttgart railway station (Germany)
117 MILLION EUROS
Site preparation works for Wynn Cotai Resort construction in Macau (China)
180 MILLION EUROS
Construction and maintenance works for the high-speed railway line between Olmedo y Pedralba (Valladolid, Spain)
111 MILLION EUROS
Pipeline Replacement Project 3 (PRP3) for India´s Oil & Natural Gas Corporation which covers works at Mumbai High and Heera Oil and Gas fields off India´s west coast
196 MILLION EUROS
Three-year contract for the provision of mining services at Peak Downs Mine in Central Queensland´s Bowen Basin (Australia)
472 MILLION EUROS
Seven year mining contract for a coal mining project (Central Kalimantan, Indonesia)
331 MILLION EUROS
Six-year contract extension for mining operations at Lake Vermont Coal Mine in Queensland (Australia)
1,950 MILLION EUROS
Construction of the marine facilities for the LNG plant in Curtis Island, Australia
335 MILLION EUROS
Extension of contract mining in Prominent Hill Copper & Gold Mine (Western Australia)
820 MILLION EUROS
Contract comprising the passive fibrenetwork construction, field services delivery and network augmentation and restoration to bring high speed, fibre optic broadband to Tasmania (Australia)
233 MILLION EUROS
Construction of the phase of the new children's hospital in Perth, Australia
580 MILLION EUROS
Five-year contract for the whole management of the Solomon Hub iron ore mine, including operating and maintaining the open cut mining fleet, ore handling plants and associated infrastructure (Australia)
1,209 MILLION EUROS
CIVIL WORKS
BUILDING
MINING

CONSTRUCTION

EUROPE

In Europe, the leadership of Dragados and Iridium in Spain and their presence in countries such as the United Kingdom and Ireland have been complemented by HOCHTIEF's powerful presence in Germany, where it is one of the main companies in the sector, and in Central European countries. As such, in 2012, revenue in Europe totalled 5,180 million euros, representing 17.4% of the total for the area.

Revenue in Spain fell to 1,810 million euros, as a consequence of the country's economic situation and the lower levels of public investment, which now represents only 6.1% of total turnover. Dragados maintained its leadership in the sector in Spain and executed significant projects in 2012, among which were:

- Execution of the urban tunnels and the station at Girona, on the high-speed railway line from Barcelona to the French border.

- Execution of the tunnel for the AVE high-speed train between the Emperador Carlos V roundabout to Chamartín station, along the Calle Serrano axis in Madrid.

- On the AP-7 highway, construction of a third and fourth lane for each carriageway between Fornells and Vilademuls in Girona.

- Works for the Ibiza Airport Terminal Building with expansion in three directions and remodelling of the interior.

Furthermore, Iridium manages 14 highways, 5 railway works and 14 public and social facilities in Spain. It is also relevant to emphasise that, during the year, Iridium managed to agree new terms to balance certain concessional assets (remodelling of Ribera Norte, Section II of Barcelona metro Line 9 and the Eje Diagonal) relating to additional investments or changes in the initial subject of the concession.

Activity in the rest of the European countries in which the ACS Group operates increased by 37.2% with respect to 2011. This growth is the result both of the expanding business of Dragados' subsidiaries in Poland (through Pol-Aqua), Portugal and the United Kingdom (where the Group is carrying out significant projects related to transport infrastructures) and the integration of HOCHTIEF into the ACS Group. HOCHTIEF in Europe focuses on executing building projects, property activities and civil works and engineering, including industrial projects, such as the construction of offshore wind farms, in countries such as Germany, Austria, the Czech Republic, the United Kingdom, Poland and Russia. Revenue from Construction in Europe, excluding Spain, totalled 3,370 million euros, representing 11.4% of total sales for 2012.

Noteworthy among the projects being carried out by ACS Group companies in Europe during 2012 in the area of Civil Works and Building are:

- The design and construction of the Central Greece E-65 Highway.

- Construction of twin tunnels 11.9 kilometres long for the London Underground (United Kingdom).

- Project for the construction of the Great Island combined cycle power plant with an installed capacity of 460 MW (Ireland).

- Concession contract for design, construction, financing, operation and maintenance of the Algarve Coast Sub-Concession (Portugal), where 33 kilometres of new roads are to be built and 227 kilometres of the existing network to be improved.

- Works for the Global Tech I offshore wind farm, the first farm of its type built in the German North Sea, made up of 80 turbines and with an installed capacity of 400 MW.

- Works framed within the construction project for the A1 motorway, Pyrzowice-Maciejów-Sośnica stretch, at 20.1 kilometres in length.

- A project for the execution of two stretches of the S-1 Mühlviertler highway in Austria.
- Execution of works for the "Norra Länken" northern ring road in Stockholm (Sweden).
- Building of the Emporio Tower for Union Investment in Hamburg, Germany.
- Construction of the BelVista residential complex in Frankfurt, Germany.
- Design and construction of a new air terminal, aircraft parking platform, cargo building, forecourt and new access road for the Gibraltar Terminal.
- Building and improvement of terminal 1 for Warsaw's Chopin Airport (Poland).

The order book in Europe totals 10,464 million euros, representing 21.2% of the total Construction order book in 2012. Outstanding due to its size is the development of the order book in Poland. This grew by 9.3% last year as a result of the awarding during 2012 of projects for developing transport infrastructures, such as the stretch of the S8 highway between Sieradz Poludnie and Lask, and non-residential building projects. Also, in the United Kingdom, Iridium is involved in several pre-selected or short-listed consortia, among others for the Mersey Gateway Bridge, the M8 highway between Baillieston and Newhouse and the North Tees Hospital projects, offering prospects for future growth in the field.

CONSTRUCTION

Concession contract for construction, conservation, operation and maintenance of the Eje Diagonal

Client
Generalitat de Catalunya.

Type of works
Roads.

Project execution dates
2009-2041.

Value
346 million euros.

Location
Vilanova i la Geltrú - Vilafranca del Penedés - Igualada and Manresa (Barcelona, Spain).

Companies involved in the project
Iridium.

Full project description
The project was awarded on a concessionary basis under a "shadow toll" system. The concession duration is 33 years and includes the project, execution of the works and operation and conservation of the new road. The period planned for execution was 40 months from the signing of the contract.

The Eje Diagonal is one of the most important arterial roads in Catalonia's high capacity road network. It is 67 kilometres long and runs between the towns of Vilanova i la Geltrú - Vilafranca del Penedés - Igualada and Manresa, connecting the main road infrastructures that form Catalonia's backbone, enabling improvement of long distance traffic. Its opening boosts communications within the region and notably improves mobility around the main towns on the route.

The project consists of 13 kilometres of new highway with four carriageways between Vilanova and Vilafranca, 20 kilometres of new two/three lane roads with wide hard shoulders and 34 kilometres of conditioning and "resetting" existing stretches. The route has a total of 17 tunnels at a total length of 6,112 metres, with the Montgrós double tunnel the longest at 1,600 metres. There are 40 structures and viaducts, with the Rajadell viaduct the longest at 740 metres.

It has been designed to the highest safety standards from the point of view of traffic control systems, as well as paying the utmost attention to environmental aspects, using novel techniques for environmental integration with neighbouring works (ecological banks, landscaping to integrate the tunnel openings, ecological ducts for animal crossings, etc.).

The concession contract was signed on 29 April 2009. Closure of the project financing was satisfactorily achieved in April 2010. Work started in January 2010 and was executed in just 23 months, enabling the whole new road artery to be brought into service on 2 December 2011, 7 months earlier than the time planned contractually.

The year 2012 was the first complete financial year of operation of the new artery, confirming all the improvements mentioned above (substantial reductions in time between the regional capitals connected, improved mobility around the towns on the route, increased traffic safety)which, added to the high level of quality of the infrastructure, means that it is highly appreciated by its users.

CONSTRUCTION

Works for the construction of Global Tech I offshore wind farm

Client
Global Tech I.

Type of works
Civil Works.

Project execution dates
2012-2013.

Value
186 million euros.

Location
North Sea (Germany).

Companies involved in the project
HOCHTIEF Solutions.

Full project description
In 2010, HOCHTIEF's subsidiary, HOCHTIEF Solutions, was awarded the project for the installation of the 80 wind turbines which make up the Global Tech I offshore wind farm, with an installed capacity of 400 MW, located in the German part of the North Sea, 115 kilometres from the coast. The works for assembling the turbines started in 2012 and are expected to be complete in mid-2013.

HOCHTIEF's participation in the project consists of drilling the seabed to install the 80 support towers, with an estimated weight of 950 metric tonnes, the base of which will be 40 metres below sea level. Each of these towers will support a wind turbine, each with an installed power of 5 MW and a rotor diameter of 116 metres. Once the project is completed, annual production from the farm will be 1,400 gigawatt hours and it is expected to be capable of supplying over 220,000 households annually and that it will avoid the emission of 452,000 tonnes of CO_2 per year.

It is important to emphasise that this is the first project in which HOCHTIEF has used the "Innovation" jack-up vessel, developed and built by HOCHTIEF with its strategic partner Geosea, which was launched in 2012. The ship is 142 metres in length, has a load capacity of 8,000 tonnes, a 1,500 tonne crane and can operate at depths of over 50 metres, being the most powerful ship in its category.

Furthermore, techniques are being used to minimise noise impact and respect the natural environment, using a vertical drilling system to insert the foundations in the seabed in a less aggressive way.

Cable-stayed bridge over the Firth of Forth

Client
Transport Scotland.

Type of works
Roads.

Project execution dates
2011-2016.

Value
971 million euros.

Location
Edinburgh, Scotland.

Companies involved in the project
HOCHTIEF Solutions, Dragados, American Bridge International, Galliford Try.

Full project description
The project comprises the design and construction of a new cable-stayed bridge over the Firth of Forth, including construction and improvement of adjacent roads and structures.

Construction includes: 3 main towers (approximately 200 metres), 10 piers, 2 main bridge spans (650 metres) and two approach viaducts, 5.4 kilometres of roadway carriages, 5.2 of new roads and 3.9 kilometres of public transport connections.

The cable-stayed bridge is composed of 3 concrete towers of between 200 and 210 metres in height with cross-shaped transverse profiles and access for servicing and maintenance, including lifts. The towers were built using self-climbing formwork. The superstructure is made up of 2 spans each of 650 metres in length at 60 metres above sea level, 2 lanes and double hard shoulder, with a total structure width of 41.6 metres. The central tower is to be supported by means of drilling and rock blasting and built using prefabricated panels on a concrete base, which will be cast dry in concrete below sea level. The other two foundations will be built using steel caissons (28 - 32 metres in diameter and 42 - 32 metres high), with excavation being carried out inside the steel caissons, subsequently waterproofing the caisson seating and, after cleaning the rock footing, underwater concrete will be applied at a depth of -14.2 metres under the water.

The southern approach viaduct is 543 metres long and will be executed with 87 m spans and V-shaped piers joined using steel ties, with cross-shaped profiles constructed using self-climbing formwork.

The northern approach viaduct is 203 metres long and is made up of one 104 metres span and another of 99 metres, V-shaped piers joined using steel ties, with cross-shaped profiles constructed using self-climbing formwork.

CONSTRUCTION

AMERICA

In America, the ACS Group carries out activities of civil engineering, infrastructure development and building in the United States and Canada and also in Argentina, Chile, Peru, Venezuela and other Latin American countries, where the ACS Group has its own subsidiaries, as well as having sound experience in transport infrastructures.

Furthermore, the ACS Group, through Iridium, is progressing in the process of making itself a reference in the public-private partnership market in the United States and Canada, where it has become a leader in the concessions market.

ACS Group company sales in America in 2012 were 9,146 million euros and this is now the Construction area's second largest market, with a weight of 30.8% of total sales.

Revenue in the United States and Canada in 2012 exceeded 8,800 million euros. It is important to emphasise the Group's growing consolidation in the civil works and building market, with a strong leaning towards the "green" segment, thanks to the efforts of all the Group companies operating in this sector: Dragados USA, Pulice, Picone, Flatiron, Turner, E.E. Cruz and Clark Builders.

These companies were carrying out significant projects during 2012, among which the following can be highlighted:

- Construction of the viaduct over the I-287 interstate freeway in Westchester County, United States.
- Works on various stretches of the New York Subway to extend and improve it, such as structures for construction of the East Side Access, the extension of subway line 7 and the assembly of the tunnel boring machine for Second Avenue subway works in Manhattan.
- Installation of all the plumbing, electrical and air conditioning works needed to put ten potable water distribution chambers into service in Manhattan.
- Construction of the Saskatoon ring road in Saskatchewan (Canada).
- Works for the construction of twelve educational centres in Alberta, Canada.
- A project for the extension of Route 101 in California that will bypass Willits in Medocino County. The works comprise more than 9 kilometres of highway, the construction of fifteen bridges and two interchanges.
- Construction of the new USACE FT Irwin Hospital in Los Angeles and renovation of the existing US Corps of Engineers' Mary Walker Clinic (Los Angeles, United States).
- Building of BASF's headquarters building in New Jersey (United States), meeting the criteria for "green" building.
- Construction of a new complex in the INOVA Hospital, Fairfax, Virginia, United States.

In the concessions segment, Iridium is collaborating with public bodies to promote the use of public-private partnership contracts, as well as to develop the necessary legislation to carry out these types of projects in states where they still do not exist. The accumulation of projects reaching successful completion of construction, such as the I-595 Project led by the ACS Group in Florida, favours the gradual consolidation of this market. Canada is a worldwide benchmark in the infrastructure concessions market, where the ACS Group has offices open in Ontario, Quebec, British Columbia, Alberta and New Brunswick.

THE ACS GROUP, THROUGH IRIDIUM, IS PROGRESSING IN THE PROCESS OF MAKING ITSELF A REFERENCE IN THE PUBLIC-PRIVATE PARTNERSHIP MARKET IN THE UNITED STATES AND CANADA, WHERE IT HAS BECOME A LEADER IN THE CONCESSIONS MARKET

It has also consolidated itself in 2012 as a leader in the Canadian concessions market with the completion of construction of the A-30 in Quebec and the awarding and financial closure for two large projects:

- In March 2012, the consortium in which ACS Infrastructure Canada is involved, and in which Dragados and HOCHTIEF also participate in construction works, was awarded the Northeast Edmonton Ring Road project in the Province of Alberta, Canada and the project's financial closure was achieved in May. The project, including design, construction, financing, operation and maintenance of an 8.6 kilometre stretch of motorway, requires an investment of 1,538 million Canadian dollars.
- In December 2012, the City of Ottawa awarded the Ottawa Light Rail project to the consortium in which ACS Infrastructure Canada participates and financial closure took place in February 2013. This project, which includes design, construction, financing and maintenance of the infrastructure for a light rail line of 12.5 kilometres (2.7 kilometres in tunnels) in the centre of Ottawa, requires investment in excess of two thousand million Canadian dollars.

Furthermore, the ACS Group is short-listed for two projects: the design, construction, financing, operation and maintenance of a managed lanes system along 43 kilometres of the I-77 corridor north of Charlotte, with a budget of 500 million US dollars, and the Shepard Maintenance and Storage Facility, a building complex for maintenance and storage of rolling stock for the Toronto Light Rail system, with a budget of 300 million.

In addition to these concession projects in the portfolio, ACS Group companies in the United States and Canada were awarded large projects during 2012, such as the Presidio Parkway project, consisting of the reconstruction and improvement of the roads and tunnels connecting to San Francisco's Golden Gate Bridge, new works to expand the Second Avenue New York Subway line and maintenance and improvement works in the area of Los Angeles' central airport terminal, among others. As such, contracting in these two countries exceeded 9,500 million euros during 2012 and its current order book level is over 12,000 million euros and represents 24.4% of the Construction total.

CONSTRUCTION

The ACS Group is also present in the construction sector in Latin America, where it has its own subsidiaries in Argentina (Dycasa) and Chile (Dycvensa), as well as carrying out projects in Colombia, Venezuela and Peru. In these countries, the Construction division basically carries out civil engineering projects, such as for roads, railways and water works. HOCHTIEF is also introducing itself to this sector by carrying out industrial projects, as demonstrated by the recent award of the Alto Maipo hydroelectric plant project in Chile. In the concessions area, the ACS Group, through Iridium and HOCHTIEF, has experience in managing assets in various Latin American countries and keeps a close eye on all opportunities.

Among the project ACS Group companies carried out during 2012, the following can be highlighted:

- Works on stretch 2 for extension of underground line A in Buenos Aires (Argentina).
- Construction of several stretches of provincial route 19 in Santa Fe, Argentina.
- Mapocho water treatment plant, in the city of Santiago de Chile.
- Excavation of the southern mine tunnel for geological exploration, at 8 kilometres in length, at Bronces (Chile).

West Tunnel, East Side Access - Manhattan, New York

Client
Metropolitan Transport Authority Capital Construction - MTACC.

Project execution dates
Award Date:
CM009: 2006 and CM019: 2008
Completion Date: 2013

Location
Manhattan - New York.

Type of works
Tunnel.

Value
881 million euros.

Companies involved in the project
CM009 – The Manhattan Approach Tunnels
Dragados 70% Judlau 30%
CM019 – The Manhattan Structures I
Dragados 55% Judlau 45%

Full project description
The East Side Access (ESA) is an MTA project to provide direct access to Grand Central Station to all those passengers travelling from Long Island and Queens on the Long Island Rail Road (LIRR).

LIRR trains will take a new route from the main Sunnyside (Queens) line by means of an existing tunnel under the East River and the construction of new tunnels between 63rd Street in Manhattan and Grand Central under Park Avenue.

A total of 3,500 metres of tunnels will be built, along with a new terminal with two caverns and eight tracks on four platforms and two levels. The first contract, CM009, was awarded in 2006 and consisted of the excavation of various tunnels using two tunnel boring machines of 22 feet in diameter which excavated to the south from 63rd Street, Park Avenue, to 37th Street and beyond Grand Central Station. Each machine excavated the tunnels and branches necessary to progress towards Grand Central, creating four tunnels at two different levels.

The second contract, CM019, was awarded in 2008. This contract consists of the excavation of: two future stations under Grand Central, various galleries and shafts for access to the stations, six branches, connecting galleries, a ventilation shaft on 55th Street, etc. This contract also includes the excavation of another 2,300 metres of tunnels using a tunnel boring machine.

Awards
World Tunnelling 2010 Prize Finalist - Tunnel works in an urban setting with complex geological and logistical conditions.

CONSTRUCTION

Nouvelle Autoroute 30

Client
Government of Quebec .

Project execution dates
2008-2042.

Location
Montreal (Quebec) Canada.

Type of works
Roads.

Value
1,139 million euros.

Companies involved in the project
Concession Company: ACS Infrastructure Canada (50%) and Acciona Nouvelle Autoroute 30 Inc. (50%). Project construction has been subcontracted to a Joint Venture made up of Dragados Canada (40%), Acciona Infrastructure Canada (40%) and the local contractors Aecon (16%) and Verreault (4%).

Full project description
The project, awarded in June 2008 with the construction works completed in 2012, includes two sections corresponding to different contractual obligations:

1) The West section, with the design, construction, financing, operation and maintenance of a 42 kilometres section of motorway and two main bridges: the 1.86-kilometre long bridge over the St. Lawrence River and the 2.55-kilometre long bridge over the Beauharnois Canal. The construction of the two bridges required the application of novel design and construction techniques to take the area's specific conditions, e.g. seismicity, climatic conditions, environmental restrictions, hydraulic characteristics of the rivers, etc, into account. The section also comprises numerous structures, including a 72-metre long tunnel under the Soulange Canal, as well as three viaducts (between 80 and 300 metres in length), two over the Saint Louis River and the other over the Châteauguay River.

2) The East section, including financing, operation, maintenance and restoration of 32 kilometres of existing roads.

Over the 30 year operating period, the concession company will receive income from the Government of Quebec in the form of availability payments, as well as charging tolls on the St. Lawrence River bridge. The toll charging system includes two forms: traditional toll collection with physical barriers and Open Road Tolling.

Presidio Parkway

Client
California Department of Transportation (Caltrans) and San Francisco County Transportation Authority (SFCTA).

Project execution dates
2012-2045.

Location
San Francisco, United States.

Type of works
Roads.

Value
800 million euros.

Companies involved in the project
Concession Company: HOCHTIEF PPP Solutions North America (50%) and Meridiam (50%).
Flatiron is involved in project construction.

Full project description
In June 2012, a consortium of companies led by HOCHTIEF PPP Solutions achieved financial closure for execution of the Presidio Parkway project in San Francisco, California. The subject of the project is the design, construction and operation over 33.5 years, including the reconstruction of the southern access road (known as Doyle Drive) to the Golden Gate Bridge in San Francisco. The works also include the construction of two tunnels and the demolition of the northern interchange and its reconstruction. Flatiron also participates in the project as a construction company, executing works in the project valued at 128 million euros.

This project focuses on improving safety and road conditions for vehicular traffic at an emblematic point in the city of San Francisco. Doyle Drive, which was originally built in 1936, has reached the end of its useful life and significant improvements are needed for traffic safety and to provide earthquake resistant systems given the area's activity. Furthermore, the project seeks to minimise biological, cultural and environmental impact, as it is located in a nationally historic area, respecting the setting and serving citizens' needs.

CONSTRUCTION

ASIA PACIFIC

Once again in 2012, the Asia Pacific region consolidated itself as the main market in the Construction area, with a level of revenue of 15,355 million euros, representing 51.7% of the division's sales. As such, its project order book of 26,325 million euros confirms it as the Group's main growth area for the coming years.

In the Asia Pacific region, its business is carried out by Leighton and its subsidiaries Leighton Contractors, Thiess, John Holland and the Habtoor Leighton Group being the world's biggest mining operation company, as well as carrying out activities in building, infrastructure construction and development, concessions and services.

In infrastructures, activity is focused on developing installations for mine operation, transport infrastructures, telecommunications and oil and gas project infrastructures, all sectors at the peak of expansion in these areas.

The main market in this area is Australia, with sales in excess of 12,480 million euros in 2012, resulting from the execution of projects such as:

- Design, construction, operation and maintenance of road infrastructures for connection to Brisbane airport in Queensland.
- Project for developing the Victoria desalination plant in Queensland.
- Improvement of the Goodna water treatment plant in Ipswich.
- Design and construction of the railway line and associated stations between Quakers Hill and Schofields in north-east Sydney.
- Works for the Wheatstone gas project: design and construction of the project's residential area and other associated buildings, as well as the construction of two undersea tunnels to connect two offshore gas reserves (Australia).
- Various contracts for design and construction of the transmission network and telecommunications infrastructures for Visionstream in Australia.
- Construction of a new children's hospital in Perth, Australia.
- Building of the Eclipse Tower at Parramatta in New South Wales (Australia).
- Project for design and construction of the King George office tower in Brisbane (Australia).
- Works to expand and improve the Townsville Hospital in Queensland, including a new pathology laboratory, expansion of the oncology area and a new clinical block, among other facilities.
- Works on the Sydney Opera House, excavation and construction of a new access road (Sydney, Australia).
- Contract for operation of the Poitrel coal mine in Australia.
- Operation of the Prominent Hill gold and copper mine (South Australia).
- Mining services for the South Middleback iron ore mine on the Eyre Peninsula, South Australia.
- Project for the underground development and production of the Cosmo Deep gold mine in Humpty Doo in Australia's Northern Territory.

IN THE ASIA PACIFIC REGION, ITS BUSINESS IS CARRIED OUT BY LEIGHTON AND ITS SUBSIDIARIES LEIGHTON CONTRACTORS, THIESS, JOHN HOLLAND AND THE HABTOOR LEIGHTON GROUP BEING THE WORLD'S BIGGEST MINING OPERATION COMPANY

Furthermore, thanks to the great commercial efforts of the companies in Australia, in 2012 they were awarded:

- Mining contracts for a value in excess of 6,000 million euros such as a mining contract to operate the Lake Vermont Coal Mine in Queensland´s Bowen Basin worth in more than 1,950 million euros.

- Execution of various contracts relating to natural gas liquefaction and regasification plants to a value of over 1,600 million euros, outstanding among which is the Gorgon project, where Leighton is working on the construction of the plant's port installations, with a budget which has increased over the period by over 630 million euros and now exceeds 1,470 million euros in total.

- Other civil works and building projects for over 1,400 million euros, among which are transport infrastructure projects, such as the expansion of the Western Highway south of Trawalla; telecommunications installations, such as the three-year contract with Telstra for work to install broadband internet and digital television networks; and the development of public and social facilities, such as buildings within the Townsville Hospital renovation project in Queensland.

Leighton is also carrying out its activities in South-east Asian countries, such as Indonesia, where it was awarded mining projects in 2012 for an amount over 760 million euros, Vietnam and Malaysia, as well as in Asia's two main powers, China and India, where in 2012 it was awarded building works for a resort in Macao and a project to install pipes for an offshore gas project on India's west coast. Similarly, the Group carries out significant projects in the Middle East through its subsidiary Habtoor Leighton Group, with its presence in Qatar and the United Arab Emirates outstanding due to their scale.

CONSTRUCTION

Among the projects executed by the Group in Asia and the Middle East, the following can be highlighted:

- Design, construction, operation and maintenance of the first tram system in Doha (Qatar).
- Building of the Mafraq Hospital in Abu Dhabi.
- Works for improvement and expansion of new infrastructures at the King Abdulaziz International Airport, Jeddah (Saudi Arabia).
- Construction of several stretches of railway line, stations and other infrastructures within the Guangzhou – Shenzhen – Hong Kong Express Rail Link project (Hong Kong, China).
- Hotel Sant Regis building and facilities associates construction in Abu Dhabi.
- Design and construction of a 10-kilometre long tunnel between Chenani and Nashri in Jammu in northern India.
- Contract for developing mining infrastructures and coal mine operations for Pakri Barwadih in India.
- Contract for operation and future development at the Teguh Sinar Abadi and Firman Ketaun Perkasa coal mines (Indonesia).
- Design and construction of the railway line between Ipoh and Padang Besar in Malaysia.

Lake Vermont coal mine

Client
Jellinbah Group.

Type of works
Mining.

Project execution dates
2013-2019.

Value
1,950 million euros.

Location
Queensland.

Companies involved in the project
Thiess.

Full project description
Thiess has again renewed the mining services contract for a further six years for the Lake Vermont coal mine, located 18 kilometres north-east of Dysart in central Queensland. Thiess also managed the previous contract, which also had a six year extension (2007-2013) and carried out the necessary preparation and installed the necessary infrastructures for its operation, as well as a coal preparation plant.

On the renewal of the mining contract, the intention is to double mine production from 4 million tons to 8 million tons per year. Total mine operations include planning, drilling and blasting, waste removal, processes related with coal extraction, coal processing and the maintenance of all the fixed and mobile installations.

CONSTRUCTION

Victoria Regional Rail Link

Client
Department of Transport, VIC.

Project execution dates
2012 - 2016.

Location
Victoria.

Type of works
Railway.

Value
446 million euros
(John Holland share 104 million euros).

Companies involved in the project
John Holland, Abigroup, Coleman Rail, AECOM and GHD.

Full project description
John Holland, a HOCHTIEF subsidiary, is a member of the consortium selected to carry out the design and construction of the stretch between Melbourne and the Maribyrnong River section within the Victoria Regional Rail Link, a new metropolitan railway line which will connect Melbourne and the surrounding towns in a grand project with 90 kilometres of new railway lines and associated structures which seeks to improve services and increase capacity for the area's passengers.

The stretch executed by John Holland within this project comprises the design and construction of a new bridge over the Maribyrnong River, as well as two new railway lines to separate urban from regional trains. The project also considers other improvement works in overpasses. The bridge over the Maribyrnong River will be 1.1 kilometres in length and will permit passage of the new trains and the old regional trains.

Al Mafraq Hospital

Client
Abu Dhabi Health Services Company (SEHA).

Project execution dates
2011-2015.

Location
Abu Dhabi.

Type of works
Building.

Value
>428 million euros
(Habtoor Leighton Group share > 125 million euros).

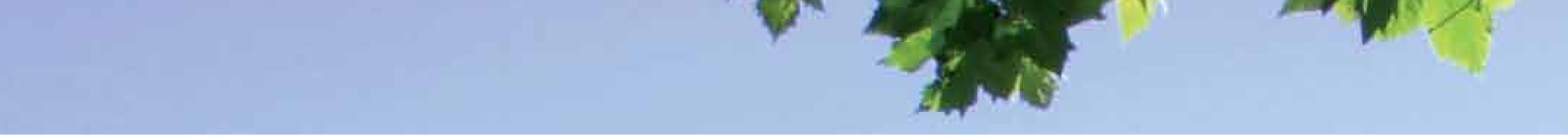
Companies involved in the project
Habtoor Leighton Group/Murray and Roberts.

Full project description
The Habtoor Leighton Group was awarded the construction of the Al Mafraq Hospital, located at Al Mafraq, Abu Dhabi, to be executed in a joint venture with Murray & Roberts.

The project comprises the construction of the general hospital, with capacity for 745 beds, which will be one of the region's main hospitals for surgery/trauma treatment, providing an effective service for patients who previously needed to seek specialised care abroad for neurosurgery, orthopaedics, acute rehabilitation and plastic surgery.

The overall scope of the works includes construction of:

- A two-storey building including reception, laboratory, sterilisation centre, dining room and car parking facilities.
- A three-storey outpatients' building including clinical care and areas and auditorium facilities.
- A three-storey building including diagnostic, operating theatre, emergency and rehabilitation facilities, the ICU and maternity facilities.
- Two nine-storey buildings and two eleven-storey towers for patient hospitalisation.
- Other peripheral buildings, including substations, refrigeration facilities, workshops, mortuaries, underground tanks and service tunnels, landscaping and infrastructure and external works. Bridge linking the buildings.



ENVIRONMENT

Urbaser is the lead company in the Environment area, dedicated to carrying out environmental services, street cleaning, waste collection and transport, urban, commercial and industrial waste treatment and recycling, integral water cycle management and urban landscaping activities

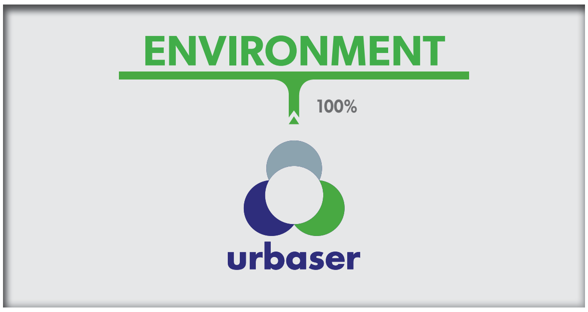

ENVIRONMENT

Through its **Environment area**, the ACS Group carries out its **Environmental Services** activities, covering waste and water management and treatment services, as well as related urban services and **Logistics**, which covers port logistics, intermodal transport and car logistics activities.

Urbaser is the lead company in the Environment area, dedicated to carrying out environmental services, street cleaning, waste collection and transport, urban, commercial and industrial waste treatment and recycling, integral water cycle management and urban landscaping activities.

Urbaser is a leader in the management of urban solid waste plants in the Spanish market and one of the top companies in the sector in Europe. It stands out due to its deep understanding of the various processes applicable to correct waste management, applying the best, industrially-proven technology available to each waste fraction with the aim of recovering wastes in an optimal manner, always within an environmentally sustainable setting.

Urbaser's extended experience in the Spanish market, both in waste treatment and urban services, together with its commitment to technological innovation, have led it to reinforce its position in the European market in recent years, especially in France and the United Kingdom, as well as to continue its activities in Latin America and North Africa.



Main figures in 2012

In 2012, **revenue** in the ACS Group's Environment area totalled 1,691 million euros, with growth of 0.3%. In this respect, it needs to be borne in mind that the hospital waste business and other logistical assets were sold in 2011, which impacted all the operating figures for 2012. Without taking this fact into account, business in 2012 in comparable terms would be 3.1% higher than in 2011.

Spain is the Environment area's main market and represents 74.2% of total activity. Consolidation of the Environment area in international markets has led to growth of 6.9% in sales outside Spain and came to represent 25.8% of turnover in 2012.

The Waste Treatment business carries out design, construction and operation of plants for treatment and energy recovery, dumps and facilities for biomethanization and other renewable energies. It represented 22% of the Environment area's total sales in 2012 and its revenue fell 8.4% compared to the previous year due to the sale of the hospital wastes business during 2011. Without this fact, this segment's activity would have increased by approximately 3%.

Urban Services focuses on urban solid waste collection, landscaping, urban cleaning and other management services for local councils. It has the highest weighting in terms of sales within the Environment area, at 68% of the total. Its revenue in 2012 totalled 1,151 million euros, involving growth of 4.1% driven by the contracts obtained in previous years in international markets and this area's capability to face the competitive environment in the Spanish market.

THE ENVIRONMENT AREA GROUPS ITS ACTIVITIES INTO WASTE TREATMENT, URBAN SERVICES AND LOGISTICS

ENVIRONMENT

MILLION EUROS

	2011	**2012**	% Change
Revenue	**1,686**	**1,691**	**+0.3%**
Domestic Revenue	1,278	1,254	-1.8%
International Revenue	408	437	+6.9%
EBITDA	**253**	**241**	**-4.8%**
Margin	15.0%	14.3%	
EBIT	**112**	**106**	**-5.4%**
Margin	6.6%	6.3%	
Ordinary Net Profit	**121**	**97**	**-19.3%**
Margin	7.1%	5.8%	
Order book	**8,941**	**9,201**	**+2.9%**
Months	64	65	
Domestic Order Book	5,629	5,304	-5.8%
International Order Book	3,312	3,897	+17.7%
Employees	**29,924**	**28,886**	

ENVIRONMENT

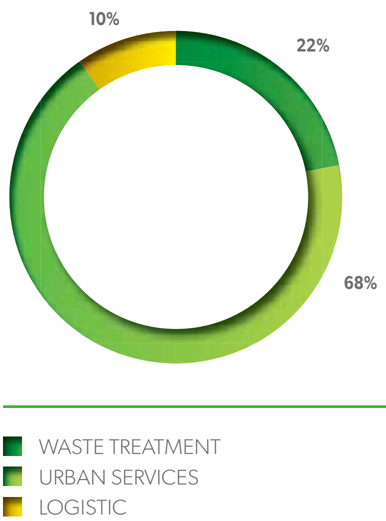
The Logistics area covers the remaining port and transport management assets. These companies had turnover of 167 million euros in 2012.

EBITDA totalled 241 million euros in 2012, with a margin over sales of 14.3%. Due to the nature of its businesses, the Environment area's activities show sustained profitability and visibility in revenue generation, as the Urban Services business is based on recurring medium- and long-term contracts, while Waste Treatment activities are mainly capital intensive and of the concession type.

Finally, the **ordinary net profit** recorded in the Environment area in 2012 was 97 million euros, having decreased 19.3% as a result of the sale of Consenur and other logistics assets in 2011.

REVENUE BREAKDOWN BY TYPE OF ACTIVITY

%



ENVIRONMENT

MILLION EUROS

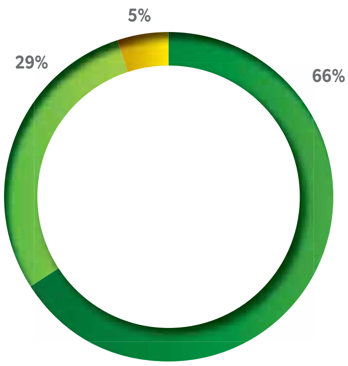
	2011	**2012**	% Var.
Revenue	**1,686**	**1,691**	**+0.3%**
Waste Treatment	407	373	-8.4%
Urban Services	1,106	1,151	+4.1%
Logistics	173	167	-3.7%

During 2012, the ACS Group Environment area's **order book** increased by 2.9% to exceed 9,200 million euros. This figure implies 65 months of activity, so guaranteeing the level of sales for the next five years. The keen effort in the international markets, obtaining significant contracts, mainly in the United Kingdom, was borne out by growth in the order book outside Spain of 17.7%. As such, the international order book represents 42.3% of the Environment area's total order book, guaranteeing the level of activity in international markets for the next nine years.

By type of activity, the Waste Treatment area grew by 17% and now represents 66% of the order book. Meanwhile, the Urban Services and Logistics areas represent 29% and 5% respectively of the figure recorded in 2012.

ORDER BOOK BREAKDOWN BY TYPE OF ACTIVITY

%



WASTE TREATMENT
URBAN SERVICES
LOGISTIC

ENVIRONMENT

MILLION EUROS

	2011	**2012**	% Var.
Order book	**8,941**	**9,201**	**+2.9%**
Waste Treatment	5,167	6,045	+17.0%
Urban Services	3,295	2,707	-17.9%
Logistics	479	449	-6.4%

ENVIRONMENT

2012 Environment Activity*

REVENUE

	2011	2012
SPAIN	1,278	1,254
REST OF EUROPE	208	196
AMERICA	126	162
ASIA PACIFIC	26	30
AFRICA	49	48

MILLION EUROS

ORDER BOOK

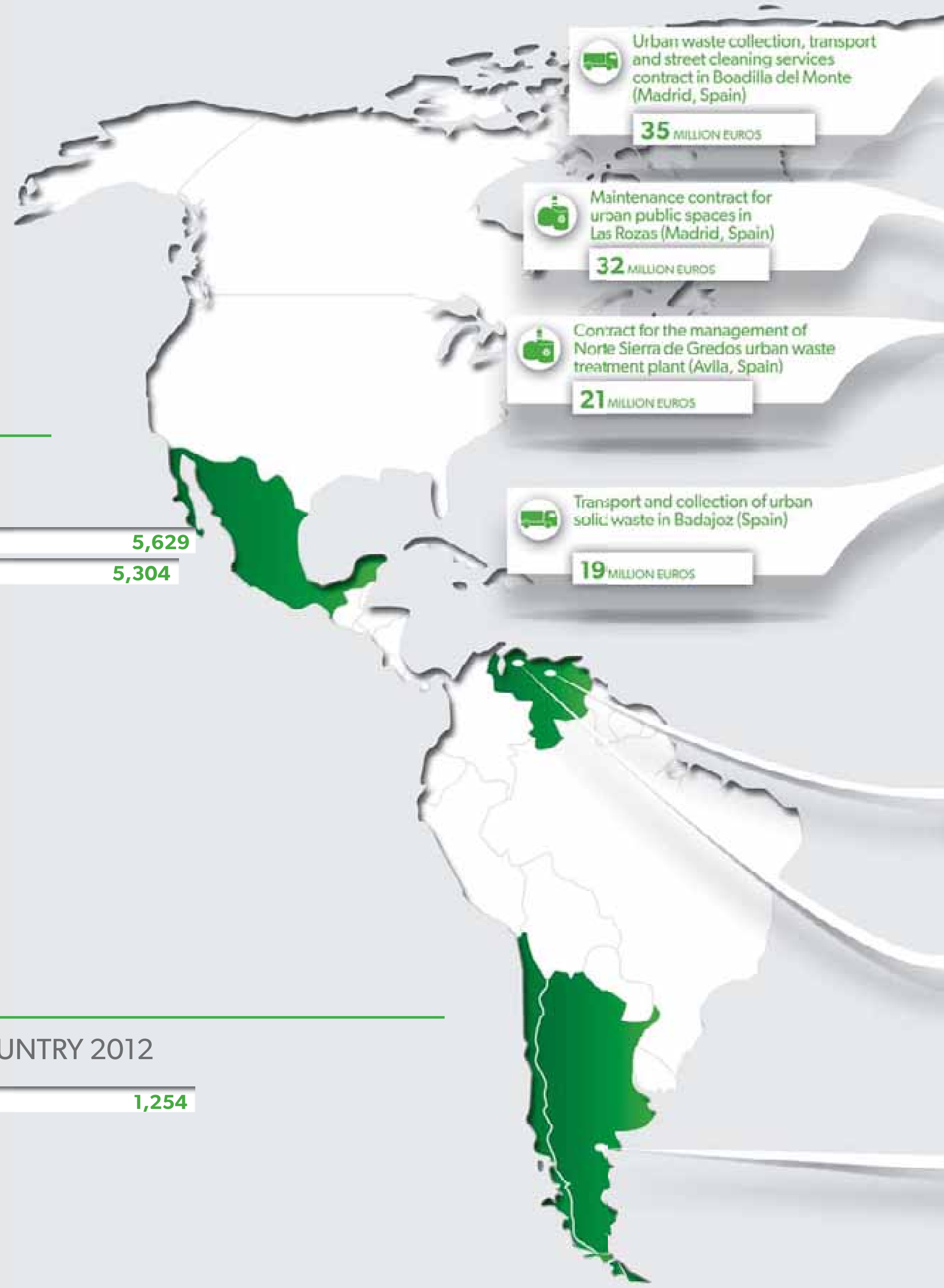
	2011	2012
SPAIN	5,629	5,304
REST OF EUROPE	2,321	3,004
AMERICA	370	350
ASIA PACIFIC	479	449
AFRICA	142	94

MILLION EUROS

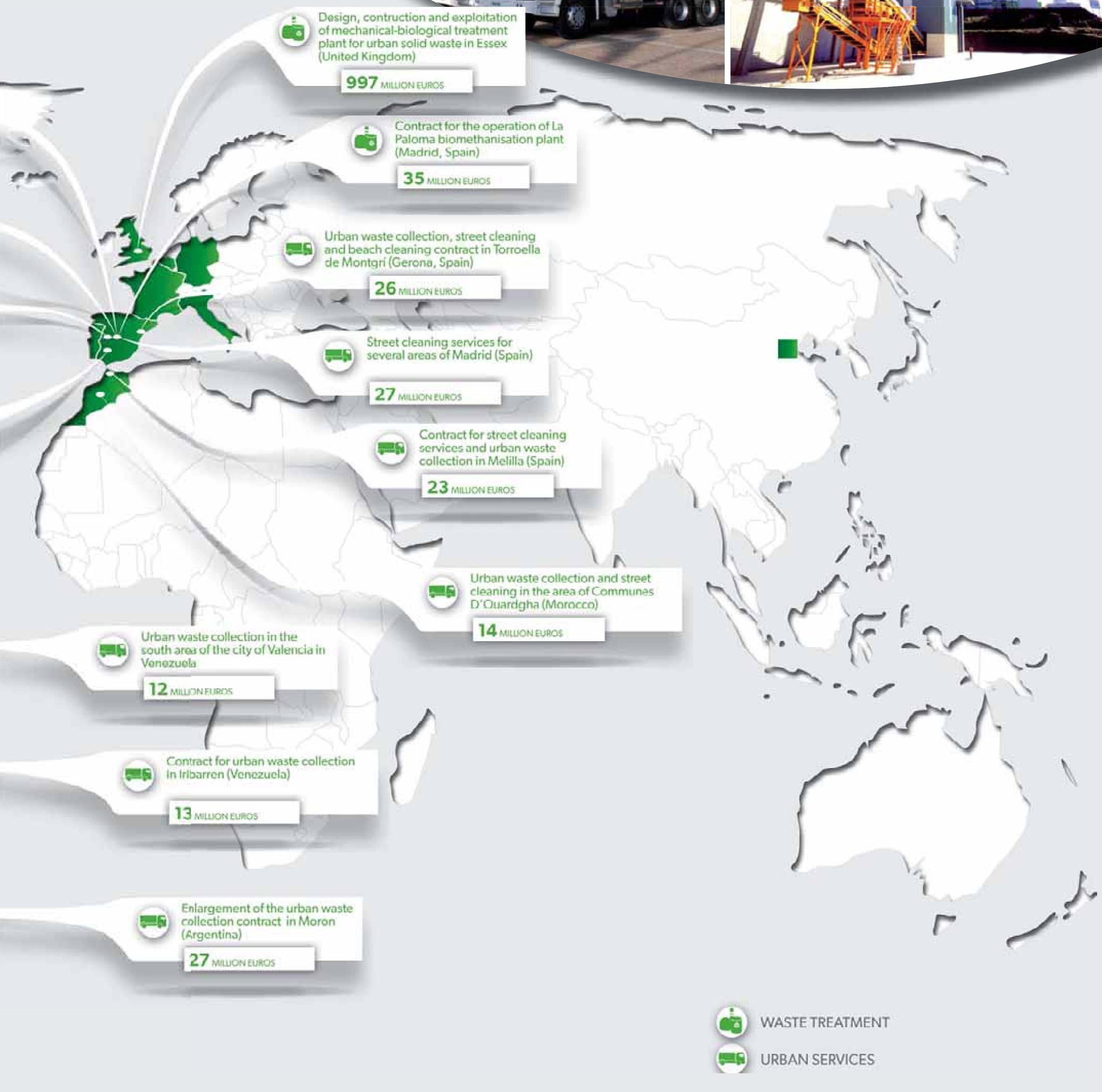
REVENUE BREAKDOWN BY COUNTRY 2012

SPAIN	1,254
FRANCE	172
ARGENTINA	124
MOROCCO	48
CHINA	30
VENEZUELA	30
U.K.	11
MEXICO	8
OTHERS	14

MILLION EUROS



* Countries where the Environment Area reported ongoing project or new awarded projects


Design, contruction and exploitation of mechanical-biological treatment plant for urban solid waste in Essex (United Kingdom)
997 MILLION EUROS
Contract for the operation of La Paloma biomethanisation plant (Madrid, Spain)
35 MILLION EUROS
Urban waste collection, street cleaning and beach cleaning contract in Torroella de Montgrí (Gerona, Spain)
26 MILLION EUROS
Street cleaning services for several areas of Madrid (Spain)
27 MILLION EUROS
Contract for street cleaning services and urban waste collection in Melilla (Spain)
23 MILLION EUROS
Urban waste collection and street cleaning in the area of Communes D'Ouardgha (Morocco)
14 MILLION EUROS
Urban waste collection in the south area of the city of Valencia in Venezuela
12 MILLION EUROS
Contract for urban waste collection in Iribarren (Venezuela)
13 MILLION EUROS
Enlargement of the urban waste collection contract in Moron (Argentina)
27 MILLION EUROS
WASTE TREATMENT
URBAN SERVICES

ENVIRONMENT

SPAIN

In Spain in 2012, Urbaser managed the following **facilities for the treatment, recovery and disposal of urban solid waste:**

- 35 Plants for the pre-treatment of urban solid wastes, managing 5,609,847 tonnes.
- 4 Energy recovery plants, where 1,163,000 tonnes were treated, with an installed electrical power of 101.29 MW.
- 13 Plants for biomethanization of organic fractions, with a total of 811,359 tonnes managed, with an installed capacity of 39.54 MW and annual production of 103.68 Hm^3 of biogas.
- 39 Composting plants, managing 2,316,028 tonnes.
- 76 Transfer plant installations in which 3,290,925 tonnes were managed.
- 31 Packaging treatment facilities, where 338,930 tonnes were treated.
- 34 Controlled waste dumps, with an annual theoretical dumping capacity of 5,536,376 tonnes.
- 9 Waste dump degasification installations with an annual average production of 136.79 Hm^3 of biogas, with an installed capacity of 38.59 MW.

Furthermore, Urbaser consolidated itself in the waste treatment sector, increasing the quantity of recyclable products obtained in the plants, as well as achieving better yield in biogas production from anaerobic digestion of organic fractions from urban solid wastes, an activity in which Urbaser is a world leader. This was made clear by the awarding during the year of an extension to the operating and maintenance contract for the La Paloma biomethanization plant in Madrid for a period of 14 years, representing total turnover of more than 35 million euros.

Similarly, it was awarded the contract for maintenance, conservation and operation of the Urraca Miguel treatment centre in Ávila for a period of 10 years, representing total turnover in excess of 21 million euros.

In the packaging treatment area, it was awarded the operation of the Pinto packaging sorting plant in Madrid for a period of two years and turnover of more than 2 million euros.

In addition, the composting plant at Llíria was inaugurated during the year. This plant is key to the Community of Valencia's zoning plan and will treat 120,000 tonnes of urban solid waste from next year.

The Urbaser group continues with its R&D+i policy with the objective of distinguishing itself through the technological level of its solutions, as well as it support for our client's urban sustainability. The opening of the "Alfonso Maíllo" Experimental Technological Centre is worthy of note. This is located in Zaragoza and will be used to study the application of new technologies to waste management processes.

The **construction and demolition waste** sector contracted due to the influence of the current economic environment on the construction sector, which has been felt in the five facilities Urbaser manages in Spain.

The **integral management of industrial wastes** area, through the company Sertego, covers collection, transport and carrying out of recovery, recycling, energy recovery and disposal of hazardous and non-hazardous industrial wastes. In the year, over 880,000 tonnes were treated by means of 20 treatment facilities, 37 transfer centres, 10 laboratories and a fleet of 275 vehicles. All this work was carried out with the most demanding quality criteria, using the best available technologies and applying the precedence principle to the various waste management options as a strategy in process improvement. Turnover in 2012 surpassed that of the year before with the entry into service of two new facilities.

In the **urban solid waste collection** activity, over 5,000,000 tonnes were managed in 2012 both in Spain and abroad (Buenos Aires, Casablanca, Santiago de Chile and Cartagena de Indias, among others).

Street cleaning activity was carried out in cities such as Madrid and new contracts for street cleaning and collection in several Spanish cities are worthy of note.

Outstanding in Madrid is the awarding of the urban cleaning service in the districts of Arganzuela, Retiro and Salamanca, as well as maintenance, conservation and cleaning of green zones in the Salamanca district. This contract is characterised as a pioneer as regards the assessment of its level of fulfilment by evaluating proper service provision according to predefined quality standards, instead of evaluating it in terms of the resources allocated to it, as has been done until now.

In the **management of green areas**, which includes both gardening and maintenance of these areas, Urbaser carried out services in this field on a total area of over 50,000,000 m^2. Noteworthy in this area is the awarding of the integral Maintenance Service contract for parks, gardens and green zones in Santander and Pamplona in Spain.

Socamex, a company which manages the **integrated water cycle**, is worthy of note due to its management of the following facilities:

- 158 Industrial water purifying stations for 1,190,500 m^3 per day for the equivalent of 5,643,700 inhabitants.
- 19 Sewage operations for the equivalent of 1,385,000 inhabitants.
- 15 Water supply facilities for 232,000 m^3 per day for the equivalent of 915,000 inhabitants.
- 9 Drinking water treatment plants at 250,000 m^3 per day for the equivalent of 293,000 inhabitants.
- 7 Analysis and monitoring laboratories for the equivalent of 1,423,000 inhabitants.
- A central laboratory certified under ISO 9001 and accredited to ISO 17025 for potable water, waste water and sludges. This laboratory is accredited as a Collaborating Body for the Water Authority.

URBASER continues diversification activity into the ESCo (Energy Service Company) sector with the objective of offering local councils **integral and efficient energy management**, so completing the range of services offered to them.

ENVIRONMENT

Urban Solid Waste Recovery Facility and Temporary Storage Centre for electrical and technological appliance waste at Liria, Valencia

Client
Consorcio Valencia Interior.

Project Type
Waste treatment.

Execution Dates
2010-2033.

Amount
126 million euros.

Location
Liria, Valencia (Spain).

Participating Companies
Urbaser / Reciclados del Mediterráneo.

Project Description
The objective of the complex is to provide a sustainable solution for waste treatment for the five inner divisions of Valencia (made up of 61 municipalities), so reducing the percentage of waste rejected to dumps. This plant has the capacity to treat 120,000 tonnes of urban solid waste and 2,000 tonnes per year of vegetable waste fraction.

The Liria plant is divided into two differentiated processes: mechanical pre-treatment and biostabilization. Mechanical pre-treatment enabling the recovery of up to 11% of by-products, in which organic matter is also separated to be led to the biostabilization process. This mechanical pre-treatment line is highly automated, implementing the best, most up to date technologies on the market, with optical, ballistic, magnetic and eddy current separators being noteworthy as key elements for improving plant separation and classification performance.

Biostabilization of organic matter takes place in 15 tunnels with dimensions of 25 x 5 x 5 m. This process in turn is divided into 2 stages, aerobic fermentation and maturation.

- The aerobic fermentation of the organic fraction of urban solid waste takes place inside the tunnels and there is capacity to treat 68,000 tonnes per year.
- The maturation of the biostabilized matter takes place in beds arranged in a closed bay set aside for the process. Then, the biostabilized material will be treated by means of a refining process. All the biostabilized material obtained is sent to the Caudete plant, which forms part of the same operating contract.

The complex was designed so as to integrate perfectly both with its natural setting and into the community. Special emphasis was placed on maximising the quality of the materials obtained by using a series of manual negative sorting steps after mechanical selection.

A series of measures are used throughout the plant to minimise any kind of environmental and local impact it could have. A visitor centre has been specifically designed into the complex, which all the inhabitants from the local divisions it serves will be able to use.

ENVIRONMENT

Management of the urban public cleaning service in the districts of Arganzuela, Retiro and Salamanca and maintenance of green zones in the Salamanca district (Madrid)

Client
Madrid City Council.

Execution Dates
Duration of 11 months + 11 month extension, from 1 April 2012.

Location
Madrid, Spain.

Project Type
Urban Services.

Amount
27 million euros.

Participating Companies
Urbaser.

Project Description
This project, awarded to Urbaser in the first half of 2012, covers three of Madrid's most emblematic districts.

It is the first time that one contract has combined street cleaning with the cleaning, maintenance and conservation of green zones. Specifically, the contract includes street cleaning for the three districts and the cleaning, conservation and maintenance of green areas in Salamanca.

It is also pioneering in urban services to the city of Madrid on abandoning the traditional control and monitoring from the Public Authority based on the allocation of resources, adopting a system of quality indicators instead. This generates greater efficiency in the contract as it is Urbaser which defines the necessary resources at all times, to achieve the required levels of quality.

Therefore, this contract combines two of the aspects which will be key in future urban services management: the integration of different services and boosting the efficiency of service provision by monitoring the quality generated. In addition, innovation and respect for the environment are prioritised in contract management.

THE REST OF EUROPE, AMERICA AND NORTH AFRICA

In the international field, Urbaser focused its efforts in 2012 on tendering for contracts in the United Kingdom, France, Latin America, the United States and Canada. All of this resulted in an increase of over 10% in Urbaser's revenue in 2012 in the various international markets.

In the international field during 2012, Urbaser managed **the following facilities for the treatment, recovery and disposal of urban solid waste:**

- 10 Plants for the pre-treatment of urban solid wastes, managing 1,916,160 tonnes.
- 5 Energy recovery plants, where 938,000 tonnes were treated, with an installed electrical power of 102.20 MW.
- 8 Plants for biomethanization of organic fractions, with a total of 546,614 tonnes managed, with an installed capacity of 21.16 MW and annual production of 59.36 Hm^3 of biogas.
- 12 Composting plants, managing 865,671 tonnes.
- 12 Transfer plant installations in which 2,539,900 tonnes were managed.
- 4 Packaging treatment facilities, where 151,000 tonnes were treated.
- 24 Controlled waste dumps, with an annual theoretical dumping capacity of 4,405,983 tonnes.
- 5 Waste dump degasification installations with an annual average production of 88.40 Hm^3 of biogas, with an installed capacity of 29.54 MW.

In recent years, Urbaser has managed to position itself as one of the leading operators in France, standing out for its high technological added value. During 2012, Urbaser continued operating the Marseilles Integral Urban Solid Waste plant, commercial operation of which started in 2010. The commissioning of the Sietam Chalosse and Château-d'Olonne Composting Plants were completed in this period. Additionally, construction of the Bayonne biomethanization plant was begun. With regard to collection services, Urbaser won the collection service contract for Olonnes. It is worthy of note that services awarded in the previous year continue to be provided, such as cleaning for La Rochelle (Charente-Maritime), Charleville-Méziéres and Givet and waste collection for Boucle de Seine and the communes of Ceyreste and Carnoux en Provence.

The consolidation of environmental services activity in the United Kingdom is very significant. Outstanding is the start of construction for the 997 million euros contract awarded at the beginning of 2012 for the mechanical biological treatment (MBT) of urban solid waste in Essex, with capacity for 417,000 tonnes per year, and the financial closure of the contract for the plant for energy recovery from urban solid wastes with capacity for 185,000 tonnes per year in Gloucestershire.

Noteworthy in Chile is the commissioning of the degasification facility for the Loma de los Colorados dump, which has an installed power of 17.5 MW.

In the urban solid waste collection activity, contracts continue in cities such as Buenos Aires, Casablanca, Santiago de Chile and Cartagena de Indias, among others, and new contracts were obtained in 2012 in Chile, Morocco, Argentina and Venezuela.

In integral maintenance for parks, gardens and green areas, the obtaining of the contract for these services in the city of Buenos Aires, Argentina is noteworthy.

ENVIRONMENT

Urban Solid Waste Treatment Complex for Essex and Southend-on-Sea

Client
Essex County Council and Southend-on-Sea Borough Council.

Execution Dates
2012-2038.

Location
Basildon (Essex, United Kingdom).

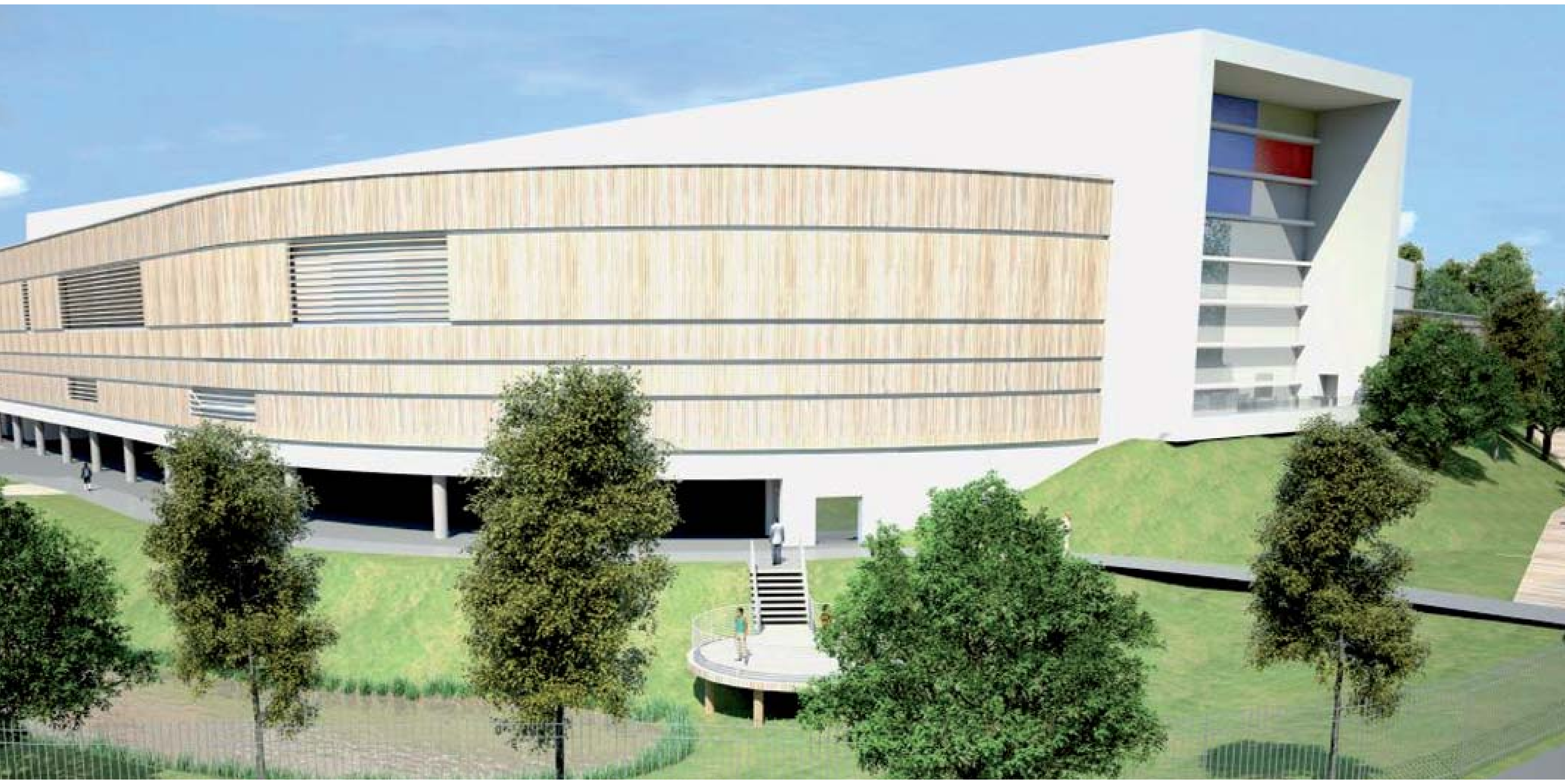
Project Type
Waste treatment.

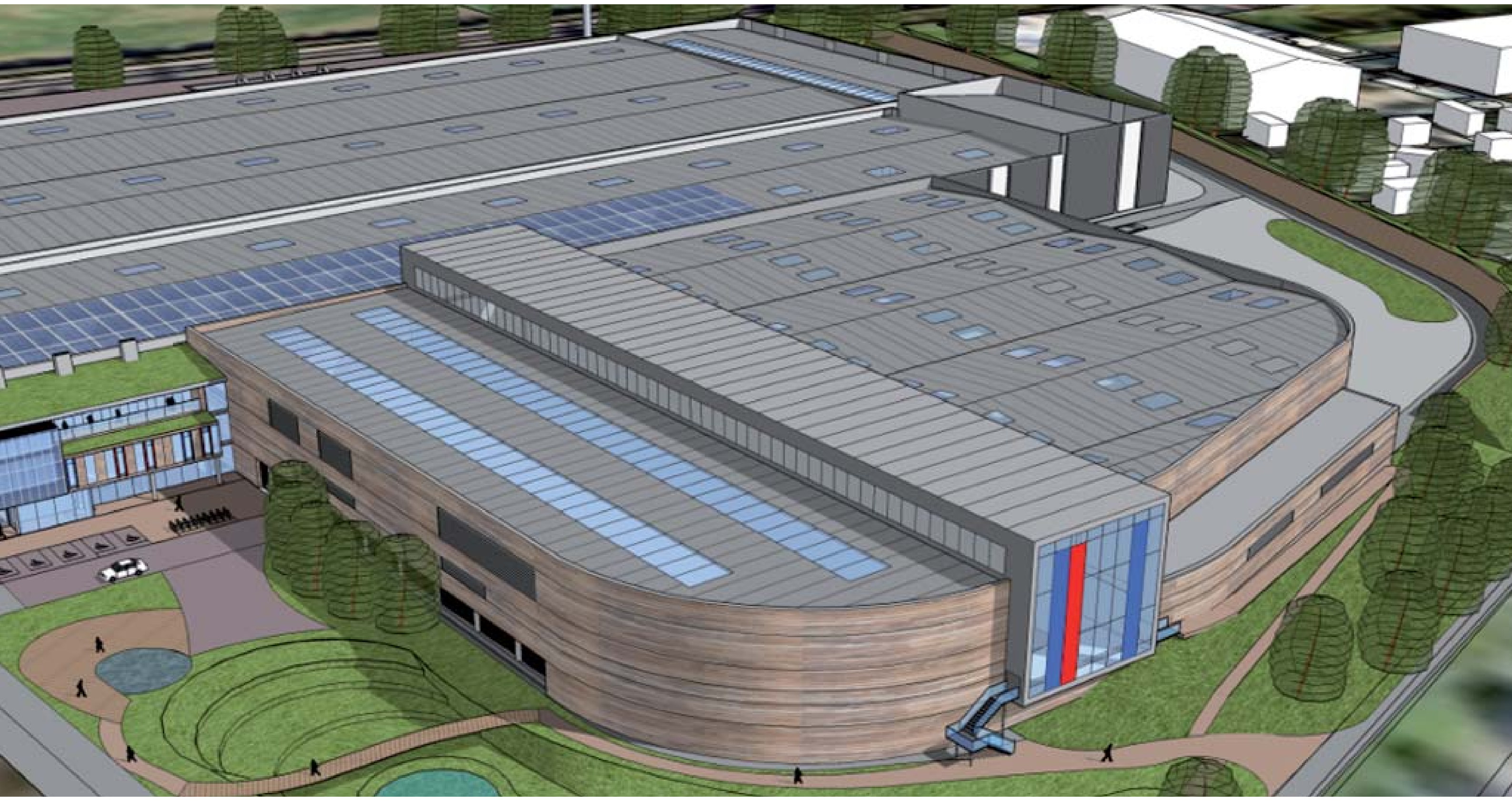
Amount
997 million euros.

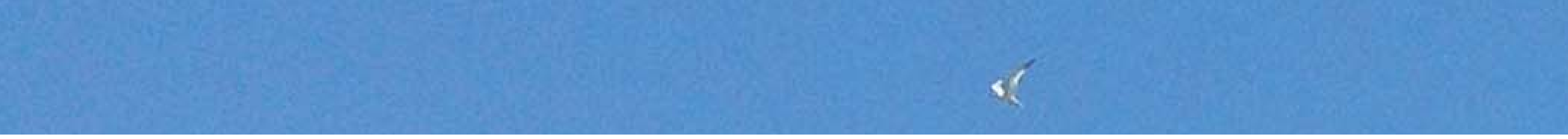
Participating Companies
Urbaser, Balfour Beatty Capital.

Project Description
The objective is to provide a sustainable solution for waste treatment, so reducing the proportion of this dumped without prior treatment. The plant was designed with state-of-the-art, environmentally sustainable treatment technologies which are not harmful to the population's health, being the only plant in Great Britain with BREEAM classification, certifying building sustainability. This is an urban solid waste treatment plant with the capacity to treat 417,000 tonnes per year. It is made up of 3 pre-treatment lines with MASIAS technology for sorting and recovery of recyclable materials and 3 bucket wheels for biostabilization using TAIM WESER technology. The Essex plant is divided into two differentiated treatment processes: mechanical pre-treatment and biostabilization. The mechanical pre-treatment will enable recovery of various types of materials, in which the whole rejected fraction is directed to the biostabilization module. The biostabilization with bucket wheel is made up of one biostabilization phase as such and another for refining. The technology implemented in the Essex plant enables an output product to be obtained which simultaneously fulfils the two main requirements demanded by the client: Stabilised Organic Matter (SOM) and a Refuse-Derived Fuel (RDF). In both modes, the output material needs to pass through a refining process, from which a fraction of inert materials is recovered, so contributing to plant recovery efficiency.

Furthermore, this complex was designed so as to integrate perfectly both with its natural setting and into the community. The Essex MSW plant was also designed with the objective of being a place where community activities can take place and it has a visitor centre. Special emphasis was placed on maximising the quality of the materials obtained, as well as making a series of measures available throughout the plant to minimise any kind of environmental and local impact it could have.







INDUSTRIAL SERVICES

The ACS Group's Industrial Services area, is one of the world's leading competitors in the field of applied industrial engineering and holds a leading position in the Spanish market

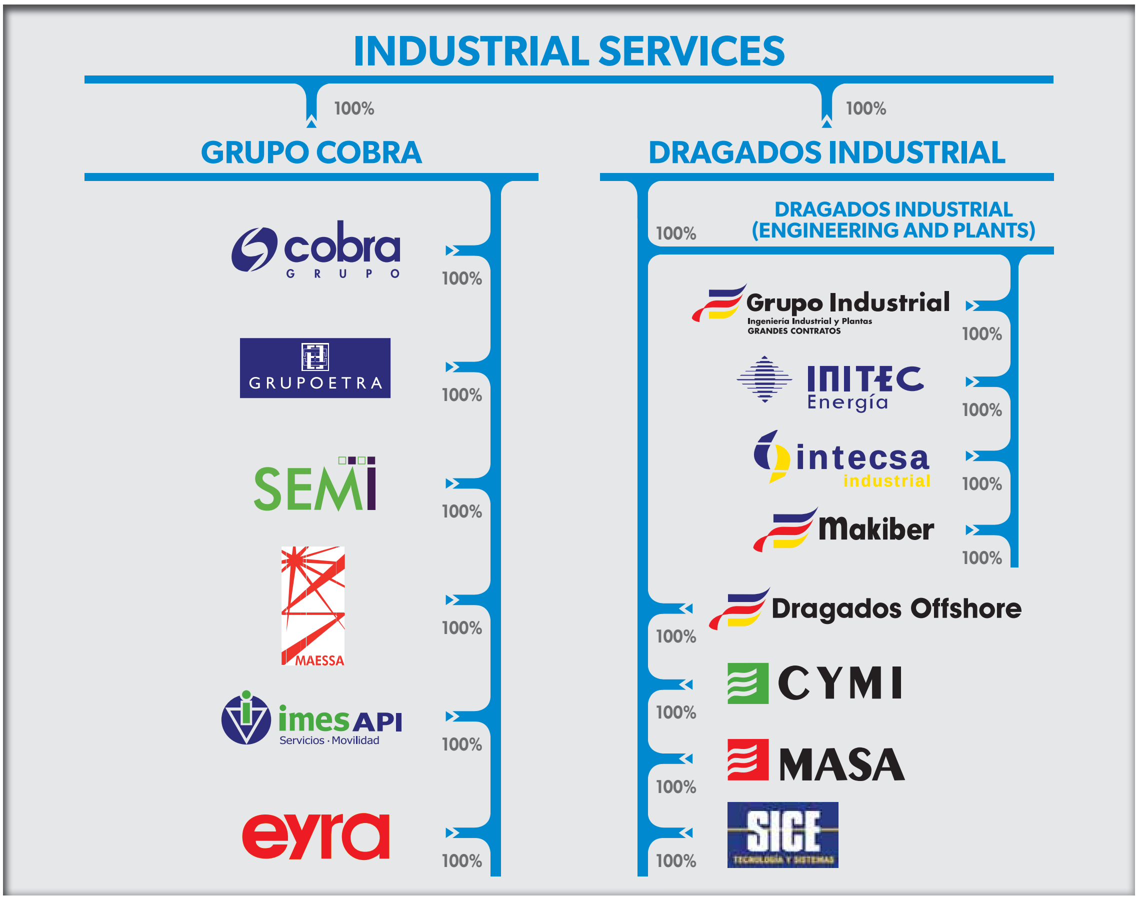
INDUSTRIAL SERVICES

The ACS Group's **Industrial Services area**, through its extensive group of companies, is one of the world's leading competitors in the field of applied industrial engineering, with projects in more than 55 countries and activity aimed at developing, maintaining and operating energy, industrial and mobility infrastructures.

The ACS Group, through its Industrial Services area, holds a leading position in the Spanish market, as well as having extensive experience and steady involvement in executing projects and providing services in Latin America. It is also increasingly involved in European countries such as Germany and Norway and in the remaining geographic areas, such as North America, Africa, the Middle East and Asian countries, where the Group has been awarded significant industrial engineering projects, reaffirming its positioning as a global benchmark in this sector. Consolidation in countries where the ACS Group's Industrial Services area is already securely installed in this segment will be combined with sustainable expansion into new geographical markets by capitalising on the synergies arising from joint action with other ACS Group subsidiaries, such as Dragados, HOCHTIEF and Leighton, with knowledge and stable involvement in these new markets.

The Industrial Services area's strategy focuses on consolidating its position as a global benchmark in the sector, thanks to its continuing technological innovation and technical excellence, efficiently and profitably combining industrial support activities which provide greater recurrence and stability with integrated projects specifically designed to adapt to clients' needs.

The Industrial Services area seeks sustainable growth in its activities, driven by expansion of the global market in renewable power generation (especially solar and wind power), environmental projects, power transmission projects and those related to hydrocarbon development and use. These are fields in which the ACS Group's Industrial Services area has extensive experience and in which it has recognition from the sector. Furthermore, it seeks to expand or consolidate activities in new fields with good growth prospects, such as offshore wind power generation and geothermal resources, HVDC power transmission technology, sustainable mobility and underground hydrocarbon storage.


INDUSTRIAL SERVICES
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100%
Makiber
100%
Dragados Offshore
100%
CYMI
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MASA
100%
SICE TECNOLOGÍA Y SISTEMAS
100%

INDUSTRIAL SERVICES

Main Figures for 2012

Revenue from the ACS Group's Industrial Services area in 2012 was 7,050 million euros. The growth of 21.6% in activity in international markets, combined with noteworthy diversification of activities and a balanced business mix, resulted in sales maintaining the same levels as in 2011, in spite of the adverse conditions in Spain as a result of the reduction in public and private sector investment.

Within the activities carried out by the ACS Group's Industrial Services area, two fundamental lines of business can be distinguished: Support Services to Industry, where activity decreased by 7.8% during 2012 resulting from reduced domestic activity, and EPC Projects, where sales grew by 14.8%, driven by significant contracts obtained in previous years in foreign markets.

WITHIN THE ACTIVITIES CARRIED OUT BY THE ACS GROUP'S INDUSTRIAL SERVICES AREA, TWO FUNDAMENTAL LINES OF BUSINESS CAN BE DISTINGUISHED: SUPPORT SERVICES TO INDUSTRY AND EPC PROJECTS

Support Services to Industry are aimed at industrial maintenance contracts and services, as well as support services to the clients' operational activities, and in turn cover three areas of activity:

- **Networks:** electricity, gas and water network maintenance services and activities, in which the ACS Group has over 80 years' experience.

- **Specialised Products:** covering construction, installation and maintenance activities for high-voltage electricity lines, telecommunications systems, railway installations, electricity facilities, mechanical assemblies and heating and cooling systems.

- **Control Systems:** activities for installing and operating control systems for industrial and municipal services, noteworthy among which are traffic and transport control systems and systems for comprehensive management of public infrastructures, segments in which ACS has become the leading engineering supplier.

INDUSTRIAL SERVICES

MILLION EUROS

	2011	**2012**	% Var.
Revenue	**7,045**	**7,050**	**+0.1%**
Domestic Revenue	3,662	2,938	-19.8%
International Revenue	3,383	4,112	+21.6%
EBITDA	**907**	**904**	**-0.3%**
Margin	12.9%	12.8%	
EBIT	**828**	**849**	**+2.6%**
Margin	11.7%	12.0%	
Ordinary Net Profit	**415**	**416**	**+0.2%**
Margin	5.9%	5.9%	
Order Book	**6,875**	**7,161**	**+4.2%**
Months	12	12	
Domestic Order Book	2,705	2,545	-5.9%
International Oider Book	4,170	4,616	+10.7%
Employees	**41,462**	**39,140**	

The ACS Group's activity in **EPC[20] Projects** is aimed at the execution of "turnkey" projects relating to the design, construction and commissioning of projects connected to the energy sector (electricity generation, also being noteworthy for the execution of projects related to renewable energies, assets related to the oil and gas sector, among others) and engineering applied to industry.

Furthermore, the ACS Group also has outstanding experience in developing and taking a stake in concession assets, basically related to energy, such as wind farms, solar thermal plants (with parabolic trough concentrators and molten salt technology), transmission lines and desalination plants.

In these concession assets, the Group has a policy of rotating the assets once they have achieved operational maturity.

As such, an agreement was signed in 2012 for the sale of seven electricity transmission lines in Brazil, built and under construction, in which the Group held a 100% stake. Partial execution of the sale took place with the sale of five of the lines in December 2012 and the sale of the other two is expected to be completed during the first six months of 2013.

Similarly, the sale of ACS's stake in 11 wind farms in Spain, with a total installed capacity of 450 MW, was completed in 2012.

At 31 December 2012, the ACS Group held stakes in 17 wind farms in Spain, with a gross installed capacity of 539.6 MW and net capacity of 481.7 MW and 9 wind farms abroad, 8 in Portugal and one in Mexico, with gross installed capacity of 231.8 MW and net capacity of 199 MW. In solar thermal energy, the ACS Group had 5 plants at 31 December 2012, each with 49.9 MW of installed power, representing an installed power of 249.5 MW, as well as a 10% stake in two other plants, also of 49.9 MW. It also has a stake in one more plant which is under construction, with a total capacity of 49.9 MW.

Total energy production generated using renewables by the ACS Group in Spain in 2012 was 1,335 GWh[21] from wind farms and 671.7 GWh[21] from solar thermal plants. The energy produced from wind farms in Portugal in 2012 was 296 GWh, while production in Mexico was 146.3 GWh.

The ACS Group also has a stake in several concession projects for the management and maintenance of high-voltage lines in Brazil and Peru, with secured financing from the Banco Nacional de Desenvolvimento Economico e Social do Brasil (BNDES). At 31 December 2012, after the aforementioned sale of transmission lines, the ACS Group held stakes in 7 transmission lines, with a total length of 2,941 kilometres, and the Sete Lagoas electricity substation.

[20] EPC stands for Engineering, Procurement and Construction.

[21] In wind farms, this figure is made up of electricity production which obtained the guarantee of renewable origin from the Spanish National Energy Commission (CNE), totalling 845.9 GWh, and another 489.1 GWh which did not obtain the CNE's guarantee of renewable origin, in this figure was included the electricity production of assets sold during 2012. In solar thermal plants, this figure is made up of electricity production which obtained the guarantee of renewable origin from the Spanish National Energy Commission (CNE), totalling 531.8 GWh, and another 139.9 GWh which did not obtain the CNE's guarantee of renewable origin.

INDUSTRIAL SERVICES REVENUE BREAKDOWN BY ACTIVITY

MILLION EUROS

	2011	**2012**	% Var.
Support Services	**4,388**	**4,046**	**-7.8%**
Networks	841	769	-8.6%
Specialised Products	2,524	2,421	-4.1%
Control Systems	1,023	856	-16.3%
EPC Projects	**2,342**	**2,689**	**+14.8%**
Renewable Energy: Generation	**373**	**374**	**+0.1%**
Adjustments	(59)	(59)	n.a.
Total	**7,045**	**7,050**	**+0.1%**

INDUSTRIAL SERVICES

On the other hand, the ACS Group has developed equipment and technologies for water treatment and desalination since 1983. The ACS Group is a global leader in this field, especially in water desalination by reverse osmosis, thanks to its extensive experience in carrying out projects in countries such as Algeria, Australia, Mexico, Qatar, etc. Furthermore, the ACS Group had stakes in two desalination plants at 31 December 2012 –one in Spain and one in Algeria– with a capacity of 272,000 m^3/day of water production for human consumption.

The diversification of the businesses operating in the Industrial Services area enables it to achieve a balanced business which is capable of facing changes in situation and retaining its profitability, as it combines EPC Projects activity, representing 34.1% of total activity, and Specialised Products activity, with 37.8% of the total. The latter are more technologically complex businesses and are, therefore, more profitable, with Networks, Control Systems and Renwable Energy Generation businesses contributing greater stability and visibility to the Industrial Services area with their recurrence.

Similarly, the ACS Group continues its intense expansion process supported by its acknowledged technological capability and experience in this area, enabling it to resolve all the infrastructure development, financing, construction, operation and maintenance aspects with substantial technical requirements in different areas. In this way, the geographic diversification of these activities, especially in EPC Projects and Specialised Products, with turnover outside Spain of over 65%, contributes greater stability in the case of fluctuations in the domestic market.

The Industrial Services area recorded an **EBITDA** of 904 million euros in 2012. The return on sales stood at 12.8% as the result of the specialisation and complexity of the projects the Group carried out.

Ordinary net profit during 2012 stood at 416 million euros, in line with that recorded in 2011.

DOMESTIC ENERGY CONCESSIONAL ASSETS

Wind farms	Number of wind farms	Installed capacity (MW)
Wind farms in operation (1)	17	539.6
Wind farms in construction	-	
Solar Thermal plants (2)	Number of plants	Installed capacity (MW)
Solar Thermal plants in operation	5	249.5
Solar Thermal plants in construction	1	49.9
Other concessional assets	Number	Capacity
Desalination plants	1	72,000 m^3/day
Water treatment plants	31	1,774,715 m^3/day
Gas storage assets	1	1,6 trillion m^3 of storage capacity

INTERNATIONAL ENERGY CONCESSIONAL ASSETS

Wind farms	Number of wind farms	Installed capacity (MW)
Wind farms in operation (3)	9	231.8
Wind farms in operation in Mexico	1	103.0
Wind farms in operation in Portugal	8	128.8
Wind farms in construction	-	
Electricity transmission assets	Number	Kilometres
Transmission lines	7	2,941 kilometres
Electricity substation	1	
Other concessional assets	Number	Capacity
Desalination plants	1	200,000 m^3/day

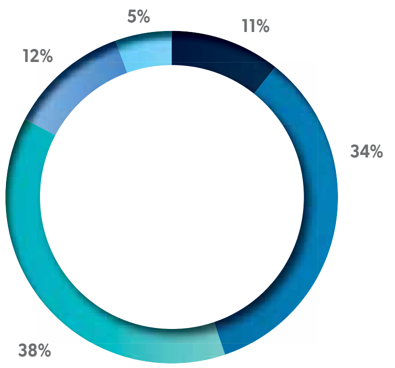
(1) The average stake is 89.3%.
(2) The average stake is 100%, not including the 10% stakes in Andasol I and II.
(3) The average stake is 85.9%.

On the other hand, Industrial Services' **order book** grew by 4.2% to 7,161 million euros, driven by projects awarded in the international sphere, especially those related to the field of energy in Latin America and Northern Europe.

So, in 2012, EPC Project's and Specialised Products' activity represented 69% of the total order book, with 84% and 69% respectively of their order book projects located abroad.

REVENUE BREAKDOWN BY ACTIVITY

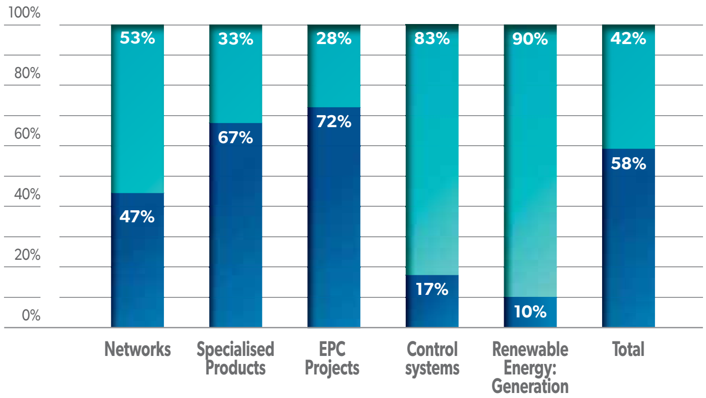
%



- NETWORKS
- EPC PROJECTS
- RENEWABLE ENERGY: GENERATION
- SPECIALISED PRODUCTS
- CONTROL SYSTEMS

REVENUE BREAKDOWN BY MARKET

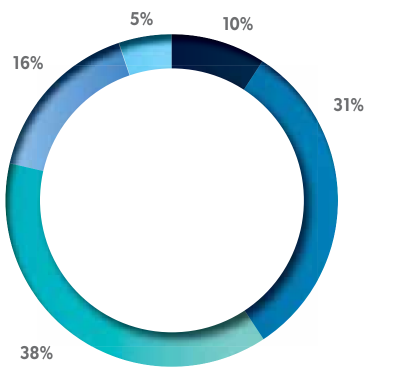
%



- INTERNATIONAL
- DOMESTIC

ORDER BOOK BREAKDOWN BY TYPE OF ACTIVITY

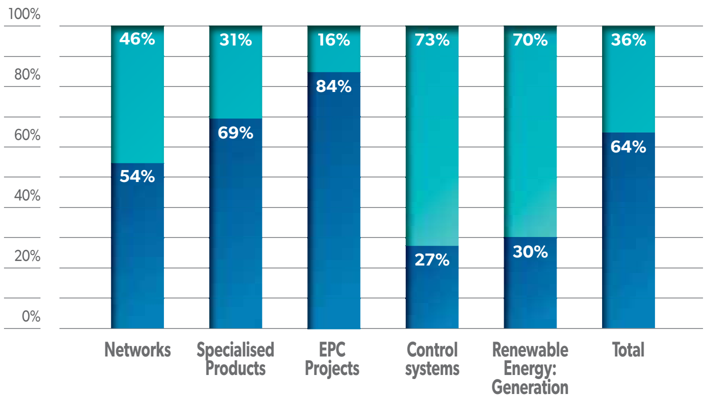
%



- NETWORKS
- EPC PROJECTS
- RENEWABLE ENERGY: GENERATION
- SPECIALISED PRODUCTS
- CONTROL SYSTEMS

ORDER BOOK BREAKDOWN BY TYPE OF ACTIVITY

%



- INTERNATIONAL
- DOMESTIC

INDUSTRIAL SERVICES

2012 Industrial Services Activity*

REVENUE

SPAIN	
2011	3,662
2012	2,938
REST OF EUROPE	
2011	682
2012	782
AMERICA	
2011	2,348
2012	
ASIA PACIFIC	
2011	224
2012	166
AFRICA	
2011	128
2012	172

MILLION EUROS

ORDER BOOK

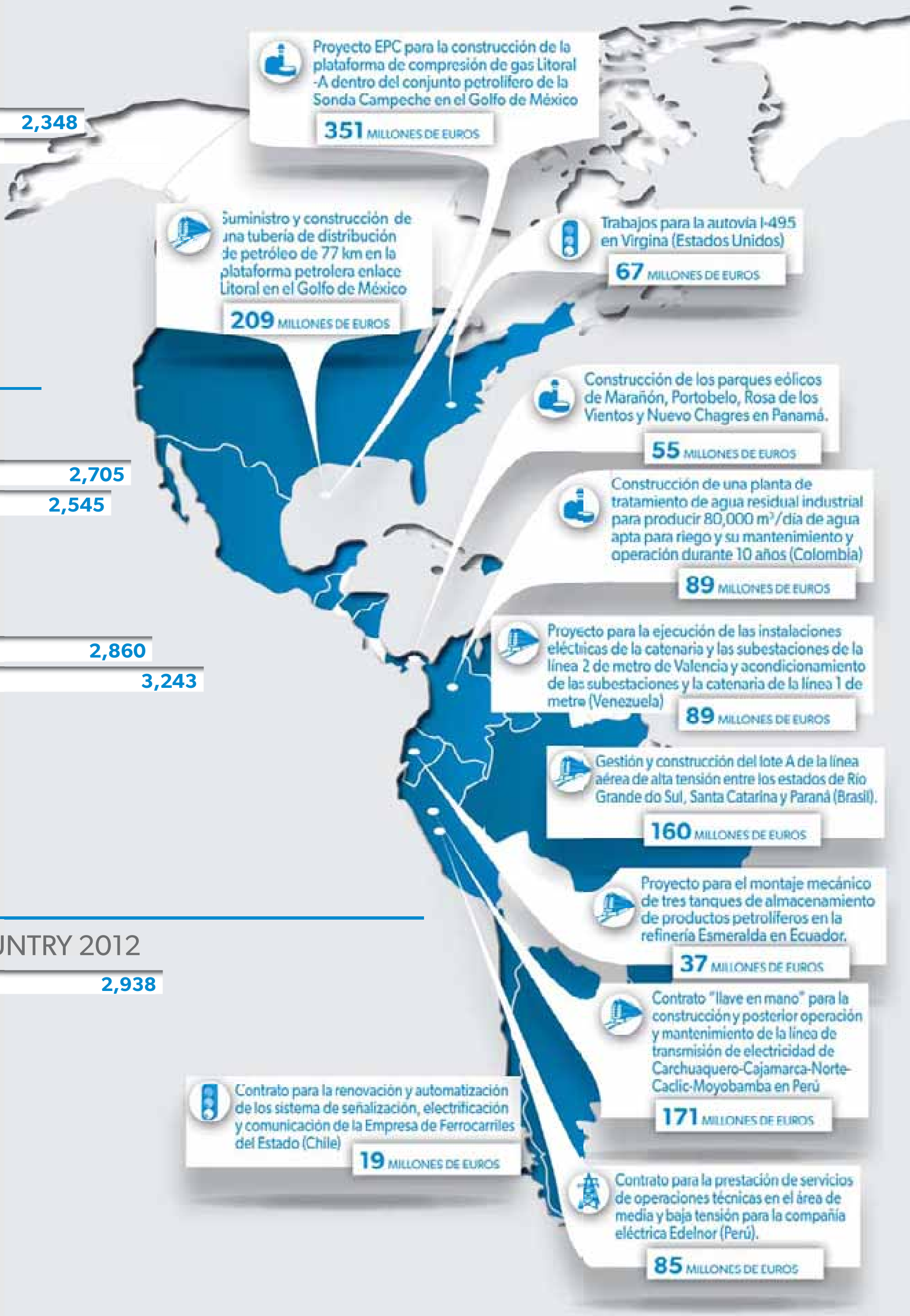
SPAIN	
2011	2,705
2012	2,545
REST OF EUROPE	
2011	867
2012	631
AMERICA	
2011	2,860
2012	3,243
ASIA PACIFIC	
2011	241
2012	209
AFRICA	
2011	202
2012	533

MILLION EUROS

REVENUE BREAKDOWN BY COUNTRY 2012

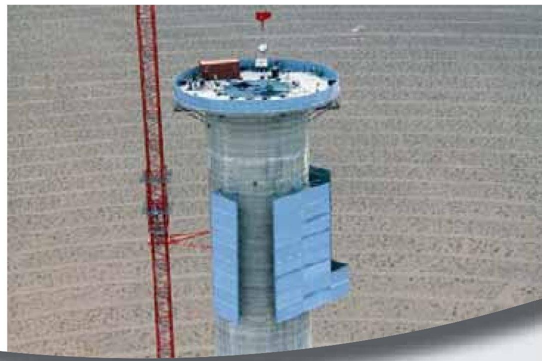
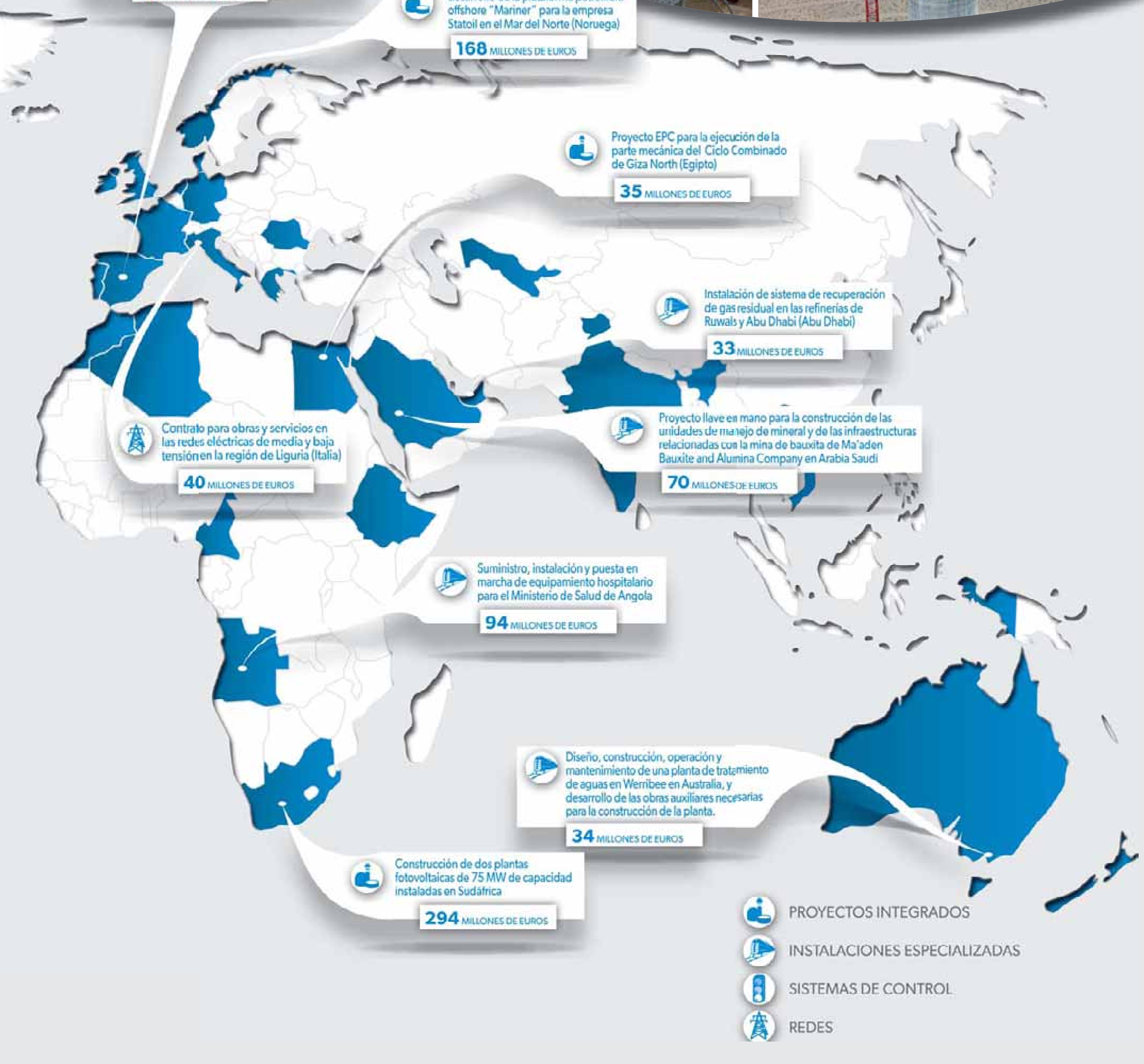
SPAIN	2,938
MEXICO	1,273
BRAZIL	504
U.S.A.	349
PORTUGAL	295
PERU	217
U.K.	156
PANAMA	130
CHILE	99
VENEZUELA	88
ECUADOR	87
NORWAY	83
OTHERS	830

MILLION EUROS



* Countries where Industrial Services area reported ongoing projects or new awarded projects.






Proyecto para la ejecución de las obras, conservación y mantenimiento de las instalaciones de energía,control del tráfico, telecomunicaciones e instalaciones de protección civil y seguridad en diferentes tramos de la línea ferroviaria de alta velocidad entre Madrid y Galicia.
40 MILLONES DE EUROS
Proyecto "llave en mano" para el desarrollo de la plataforma petrolífera offshore "Mariner" para la empresa Statoil en el Mar del Norte (Noruega)
168 MILLONES DE EUROS
Proyecto EPC para la ejecución de la parte mecánica del Ciclo Combinado de Giza North (Egipto)
35 MILLONES DE EUROS
Instalación de sistema de recuperación de gas residual en las refinerías de Ruwais y Abu Dhabi (Abu Dhabi)
33 MILLONES DE EUROS
Contrato para obras y servicios en las redes eléctricas de media y baja tensión en la región de Liguria (Italia)
40 MILLONES DE EUROS
Proyecto llave en mano para la construcción de las unidades de manejo de mineral y de las infraestructuras relacionadas con la mina de bauxita de Ma'aden Bauxite and Alumina Company en Arabia Saudí
70 MILLONES DE EUROS
Suministro, instalación y puesta en marcha de equipamiento hospitalario para el Ministerio de Salud de Angola
94 MILLONES DE EUROS
Diseño, construcción, operación y mantenimiento de una planta de tratamiento de aguas en Werribee en Australia, y desarrollo de las obras auxiliares necesarias para la construcción de la planta.
34 MILLONES DE EUROS
Construcción de dos plantas fotovoltaicas de 75 MW de capacidad instaladas en Sudáfrica
294 MILLONES DE EUROS
PROYECTOS INTEGRADOS
INSTALACIONES ESPECIALIZADAS
SISTEMAS DE CONTROL
REDES

INDUSTRIAL SERVICES

EUROPE

In Europe, the ACS Group's Industrial Services area is a leading company in Spain in the applied engineering field, as well as being involved in the main Western European countries –Germany, France, the United Kingdom and Norway– carrying out energy generation projects as well as infrastructure projects related to oil and gas products.

Sales in Europe totalled 3,720 million euros in 2012, representing 52.8% of total sales in the area, while the order book totalled 3,176 million euros.

Activity in Spain fell by 19.8% to 2,938 million euros due to investment cuts in both the public and private sectors and the regulatory changes in the field of energy. However, contracting during the year exceeded 2,770 million euros and the Group continued to execute significant projects, such as:

- Engineering, supply, construction and commissioning of the Extresol-3 solar thermal plant (Badajoz, Spain).
- Turnkey construction (supply, assembly, installation and commissioning) of several wind farms in Spain, such as the Loma del Capón and Valcaire wind farms (both in Granada) and the Barchin wind farm in Cuenca.
- Construction and maintenance of networks for Gas Natural, including the gas distribution network, urgent services and industrial connections.

INDUSTRIAL SERVICES´ REVENUE IN EUROPE TOTALLED 3,720 MILLION EUROS IN 2012, REPRESENTING 52.8% OF TOTAL SALES

- Contract for installation and maintenance of telephone, broadband services, voice and television networks for Movistar in Spain.
- Installation of beacons and electrical installations at Malaga Airport (Spain).
- Contract for electricity reading and metering in several regions in Spain for the company Endesa.
- Maintenance of public lighting facilities in Madrid (Spain).

In the rest of Europe, turnover rose by 14.7% in 2012 and now represents 11.1% of total activity, with activity in countries such as the United Kingdom, Norway, Denmark, Germany and Portugal being noteworthy due to their scale. In 2012, the order book for the rest of Europe stood at 631 million euros as a result of the awarding of new contracts such as the "turnkey" project to develop the "Mariner" offshore oil rig in the North Sea and the works for the medium- and low-voltage electricity networks in Italy's Liguria region. Among the projects carried out by the Industrial Services area in the rest of Europe during 2012, the following are worthy of note:

- "Turnkey" project for two wellhead platforms and two jackets with a total weight of 8,500 tonnes for Denmark's "South Arne" offshore oil complex.
- Engineering, supply, manufacture, loading and mooring of a jacket for a wellhead platform of 8,000 tonnes for the "Ekofisk" offshore oil complex in Norway.
- Instrumentation assembly and manufacture of duplex pipes for the "Jasmine" offshore oil platform in the North Sea.
- Turnkey construction of the photovoltaic farm for Giave, Sardinia, Italy.
- Turnkey contract for the construction of the Great Island combined cycle power plant, with an installed capacity of 430 MW (Ireland).

Mittelsbüren Combined Cycle Power Plant

Client
SWB.

Project execution dates
2011-2013.

Location
Bremen, Germany.

Type of works
EPC Projects.

Value
275 million euros.

Companies involved in the project
Cobra Instalaciones y Servicios/General Electric.

Full project description
The Industrial Plants division of Cobra Instalaciones y Servicios, in a consortium with General Electric (GE), is carrying out the project for "turnkey" supply and construction of the combined cycle thermal electricity generating plant at Mittelsbüren. The plant is being developed by the German SWB group and is located in the German city of Bremen, in the north east of the country, located alongside the power station belonging to SWB.

With a rated installed capacity of 400 MW, the new plant is expected to be able to supply electricity to some 500,000 homes when it goes into service, as planned for August 2013. Additionally, 165 MW has been reserved to cover the needs of Deutsche Bahn, Germany's main national railway line operator. The plant has been planned and designed for totally automatic operation, including processes for start-up and shut-down.

INDUSTRIAL SERVICES

AMERICA

America has become the main area of activity for Industrial Services, with revenue of 2,992 million euros in 2012, 27.4% higher than the previous year and now representing 42.4% of the division's total sales. Over the coming years, the ACS Group's Industrial Services area will continue its consolidation in this area of activity as a result of its experience in developing energy infrastructure assets and those related to mobility, as endorsed by its 13.4% order book growth to 3,243 million euros.

In Latin America, the Group is a leading company in the applied engineering sector, with turnover in this area in 2012 of 2,643 million euros, showing growth of 18.1% compared to 2011, resulting from the carrying out of significant projects related to electricity and oil products. The order book in this area stood at 2,740 million euros in 2012.

The Group's involvement in Mexico is outstanding due to its scale, where it is a leader in executing engineering projects applied to oil, gas and electricity. It is one of the Federal Electricity Commission's top suppliers and can also point to its participation in significant projects related to the country's oil sector, such as the Minatitlán refinery and the Tuxpan port terminal. Activity in this area will continue to increase as a result of the projects awarded in 2012, such as the construction of the Litoral A gas compression platform within the Campeche Sound oil complex in the Gulf of Mexico and the supply and construction of a 77 km oil distribution pipeline for the "Enlace Litoral" oil platform.

Brazil, with sales in 2012 of over 500 million euros, is the second largest market, where the Group continues to develop electricity transmission assets, with works to construct over 1,000 kilometres of transmission lines, together with their corresponding substations and other related assets, as well as electricity generating assets, such as the Parnaiba combined cycle power plant.

In the remaining Latin American countries, the Group has a sound presence in countries such as Chile, Argentina, Colombia, Peru, Ecuador and Panama, where it is developing assets for electricity generation, hydroelectricity and other renewable energies and electricity transmission assets, but is also carrying out projects related to oil products, mobility systems and water treatment.

As such, the ACS Group's Industrial Services area was carrying out the following projects, among others, in Latin America in 2012:

- Construction of the Sauz combined cycle power plant in Querétaro state (Mexico).
- A three-year project for installing and maintaining telephone networks, as well as broadband services, voice and television over copper and fibre optic cables in Peru, Chile and Colombia.
- Engineering, supply, installation and commissioning of two phase shifter units for the Cerro Navia substation (Mexico).
- "Turnkey" construction of two hydroelectric power plants in Panama; Cochea and Mendre 2 hydroelectric projects.
- Works for improving and expanding the drinking water treatment plants, sewers and waste water treatment plants for the main towns in Cajamarca (Peru).
- Construction of the 148-kilometre gas pipeline from the liquids handling plant to the Reynosa separators and metering plant (Mexico).
- Electrical and hydraulic installations for the new Gremio Arena stadium in Porto Alegre (Brazil).
- Supply, installation and maintenance of the Panamericana photovoltaic plant in Peru.
- Supply of the Operational Support System (SAE) for bus fleet management in the city of Bogotá (Colombia).
- Works to expand and adapt the Los Olivos, Ordaz, Sur Aeropuerto and Bolívar substations in the municipality of Caroní, Bolívar state (Venezuela).
- Construction of a marine terminal and liquefied petroleum gas storage plant in Quito (Ecuador).

In the United States, the ACS Group's Industrial Services area has made a great commercial effort in recent years to expand and consolidate its presence in the applied engineering field. As a result of this, turnover recorded in 2012 was 349 million euros, implying growth of 14.2% compared to 2011 thanks to the projects being carried out during 2012, such as the Tonopah solar thermal plant and the I-595 traffic control systems in Miami. The 2012 order book exceeded 500 million euros thanks to the awarding of projects such as the management of the SR-99 tunnel control systems in Seattle, signalling and lighting works for the I-495 in Virginia and the construction of the flight projects building for the Goddard Space Flight Centre (GSFC) for NASA in Greenbelt, Houston.

INDUSTRIAL SERVICES

Underwater Oil Pipeline, Mexico

Client
Pemex (Exploración y Producción).

Type of works
Specialised Products.

Project execution dates
2012-2014.

Value
209 million euros.

Location
Mexico (Gulf of Mexico).

Companies involved in the project
Dragados Offshore/Swiber.

Full project description
The project consists of the supply and construction of a 36" diameter oil pipeline 77 kilometres long between the "Enlace Litoral" platform and Pemex's Dos Bocas Marine Terminal in the Gulf of Mexico. The project covers engineering, procurement and installation of the marine pipeline and the modifications necessary in the existing facilities.

Execution of the project will be carried out entirely from Mexico and will use one of Swiber's pipe-laying vessels. The project is supported from Dragados Offshore's manufacturing plant near Tampico and logistics base in Cuidad del Carmen.

This is the first time Dragados Offshore has executed an offshore submarine pipeline project and this consolidates its position as a leader in the design, manufacture and commissioning of offshore projects for the oil and gas industry.

Campo Rubiales Water Treatment Plant (Colombia)

Client
Agro Cascada S.A.S. (Pacific Rubiales).

Type of works
EPC Projects.

Project execution dates
2012-2023.

Value
89 million euros.

Location
Puerto Gaitán, Meta, Colombia.

Companies involved in the project
Tecnicas de desalinización de aguas, S.A.

Full project description
The ACS Group will build and operate a plant to treat brackish water from oil extraction in Campo Rubiales, located in the Puerto Gaitán municipal area in Colombia's Meta department.

The plant will produce 500,000 barrels per day (79,500 m^3/day). The raw water, which comes directly from oil production, will be treated using reverse osmosis, filtered through sand and anthracite beds and cartridge filters to be used in agricultural and forestry irrigation, so representing a significant environmental project, as costly reinjection of this water to the oil wells is avoided.

The process designed by Tedagua, a Cobra subsidiary, basically consists of a pre-treatment phase with various filtration systems prior to the application of a high-recovery (90%) reverse osmosis process, as well as a mud separation process which will provide water which is fully permissible from the environmental point of view.

INDUSTRIAL SERVICES

Crescent Dunes Energy Solar thermal Power Plant, Tonopah

Client
Tonopah Solar Energy.

Type of works
EPC Projects.

Project execution dates
2011-2013.

Value
760 million euros.

Location
Tonopah, Nevada, United States.

Companies involved in the project
Cobra.

Full project description
The Crescent Dunes Energy project, located in Nevada, is one of the largest central tower solar thermal electricity generation projects being built in the world. With an installed capacity of 110 MW it is intended to supply some 75,000 homes in the city of Las Vegas when it goes into service in late 2013.

The budget for construction of the power plant with capacity of 110 MW is nearly 1,000 million dollars(760 million euros). It represents a milestone in industrial construction, backed by the United States' Department of Energy, which is involved in financing the project by means of soft loans.

The infrastructure involves a 160-metre high central tower, made using over 100,000 m^3 of concrete (the biggest of its type in the world) where the circular receiver is located. This receiver, at 30.48 metres in height, concentrates the light received from 10,400 heliostats. The set of mirrors is arranged in a circle (1,380 m in radius) and gives a total capture area of over 120 hectares. The whole complex, including temporary facilities, evaporation ponds, etc., will occupy an area of 700 hectares.

The sunlight concentrated onto the receiver will raise the temperature of the molten salts from 300ºC to 560ºC. The hot salts will then be piped to the storage tank, which has sufficient capacity for 10 hours of production at full power. These salts will be used to produce steam, which in turn will drive a turbine with a gross power of 125 MW. The whole system has a hybrid cooling system, made up of an air-cooled condenser and a cooling tower.

THE ACS GROUP IS ALREADY EXECUTING PROJECTS IN COUNTRIES SUCH AS INDIA, SOUTH AFRICA, AUSTRALIA, THE UNITED ARAB EMIRATES AND SAUDI ARABIA, ALL COUNTRIES WITH GREAT GROWTH PROSPECTS

ASIA PACIFIC AND AFRICA

The Asia, Middle East and Africa area represents one of the areas with the greatest potential for expansion in the Industrial Services area, as the ACS Group is already executing projects in countries such as India, South Africa, Australia, the United Arab Emirates and Saudi Arabia, all countries with great growth prospects and needs for investment in infrastructures, both for energy and mobility, as well as offering the possibility of alliances between the various ACS Group units to enable activity to increase.

As such, sales in the area stood at 339 million euros in 2012, representing 4.8% of total business revenue in the year. The ACS Group carried out the following projects, among others, during 2012:

- Turnkey project for the combined cycle thermal power plant in Navoi, Uzbekistan.
- Installation of a complete trolley-bus system, with 10 kilometres of route and 12 stops, within the King Saud bin Abdulaziz University in Riyadh (Saudi Arabia).
- Supply and assembly of the boiler, pipes and equipment for the Giza North combined cycle power plant, with an installed capacity of 1,500 MW (Cairo, Egypt).
- Construction and start-up of 7 electricity transmission lines in India, with a total length of over 180 kilometres.
- Turnkey project for the construction of 17 overhead electricity distribution lines in new oil wells in Abu Dhabi.

The order book for this geographic area grew by 67.5% in 2012 to 742 million euros as a result of the significant projects it was awarded in previous years, such as the project for the high-speed railway line between the cities of Mecca and Medina in Saudi Arabia, as well as the new projects contracted during 2012.

The latter includes two photovoltaic plants, each with a capacity of 75 MW, awarded in South Africa, the flare gas recovery system in an oil plant in Abu Dhabi, the comprehensive water main restoration and renewal for Dhaka in Bangladesh and the project for the design, construction operation and maintenance of a waste water plant in Werribee, Australia.

INDUSTRIAL SERVICES

Medina - Mecca High-Speed Railway Line

Client
Saudi Railway Organisation.

Project execution dates
2011-2025.

Location
Saudi Arabia.

Type of works
Specialised Products.

Value
436 (Project) / 88 (Maintenance); amount attributable to the ACS Group.

Companies involved in the project
Cobra.

Full project description
In 2011, the consortium of twelve Spanish and two Saudi companies was awarded the project for construction and operation, over 12 years, of the high-speed railway line between Mecca and Medina in Saudi Arabia, for 6,736 million euros, making it the largest contract in the international sphere obtained by Spanish companies.

The Project consists of 450 kilometres of twin-track electrified lines, five stations and a speed of over 300 kilometres per hour to provide an efficient, high-quality service for an estimated demand of 160,000 passengers per day.

Within this immense contract, the ACS Group, through its subsidiary Cobra, will be responsible for project electricity supply, including the supply and installation of the catenary electrification, the signalling and low voltage systems, 33 kV equipment and operation and maintenance of the line over 12 years.

Infrastructures for the Al Ba'itha Bauxite Mine, Saudi Arabia

Client
Ma'aden Bauxite and Alumina Company.

Project execution dates
2012 - 2014.

Location
Saudi Arabia.

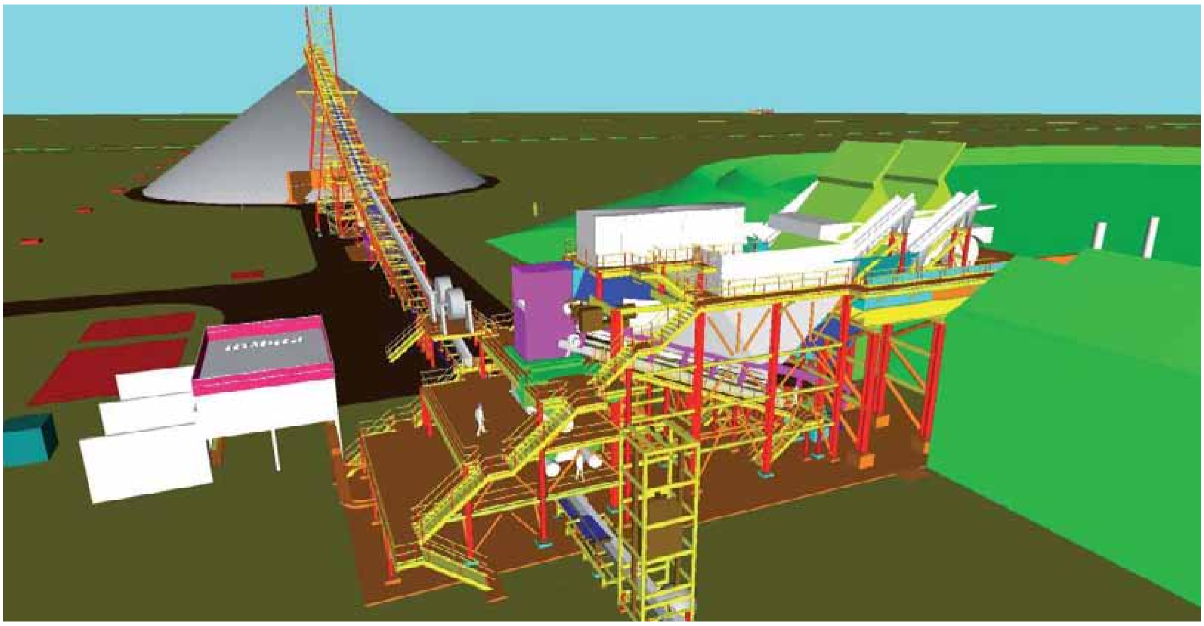
Type of works
EPC Projects.

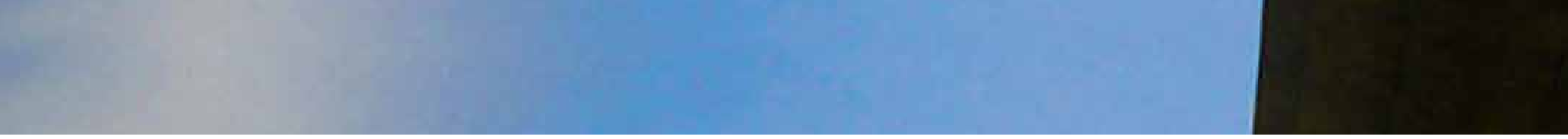
Value
127 million euros.

Companies involved in the project
Intecsa Industrial / Habtoor Leighton Group.

Full project description
An EPC project including Infrastructures and Services, mineral handling systems for the Bauxite Mine, including conditioning equipment and systems for loading the minerals into rail wagons. Arsenal for explosives storage. Village with capacity for 200 people. The ACS Group, through Intecsa Industrial in a joint venture with Habtoor Leighton Group (HLG), was the successful bidder for an EPC contract, worth 175 million dollars, for the construction of the mineral handling units and the mine-related infrastructures for the Ma'aden Bauxite and Alumina Company's bauxite mine in Saudi Arabia. The infrastructures include the conditioning equipment and the systems for loading the minerals into rail wagons, the arsenal for explosives storage and the residential area for the workers.

The project will be carried out at Al Ba'itha, in a desert setting approximately 200 kilometres north-east of the city of Buraydah in the Al-Qassim region in central Saudi Arabia. Once Intecsa has completed these facilities, around March 2014, the minerals will be transported from the bauxite mine by railway along the North-South Railway connecting the mine to the aluminium processing and smelting plant currently being built by the company at Ras Al Khair. This is where Intecsa Industrial recently completed construction of the world's largest DAP (fertilizer) plant. This new project consolidates the company's position in the Saudi market.

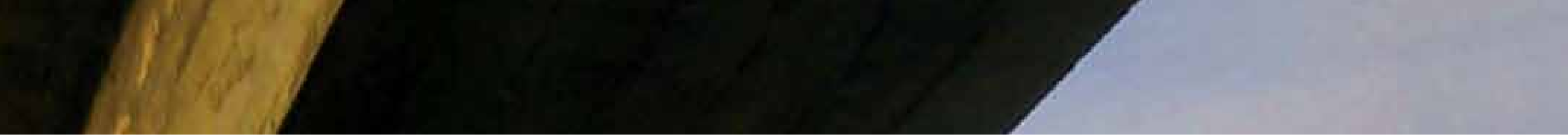




MAIN ECONOMIC-FINANCIAL FIGURES OF ACS GROUP

THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

ACS GROUP GOVERNANCE



MAIN ECONOMIC-FINANCIAL FIGURES OF ACS GROUP

Performance of the ACS Group in 2012

HIGHLIGHTS

KEY OPERATING & FINANCIAL FIGURES

MILLION EUROS

	2011	**2012**	Var.
Turnover	**28,472**	**38,396**	**+34.9%**
Backlog	**66,152**	**65,626**	**-0.8%**
Months	22	21	
EBITDA	**2,318**	**3,088**	**+33.3%**
Margin	8.1%	8.0%	
EBIT	**1,333**	**1,579**	**+18.5%**
Margin	4.7%	4.1%	
Ordinary Net Profit*	**782**	**705**	**-9.9%**
Attributable Net Profit	**962**	**(1,926)**	**n.a.**
EPS	**3.24 €**	**-6.61 €**	**n.a.**
Cash Flow from Operations	**1,287**	**1,299**	**+1.0%**
Cash Flow excl. HOT & IBE**	467	902	+93.1%
Net Investments	**2,902**	**(2,285)**	**n.a.**
Investments	4,755	2,496	-47.5%
Disposals	1,854	4,781	+157.9%
Total Net Debt	**9,334**	**4,952**	**-46.9%**
HOCHTIEF AG	990	1,164	+17.6%
ACS exHOT	8,344	3,788	-54.6%

NOTE: Data presented in accordance with ACS Group management criterion. HOCHTIEF has been fully consolidated since 1 June 2011.
* Net profit excluding extraordinary profit.
** Does not include funds generated from operations at HOCHTIEF AG and Iberdrola.

Sales for 2012 reached 38,396 million euros, which in comparable terms represents growth of 4.1%, including all business activity of HOCHTIEF in 2011. As a result of the incorporation of HOCHTIEF and the international expansion of the Group, business activities abroad represented 84.4% of sales. Accordingly, production in Spain fell by 23.6%.

The Group's profit (EBITDA and EBIT) grew substantially as a result of HOCHTIEF being fully consolidated as of June 2011.

In 2012 the ACS Group incurred in losses of 1,926 million euros, caused by various extraordinary factors relating to the investment in Iberdrola.

- In 2012 the Group sold 755 million Iberdrola shares, representing 12% of its share capital, in successive operations throughout the year. Net losses incurred as a result of the partial divestment of Iberdrola, after discounting taxes and related expenses, amounted to 1,312 million euros.
- The Group also incurred a loss of 1,308 million euros as a result of the impairment tests carried out on the shares of Iberdrola and the valuation adjustments made to the market prices of the derivatives on Iberdrola, which relate to a call spread on 597 million shares and an equity swap on 278 million shares.

Unrealised gains on the sale of assets for 322 million euros are also included in this period, mainly as a result of the sale of ownership interest in Abertis and the partial sale of Clece. In addition, extraordinary losses of 333 million euros were recorded, arising from provisions on assets, expenses related to the financial restructuring and valuation adjustments on derivatives on treasury shares.

ORDINARY NET PROFIT CALCULATION

MILLION EUROS

	2011	**2012**	Var.
Ordinary Net Profit Construction	277	274	-1.0%
Ordinary Net Profit Industrial Services	415	416	+0.2%
Ordinary Net Profit Environment	121	97	-19.3%
Ordinary Net Profit Holding	(31)	(82)	-160.3%
Ordinary net profit	**782**	**705**	**-9.9%**
Capital gains from assets sales	224	322	
Other extraordinary expenses	(44)	(333)	
Net profit prior to IBD extraordinaries	**962**	**694**	**-27.9%**
Net Results from the sale of a 12% of IBD		(1,312)	
IBD impairment test adjustments		(1,308)	
Net Results	**962**	**(1,926)**	**n.a.**

Excluding the effects of extraordinary profit and loss in both periods, the ACS Group's ordinary net profit amounted to 705 million euros, down 9.9% on 2011.

The funds generated by the operations grew soundly in terms of operating cash even after the impact of the problematic projects of Leighton and the impairment losses of Iberdrola, recording a profit of 1,299 million euros, up 1.0% on 2011. Net cash flows from the ACS Group's operating activities, not including HOCHTIEF AG and Iberdrola, amounted to 902 million euros, a figure three times higher than that recorded in 2011. The positive performance of operating working capital, which generated 217 million euros in cash, is also noteworthy.

The ACS Group's net debt decreased by 47%, 4,382 million euros, over the last twelve months to a net balance of 4,952 million euros. This figure includes 1,164 million euros relating to HOCHTIEF AG.

MAIN ECONOMIC-FINANCIAL FIGURES OF ACS GROUP

Consolidated Income Statement of the ACS Group

CONSOLIDATED INCOME STATEMENT

MILLION EUROS

	2011	%	**2012**	**%**	Var.
Net Sales	**28,472**	**100.0 %**	**38,396**	**100.0 %**	**+34.9%**
Other revenues	519	1.8 %	404	1.1 %	-22.2%
Total Income	28,991	101.8 %	38,800	101.1 %	+33.8%
Operating expenses	(20,355)	(71.5 %)	(27,031)	(70.4 %)	+32.8%
Personnel expenses	(6,319)	(22.2 %)	(8,681)	(22.6 %)	+37.4%
Operating Cash Flow (EBITDA)	**2,318**	**8.1 %**	**3,088**	**8.0 %**	**+33.3%**
Fixed assets depreciation	(954)	(3.4 %)	(1,469)	(3.8 %)	+54.0%
Current assets provisions	(30)	(0.1 %)	(40)	(0.1 %)	+32.0%
Ordinary Operating Profit (EBIT)	**1,333**	**4.7 %**	**1,579**	**4.1 %**	**+18.5%**
Impairment & gains on fixed assets	(40)	(0.1 %)	37	0.1 %	n.a.
Other operating results	81	0.3 %	(25)	(0.1 %)	n.a.
Operating Profit	**1,374**	**4.8 %**	**1,591**	**4.1 %**	**+15.8%**
Financial income	521	1.8 %	508	1.3 %	-2.5%
Financial expenses	(1,217)	(4.3 %)	(1,290)	(3.4 %)	+6.0%
Ordinary Financial Result	**(695)**	**(2.4 %)**	**(782)**	**(2.0 %)**	**+12.4%**
Foreign exchange results	(22)	(0.1 %)	0	0.0 %	n.a.
Changes in fair value for financial instruments	(98)	(0.3 %)	105	0.3 %	n.a.
Impairment & gains on financial instruments	367	1.3 %	(3,770)	(9.8 %)	n.a.
Net Financial Result	**(449)**	**(1.6 %)**	**(4,446)**	**(11.6 %)**	**n.a.**
Results on equity method	318	1.1 %	339	0.9 %	+6.6%
PBT of continued operations	**1,244**	**4.4 %**	**(2,515)**	**(6.6 %)**	**n.a.**
Corporate income tax	(181)	(0.6 %)	1,003	2.6 %	n.a.
Net profit of continued operations	**1,063**	**3.7 %**	**(1,512)**	**(3.9 %)**	**n.a.**
Profit after taxes of the discontinued operations	46	0.2 %	107	0.3 %	+134.7%
Consolidated Result	**1,108**	**3.9 %**	**(1,405)**	**(3.7 %)**	**n.a.**
Minority interest	(147)	(0.5 %)	(522)	(1.4 %)	n.a.
Net Profit Attributable to the Parent Company	**962**	**3.4 %**	**(1,926)**	**(5.0 %)**	**n.a.**

Net cash flows

NET CASH FLOWS

MILLION EUROS

	2011			**2012**				
	Total	HOT	ACS ex HOT	**Total**	**HOT**	**ACS ex HOT**	Total	ACS ex HOT
Net Profit	**962**	**17**	**945**	**(1,926)**	**158**	**(2,085)**	**n.a.**	**n.a.**
Adjustments to net profit without cash flow	1,210	1,110	100	3,433	1,189	2,244		
Cash Flow from Operating Activities before Working Capital	**2,172**	**1,127**	**1,045**	**1,506**	**1,347**	**159**	**-30.6%**	**-84.7%**
Operating working capital variation	(885)	(308)	(577)	(207)	(424)	217		
Cash Flow from Operating Activities	**1,287**	**819**	**467**	**1,299**	**923**	**377**	**+1.0%**	**-19.4%**
1. Payments due for investments	(4,417)	(1,506)	(2,910)	(2,496)	(1,724)	(772)		
2. Cash collected from disposals	1,691	493	1,199	4,781	588	4,194		
Cash flow from Investing Activities	**(2,725)**	**(1,013)**	**(1,712)**	**2,285**	**(1,136)**	**3,422**	**n.a.**	**n.a.**
1. Treasury stock acquisition	(255)	0	(255)	(84)	1	(85)		
2. Dividends paid	(614)	(47)	(567)	(639)	(151)	(488)		
3. Other adjustments	90	216	(126)	(125)	(12)	(113)		
Other Cash Flows	**(779)**	**170**	**(949)**	**(848)**	**(162)**	**(685)**	**+9%**	**-27.8%**
Total Cash Flow generated / (Consumed)	**(2,217)**	**(24)**	**(2,193)**	**2,737**	**(376)**	**3,113**	**n.a.**	**n.a.**

Consolidated Balance Sheet at 31 December

CONSOLIDATED BALANCE SHEET

MILLION EUROS

	2011	%	**2012**	**%**	Var.
Intangible Fixed Assets	5,353	11.2 %	5,049	12.1 %	-5.7%
Tangible Fixed Assets	3,550	7.4 %	3,131	7.5 %	-11.8%
Investments accounted by Equity Method	1,570	3.3 %	1,732	4.2 %	+10.3%
Long Term Financial Investments	7,460	15.5 %	1,961	4.7 %	-73.7%
Long Term Deposits	0	0.0 %	363	0.9 %	n.a.
Financial Instruments Debtors	24	0.0 %	471	1.1 %	n.a.
Deferred Taxes Assets	2,083	4.3 %	2,467	5.9 %	+18.4%
Fixed and Non-current Assets	**20,040**	**41.8 %**	**15,173**	**36.5 %**	**-24.3%**
Non-Current Assets Held for Sale	8,087	16.9 %	6,601	15.9 %	-18.4%
Inventories	1,775	3.7 %	1,920	4.6 %	+8.2%
Accounts receivables	10,703	22.3 %	11,414	27.5 %	+6.6%
Short Term Financial Investments	3,006	6.3 %	1,705	4.1 %	-43.3%
Financial Instruments Debtors	0	0.0 %	9	0.0 %	n.a.
Other Short Term Assets	221	0.5 %	212	0.5 %	-4.1%
Cash and banks	4,155	8.7 %	4,528	10.9 %	+9.0%
Current Assets	**27,948**	**58.2 %**	**26,391**	**63.5 %**	**-5.6%**
TOTAL ASSETS	**47,988**	**100 %**	**41,563**	**100 %**	**-13.4%**
Shareholders' Equity	5,682	11.8 %	3,382	8.1 %	-40.5%
Adjustments from Value Changes	(2,363)	(4.9 %)	(726)	(1.7 %)	-69.3%
Minority Interests	2,872	6.0 %	3,055	7.4 %	+6.4%
Net Worth	**6,191**	**12.9 %**	**5,712**	**13.7 %**	**-7.7%**
Subsidies	58	0.1 %	54	0.1 %	-6.7%
Long Term Financial Liabilities	9,604	20.0 %	6,957	16.7 %	-27.6%
Deferred Taxes Liabilities	1,175	2.4 %	1,232	3.0 %	+4.9%
Long Term Provisions	2,033	4.2 %	1,892	4.6 %	-7.0%
Financial Instruments Creditors	422	0.9 %	594	1.4 %	+40.9%
Other Long Term Accrued Liabilities	184	0.4 %	187	0.5 %	+1.6%
Non-current Liabilities	**13,477**	**28.1 %**	**10,917**	**26.3 %**	**-19.0%**
Liabilities from Assets Held for Sale	4,995	10.4 %	4,089	9.8 %	-18.1%
Short Term Provisions	1,268	2.6 %	1,214	2.9 %	-4.3%
Short Term Financial Liabilities	6,891	14.4 %	4,591	11.0 %	-33.4%
Financial Instruments Creditors	0	0.0 %	24	0.1 %	n.a.
Trade accounts payables	14,561	30.3 %	14,742	35.5 %	+1.2%
Other current payables	604	1.3 %	275	0.7 %	-54.4%
Current Liabilities	**28,320**	**59.0 %**	**24,935**	**60.0 %**	**-12.0%**
TOTAL EQUITY & LIABILITIES	**47,988**	**100 %**	**41,563**	**100 %**	**-13.4%**

MAIN ECONOMIC-FINANCIAL FIGURES OF ACS GROUP

ACS Group's relevant events occurred during 2012

FEBRUARY 9

ACS entered into a contract with a syndicate of banks, composed of 32 Spanish and foreign entities, for the refinancing of the syndicated loan which now matures in July 2015. The amount finally contracted totalled 1,430 million euros.

MARCH 8

The ACS Group sold the 23.5% ownership interest of Clece, S.A. to various funds managed by Mercapital, to which the Group also granted a purchase option on the remaining share capital. As of that date the company was controlled jointly, with the subsequent change in the consolidation method. The purchase price of this ownership interest was 80 million euros, which represents a total business value of 506 million euros.

APRIL 15

The Supervisory Board of HOCHTIEF AG appointed Marcelino Fernández Verdes as Chief Operating Officer (COO), who then became part of HOCHTIEF's Executive Committee. As a result of this appointment, Mr. Fernández Verdes ceased to perform the duties carried out in the ACS Group.

APRIL 18

ACS sold 3.69% of its share capital in Iberdrola through an accelerated bookbuilding transaction on the market at a price of 3.62 euros per share. The transaction amounted to 798 million euros.

APRIL 25

Actividades de Construcción y Servicios S.A., through Admirabilia, S.L., sold a package of Abertis shares, representing 10.035% of this company's share capital, for a total of 875 million euros.

MAY 28

The ACS Group, through its subsidiaries of the Industrial Area, Cobra, Cymi and CME, entered into an agreement for the sale of seven electricity transmission lines in Brazil, completed or under construction, wholly owned for a total business value at that date (based on the exchange rate of the Brazilian real in relation to the euro that day) of 751 million euros, 423 million euros of which is recognised as shareholders' equity and 328 million euros as debt. The execution of the sale and purchase was partially completed (five transmission lines) in December 2012, which led to income of 652 million euros. The sale of the two remaining transmission lines is expected to be completed during the first half of 2013.

MAY 29

Urbaser, a wholly-owned subsidiary of ACS, Actividades de Construccion y Servicios, S.A., entered into a refinancing contract with a syndicate of banks, composed of 17 Spanish and foreign entities, in which Société Générale acts as the bank agent, for 506 million euros maturing on 28 November 2014.

MAY 31

The adoption of the remuneration system through optional dividends, the first execution of which was carried out in July, was approved at the General Shareholders' Meeting.

The result of this first execution determined that the irrevocable obligation to purchase rights assumed by ACS was accepted by the holders of 202,899,907 bonus issue rights, representing 64.5% of the total, for a gross amount of 216.7 million euros.

Consequently, 7,332,095 ordinary shares of 0.5 euro par value each were definitively issued in the first execution, and share capital was simultaneously reduced by the same number of shares through the retirement of treasury shares, approved by the shareholders and the same General Meeting.

JULY 13

Residencial Monte Carmelo, S.A, a wholly-owned subsidiary of ACS, Actividades de Construccion y Servicios, S.A., entered into a financing transaction with Société Générale, which allowed it to cancel the syndicated loan it had with a syndicate of banks, in which BBVA acted as the bank agent, for a gross amount of 1,599 million euros.

This financing transaction, with a three-year term, consisted of arranging certain derivatives and entering into a prepaid forward contract for shares of Iberdrola, S.A., which can be paid in 2015, equal to 8.25% of its share capital. These instruments eliminated the need to arrange additional guarantees or margin calls, and limited the exposure to market fluctuations of the aforementioned Iberdrola shares.

As a result of the change introduced on 21 December 2012, whereby the prepaid forward may only be paid in shares, ACS recognised the divestment of 493 million Iberdrola shares and cancelled the liability linked to this operation for 1,606 million euros. This operation was definitively cancelled on 25 February 2013.

JULY 27

The ACS Group, in relation to the equity swap contract entered into with Natixis for a nominal amount of 1,434 million euros, which had a total of 277,971,800 shares of Iberdrola, S.A. as the underlying asset, amended the contract in order to substantially reduce the margin calls that required the Group to provide guarantees based on the market fluctuations of the Iberdrola shares. The equity swap matures on 31 March 2015 and may be paid in shares or in cash, at the discretion of ACS, by virtue of the novation agreed upon on 24 December 2012. This change implied that this equity swap would be recognised as a financial derivative.

SEPTEMBER

At the end of September, HOCHTEIF AG sold the 45.45% holding it had in the Vespucio Norte Express highway in Chile for 230 million euros to a consortium led by Brookfield.On 28 September 2012, Leighton Holdings completed the sale of its subsidiary Thiess Waste Management to Remondis AG for a total of 153 million euros.

NOVEMBER 20

The Supervisory Board of HOCHTIEF AG appointed Marcelino Fernández Verdes as Chief Executive Officer (CEO), who replaces Dr. Frank Stieler after the latter offered his resignation for personal reasons, had occupied the role of Chief Operating Officer of HOCHTIEF since last April and was the overall head of the Construction, Concessions and Services areas of the ACS Group until that time.

SIGNIFICANT EVENTS SUBSEQUENT TO YEAR-END

- On 23 January 2013, the ACS Group definitively sold a total of 20,200,000 treasury shares to three entities at a price which was the weighted average of the share price at 2:00 pm on the same day less 3%, which gave rise to a unit price of 17.83 euros and a total amount of 360,166,000 euros.

  In addition, the Group entered into a derivative contract for the same number of ACS shares, payable only in cash and within a period of two years that may be extended for a further year.

- On 14 March 2013, Hochtief, A.G. issued a corporate bond amounting to 750 million euros maturing in five years and with an annual coupon of 3.875%.

- On 21 March 2013, in using the authorisation granted by the shareholders at the Annual General Meeting held on 25 May 2009 and in executing the resolution of the Board of Directors of 8 November 2012, ACS, Actividades de Construcción y Servicios, S.A. formally executed the Euro Commercial Paper (ECP) programme for a maximum of 500 million euros, which was subscribed by the Irish Stock Exchange. By means of this programme, ACS will be able to issue promissory notes maturing between 1 and 364 days, thereby enabling it to diversify its means of obtaining financing on capital markets.

THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

The ACS Group and Corporate Social Responsibility

Commitment to sustainability growth

The ACS Group adopts voluntarily and responsibly a commitment to sustainability, based on five areas where it develops its Corporate Responsibility policy.

ACS has defined its form of committing itself to its stakeholders through its five commitments to sustainability. The ACS Group sets its Corporate Responsibility activities and its relationship with its Stakeholders in context in accordance with these commitments which the company adopts voluntarily and responsibly.

- **Commitment to creating value:** laying out ACS's efforts to **distribute the wealth created** among its shareholders, clients, employees, suppliers and among the society as a whole.

- **Commitment to integrity:** in order to demonstrate the ACS Group's **ethical and professional conduct with complete transparency**, as well as the self-imposed demands in this field through its employees and the relationship with its clients and suppliers.

- **Commitment to technological development:** detailing the ACS Group's contributions to technical and **technological development** as a means to promote the sustainability of the ACS Group's activities and hence improve its contribution to society.

- **Commitment to the natural environment:** as a set of programmes contributing to minimising the impact of the ACS Group's activities and promoting a commitment around the fight against climate change, respect for biodiversity and efficient use of energy and water resources.

- **Commitment to the social setting:** embodied in ACS's efforts to **generate well-paid, high-quality work based on equal opportunities**. Work which contributes to **creating wealth** and **contributing to the wellbeing** and prosperity of the societies in which it operates.

The ACS Group defines stakeholders as groups with the capacity to have an influence on the achievement of the organisation's objectives. Outstanding among them are shareholders, employees, clients, suppliers, infrastructure users and society in general, who benefit from its policies in quality, R&D+i, philanthropy and the environment.

ACS Group's Companies Sustainability

The ACS Group has a decentralised structure based around its three areas of

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

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

Each of the ACS Group's companies is managed autonomously, with independent functional managements and flexible and sovereign executive bodies. The aim of this type of organisation is to promote:

- Profitability.
- Decentralisation.
- Reduced bureaucracy.
- Entrepreneurship.
- Competitiveness.
- Flexibility and ability to adapt.
- Diversity.
- Subcontracting of activities.

The objective is for all the ACS Group's companies to share the Group's values and culture, at the same time as each operates in a standalone manner, individually contributing numerous valid and profitable management formulas thanks to the multiple factors involved in their decision making and generating know-how and good practices which are also independent.

Therefore, contributions from a multitude of companies come together in the ACS Group's Sustainability effort, defining its policies for action autonomously and managing their resources in the most efficient manner possible, always covered by a common objective.

To tackle the immense challenge presented by the coordination of the ACS Group's sustainability, the company's Corporate Responsibility area carries out thorough data collection, with contributions from over one hundred functional directors from key areas for sustainability: Environment, Human Resources, Quality, R&D+i, Clients, Suppliers and Health and Safety.

From the analysis of the information a series of strategies and good practices become clear, resulting from the Group's strategic vision and in line with the aforementioned company's values.

This process is supported by independent external consultants who incorporate improvements periodically, both at the functional and procedural levels. Furthermore, the ACS Group's Corporate Responsibility Report is prepared according to the GRI's A+ standard and is verified annually.

THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

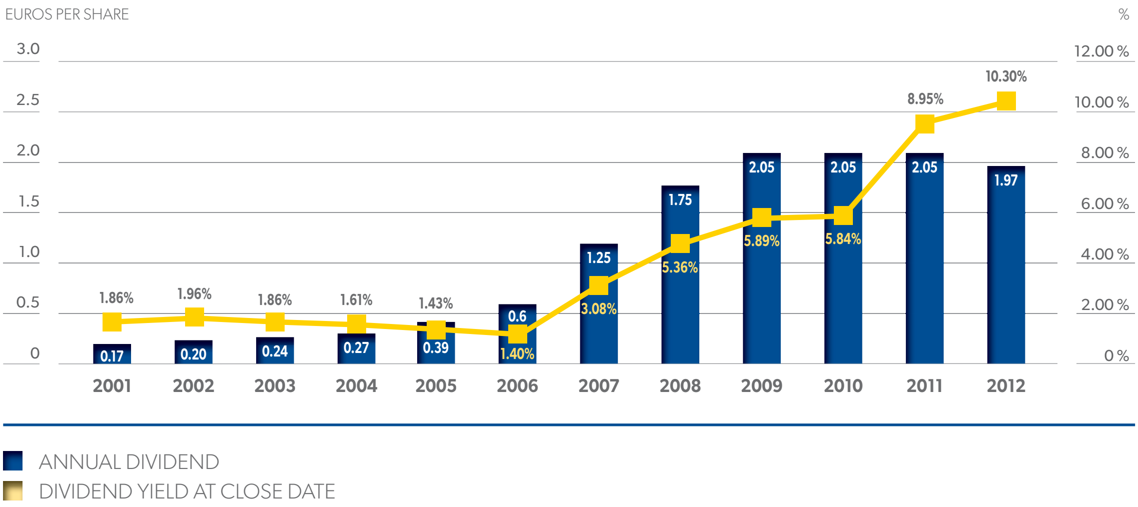
Commitment to creating value

Shareholders

ACS is committed to creating value for all its stakeholders. To provide growing and sustained profitability is one of the company's main objectives.

ACS STOCK	2010	2011	**2012**
Closing Price	**35.08 €**	**22.90 €**	**19.04 €**
Appreciation of ACS shares	0.76%	-34.71%	-16.86%
Appreciation of the IBEX35	-17.43%	-13.11%	-4.66%
Maximum closing price	**38.38 €**	**37.94 €**	**25.10 €**
Minimum closing price	**28.91 €**	**21.75 €**	**10.38 €**
Average price over the period	**33.58 €**	**29.67 €**	**16.77 €**
Total volume (thousands)	**193,764**	**220,147**	**227,383**
Average daily volume of shares (thousands)	757	857	888
Turnover (million euros)	**6,507**	**6,531**	**3,812**
Average daily turnover (million euros)	25.42	25.41	14.89
Number of shares (millions)	314.66	314.66	314.66
Capitalisation at the end of the period (million euros)	11,037	7,206	5,991

ACS as a company is highly committed to shareholder returns and dedicates a significant amount of funds to the annual payment of dividends.



Likewise, considering the concept of total return for shareholders, an investor who purchased an ACS share on 31 December 2000 would have obtained an annual yield of 14.30% at the end of 2012. If the shareholder had invested 100 euros on that day, he or she would have had 497.17 euros at the end of 2012, hence his or her investment would have appreciated 4.97 times. Total shareholder return includes market appreciation and the dividends paid by the ACS Group.

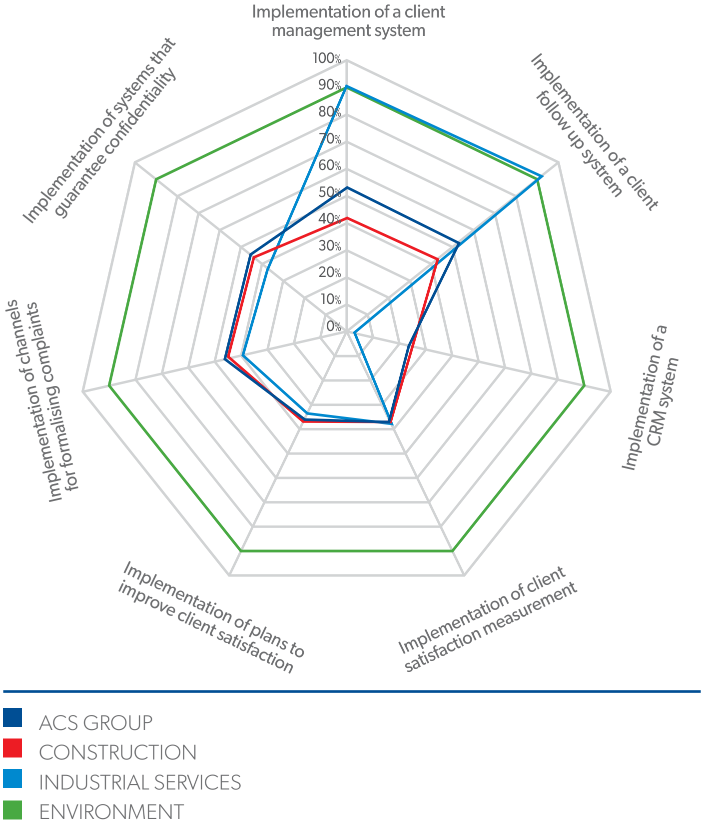
Clients

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

Given the characteristics of ACS's business, where large infrastructure projects are carried out or general agreements are entered into for the provision of services (such as the cleaning of a city or maintenance of an electricity grid), the number of clients with whom ACS deals is very limited or they are large corporations or public institutions from around the world.

In 2012, companies representing 52.8% of ACS Group sales reported the existence of a client management system, managed by each company's contracting department.

THE MANAGEMENT ASPECTS COMMON TO THE WHOLE ACS GROUP ARE AS FOLLOWS:



Level of implementation as reported by ACS Group companies and according to the level of sales of each of them.

THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

Quality

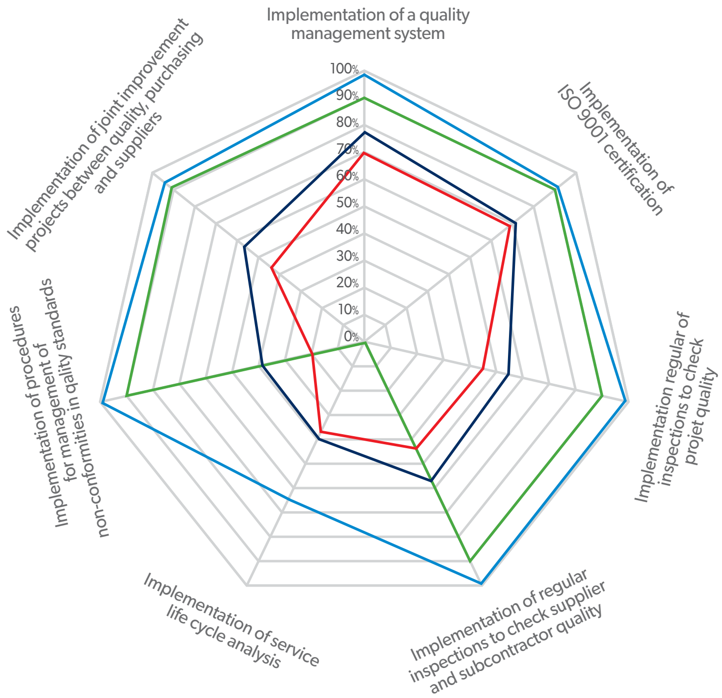
Quality is a determining factor for the ACS Group, as it represents the factor distinguishing it from the competition in the infrastructure and services industry, with high technical sophistication.

The Quality Department in the Group's different companies is the entity responsible for implementing their own Quality Management Systems. Companies representing 76.1% of ACS Group sales had some form of quality management system in 2012. In this period and as a consequence of these systems, the ACS Group invested a total of 13.37 million euros in promoting quality.

These quality systems are audited regularly in order to certify Group activities, mainly according to the ISO 9001 standard, held by companies representing 72.5% of the Group's sales. In 2012, companies representing 36.2% of the Group's sales carried out independent audits. A total of 1,556 quality audits were carried out in the year.

Each company in the group adapts its needs to the specific characteristics of its type of production, but a series of common lines of action have been identified within their Quality Management Systems.

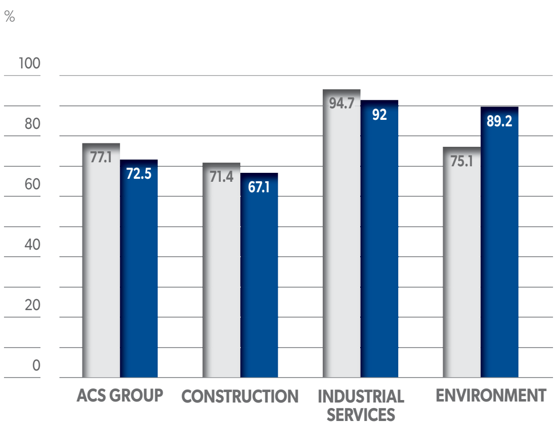
THE ADOPTION LEVEL OF THE MAIN MANAGEMENT PRINCIPLES IN THE GROUP IS SUMMARIZED IN THAT CHART:



ACS GROUP
CONSTRUCTION
INDUSTRIAL SERVICES
ENVIRONMENT

Level of implementation as reported by ACS Group companies and according to the level of sales of each of them.

PERCENTAGE OF PRODUCTION CERTIFIED UNDER ISO 9001



2012
2011

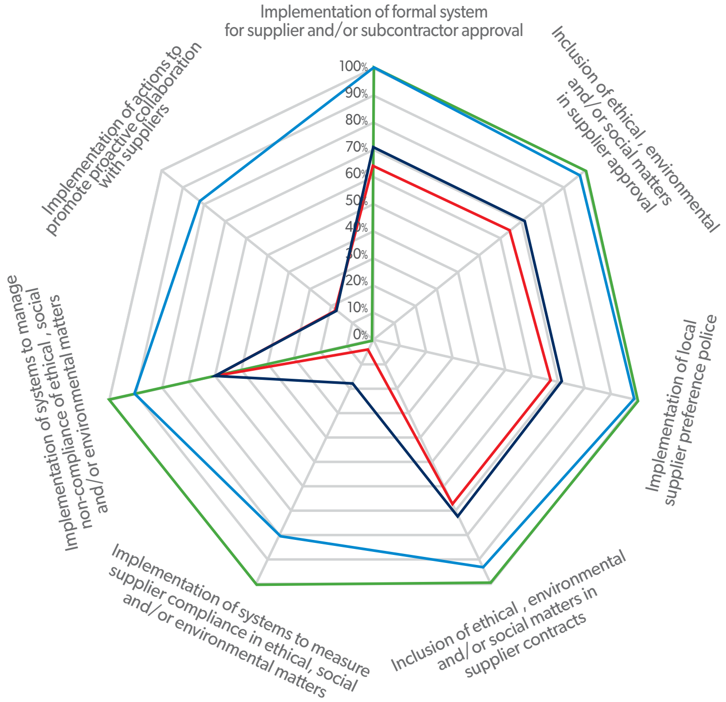
Suppliers

En las compañías del Grupo, el departamento de compras gestiona la relación con los proveedores y contratistas a través de sistemas específicos de gestión, clasificación y homologación de los mismos.

For the suppliers of services and materials which the ACS Group contracts, detailed management and control processes are defined. These have the following points in common in all the Group's companies:

- There are specific standards and a system for management, classification and approval of suppliers and subcontractors.
- The level of compliance with these systems is assessed.
- Collaboration with suppliers and transparency in contractual relationships are promoted.

THE ADOPTION OF THE MAIN SUPPLIER MANAGEMENT PARAMETERS IN THE ACS GROUP



ACS GROUP
CONSTRUCTION
INDUSTRIAL SERVICES
ENVIRONMENT

Level of implementation as reported by ACS Group companies and according to the level of sales of each of them.

THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

Ethics, Integrity and Transparency in the ACS Group

The ACS Group´s Code of Conduct

The ACS Group and the companies which make it up are fully committed to promotion, reinforcement and control in matters related to ethics and integrity, through measures which enable them to prevent, detect and eradicate bad practices.

Integrity is a very important aspect in the ACS Group. In 2011, important measures were promoted from the Board of Directors' Executive Committee to advance these values included in the ACS Group's Code of Conduct.

The ACS Group promotes knowledge of the general principles of conduct, ethics and integrity by all employees, clients, suppliers and contractors.

2012 was the first complete year of Ethical Channel operation and it was named a Monitoring Committee by the ACS Group's Board of Directors. A priority objective for the Group is the complete dissemination of the current ethical rules and proper and efficient management of the ethical incidents which may occur in the company.

It was created and published an e-mail address (canaletico@grupoacs.com) and a postal address (Canal Ético, Grupo ACS, Av. Pío XII 102, 28036 Madrid, Spain) ,through which breaches of the rules are communicated or doubts related to the General Code of Conduct are resolved.

In 2012, a total of 11 communications were received via the Ethical Channel, leading to the opening of 10 proceedings. In all except one of the communications, the means used was the digital channel[22].

All but one of the processed accusations corresponded to the Industrial Area. However, the only accusation which led the Committee to initiate an investigation process, which ended with the discovery of irregularities as regards

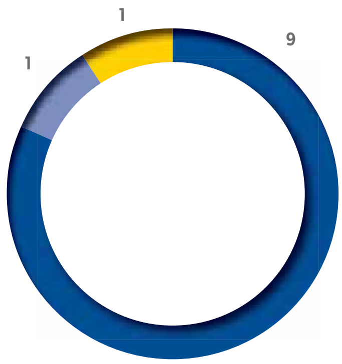
[22] Eleven communications were received, generating 10 proceedings. One of the communications was anonymous and therefore, obeying the criteria set by the Spanish Data Protection Agency, this was not processed.

ethics and integrity and the issuing of a report with Recommendations, was in the Construction Area.

Worthy of note among the communications received is one that occurred with the purpose of denouncing irregularities in management by the Group's executives. This accusation was considered relevant and led to a procedure investigating the facts that ended with a report with conclusions and recommendations which was submitted to the management of the corresponding area of business's parent company.

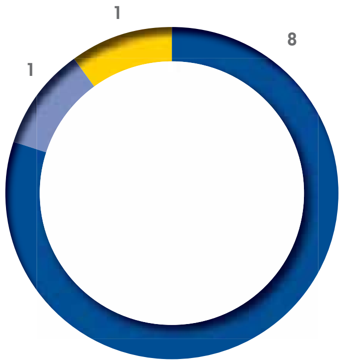
The average period for resolving the communications was 45.4 days, although this average was strongly affected by one of the communications, which required a much longer period for resolution than the average.

SOURCE OF COMMUNICATIONS



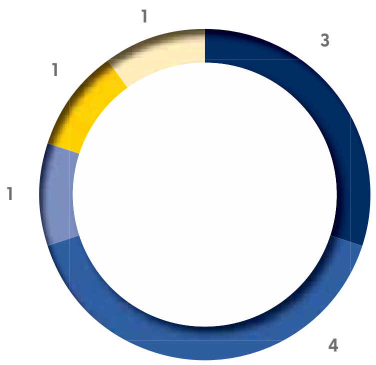
- WORKER
- THIRD PARTY
- ANONYMOUS

COUNTRY OF ORIGIN



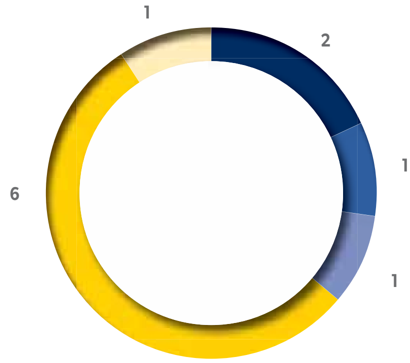
- SPAIN
- MEXICO
- ARGENTINA

REASON FOR COMMUNICATION



- LABOUR DISPUTE
- DISCRIMINATION
- REQUEST OF INFORMATION
- HARASSMENT
- IRREGULARITIES IN MANAGEMENT

METHOD OF RESOLUTION



- REFERRED COMPETENT JURISDICTION
- SUB JUDICE
- REPORTED
- INADMISSIBLE
- RECOMMENDATION TO THE PARENT COM

THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

Commitment to Information Transparency

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

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

The ACS Group manages its commitment to transparency towards its stakeholders by three main means:

- The ACS Group's Communications Department.
- The ACS Group Website.
- Shareholder and investor information activities.

www.grupoacs.com	2009	2010	2011	2012	2012 daily average	Change 11/12
Website visits	890,441	1,028,874	1,131,448	1,141,147	3,126	+0.86%
Pages viewed	8,677,863	10,598,226	14,583,027	13,607,471	37,281	-6.69%

Activity with institutional investors	2008	2009	2010	2011	2012
Investors attended	174	180	167	191	116
Events	7	10	8	9	7

Commitment to Technological Development

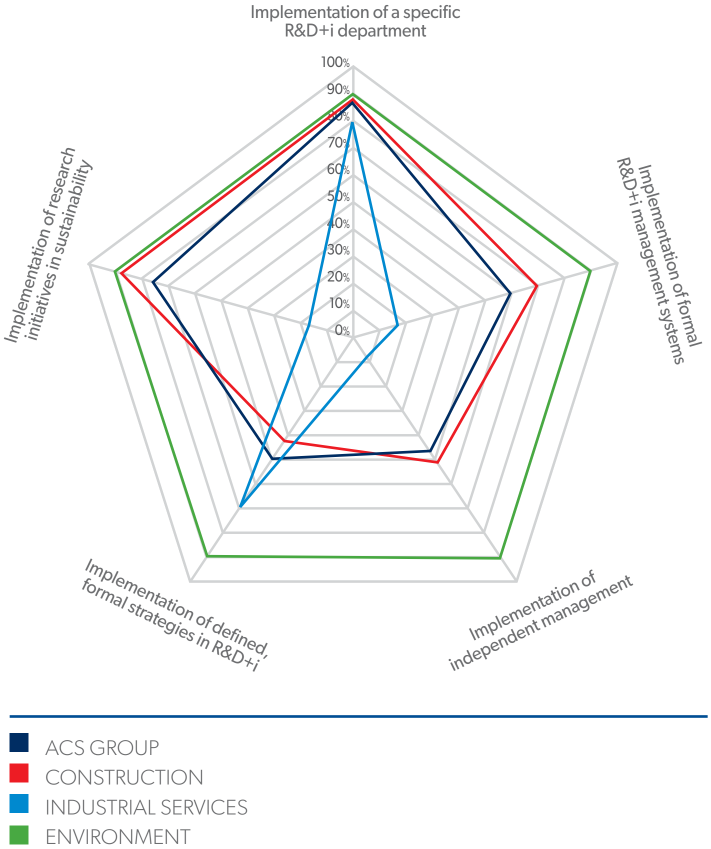
The ACS Group is an organisation which is continually evolving, adapting to the needs of its clients and demands from society. The diversification process through which the ACS Group is passing during these years has led it to undertake a wide range of activities which approach innovation and development differently, but resolutely. Through this commitment to technological development, the ACS Group responds to the growing demand for improvements in processes, technological progress and quality of service from its clients and from society.

Its involvement in research, development and innovation are clear in its increased investment and the R&D+i efforts the ACS Group makes year after year. The ACS Group invested a total of 49.04 million euros in research, development and innovation in 2012.

This effort leads to tangible improvements in productivity, quality, client satisfaction, occupational safety, the obtaining of new and better materials and products and the design of more efficient production processes and systems, among others.

The ACS Group's activities as regards R&D+i also represent substantial support to the promotion of sustainability. The large number of projects which have the aim of increasing efficiency in the use of resources, minimising the impact of the services provided to clients and carrying out eco-design activities is noteworthy. At least one of these activities is carried out in companies representing 76.0% of ACS Group sales.

THE ADOPTION OF THE MAIN R&D+I PARAMETERS IN THE ACS GROUP IS SUMMARISED IN THE FOLLOWING GRAPH



Level of implementation as reported by ACS Group companies and according to the level of sales of each of them.

THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

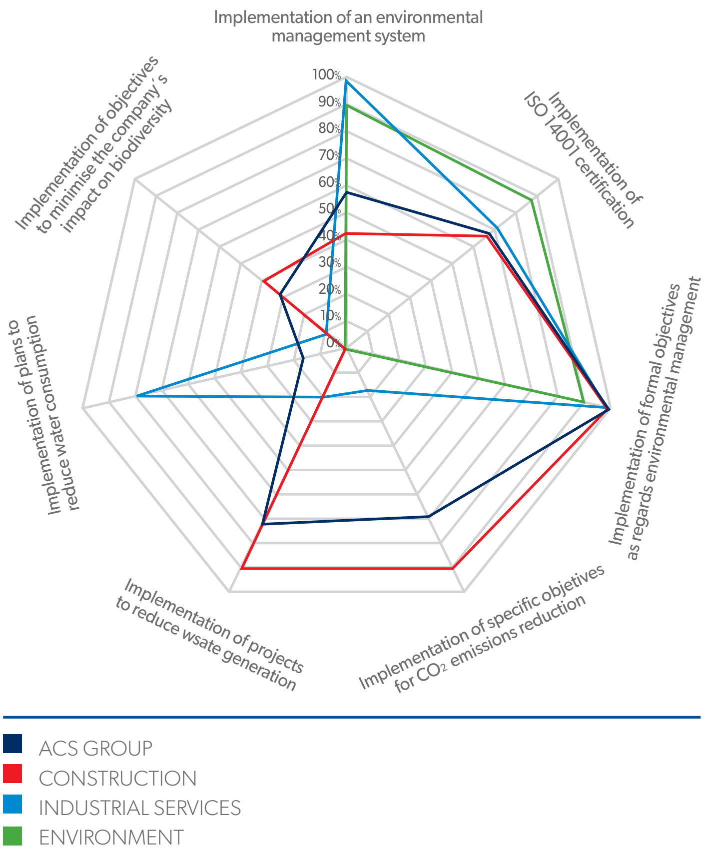
Commitment to the Natural Environment

The ACS Group combines its business objectives with protection of the environment and appropriate management of its stakeholders' expectations in this regard. ACS's environmental policy is intended to be a framework in which, on the one hand, it defines the general lines (principles) to be followed and, on the other hand, it collects the particular features of each business line and each project (articulation).

The principles are the ACS Group's general environmental commitments. These are sufficiently flexible as to accommodate the elements of policy and planning developed by the companies in the different business areas. In addition, these commitments need to keep within the requirements of the ISO 14001 Standard:

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

INITIATIVES MAP AND DEGREE OF IMPLEMENTATION:



Level of implementation as reported by ACS Group companies and according to the level of sales of each of them.

To be able articulate and deploy a policy on these environmental commitments, the most significant are identified at corporate level and are compared with each company's management system and the environmental priorities for each business. For each of these common priorities, which later become common to the majority of the ACS Group, objectives are set and improvement programmes are established individually from company to company.

The significant level of implementation of an environmental management system, present in companies representing 55.8% of Group sales, is based on the objective of seeking adoption of the ISO 14001 standard in the majority of the Group's activities, which is already implemented in 68.0% of ACS Group sales[23].

The responsibility of overseeing the ACS Group's environmental performance falls to the Environmental Department in each company. In general, the following common, general and most significant characteristics were found in ACS Group companies' management of environmental impacts:

[23] Although this is not the only certification, as companies representing 78.13% of ACS Group sales reported having obtained another type of certification, many of them in addition to ISO 14001.

- They themselves, in a decentralised and autonomous manner, develop their own policies and action plans (in ACS, companies representing 96.0% of its sales define formal environmental objectives periodically and, furthermore, 25.0% reward their workers according to fulfilment of these objectives).

- They also implement certification schemes and external independent audits (55.8% of the ACS Group's production was audited in 2012).

- They carry out environmental audits (724 in 2012).

- Companies representing 71.6% of ACS Group sales have some kind of centralised database to collect environmental data.

- Companies representing 33.0% of ACS Group sales have an incident reporting system for detailing near misses relating to environmental matters. A total of 967 environmental incidents occurred in 2012, which involved the origination of a total of 20 sanctioning administrative proceedings.

Main Environmental Indicators

THE ACS GROUP'S MAIN ENVIRONMENTAL INDICATORS	2010	2011	2012
Water consumption (m^3)	6,772,361.0	5,577,931.0	10,067,651.8
Production certified under ISO 14001 (%)	71.7%	72.6%	68.0%
Direct emissions (Scope 1) (tCO_2eq)	1,998,929.4	1,742,344.1	1,569,460.3
Indirect emissions (Scope 2) (tCO_2eq)	108,948.8	151,738.3	246,757.7
Indirect emissions (Scope 3)* (tCO_2eq)	4,391.8	13,620.2	93,781.8
Non-hazardous waste sent for management (t)	824,735.0	1,168,706.0	1,274,105.8
Hazardous waste sent for management (t)	200,949.0	186,989.5	88,182.4

* Due to employee travel.

THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

Commitment to the Social Setting

The ACS Group's People

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

The ACS Group applies modern and efficient human resource management tools with the objective of retaining the best professionals. Companies representing 80.8% of the ACS Group's employees state that they set formal objectives for Human Resource management. Some of the fundamental principles governing the companies' corporate human resources policies are based on the following common actions:

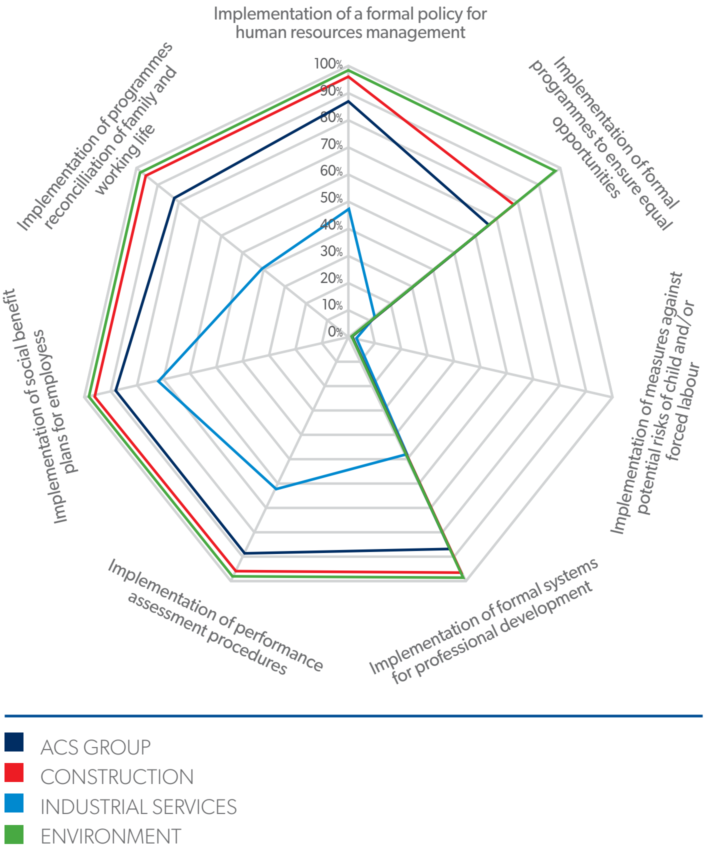
- Attracting, retaining and motivating talented individuals.
- Promoting teamwork and quality control as tools to drive excellence as work well done.
- Acting quickly, promoting the assumption of responsibilities and minimising bureaucracy.
- Supporting and increasing training and learning.
- Innovating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

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

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

The ACS Group employs a total of 162,471 people, of whom 49,967 work in Spain and 112,504 abroad. Of all the employees, 53,217 people are of a different nationality to that of their company's head office. The ACS Group has employees in more than 54 countries, in which it promotes its workers' economic and social development.

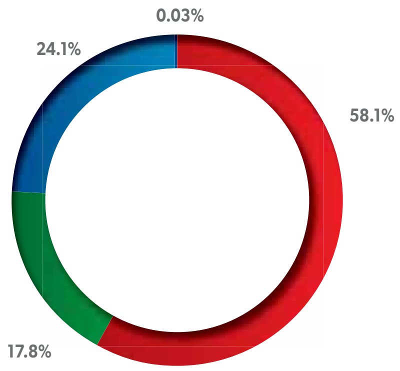
STRATEGIC PRIORITIES



Level of implementation as reported by ACS Group companies and according to the number of employees in each of them.

PERSONNEL BY AREA OF ACTIVITY

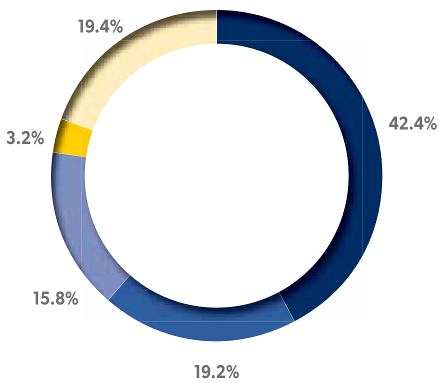
%



- CONSTRUCTION
- ENVIRONMENT
- INDUSTRIAL SERVICES
- CORPORATION

PERSONNEL BY GEOGRAPHICAL AREA

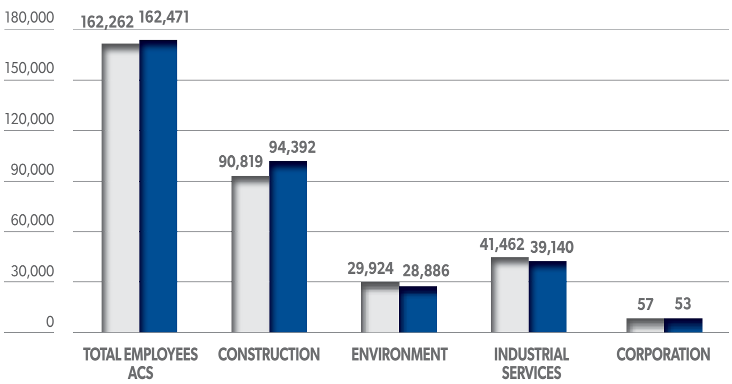
%



- EUROPE
- AMERICA
- ASIA
- AFRICA
- OCEANIA

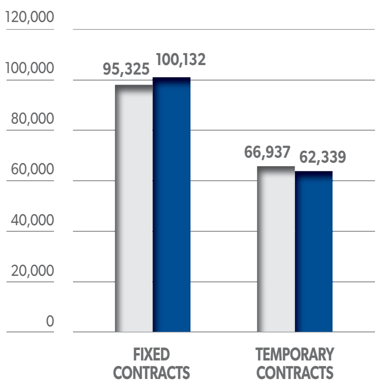
NUMBER OF EMPLOYEES BY LINE OF BUSINESS

NUMBER OF EMPLOYEES



- 2012
- 2011

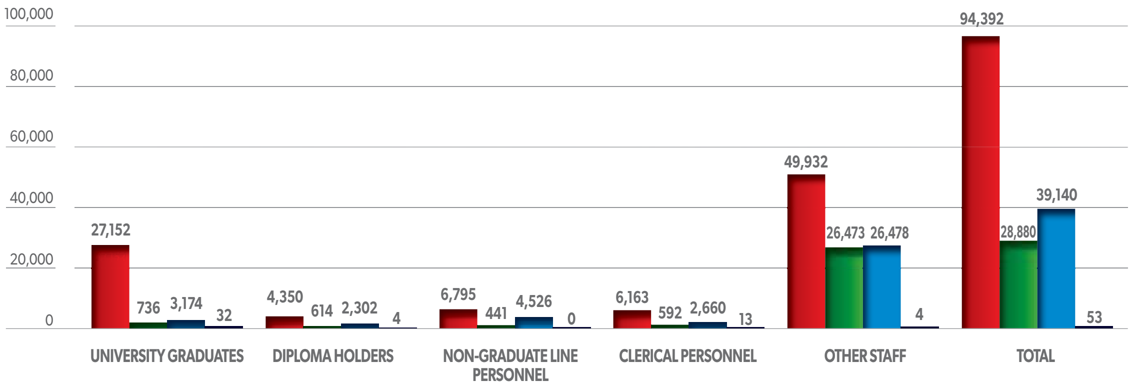
TYPES OF CONTRACT



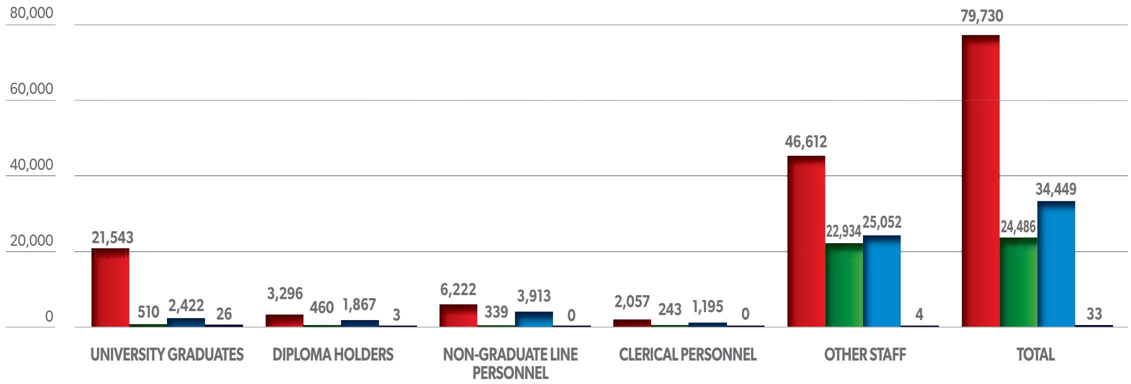
- 2012
- 2011

THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

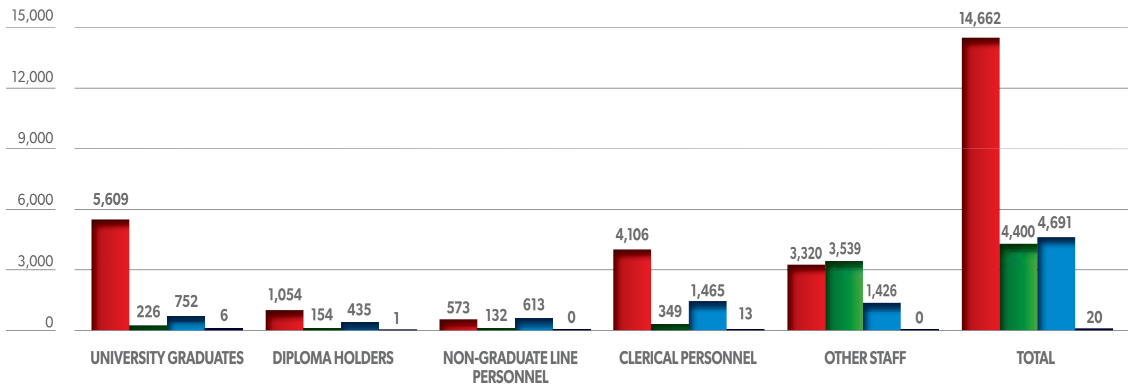
PERSONNEL BY PROFESSIONAL CATEGORY AND AREA OF ACTIVITY



MEN BY PROFESSIONAL CATEGORY AND AREA OF ACTIVITY



WOMEN BY PROFESSIONAL CATEGORY AND AREA OF ACTIVITY



- CONSTRUCTION
- ENVIRONMENT
- INDUSTRIAL SERVICES
- CORPORATION

Equality of opportunity, lack of discrimination and respect for human rights, which are basic principles included in the Group's Code of Conduct, are also determining factors when advancing the professional and personal development of all the ACS Group's employees.

The ACS Group rejects any type of discrimination, in particular that due to age, sex, religion, race, sexual orientation, nationality or disability. This commitment extends to selection and promotion processes, which are based on assessment of the person's capabilities, on the analysis of the requirements of the job post and on individual performance.

Currently, companies representing 66.6% of ACS Group employees have formal programmes to ensure equality of opportunities. These Equality Plans have adopted specific actions in companies representing 79.1% of ACS's employees, as regards selection and hiring of personnel, salary, training, working days, professional promotion, assistance, bonuses and social, health and occupational risk prevention policies, as well as in matters of gender violence.

GOOD PRACTICES IN SUSTAINABLE HR MANAGEMENT

(SCOPE EXPRESSED IN PERCENTAGE OF ACS GROUP EMPLOYEES)

	2012
Formal commitment to the Universal Declaration of Human Rights	81.3%
Formal commitment to the OECD guidelines for multinational enterprises	76.0%
Implementation of formal programmes to ensure equal opportunities	66.6%
Potential risks of child and/or forced labour	0.8%
Potential threats to rights of association	0.1%

THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

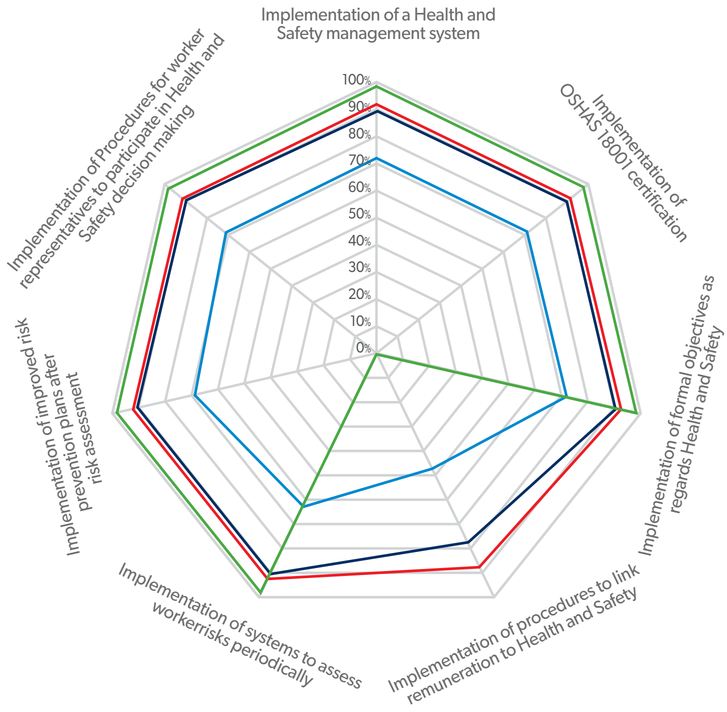
Safety in the Workplace in the ACS Group

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

The main challenge lies in designing and implementing, in all its operating fields, a risk prevention service which meets expectations. Furthermore, the company considers it fundamental to reinforce its commitment to a risk prevention culture and to optimising resources.

Thanks to the individual commitment of all its employees and the involvement of suppliers, contractors and collaborating companies, the ACS Group continues to advance in building the desired risk prevention culture, approaching its ultimate objective of achieving an accident rate of zero.

STRATEGIC PRIORITIES OF ACS GROUP COMPANIES



Level of implementation as reported by ACS Group companies and according to the number of employees in each of them.

In line with the risk prevention policy, and within these Group companies' management systems, these are the main common characteristics:

- There are systems for regular assessment of the risks to which workers are exposed in companies representing 88.9% of ACS Group employees.
- Risk prevention plans are defined which take in the improvements detected in these assessment procedures (88.1% of Group employees).
- Systems which could have resulted in an incident are identified and recorded (analysis of near misses) in companies representing 86.9% of ACS's employees.
- Workers' and managers' remuneration are referenced to fulfilment of formal targets as regards health and safety in 75.0% of the ACS Group.
- There are integrated computerised systems in companies representing 72.8% of Group employees, which are used to monitor data related to employee and subcontractor health and safety.

The supervision and optimisation of these systems involves setting and monitoring objectives, which are generally annual, approved by senior management and transferred to the company's various levels to be fulfilled.

INVESTMENT AND COSTS FOR HEALTH AND SAFETY IN THE WORKPLACE

MILLION EUROS	2010	2011	2012
Construction	11.2	8.3	21.6
Environment	5.8	6.1	5.1
Industrial Services	17.4	12.2	12.5
Total	34.4	26.6	39.2

INVESTMENT AND COSTS PER EMPLOYEE FOR HEALTH AND SAFETY IN THE WORKPLACE

EUROS PER EMPLOYEE	2010	2011	2012
Construction	621.5	522.0	732.6
Environment	72.5	210.8	176.4
Industrial Services	416.8	311.4	319.5
Total	244.0	163.7	241.7

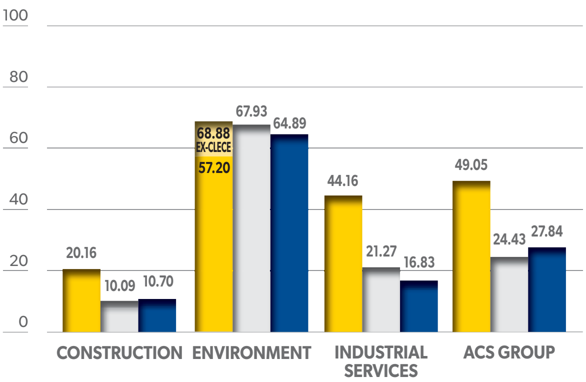
THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

The ACS Group carries out detailed measurement of the main accident rate indices.

Faithful to its commitment to achieve its final objective of an accident rate of zero, ACS will continue to prepare specific plans for activities with the greatest risk and worst accident rates, which consider improvement actions in the management of this area, not only internally, but also among its business partners[24].

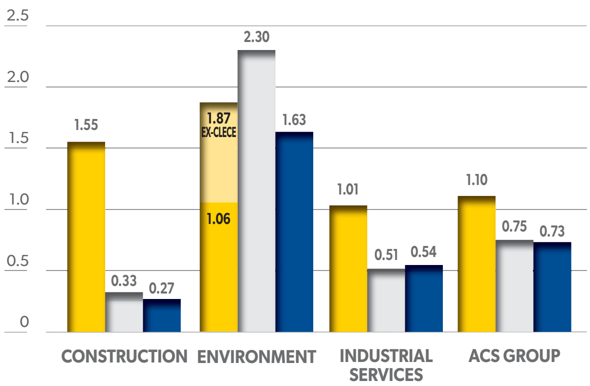
FREQUENCY RATE

NUMBER OF ACCIDENTS THAT OCURRED DURING THE WORKING DAY FOR EVERY MILLION HOURS WORKED



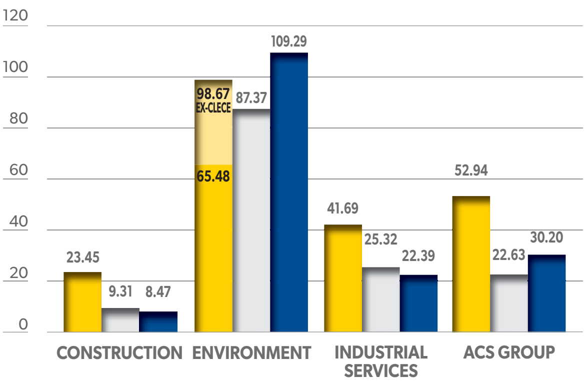
SEVERITY RATE

NUMBER OF WORKING DAYS LOST DUE TO ACCIDENTS PER THOUSAND HOUR WORKED



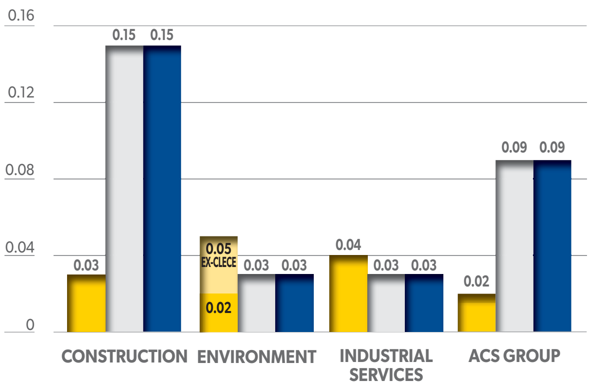
INCIDENT RATE

NUMBER OF ACCIDENTS WITH SICK LEAVE PER THOUSAND WORKERS

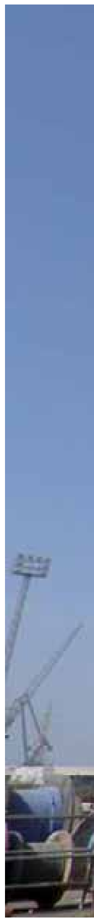


PROFESSIONAL DISEASE RATE

TOTAL NUMBER OF CASES OF OCCUPATIONAL DISEASES OVER THE TOTAL HOURS WORKED TIMES 200,000



2012
2011
2010



[24] The information from Leighton is not included in the Frequency or Absenteeism rates in 2011 or 2012.

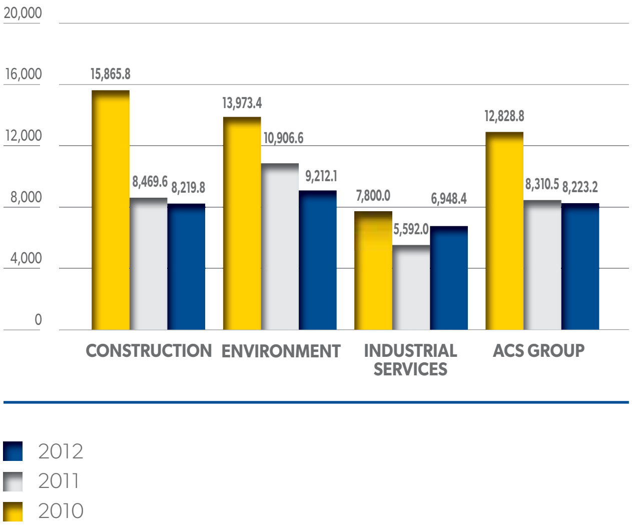
The indices for Environment in 2011 have been recalculated to make them homogeneous with the rest of the areas of activity, which only include in the calculations those accidents which involve the person involved in the accident being off work.

In the graphs for this section, data is included in Environment for Clece for 2010, but not for 2011 or 2012, as the company was consolidated as an asset prepared for sale. If Clece is discounted for 2010, the Environment accident rate indices would be:

Frequency rate: 2010 = 68.88
Severity rate: 2010 = 1.87
Incident rate: 2010 = 98.67
TEP: 2010 = 0.05

ABSENTEEISM RATE

TOTAL NUMBER OF DAYS LOST (DUE TO ABSENCE) DURING THE PERIOD OVER THE TOTAL NUMBER OF DAYS WORKED BY THE GROUP OF WORKERS DURING THE SAME PERIOD.



THE ACS GROUP AND CORPORATE SOCIAL RESPONSIBILITY

Social Action in the ACS Group

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

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

Annually, the ACS Foundation prepares its Action Plan, in which it explains in detail the activities planned for the following year. This report shows the most significant projects with the investment allocated for each area of action.

In 2012, the ACS Foundation spent 3.898 million euros, equivalent to 92.84% of its budget and similar to the amount in the previous year.

A budget of 4.201 million euros has been approved for 2013, slightly higher than the previous year.

GRI Index

Global Reporting Initiative™

Statement
GRI Application Level Check

GRI hereby states that **Grupo ACS** has presented its report "Corporate Social Responsibility Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 20 February 2013

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative

A+
GRI REPORT
GRI CHECKED

The "+" has been added to this Application Level because Grupo ACS has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

***Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 15 February 2013. GRI explicitly excludes the statement being applied to any later changes to such material.*

ACS GROUP GOVERNANCE

Ownership Structure

ACS, Actividades de Construcción y Servicios, S.A., (ACS), the ACS Group's parent company, is a Spanish quoted limited company, the share capital of which totalled 157,332,297 euros at 31 December 2012, represented by 314,664,594 shares, with a face value of 0.50 euro per share, fully subscribed and paid up, all of a single class and with the same rights.

ACS's shares are represented by means of book entries and admitted to trading in all Spain's Stock Exchanges (Madrid, Barcelona, Bilbao and Valencia). You can access the main data relating to the company's ownership structure in real time through the company's corporate website, www.grupoacs.com, and that of the Spanish Stock Market Commission (C.N.M.V.), www.cnmv.es, as reflected in the following table as at 31 December 2012:

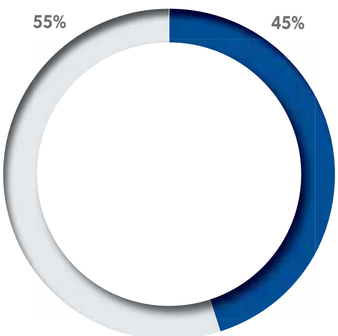
Shareholder's name or corporate name	Number of shares	Percentage of the total number of shares
Corporación Financiera Alba, S.A.	57,599,232	18.305%
Inversiones Vesán, S.A	39,397,625	12.521%
Southeastern Asset Mananagement, Inc	29,027,635	9.225%
Sayglo Holding, S.L.	17,741,012	5.638%
Mr. Alberto Cortina Alcocer	13,858,091	4.404%
Mr. Alberto Alcocer Torra	13,803,134	4.387%

The information obtained from IBERCLEAR, the Spanish Central Securities Depository, for the call to the company's most recent General Shareholders' Meeting, held on 31 May 2012, showed a total of 48,280 shareholders. There were 43,789 resident minority shareholders who held 46,971,879 million shares between them. There were 4,491 non-resident shareholders and domestic institutional shareholders with a stake of 268,612,770 million shares.

According to the stated data and bearing in mind those shareholders who, with a share of over 4% of the capital, also have representation on the board of directors, the distribution of capital ownership is as follows:

CAPITAL OWNERSHIP DISTRIBUTION

%



REFERENCE SHAREOLDERS*

FREE FLOAT

* Share of over 4% and representation on the board.

Company Administration

ACS Governance Structure

It is laid down in the Company' Articles of Association and the Rules of the Board of Directors that ACS will be governed by a Board of Directors made up of a minimum of eleven (11) and a maximum of twenty-one members (21). ACS's Board Members are named according to a procedure to assess their competences, knowledge, experience and dedication to proper fulfilment of their task, carried out by the Board of Directors' Appointments and Remuneration Committee.

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

The composition of the Board of Directors is based on a proportional principle, by means of which the interests of all ACS's groups of shareholders are represented on the Board. In this way, at 31 December 2012, ACS's Board of Directors was made up of 17 Board Members: 4 executive members, 8 members representing major shareholders, 4 independent members and 1 external member. There is one woman board member representing major shareholders, Sabina Fluxá Thienemann[25]. The mission of these independent and external board members is to represent the interests of the free-float capital on the Board of Directors. The Chairman of the Board of Directors, Florentino Pérez, is also the CEO of ACS.

Board Member	Year of birth
Florentino Pérez Rodríguez	1947
Antonio García Ferrer	1945
Pablo Vallbona Vadell	1942
Agustín Batuecas Torrego	1949
José Álvaro Cuervo García	1942
Manuel Delgado Solís	1948
Javier Echenique Landiribar	1951
Sabina Fluxà Thienemann	1980
Joan-David Grimà i Terré	1953
José María Loizaga Viguri	1936
Pedro López Jiménez	1942
Juan March de la Lastra	1973
Santos Martínez-Conde Gutiérrez-Barquín	1955
Javier Monzón de Cáceres	1956
Miquel Roca i Junyent	1940
Julio Sacristán Fidalgo	1940
José Luis del Valle Pérez	1950

[25] Personal information on ACS's board members can be found on the ACS Group's website: http://www.grupoacs.com/index.php/es/c/gobiernocorporativo_consejodeadministracion

ACS GROUP GOVERNANCE

Governance Procedures in ACS

As regards the function of the Board of Directors, this acts jointly and is granted the broadest of powers to represent and govern the company as the body supervising and controlling its activity, but also with the capacity to assume the responsibilities and decision-making powers directly on the management of the businesses.

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

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

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

The Executive Committee is a delegated committee which can exercise all the Board of Directors' powers except those which cannot be delegated or which the Board reserves as its competence.

The Audit Committee has 11 main functions, which are detailed in the ACS Group's Corporate Governance Report (Section B.2.4), outstanding among which are the accounting control functions, supervision of compliance with the ACS Group Code of Conduct and risk management.

Finally, the Appointments and Remuneration Committee has eight main functions, which are detailed in the ACS Group's Corporate Governance Report (Section B.2.4), outstanding among which are control of board member and senior management remuneration and performance, proposals for their appointments and matters relating to gender diversity on the Board of Directors.

The Board Members' remuneration is defined by a general policy approved by the full Board, heeding the recommendations of the Appointments and Remuneration Committee. The total remuneration of the ACS Group's Board Members in 2012 was 10,482 million euros, 1.48% of the company's ordinary net profit. Within the ACS Group's transparency and information policy, the remuneration received by both the members of the Board of Directors and the Senior Executives during the financial year is shown in the Annual Corporate Governance Report (Section B.1.11).

Assessment of the Board of Directors quality and efficiency of performance is a task which falls to the Board itself and cannot be delegated. It is carried out after receiving a report from the Appointments and Remuneration Committee. Furthermore, the General Shareholders' Meeting submits approval of the Board of Directors' management to a vote every year.

Finally, the ACS Group, through the Rules of the ACS Board of Directors, has detailed rules on the mechanisms laid down for detecting, determining and resolving possible conflicts of interest between the company and/or its group and its board members, managers or significant shareholders, as detailed in point C.6 of the ACS Group's Corporate Governance Report.

Shareholders Rights and the General Shareholders' Meeting

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

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

In addition, shareholders' attendance and voting rights are laid down in these Rules, by means of which egalitarian treatment is guaranteed for all and a series of measures aimed at encouraging shareholders' participation in the General Meeting are included. As such, not only is delegation or representation of votes permitted during the Meeting, but the possibility of shareholders casting their vote remotely is also expressly established. Furthermore, since the Ordinary General Shareholders' Meeting of 19 May 2005, the necessary procedures have been articulated for exercising the right to vote in advance remotely. The measures adopted by the Group to encourage attendance of the Meeting are positively reflected in their attendance percentages.

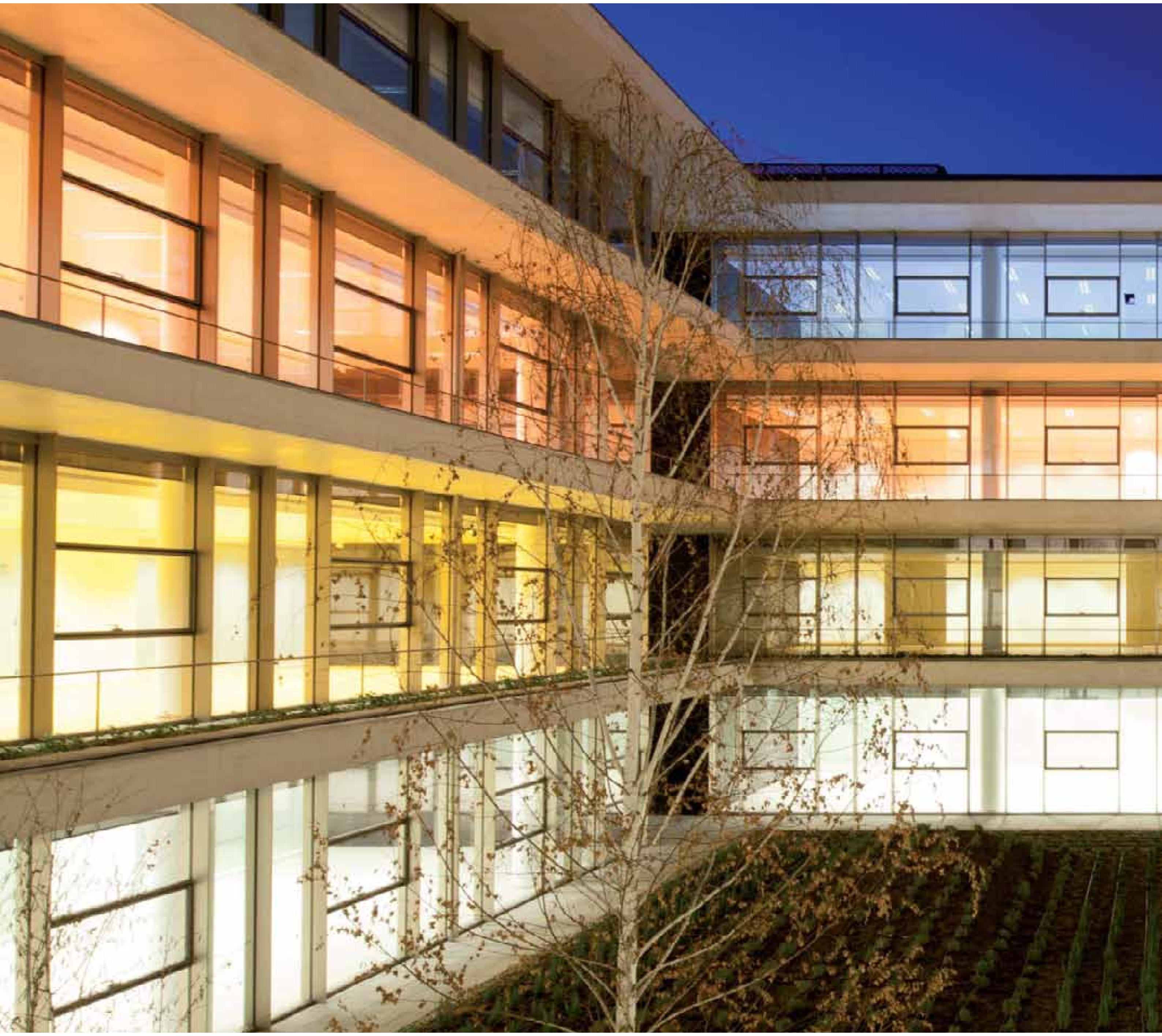
Likewise, the shareholders' and investors' rights to information are detailed in several parts of the Rules of the Shareholders' Meeting. Indeed, all the necessary information is made available to the shareholders prior to holding each Meeting, in that, in addition to the standard information provided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

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

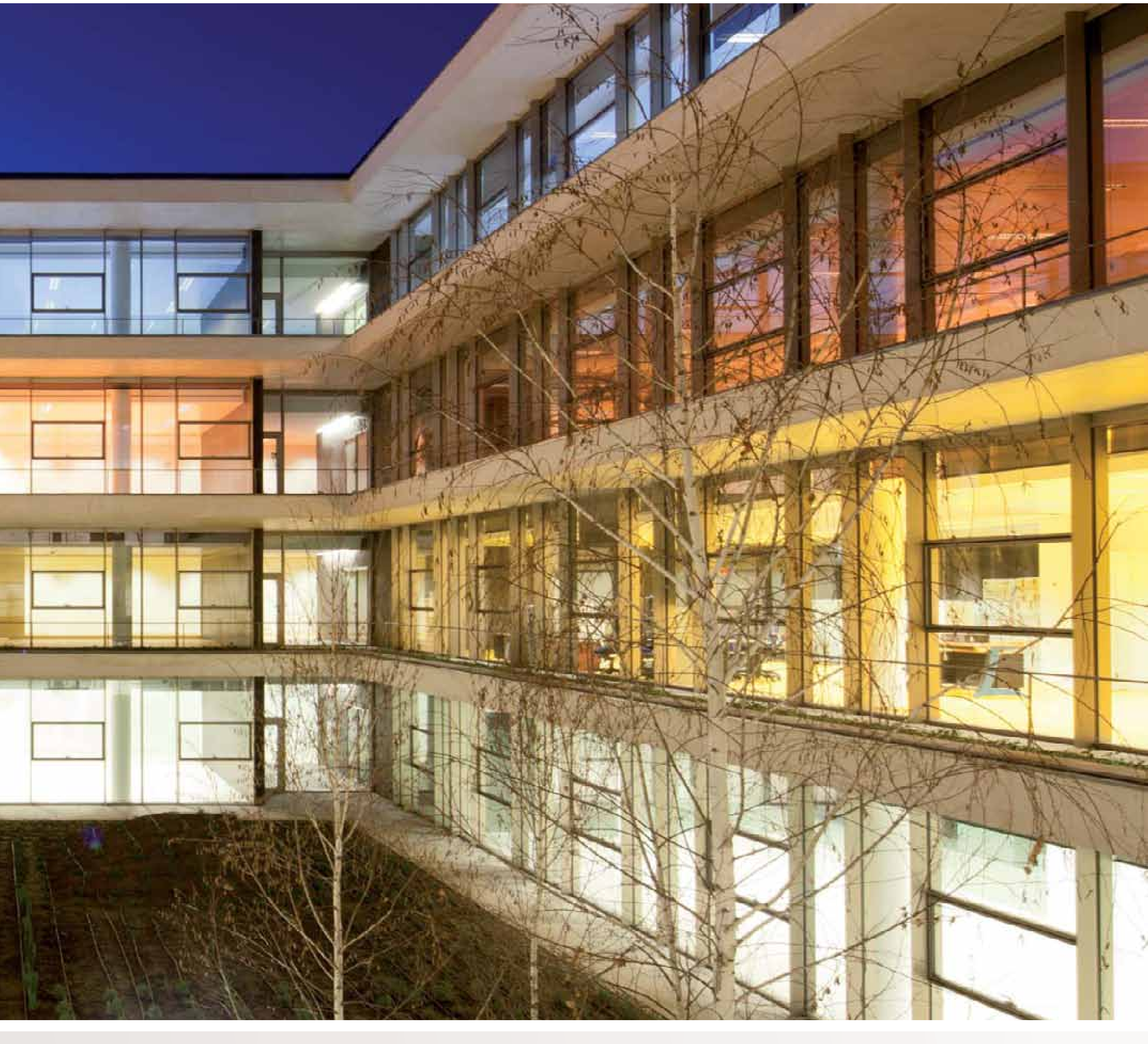
ACS's Board of Directors has, over a number of years, also been promoting measures to guarantee the transparency of the company's action in the financial markets and to exercise as many functions as result from its position as a listed company on the stock exchanges. To this effect, we try to ensure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

Attendance at Shareholders' Meetings	2009 Ordinary	2010 Ordinary	2010 Extraordinary	2011 Ordinary	2012 Ordinary
Shareholders Present	208	213	115	179	216
Quorum Shareholders Present	7.66%	19.44%	19.93%	20.55%	20.05%
Shareholders Represented	2,763	2,776	2,183	2,792	2,368
Quorum Shareholders Represented	70.88%	58.22%	57.11%	54.41%	51.40%
Quorum Total	78.54%	77.66%	77.04%	74.96%	71.45%

ECONOMIC AND FINANCIAL REPORT OF ACS GROUP
2012



www.grupoacs.com



Cover photo: Administrative Building (Salamanca, Spain).

ECONOMIC AND FINANCIAL REPORT OF ACS GROUP

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP FOR 2012

1. Performance of the ACS Group in 2012

1.1. Highlights

KEY OPERATING & FINANCIAL FIGURES

Millions of euros

	2011	2012	Var.
Turnover	**28,472**	**38,396**	**+34.9%**
Backlog	**66,152**	**65,626**	**-0.8%**
Months	22	21	
EBITDA	**2,318**	**3,088**	**+33.3%**
Margin	8.1%	8.0%	
EBIT	**1,333**	**1,579**	**+18.5%**
Margin	4.7%	4.1%	
Comparable Net Profit*	**782**	**705**	**-9.9%**
Attributable Net Profit	**962**	**(1,926)**	**n.a.**
EPS	**3.24 €**	**-6.61 €**	**n.a.**
Cash Flow from Operations	**1,287**	**1,299**	**+1.0%**
Cash Flow excl. HOT & IBE**	467	902	+93.1%
Net Investments	**2,902**	**(2,285)**	**n.a.**
Investments	4,755	2,496	-47.5%
Disposals	1,854	4,781	+157.9%
Total Net Debt	**9,334**	**4,952**	**-46.9%**
HOCHTIEF AG	990	1,164	+17.6%
ACS exHOT	8,344	3,788	-54.6%

NOTE: Data presented in accordance with ACS Group management criterion. HOCHTIEF has been fully consolidated since 1 June 2011.
* Net profit does not include extraordinary profit.
** Does not include funds generated from operations at HOCHTIEF AG and Iberdrola.

Sales for 2012 reached EUR 38,396 million, which in comparable terms represents growth of 4.1%, including all business activity of HOCHTIEF in 2011. As a result of the incorporation of HOCHTIEF and the international expansion of the Group, business activities abroad represented 84.4% of sales. Accordingly, production in Spain fell by 23.6%.

The Group's profit (EBITDA and EIBT) grew substantially as a result of HOCHTIEF being fully consolidated as of June 2011.

In 2012 the ACS Group incurred in losses of EUR 1,926 million, caused by various extraordinary factors relating to the investment in Iberdrola.

- In 2012 the Group sold 755 million Iberdrola shares, representing 12% of its share capital, in successive operations throughout the year. Net losses incurred as a result of the partial divestment of Iberdrola, after discounting taxes and related expenses, amounted to EUR 1,312 million.

- The Group also incurred a loss of EUR 1,308 million as a result of the impairment tests carried out on the shares of Iberdrola and the valuation adjustments made to the market prices of the derivatives on Iberdrola, which relate to a call spread on 597 million shares and an equity swap on 278 million shares.

Unrealised gains on the sale of assets for EUR 322 million are also included in this period, mainly as a result of the sale of ownership interest in Abertis and the partial sale of Clece. In addition, extraordinary losses of EUR 333 million were recorded, arising from provisions on assets, expenses related to the financial restructuring and valuation adjustments on derivatives on treasury shares.

COMPARABLE NET PROFIT CALCULATION

Millions of euros

	2011	2012	Var.
Ordinary Net Profit Construction	277	274	-1.0%
Ordinary Net Profit Industrial Services	415	416	+0.2%
Ordinary Net Profit Environment	121	97	-19.3%
Ordinary Net Profit Holding	(31)	(82)	-160.3%
Comparable net profit	**782**	**705**	**-9.9%**
Capital gains from assets sales	224	322	
Other extraordinary expenses	(44)	(333)	
Net profit prior to IBD extraordinaries	**962**	**694**	**-27.9%**
Net Results from the sale of a 12% of IBD		(1,312)	
IBD impairment test adjustments		(1,308)	
Net Results	**962**	**(1,926)**	**n.a.**

Excluding the effects of extraordinary profit and loss in both periods, the ACS Group's ordinary net profit amounted to EUR 705 million, down 9.9% on 2011.

The funds generated by the operations grew soundly in terms of operating cash even after the impact of the problematic projects of Leighton and the impairment losses of Iberdrola, recording a profit of EUR 1,299 million, up 1.0% on 2011. Net cash flows from the ACS Group's operating activities, not including HOCHTIEF AG and Iberdrola, amounted to EUR 902 million, a figure three times higher than that recorded in 2011. The positive performance of operating working capital, which generated EUR 217 million in cash, is also noteworthy.

The ACS Group's net debt decreased by 47%, EUR 4,382 million, over the last twelve months to a net balance of EUR 4,952 million. This figure includes EUR 1,164 relating to HOCHTIEF AG.

The following relevant events occurred during 2012:

- On 8 March 2012, the ACS Group sold the 23.5% ownership interest of Clece, S.A. to various funds managed by Mercapital, to which the Group also granted a purchase option on the remaining share capital. As of that date the company was controlled jointly, with the subsequent change in the consolidation method. The purchase price of this ownership interest was EUR 80 million, which represents a total business value of EUR 506 million.

- On 15 April 2012, the Supervisory Board of HOCHTIEF AG appointed Marcelino Fernández Verdes as Chief Operating Officer (COO), who then became part of HOCHTIEF's Executive Committee. As a result of this appointment, Mr. Fernández Verdes ceased to perform the duties carried out in the ACS Group.

- On 18 April 2012, ACS sold 3.69% of its share capital in Iberdrola through an accelerated bookbuilding transaction on the market at a price of EUR 3.62 per share. The transaction amounted to EUR 798 million.

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP FOR 2012

- On 25 April 2012, ACS, Actividades de Construcción y Servicios S.A., through Admirabilia, S.L., sold a package of Abertis shares, representing 10.035% of this company's share capital, for a total of EUR 875 million.

- On 28 May 2012, the ACS Group, through its subsidiaries of the Industrial Area, Cobra, Cymi and CME, entered into an agreement for the sale of seven electricity transmission lines in Brazil, completed or under construction, wholly owned for a total business value at that date (based on the exchange rate of the Brazilian real in relation to the euro that day) of EUR 751 million, EUR 423 million of which is recognised as shareholders' equity and EUR 328 million as debt. The execution of the sale and purchase was partially completed (five transmission lines) in December 2012, which led to income of EUR 652 million. The sale of the two remaining transmission lines is expected to be completed during the first half of 2013.

- The adoption of the remuneration system through optional dividends, the first execution of which was carried out in July, was approved at the General Shareholders' Meeting held in Madrid on 31 May 2012.

  The result of this first execution determined that the irrevocable obligation to purchase rights assumed by ACS was accepted by the holders of 202,899,907 bonus issue rights, representing 64.5% of the total, for a gross amount of EUR 216.7 million.

  Consequently, 7,332,095 ordinary shares of EUR 0.5 par value each were definitively issued in the first execution, and share capital was simultaneously reduced by the same number of shares through the retirement of treasury shares, approved by the shareholders and the same General Meeting of 31 May 2012.

- At the end of September, HOCHTEIF AG sold the 45.45% holding it had in the Vespucio Norte Express highway in Chile for EUR 230 million to a consortium led by Brookfield.

- On 28 September 2012, Leighton Holdings completed the sale of its subsidiary Thiess Waste Management to Remondis AG for a total of EUR 153 million.

Events relating to the refinancing process:

- On 9 February 2012, ACS, Actividades de Construccion y Servicios, S.A. entered into a contract with a syndicate of banks, composed of 32 Spanish and foreign entities, for the refinancing of the syndicated loan which now matures in July 2015. The amount finally contracted totalled EUR 1,430 million.

- On 29 May 2012, Urbaser, a wholly-owned subsidiary of ACS, Actividades de Construccion y Servicios, S.A., entered into a refinancing contract with a syndicate of banks, composed of 17 Spanish and foreign entities, in which Société Générale acts as the bank agent, for EUR 506 million maturing on 28 November 2014.

- On 13 July 2012, Residencial Monte Carmelo, S.A. ("RMC"), a wholly-owned subsidiary of ACS, Actividades de Construccion y Servicios, S.A., entered into a financing transaction with Société Générale, which allowed it to cancel the syndicated loan it had with a syndicate of banks, in which BBVA acted as the bank agent, for a gross amount of EUR 1,599 million.

  This financing transaction, with a three-year term, consisted of arranging certain derivatives and entering into a prepaid forward contract for shares of Iberdrola, S.A., which can be paid in 2015, equal to 8.25% of its share capital. These instruments eliminated the need to arrange additional guarantees or margin calls, and limited the exposure to market fluctuations of the aforementioned Iberdrola shares.

As a result of the change introduced on 21 December 2012, whereby the prepaid forward may only be paid in shares, ACS recognised the divestment of 493 million Iberdrola shares and cancelled the liability linked to this operation for EUR 1,606 million. This operation was definitively cancelled on 25 February 2013.

- On 27 July 2012, the ACS Group, in relation to the equity swap contract entered into with Natixis for a nominal amount of EUR 1,434 million, which had a total of 277,971,800 shares of Iberdrola, S.A. as the underlying asset, amended the contract in order to substantially reduce the margin calls that required the Group to provide guarantees based on the market fluctuations of the Iberdrola shares.

  The equity swap matures on 31 March 2015 and may be paid in shares or in cash, at the discretion of ACS, by virtue of the novation agreed upon on 24 December 2012. This change implied that this equity swap would be recognised as a financial derivative.

1.2. Consolidated Income Statement of the ACS Group

CONSOLIDATED INCOME STATEMENT

Millions of euros

	2011	%	2012	%	Var.
Net Sales	**28,472**	**100.0 %**	**38,396**	**100.0 %**	**+34.9%**
Other revenues	519	1.8 %	404	1.1 %	-22.2%
Total Income	28,991	101.8 %	38,800	101.1 %	+33.8%
Operating expenses	(20,355)	(71.5 %)	(27,031)	(70.4 %)	+32.8%
Personnel expenses	(6,319)	(22.2 %)	(8,681)	(22.6 %)	+37.4%
Operating Cash Flow (EBITDA)	**2,318**	**8.1 %**	**3,088**	**8.0 %**	**+33.3%**
Fixed assets depreciation	(954)	(3.4 %)	(1,469)	(3.8 %)	+54.0%
Current assets provisions	(30)	(0.1 %)	(40)	(0.1 %)	+32.0%
Ordinary Operating Profit (EBIT)	**1,333**	**4.7 %**	**1,579**	**4.1 %**	**+18.5%**
Impairment & gains on fixed assets	(40)	(0.1 %)	37	0.1 %	n.a.
Other operating results	81	0.3 %	(25)	(0.1 %)	n.a.
Operating Profit	**1,374**	**4.8 %**	**1,591**	**4.1 %**	**+15.8%**
Financial income	521	1.8 %	508	1.3 %	-2.5%
Financial expenses	(1,217)	(4.3 %)	(1,290)	(3.4 %)	+6.0%
Ordinary Financial Result	**(695)**	**(2.4 %)**	**(782)**	**(2.0 %)**	**+12.4%**
Foreign exchange results	(22)	(0.1 %)	0	0.0 %	n.a.
Changes in fair value for financial instruments	(98)	(0.3 %)	105	0.3 %	n.a.
Impairment & gains on financial instruments	367	1.3 %	(3,770)	(9.8 %)	n.a.
Net Financial Result	**(449)**	**(1.6 %)**	**(4,446)**	**(11.6 %)**	**n.a.**
Results on equity method	318	1.1 %	339	0.9 %	+6.6%
PBT of continued operations	**1,244**	**4.4 %**	**(2,515)**	**(6.6 %)**	**n.a.**
Corporate income tax	(181)	(0.6 %)	1,003	2.6 %	n.a.
Net profit of continued operations	**1,063**	**3.7 %**	**(1,512)**	**(3.9 %)**	**n.a.**
Profit after taxes of the discontinued operations	46	0.2 %	107	0.3 %	+134.7%
Consolidated Result	**1,108**	**3.9 %**	**(1,405)**	**(3.7 %)**	**n.a.**
Minority interest	(147)	(0.5 %)	(522)	(1.4 %)	n.a.
Net Profit Attributable to the Parent Company	**962**	**3.4 %**	**(1,926)**	**(5.0 %)**	**n.a.**

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP FOR 2012

1.2.1. Revenue and backlog

The ACS Group's revenue in 2012 amounted to EUR 38,396 million. Growth in comparable terms, include HOCHTIEF sales between January and May 2011, reached 4.1%. This growth was the result of the Group's international expansion, both from growth relating to HOCHTIEF and from other ACS activities.

Sales according to geographical area show the diversification of the Group's sources of income, where Asia Pacific represented almost 40% of sales, America 32% and Europe 27%. Spain represented 16% of the Group's total sales.

SALES PER GEOGRAPHICAL AREAS

Millions of euros

	2011	%	2012	%	Var.
Spain	7,823	27.5 %	5,975	15.6 %	-23.6%
Rest of Europe	3,345	11.7 %	4,349	11.3 %	+30.0%
America	7,819	27.5 %	12,298	32.0 %	+57.3%
Asia Pacific	9,306	32.7 %	15,551	40.5 %	+67.1%
Africa	179	0.6 %	223	0.6 %	+24.3%
Total	**28,472**		**38,396**		**+34.9%**

SALES PER GEOGRAPHICAL AREA

(excluding adjustments between areas of activity)

Millions of euros	Construction			Environment			Industrial Services		
	2011	2012	Var.	2011	2012	Var.	2011	2012	Var.
Spain	2,943	1,810	-38.5%	1,278	1,254	-1.8%	3,662	2,938	-19.8%
Rest of Europe	2,456	3,370	+37.2%	208	196	-5.3%	682	782	+14.7%
America	5,345	9,146	+71.1%	126	162	+28.5%	2,348	2,992	+27.4%
Asia Pacific	9,056	15,355	+69.6%	26	30	+16.5%	224	166	-25.8%
Africa	2	2	n.s.	49	48	-1.4%	128	172	+34.0%
Total	**19,802**	**29,683**	**+49.9%**	**1,686**	**1,691**	**+0.3%**	**7,045**	**7,050**	**+0.1%**

By geographical area, in addition to the contribution of the business activity of Hochtief in the rest of Europe, Australia and North America, noteworthy was the growth in Industrial Services in European and America, and particularly in the United States, Mexico and Brazil. In Spain the counter-cyclical nature of Environment activities remained unchanged, even after the sale of Consenur in 2011, while Construction and Industrial Services dropped due to the general decline in investment activity.

With regard to the backlog, America, both the United States and Canada in Construction and Latin American in Industrial Services are noteworthy. In Asia Pacific, the backlog decreased by 4.8% as a result of the sale of Thiess Waste Management carried out by Leighton in 2012.

BACKLOG PER GEOGRAPHICAL AREAS

Millions of euros

	2011	%	2012	%	Var.
Spain	12,645	19.1 %	11,448	17.4 %	-9.5%
Rest of Europe	10,392	15.7 %	10,501	16.0 %	+1.1%
America	14,415	21.8 %	16,067	24.5 %	+11.5%
Asia Pacific	28,357	42.9 %	26,984	41.1 %	-4.8%
Africa	344	0.5 %	625	1.0 %	+81.8%
Total	**66,152**		**65,626**		**-0.8%**

BACKLOG PER GEOGRAPHICAL AREA

Millions of euros

	Construction			Environment			Industrial Services		
	2011	2012	Var.	2011	2012	Var.	2011	2012	Var.
Spain	4,311	3,598	-16.5%	5,629	5,304	-5.8%	2,705	2,545	-5.9%
Rest of Europe	7,204	6,866	-4.7%	2,321	3,004	+29.4%	867	631	-27.2%
America	11,185	12,475	+11.5%	370	350	-5.4%	2,860	3,243	+13.4%
Asia Pacific	27,636	26,325	-4.7%	479	449	-6.3%	241	209	-13.3%
Africa	0	0	n.a.	142	94	-33.7%	202	533	+164.3%
Total	**50,336**	**49,264**	**-2.1%**	**8,941**	**9,201**	**+2.9%**	**6,875**	**7,161**	**+4.2%**

The growth in the backlog in American was driven by countries such as the United States, which grew by 11%, the United Kingdom, which doubled as a result of the construction work and waste treatment contracts, Canada, which grew by 21%, Poland, and Mexico, which grew around 11%, and Peru, where backlog was three times that of December 2011.

1.2.2. Operating results

OPERATING RESULTS

Millions of euros

	2011	2012	Var.
EBITDA	**2,318**	**3,088**	**+33.3%**
EBITDA Margin	8.1%	8.0%	
Depreciation	(954)	(1,469)	+54.0%
Construction	(765)	(1,290)	+68.6%
Industrial Services	(54)	(49)	-9.8%
Environment	(133)	(128)	-3.8%
Corporation	(1)	(1)	+9.4%
Current assets provisions	(30)	(40)	+32.0%
EBIT	**1,333**	**1,579**	**+18.5%**
EBIT Margin	4.7%	4.1%	

The significant increase in the depreciation and amortisation expenses was due to the incorporation of HOCHTIEF, which was fully consolidated as of 1 June 2011, and its subsidiary Leighton, which carries out highly capital-intensive activities relating to mining contracts. This increase was also due to the depreciation of a greater value of certain assets as a result of purchase price allocation (PPA).

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP FOR 2012

On the other hand, there was a decrease in depreciation and amortisation expenses as a result of the sale of energy concession assets.

1.2.3. Financial results

FINANCIAL RESULTS

Millions of euros

	2011	2012	Var.
Financial income	521	508	-2.5%
Financial expenses	(1,217)	(1,290)	+6.0%
Ordinary Financial Result	**(695)**	**(782)**	**+12.4%**
Construction	(167)	(240)	+43.3%
Industrial Services	(183)	(179)	-2.5%
Environment	(59)	(106)	+80.4%
Corporation	(286)	(257)	-10.1%

Financial income decreased slightly, even after the increase recognised due to the inclusion of HOCHTIEF, which contributed EUR 161 million, as a result of offsetting the lower dividends of Iberdrola due to the reduction in the Group's ownership interest.

Financial costs rose by 6.0% as compared to the costs incurred in 2011 mainly due to the following:

- The increase in debt as a result of the acquisition and subsequent full consolidation of HOCHTIEF, with a total impact on finance costs of EUR 306 million relating to HOCHTIEF. The gross debt of the German group amounted to EUR 4,454 million, while net debt stood at EUR 1,164 million at the end of 2012.

- The increase in the spread on the interest rates recorded in recent months as a result of the greater credit crunch on the market.

Net financial results included an increase in the fair value of certain financial instruments amounting to EUR 105 million. This figure included four effects:

- The valuation adjustments of the ACS Group's stock options plan, which entailed impairment losses.

- The increase in the valuation of the Iberdrola call spread arranged on 597 million shares of the utilities company, as a result of revaluation the shares between July 2012 and the end of the year.

- The cost of arranging these derivative instruments on Iberdrola.

- The valuation adjustments on certain concession assets of HOCHTIEF.

FINANCIAL RESULTS

Millions of euros

	2011	2012	Var.
Ordinary Financial Result	**(695)**	**(782)**	**+12.4%**
Foreign exchange Results	(22)	0	n.a.
Impairment non-current assets results	(98)	105	n.a.
Results on non-current assets disposals	367	(3,770)	n.a.
Net Financial Result	**(449)**	**(4,446)**	**n.a.**

The losses due to impairment on and disposal of financial instruments, which amounted to EUR 3,770 million, included, among others, the following:

- The impact of the sale of the 12% holding in Iberdrola and the impairment losses on the rest of the ACS Group's ownership interest.
- The positive impact as a result of the sale of the ownership interest that ACS held in Abertis.

1.2.4. Share of results of entities accounted using the equity method

The share of results of associates accounted using the equity method includes mainly the contribution of the HOCHTIEF investments, which most notably include the investments in airports and Aurelis. The gains and losses arising from various projects in Leighton and HOCHTIEF America carried out in collaboration with other shareholders through shared management joint ventures are also included.

EQUITY METHOD

Millions of euros

	2011	2012	Var.
Results on equity method	**318**	**339**	**+6.6%**
Construction	248	264	+6.7%
Industrial Services	19	4	-78.2%
Environment	12	27	+117.0%
Abertis	40	44	+11.4%

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP FOR 2012

1.2.5. Net loss attributable to the Group

The net loss attributable to the Group amounted to EUR 1,926 million.

COMPARABLE NET PROFIT CALCULATION

Millions of euros

	2011	2012	Var.
Ordinary Net Profit Construction	277	274	-1%
Ordinary Net Profit Industrial Services	415	416	+0.2%
Ordinary Net Profit Environment	121	97	-19.3%
Ordinary Net Profit Holding	(30)	(83)	+172.1%
Comparable net profit	**782**	**705**	**-9.9%**
Capital gains from assets sales	224	322	
Other extraordinary expenses	(44)	(333)	
Net profit prior to IBD extraordinaries	**962**	**694**	**-27.9%**
Net Results from the sale of a 12% of IBD		(1,312)	
IBD impairment test adjustments		(1,308)	
Net Results	**962**	**(1,926)**	**n.a.**

This figure was affected by various extraordinary events recognised in the period:

- The extraordinary factors relating to the investment in Iberdrola mentioned above.
- The sale of the ownership interest in Abertis for a net positive impact of EUR 197 million was also included in this period and the net capital gain recognised for the partial sale of Clece, which relates to the entire ownership interest as a result of changing its consolidation method in the ACS Group's financial statements, which is included under "Profit after tax from discontinued operations".
- Other extraordinary profit or loss mainly relate to the aforementioned valuation adjustments, the extraordinary financial results arising from the refinancing processes carried out in 2012 and the provisions made on the value of certain assets, mainly relating to renewable energy.

Excluding the effects of these operations, the ACS Group's comparable net profit amounted to EUR 705 million, down 9.9% on 2011 as a result mainly of the lower contribution of the Construction area, due to the increase in depreciation and finance costs, and the Environment area, which included the hospital waste treatment business of Consenur, which was sold in the third quarter of 2011.

Profit attributable to non-controlling interests amounting to EUR 522 million relates mainly to the non-controlling interests of HOCHTIEF, arising from the full consolidation in the ACS Group, as welll as the non-controlling interests from HOCHTIEF as a result of the consolidation of Leighton.

The tax rate of the ACS Group is 32.6%.

1.3. Consolidated Balance Sheet at 31 December

CONSOLIDATED BALANCE SHEET

Millions of euros

	2011	%	2012	%	Var.
Intangible Fixed Assets	5,353	11.2 %	5,049	12.1 %	-5.7%
Tangible Fixed Assets	3,550	7.4 %	3,131	7.5 %	-11.8%
Investments accounted by Equity Method	1,570	3.3 %	1,732	4.2 %	+10.3%
Long Term Financial Investments	7,460	15.5 %	1,961	4.7 %	-73.7%
Long Term Deposits	0	0.0 %	363	0.9 %	n.a.
Financial Instruments Debtors	24	0.0 %	471	1.1 %	n.a.
Deferred Taxes Assets	2,083	4.3 %	2,467	5.9 %	+18.4%
Fixed and Non-current Assets	**20,040**	**41.8 %**	**15,173**	**36.5 %**	**-24.3%**
Non-Current Assets Held for Sale	8,087	16.9 %	6,601	15.9 %	-18.4%
Inventories	1,775	3.7 %	1,920	4.6 %	+8.2%
Accounts receivables	10,703	22.3 %	11,414	27.5 %	+6.6%
Short Term Financial Investments	3,006	6.3 %	1,705	4.1 %	-43.3%
Financial Instruments Debtors	0	0.0 %	9	0.0 %	n.a.
Other Short Term Assets	221	0.5 %	212	0.5 %	-4.1%
Cash and banks	4,155	8.7 %	4,528	10.9 %	+9.0%
Current Assets	**27,948**	**58.2 %**	**26,391**	**63.5 %**	**-5.6%**
TOTAL ASSETS	**47,988**	**100 %**	**41,563**	**100 %**	**-13.4%**
Shareholders' Equity	5,682	11.8 %	3,382	8.1 %	-40.5%
Adjustments from Value Changes	(2,363)	(4.9 %)	(726)	(1.7 %)	-69.3%
Minority Interests	2,872	6.0 %	3,055	7.4 %	+6.4%
Net Worth	**6,191**	**12.9 %**	**5,712**	**13.7 %**	**-7.7%**
Subsidies	58	0.1 %	54	0.1 %	-6.7%
Long Term Financial Liabilities	9,604	20.0 %	6,957	16.7 %	-27.6%
Deferred Taxes Liabilities	1,175	2.4 %	1,232	3.0 %	+4.9%
Long Term Provisions	2,033	4.2 %	1,892	4.6 %	-7.0%
Financial Instruments Creditors	422	0.9 %	594	1.4 %	+40.9%
Other Long Term Accrued Liabilities	184	0.4 %	187	0.5 %	+1.6%
Non-current Liabilities	**13,477**	**28.1 %**	**10,917**	**26.3 %**	**-19.0%**
Liabilities from Assets Held for Sale	4,995	10.4 %	4,089	9.8 %	-18.1%
Short Term Provisions	1,268	2.6 %	1,214	2.9 %	-4.3%
Short Term Financial Liabilities	6,891	14.4 %	4,591	11.0 %	-33.4%
Financial Instruments Creditors	0	0.0 %	24	0.1 %	n.a.
Trade accounts payables	14,561	30.3 %	14,742	35.5 %	+1.2%
Other current payables	604	1.3 %	275	0.7 %	-54.4%
Current Liabilities	**28,320**	**59.0 %**	**24,935**	**60.0 %**	**-12.0%**
TOTAL EQUITY & LIABILITIES	**47,988**	**100 %**	**41,563**	**100 %**	**-13.4%**

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP FOR 2012

1.3.1. Non-current assets

Intangible assets include goodwill amounting to EUR 2,560 million, of which EUR 1,434 million arose from the acquisition of HOCHTIEF and EUR 781 million from the merger of ACS with Dragados.

The impairment losses on the investment in Iberdrola had the following effects:

- Non-current financial assets decreased since at the end of the year they only included:
  - The direct ownership interest of ACS in Iberdrola (75 million shares) at market price.
  - Various assets in the concessions area of HOCHTIEF and the Environmental Services area, among others.
- The valuation of the call spread at market prices, arranged on 597 million Iberdrola shares, is included under "Financial instrument debtor".
- "Long-term deposits" includes those that act as collateral in the Natixis vehicle for the Iberdrola financing, which was extended in July until 2015.
- The equity swap on the ownership interest in Iberdrola (278 million shares on which ACS holds a right of beneficial use, in the Natixis vehicle) was also recognised as a financial derivative, at market prices, and was included as a liability under "Financial instruments creditors".

The balance of investments accounted for using the equity method includes various ownership interests in associates of HOCHTIEF and the remaining ownership interest in Clece. This heading does not include the ownership interest in Abertis, sold in April 2012.

1.3.2. Working capital

WORKING CAPITAL EVOLUTION

Millions of euros

	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12
Construction	(2,253)	(1,319)	(1,554)	(992)	(1,428)
Industrial Services	(1,636)	(1,665)	(1,896)	(1,618)	(1,445)
Environment	259	287	155	176	108
Corporation	(104)	(52)	207	(346)	67
Total	**(3,734)**	**(2,749)**	**(3,087)**	**(2,780)**	**(2,698)**

Note: Construction does not include the working capital arising from the PPA of HOCHTIEF

Net working capital decreased its credit balance over the last twelve months by EUR 1,036 million, mainly due to the reassignment of provisions to long term and other liabilities to short term, and the effect of the interim dividend (EUR 262 million) accrued in December 2011 and paid at the beginning of 2012.

A loss of EUR 207 million in operating working capital was recognised in 2012, substantially improved over the previous year when it dropped by EUR 885 million. This improved performance was due mostly to the supplier payment plan executed during the summer of 2012 in Spain and the strict control of working capital by the lines of business.

1.3.3. Net debt

NET DEBT

Millions of euros	Construction	Environment	Industrial Services	Corporation / Adjustments	ACS Group
LT loans from credit entities	936	554	80	2,096	3,665
ST loans from credit entities	1,859	355	683	707	3,604
Debt with Credit Entities	**2,794**	**909**	**763**	**2,803**	**7,270**
Bonds	1,641	0	0	0	1,641
Non-Recourse Financing	524	194	63	602	1,382
Other financial liabilities	847	18	37	0	902
Total External Gross Debt	**5,806**	**1,121**	**863**	**3,405**	**11,195**
Debts with Group's companies	660	192	8	(508)	353
Loans to Group's companies	1,004	272	857	(2,001)	132
Net debt with Group's companies & Affiliates	**(344)**	**(80)**	**(849)**	**1,493**	**221**
Total Gross Debt	**5,462**	**1,042**	**14**	**4,899**	**11,416**
ST & other financial investments	828	165	251	692	1,936
Cash & Equivalents	3,320	170	1,018	20	4,528
Total cash and equivalents	**4,148**	**336**	**1,269**	**711**	**6,464**
NET DEBT	**1,314**	**706**	**(1,255)**	**4,187**	**4,952**

Note: Construction includes Dragados, Hochtief and Iridium. The debt from the acquisition of Hochtief (EUR 1,439 million) was reclassified to the Corporation.

The total net debt of the ACS Group, which at the end of the reporting period amounted to EUR 4,952 million, is mainly composed of the following items:

- Operating activities include EUR 765 million in net debt. This figure includes EUR 1,164 million of the debt of HOCHTIEF AG, mainly from its subsidiary, Leighton.

- The Corporation area had net debt of EUR 4,187 million, which mainly includes EUR 1,439 million from the acquisition of the ownership interest that ACS holds in HOCHTIEF AG, the syndicated loan refinanced until July 2015 and other bilateral loans.

The debt related to the acquisition of Iberdrola shares is reduced to zero as a result of the restructuring carried out during the second half of 2012.

Net debt relating to concession projects held for sale (renewable assets, transmission lines, desalination plants and concessions) amounted to EUR 3,023 million, and has been reclassified under assets and liabilities held for sale in the Group's consolidated balance sheet at the end of the reporting period until the completion of their respective sales processes. This heading most notably includes:

- EUR 2,170 million in net debt of renewable assets.

- EUR 238 million from investments in transmission lines and desalination plants.

- Approximately EUR 600 million in transport infrastructure assets.

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP FOR 2012

1.3.4. Net worth

ACS GROUP - NET WORTH

Millions of euros

	2011	2012	Var.
Shareholders' Equity	5,682	3,382	-40.5%
Adjustment s from Value Changes	(2,363)	(726)	-69.3%
Minority Interests	2,872	3,055	+6.4%
Net Worth	**6,191**	**5,712**	**-7.7%**

Despite the net loss of EUR 1,926 million, equity only decreased by EUR 480 million in 2012, since most of the adjustments in the market value of Iberdrola were already recognised in equity at December 2011. "Valuation adjustments" includes mainly the impact of the changes in interest rate and exchange rate hedges on certain renewable assets and concession assets.

The balance of non-controlling interests includes both the holdings of the non-controlling shareholders of HOCHTIEF as well as its non-controlling interests included in the balance sheet of the German company, which mainly relate to the non-controlling shareholders of Leighton Holdings.

1.3.5. Net cash flows

NET CASH FLOWS

Millions of euros	2011			2012				
	Total	HOT	ACS ex HOT	Total	HOT	ACS ex HOT	Total	ACS ex HOT
Net Profit	**962**	**17**	**945**	**(1,926)**	**158**	**(2,085)**	**n.a.**	**n.a.**
Adjustments to net profit without cash flow	1,210	1,110	100	3,433	1,189	2,244		
Cash Flow from Operating Activities before Working Capital	**2,172**	**1,127**	**1,045**	**1,506**	**1,347**	**159**	**-30.6%**	**-84.7%**
Operating working capital variation	(885)	(308)	(577)	(207)	(424)	217		
Cash Flow from Operating Activities	**1,287**	**819**	**467**	**1,299**	**923**	**377**	**+1.0%**	**-19.4%**
1. Payments due for investments	(4,417)	(1,506)	(2,910)	(2,496)	(1,724)	(772)		
2. Cash collected from disposals	1,691	493	1,199	4,781	588	4,194		
Cash flow from Investing Activities	**(2,725)**	**(1,013)**	**(1,712)**	**2,285**	**(1,136)**	**3,422**	**n.a.**	**n.a.**
1. Treasury stock acquisition	(255)	0	(255)	(84)	1	(85)		
2. Dividends paid	(614)	(47)	(567)	(639)	(151)	(488)		
3. Other adjustments	90	216	(126)	(125)	(12)	(113)		
Other Cash Flows	**(779)**	**170**	**(949)**	**(848)**	**(162)**	**(685)**	**+9%**	**-27.8%**
Total Cash Flow generated / (Consumed)	**(2,217)**	**(24)**	**(2,193)**	**2,737**	**(376)**	**3,113**	**n.a.**	**n.a.**

Cash flows from operating activities entailed a strong inflow of cash of EUR 1,299 million, which represents an increase of 1.0%. This had both positive and negative effects on the following aspects:

- First of all, HOCHTIEF, through its subsidiary Leighton, required a significant amount of cash, mainly as a result of paying for losses recognised in 2011. This affected the changes in the operating working capital of HOCHTIEF AG, which represented an impairment of cash for the year of EUR 424 million.
- Operating working capital in the Group's other business areas had improved as compared to 2011, which entailed the inflow of cash of EUR 217 million, supported for the most part by the collection of customer accounts with public authorities by virtue of the supplier payment plan.
- The impairment losses on the investment in Iberdrola gave rise to a sharp reduction in the dividends received and an extraordinary and unique impact for 2012.
- In 2012 the ACS Group, without recognising the impact of Iberdrola or HOCHTIEF AG, generated ordinary net cash flows of EUR 902 million, virtually twice that generated in 2011.

ACS GROUP

Millions of euros

	Ordinary Cash Flows excluding HOCHTIEF AG and Iberdrola		
	2011	2012	Var.
Net Profit	**945**	**656**	**-30.6%**
Adjustments to net profit without cash flow	100	94	
Cash Flow from Operating Activities before Working Capital	**1,045**	**749**	**-28.3%**
Operating working capital variation	(577)	153	
Cash Flow from Operating Activities	**467**	**902**	**+93.1%**
1. Payments due for investments	(2,910)	(772)	
2. Cash collected from disposals	1,199	1,620	
Cash flow from Investing Activities	**(1,712)**	**848**	**n.a.**
1. Treasury stock acquisition	(255)	(85)	
2. Dividends paid	(567)	(488)	
3. Other adjustments	(126)	(113)	
Other Cash Flows	**(949)**	**(685)**	**-27.8%**
Total Cash Flow generated / (Consumed)	**(2,193)**	**1,065**	**n.a.**

Note: Net profit for 2012 included the net profit before the extraordinary loss of Iberdrola (EUR -2,767 million) less the ordinary contribution of Iberdrola (EUR 27 million) and HOCHTEIF AG (EUR 158 million).

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP FOR 2012

1.3.6. Investments

INVESTMENTS

Millions of euros

	Operational Capex	Investments in Projects	Total Investments	Disposals	Net Investments
Construction	**1,396**	**497**	**1,892**	**(683)**	**1,209**
Dragados	54		54	(25)	30
HOCHTIEF	1,341	383	1,724	(588)	1,136
Iridium	0	114	114	(71)	43
Environmental Services	**98**	**0**	**98**	**(128)**	**(30)**
Industrial Services	**45**	**430**	**476**	**(485)**	**(10)**
Corporation & others	**10**	**20**	**30**	**(3,485)**	**(3,455)**
TOTAL	**1,549**	**947**	**2,496**	**(4,781)**	**(2,285)**

Operating investments in Construction related mainly to the acquisition of machinery for mining contracts by Leighton (approx. EUR 1,100 million). Concession projects amounted to EUR 497 million, and were divided between Iridium and HOCHTIEF concessions.

The divestments in Environment arose from the partial sale of Clece for EUR 80 million.

Investments in Industrial Services were primarily aimed at energy projects such as solar thermal plants and wind farms (EUR 166 million), transmission lines (EUR 197 million) or gas storage facilities (EUR 48 million).

1.3.7. Net cash flows from financing activities

In 2012 the ACS Group paid its shareholders EUR 488 million, of which EUR 268 million related to interim dividends charged to the income statement in 2011, equal to EUR 0.9 per share, and the remaining as a result of the distribution of a flexible dividend to those shareholders that opted to sell their rights to the Group.

The subsidiaries of HOCHTEIF, mainly Leighton, paid their non-controlling shareholders EUR 151 million as dividends charged to the income statement for the year ended December 2011.

1.4. Performance of business areas

1.4.1. Construction

CONSTRUCTION

Millions of euros

	2011	2012	Var.
Turnover	**19,802**	**29,683**	**+49.9%**
EBITDA	**1,210**	**1,995**	**+65.0%**
Margin	6.1%	6.7%	
EBIT	**449**	**685**	**+52.5%**
Margin	2.3%	2.3%	
Ordinary Net Profit	**277**	**274**	**-1.0%**
Margin	1.4%	0.9%	
Backlog	**50,336**	**49,264**	**-2.1%**
Months	22	20	
Net Investments	**1,376**	**1,209**	**-12.1%**
Concessions (Gross Inv.)	1,121	497	
Working Capital	**(2,253)**	**(1,428)**	**-36.6%**
Net Debt	**824**	**1,314**	**+59.5%**
ND/Ebitda	0.7x	0.7x	

Total Construction sales reached EUR 29,683 million. This figure takes into account the activity of all ACS construction companies, including the contribution of HOCHTIEF in 2012, and Iridium, the ACS Group's Concession activity. HOCHTIEF contributed with its business activities since June 2011.

The Construction EBITDA margin amounted to 6.7%, 60 basis points above that recorded in 2011.

EBIT recorded in 2012 was EUR 685 million was affected by the depreciation of the assets assigned in the acquisition of HOCHTIEF and the lower margin of the German group. Ordinary net profit of Construction reached EUR 274 million, slightly less than that recorded in 2011 (down 1.0%).

CONSTRUCTION - SALES PER GEOGRAPHICAL AREAS

Millions of euros

	2011	2012	Var.
Spain	2,943	1,810	-38.5%
Rest of Europe	2,456	3,370	+37.2%
America	5,345	9,146	+71.1%
Asia Pacific	9,056	15,355	+69.6%
Africa	2	2	n.s.
Total	**19,802**	**29,683**	**+49.9%**

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CONSTRUCTION - BACKLOG PER GEOGRAPHICAL AREAS

Millions of euros

	2011	2012	Var.
Spain	4,311	3,598	-16.5%
Rest of Europe	7,204	6,866	-4.7%
America	11,185	12,475	+11.5%
Asia Pacific	27,636	26,325	-4.7%
Africa	0	0	n.a.
Total	**50,336**	**49,264**	**-2.1%**

The backlog accounted at the end of the period dropped 2.1% as compared to that recorded at the end of 2011. This decrease was the result of a drop in Europe, specifically as a result of the sale of Thiess Waste Management in Leighton. The total Construction backlog was equal to 20 months of business activity.

There was a downturn in domestic activity (-38.5%) as a result of the contraction of public investment in infrastructures and the drop in both residential and non-residential construction. In the rest of Europe, construction increased as a result of the inclusion of activity in Germany, as well as the Group's performance in Poland.

Similarly, in America the business activity of Turner, Flatiron and EECruz of HOCHTIEF were incorporated, which complemented the presence of Dragados in the United States and Canada. Business activities of Asia Pacific were contributed in full by Leighton.

The sales of Dragados Internacional in 2012 were up 21% and already exceeded turnover in Spain.

CONSTRUCTION - DATA PER COMPANY

Millions of euros

	Dragados			Iridium			HOCHTIEF & Adjmts			Total		
	2011	2012	Var.	2011	2012	Var.	2011	2012	Var.	2011	2012	Var.
Turnover	4,800	4,039	-15.9%	119	116	-2.7%	14,882	25,528	+72%	19,802	29,683	+50%
EBITDA	375	305	-18.5%	46	45	-3.0%	789	1,645	+109%	1,210	1,995	+65%
Margin	7.8%	7.6%					5.3%	6.4%		6.1%	6.7%	
EBIT	298	258	-13.5%	32	19	-42.1%	119	408	+243%	449	685	+53%
Margin	6.2%	6.4%					0.8%	1.6%		2.3%	2.3%	
Net Profit	180	135	-25.2%	(30)	(21)	n.a.	127	160	+26.3%	277	274	-1.0%
Margin	3.8%	3.3%					0.9%	0.6%		1.4%	0.9%	
Backlog	9,850	8,432	-14.4%				40,486	40,832	+0.9%	50,336	49,264	-2.1%
Months	25	25					21	19		22	20	
Net Investments	21	30	+42.1%	342	43	n.a.	1,013	1,136	+12.2%	1,376	1,209	-12%
Net Debt	(742)	(531)	-28.4%	576	680	+18.2%	990	1,164	+17.6%	824	1,314	+59%

Note: The finance costs associated with the acquisition by ACS of the ownership interest in HOCHTIEF were reclassified under the Corporation area.

As a result of the change in the method for accounting for HOCHTIEF in the ACS Group's financial statements as of 1 June 2011, the assets and liabilities of the German group were revaluated at fair value (Price Purchase Allocation - PPA), which include two projects (Victoria Desalination Plant and Airport Link) that generated substantial losses in Leighton. These losses were therefore eliminated from the ACS Group's income statement.

HOCHTIEF. BREAKDOWN BY AREA OF ACTIVITY 2012

Millions of euros

	Americas	Leighton	Airports	Europe	Corp/Adj.	HOCHTIEF	Cons. Adj.*	Contrib. to ACS
Turnover	**7,375**	**15,180**	**11**	**2,856**	**106**	**25,528**	**0**	**25,528**
EBITDA	**67**	**1,376**	**(3)**	**(59)**	**(78)**	**1,303**	**342**	**1,645**
Margin	0.9%	9.1%	-26.3%	-2.1%		5.1%		6.4%
EBIT	**38**	**528**	**(3)**	**(117)**	**(96)**	**349**	**59**	**408**
Margin	0.5%	3.5%	-26.9%	-4.1%		1.4%		1.6%
Financial results	(11)	(161)	18	(37)	45	(145)	2	(143)
Equity Method	26	(59)	77	37	0	81	181	262
Other results	10	104	1	146	1	261	0	261
EBT	**63**	**411**	**93**	**29**	**(50)**	**546**	**242**	**788**
Taxes	(16)	(97)	(7)	(57)	16	(161)	15	(146)
Minorities	(1)	(161)	(40)	(26)	0	(227)	(255)	(482)
Net Profit	**46**	**153**	**47**	**(54)**	**(34)**	**158**	**2**	**160**
Margin	0.6%	1.0%	n.s.	-1.9%		0.6%		0.6%

The net impact after the depreciation of the PPA (EUR 283 million before taxes and non-controlling interests; EUR 65 million, net) and the non-controlling interest of Leighton Holdings and HOCHTIEF AG amounted to EUR 160 million.

1.4.2. Environment

ENVIRONMENT

Millions of euros

	2011	2012	Var.
Turnover	**1,686**	**1,691**	**+0.3%**
EBITDA	**253**	**241**	**-4.8%**
Margin	15.0%	14.3%	
EBIT	**112**	**106**	**-5.4%**
Margin	6.6%	6.3%	
Ordinary Net Profit	**121**	**97**	**-19.3%**
Margin	7.1%	5.8%	
Backlog	**8,941**	**9,201**	**+2.9%**
Months	64	65	
Net Investments	**(137)**	**(30)**	**n.a.**
Concessions	0	0	
Working Capital	**259**	**108**	**-58.5%**
Net Debt	**1,124**	**706**	**-37.2%**
ND/Ebitda	4.4x	2.9x	

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP FOR 2012

Sales in the Environment area grew by 0.3%. This figure, as well as other income from operations, was affected by the sale of Consenur in the third quarter of 2011. Excluding the profit and loss of this company's business activities in 2011, the sales of the Environment area would have grown by 3.1%.

EBITDA dropped 4.8%, once again affected by the sale of Consenur. However, the EBITDA would have remained stable had these results of 2011 been excluded.

Ordinary net profit decreased by 19.3% as a result of the sale in 2011 of Consenur and other logistics assets.

ENVIRONMENT - SALES BREAKDOWN

Millions of euros

	2011	2012	Var.
Waste Treatment	407	373	-8.4%
Urban Services	1,106	1,151	+4.1%
Logistics	173	167	-3.7%
Total	**1,686**	**1,691**	**+0.3%**
International	***408***	***437***	***+7.0%***
% over total sales	*24.2%*	*25.8%*	

The waste treatment business activities, which are highly capital intensive and include the recycling, treatment and incineration plants, landfills and biomethanisation and other renewable energy facilities, recorded a drop of 8.4%. This drop was the result of the aforementioned sale of Consenur.

Urban Services includes urban solid waste collection, gardening, urban cleaning and other management services provided to city councils. This is a labour-intensive business, the sales of which grew by 4.1%.

Logistics activities relate mainly to international logistics and transport port assets.

International sales grew by 7.0% and represented 25.8% of the total.

ENVIRONMENT - SALES PER GEOGRAPHICAL AREAS

Millions of euros

	2011	2012	Var.
Spain	1,278	1,254	-1.8%
Rest of Europe	208	196	-5.3%
America	126	162	+28.5%
Asia Pacific	26	30	+16.5%
Africa	49	48	-1.4%
Total	**1,686**	**1,691**	**+0.3%**

The Environment backlog was EUR 9,201 million, equal to over five years of production, up 2.9% on the previous year as a result of the strong growth abroad Spain.

ENVIRONMENT - BACKLOG BREAKDOWN BY ACTIVITY

Millions of euros

	2011	2012	Var.
Waste Treatment	5,167	6,045	+17.0%
Urban Services	3,295	2,707	-17.8%
Logistics	479	449	-6.3%
Total	**8,941**	**9,201**	**+2.9%**
International	***3,311***	***3,896***	***+17.7%***
% over total backlog	*37.0%*	*42.3%*	

The international backlog, which basically relates to Environmental Services, accounted for 42.3% of the total and was up 17.7% year-on-year.

ENVIRONMENT - BACKLOG PER GEOGRAPHICAL AREAS

Millions of euros

	2011	2012	Var.
Spain	5,629	5,304	-5.8%
Rest of Europe	2,321	3,004	+29.4%
America	370	350	-5.4%
Asia Pacific	479	449	-6.3%
Africa	142	94	-33.7%
Total	**8,941**	**9,201**	**+2.9%**

1.4.3. Industrial Services

INDUSTRIAL SERVICES

Millions of euros

	2011	2012	Var.
Turnover	**7,045**	**7,050**	**+0.1%**
EBITDA	**907**	**904**	**-0.3%**
Margin	12.9%	12.8%	
EBIT	**828**	**849**	**+2.6%**
Margin	11.7%	12.0%	
Ordinary Net Profit	**415**	**416**	**+0.2%**
Margin	5.9%	5.9%	
Backlog	**6,875**	**7,161**	**+4.2%**
Months	12	12	
Net Investments	**556**	**(10)**	**-101.8%**
Concessions (Gross Inv.)	1,141	430	
Working Capital	**(1,636)**	**(1,445)**	**-11.7%**
Net Debt	**(835)**	**(1,255)**	**+50.3%**
ND/Ebitda	-0.9x	-1.4x	

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP FOR 2012

Sales in Industrial Services recorded EUR 7,050 million, almost the same level as that of 2011.

Ordinary net profit of Industrial Services increased by 0.2% to EUR 416 million.

INDUSTRIAL SERVICES - SALES PER GEOGRAPHICAL AREAS

Millions of euros

	2011	2012	Var.
Spain	3,662	2,938	-19.8%
Rest of Europe	682	782	+14.7%
America	2,348	2,992	+27.4%
Asia Pacific	224	166	-25.8%
Africa	128	172	+34.0%
Total	**7,045**	**7,050**	**+0.1%**

International sales increased by 21.6%, up to 58.3% of total sales, and amounted to EUR 4,112 million. This sharp increase was the result of new production in countries such as Brazil, the United States, Panama and Peru, as well as the growth in Northern Europe.

INDUSTRIAL SERVICES - TURNOVER BREAKDOWN BY ACTIVITY

Millions of euros

	2011	2012	Var.
Support Services	**4,388**	**4,046**	**-7.8%**
Networks	841	769	-8.6%
Specialized Products	2,524	2,421	-4.1%
Control Systems	1,023	856	-16.3%
EPC Projects	**2,342**	**2,689**	**+14.8%**
Renewable Energy: Generation	**373**	**374**	**+0.1%**
Consolidation Adjustments	(59)	(59)	n.a.
TOTAL	**7,045**	**7,050**	**+0.1%**
Total International	***3,383***	***4,112***	***+21.6%***
% over total sales	*48.0%*	*58.3%*	

Support services activities decreased as a result of less demand for these services in Spain, and the sales of Specialised Facilities and Control Systems decreased as a result of the drop in public investment, among others, in railway infrastructures.

Production increased significantly in the EPC Projects area, up 14.8%, despite the 33.5% drop in activity in Spain. The growth in international activities reached 60% and has already doubled that recorded in Spain.

INDUSTRIAL SERVICES - BACKLOG PER GEOGRAPHICAL AREAS

Millions of euros

	2011	2012	Var.
Spain	2,705	2,545	-5.9%
Rest of Europe	867	631	-27.2%
America	2,860	3,243	+13.4%
Asia Pacific	241	209	-13.3%
Africa	202	533	+164.3%
Total	**6,875**	**7,161**	**+4.2%**

Noteworthy is the strong growth in the backlog of international markets, of a 10.7% is the result of the significant boost received from the Control Systems and EPCProjects area, whose international backlogs grew by 36.5% and 17%, respectively. All these areas include projects recently awarded in Latin America, South Africa, the Middle East, Asia and Northern Europe.

The Industrial Services backlog aborad Spain already represents 64.5% of the total.

INDUSTRIAL SERVICES - BACKLOG BREAKDOWN BY ACTIVITY

Millions of euros

	2011	2012	Var.
Support Services	**4,194**	**4,070**	**-3.0%**
Domestic Backlog	2,051	1,850	-9.8%
International Backlog	2,143	2,219	+3.6%
EPC Projects & Renewables	**2,681**	**3,091**	**+15.3%**
Domestic Backlog	653	695	+6.4%
International Backlog	2,028	2,396	+18.2%
TOTAL	**6,875**	**7,161**	**+4.2%**
Domestic	***2,704***	***2,545***	***-5.9%***
International	***4,171***	***4,616***	***+10.7%***
% over total backlog	*60.7%*	*64.5%*	

1.4.4. Listed Affiliates

AFFILIATES - MAIN FINANCIAL FIGURES

Millions of euros

	2011	2012	Var.
Abertis	36	44	+24.7%
Iberdrola	373	223	-40.1%
Gross Income from Associates	**409**	**268**	**-34.5%**
Financial expenses	(353)	(278)	-21.2%
Corporate tax	106	82	-22.5%
Net Income from Associates	**161**	**72**	**-55.6%**
Capital Gains after the sale of Abertis	0	197	n.a.
Sale of a 3.69% of Iberdrola	0	(1,312)	n.a.
Impairment test of Iberdrola stake	(126)	(1,308)	n.a.
Extraordinary contribution to results	**(126)**	**(2,423)**	**n.a.**
Contribution to Net Profit	**36**	**(2,351)**	**n.a.**

The contribution of accounting for Abertis using the equity method until its sale on 25 April, reached EUR 44 million and includes the profit proportional to the partial sale of Eutelsat performed by the concessional company.

As a result of the sale of Abertis, ACS cashed in EUR 875 million which were used to reduce the debt related to this investment and strengthen the Group's liquidity position. The capital gains obtained, net of taxes, amounted to EUR 197 million.

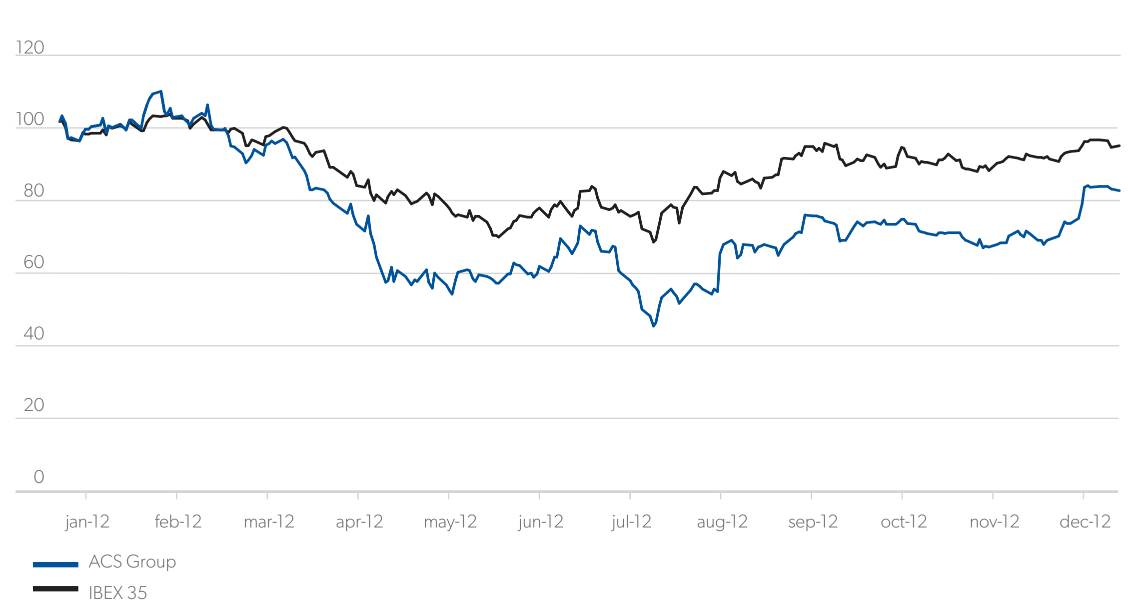
During the period, ACS received dividends from Iberdrola amounting to EUR 223 million. Finance costs, net of taxes, related to the investment in Iberdrola during this period amounted to EUR 196 million.

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP FOR 2012

2. Share Performance

2.1. Share information for 2012

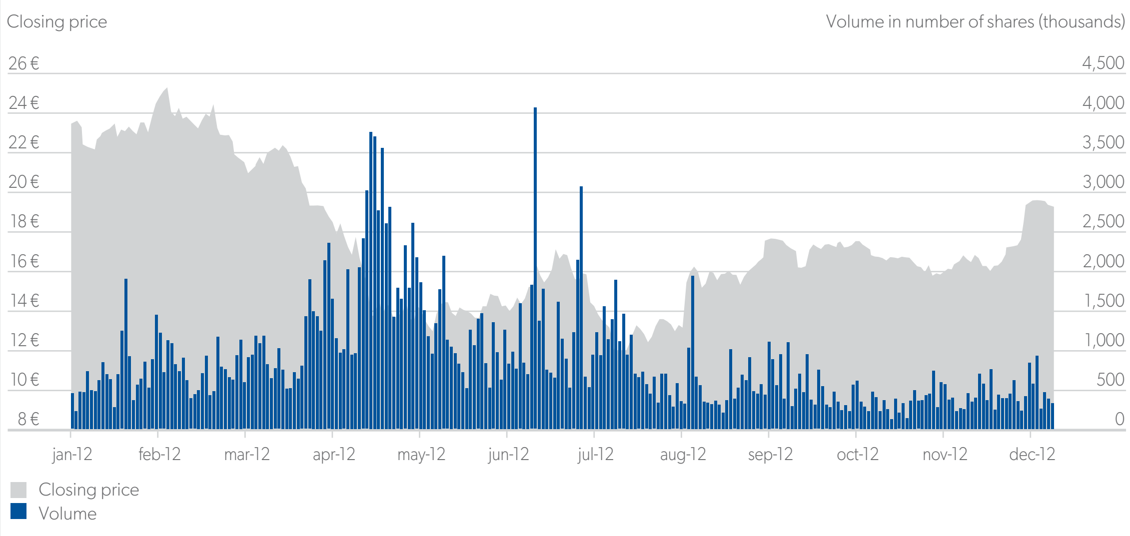
SHARE INFORMATION FOR 2012



The detail of the ACS Group's main market data is as follows:

ACS SHARES DATA

	2011	2012
Closing price	22.90 €	19.04 €
Period performance	-34.71%	-16.86%
Maximum in the period	38.27 €	25.10 €
Maximum Date	*02-feb*	*06-feb*
Minimum in the period	21.32 €	10.38 €
Minimum Date	*25-nov*	*25-jul*
Average in the period	29.67 €	16.77 €
Total volume (thousands)	220,147	227,383
Daily average volume (thousands)	856.60	888.22
Total traded effective (EUR millions)	6,531	3,812
Daily average effective (EUR millions)	25.41	14,89
Number of shares (millions)	314,66	314.66
Market cap (EUR millions)	7,206	5,991



2.2. Treasury shares

At 31 December 2012, the ACS Group had 21,368,766 treasury shares, accounting for 6.791% of its share capital. The detail of the transactions performed in the year is as follows:

	2012		2011	
	Number of shares	Thousands of euros	Number of shares	Thousands of euros
At beginning of the year	23,608,833	760,651	19,542,383	683,491
Purchases	9,393,512	155,880	9,845,100	279,253
Sales	(4,013,784)	(115,262)	(5,778,650)	(202,093)
Bonus Payments 2011	(287,700)	(9,269)	-	-
Depreciation	(7,332,095)	(217,304)	-	-
At end of the year	21,368,766	574,696	23,608,833	760,651

On 23 January 2013, the ACS Group definitively sold a total of 20,200,000 treasury shares to three entities at a price which was the weighted average of the share price at 2:00 pm on the same day less 3%, which gave rise to a unit price of EUR 17.83 and a total amount of EUR 360,166,000.

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP FOR 2012

3. Information on the main risks and uncertainties facing the activity of the ACS Group and financial risk management

The Group carries on its activities in different industries, countries and socio-economic and legal environments, which entails exposure to different levels of risk inherent to the businesses in which it operates.

The ACS Group monitors and controls these risks in order to prevent them from reducing shareholder returns, jeopardising its employees or its corporate reputation, causing problems for its customers or giving rise to a negative impact on the Group as a whole. In order to carry out this risk control, the ACS Group has instruments which enable it to identify the risks early enough so as to be able to manage them appropriately, either by avoiding their materialisation or by minimising their impact, and to prioritise them, where necessary, according to their importance. Particularly worthy of note are the systems related to risk control in the tenders, contracts, planning and management of construction work and projects, as well as quality management, environmental management and human resources systems.

In addition to the risks inherent to its different business activities, the ACS Group is exposed to various risks of a financial nature due to interest rate or exchange rate fluctuations, liquidity risk and credit risk.

- Risks arising from changes in interest rates on cash flows are mitigated by hedging the interest rates through financial instruments that curb the effect of any fluctuations therein.
- Foreign currency risk is managed by arranging debt in the same functional currency as that of the asset financed by the Group abroad. In order to hedge net positions in currencies other than the euro, the Group uses various financial instruments in order to mitigate exposure to foreign currency risk.
- With regard to exposure to price fluctuations of the shares of Abertis, Hochtief, Iberdrola and ACS, this risk with Abertis shares disappeared when the shares were sold and the exposure to this risk with Iberdrola decreased as a result of the partial divestment and the changes in financing made throughout the year.
- In relation to liquidity risk, and despite the current market situation due to the liquidity crisis and the general restriction on credit, in 2012 the ACS Group, as indicated above, refinanced the corporate syndicated loan, the Urbaser syndicated loan and the cancellation of the financing of its investment in Iberdrola.
- Accordingly, the Group received collections amounting to EUR 1,225 million after applying Royal Decree Law 04/2012 on financing payments to suppliers.
- 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 work 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 more in-depth explanation of these risks and of the related risk control instruments is provided in the ACS Group's Annual Corporate Governance and Corporate Responsibility reports and the ACS Group's consolidated financial statements (www.grupoacs.com). Likewise, the Annual Report of Hochtief (www.hochtief.com) details the risks inherent to the German company and its control mechanisms.

Based on the information currently available, in the next six months following the closing of the accounts referred to in this document, the ACS Group expects to face risk situations and uncertainty similar to those faced in the second half of 2012, especially those arising from:

- The economic and financial uncertainties arising from the crisis in Europe.

- The internationalisation of the Group's activities.
- The reduction of construction activities due to the Spanish Government's plans to cut public investment in line with the budgetary adjustment policies in order to ensure the tax consolidation required by the European Union.

4. Human Resources

At the end of 2012, the ACS Group employed a total of 161,865 people, 37,918 of whom are university graduates. The ACS Group had 0.2% less employees than in 2011.

Some of the fundamental principles governing the corporate human resource policies of the Group companies are based on the following common actions:

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

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

Likewise, the Group promotes the professional development of its employees. In this connection, it has an employment policy that generates wealth in the areas in which it operates and produces links which create positive synergies for the environment. Furthermore, it shows special interest in ensuring dignified working conditions, subject to the most advanced measures for health and safety at work. It promotes management by competences, performance assessment and management of the professional careers of its workers.

The Annual Corporate Responsibility Report provides more in-depth information regarding all the issues associated with corporate human resource policies, mainly in key areas for the Group as talent management and occupational safety.

5. Technological innovation and environmental protection

5.1. Research and development activities

The ACS Group is committed to a policy providing for the on-going improvement of its processes and of applied technology in all activities. Its involvement in research, development and innovation are clear in its increased investment and the R&D+i efforts that the ACS Group makes year after year. This effort leads to tangible improvements in productivity, quality, customer satisfaction, occupational safety, obtaining new and better materials and products and the design of more efficient production processes and systems, among others.

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. R&D management is carried out through a system which, in the largest companies and in general, follows the guidelines in UNE 166002:2006 standard and is audited by independent specialists.

DIRECTORS' REPORT OF THE CONSOLIDATED GROUP FOR 2012

This program is based on three premises of action:

- Development of projects which most benefit the technical and technological progress of the company, for which purpose it has procedures to analyse and discriminate the projects it undertakes prior to their implementation.
- Development of projects together with other prestigious research institutions, both at national and European level, to complement the skills of the researchers of the ACS Group.
- Increased and responsible investment for implementing research and generating patents and operational techniques consistently and efficiently.

The main lines of research to which the Group is currently devoting efforts are:

- Search for efficiency in the use of resources.
- Minimisation of the environmental impacts of services.
- Energy efficiency and the fight against climate change.
- Development of initiatives that promote sustainable transport
- Information and communication technologies.
- Improvement of transport infrastructure maintenance techniques.
- Improvement and optimisation of processes.

The recent incorporation of HOCHTIEF in the ACS Group will allow the best practices in the field of research and development to be combined and exchanged in order to improve resource efficiency and the safety of operations.

5.2 Environmental protection

The ACS Group carries out activities that involve a significant environmental impact, either directly as a consequence of changes in the environment or indirectly through the consumption of materials, energy and water resources.

The ACS Group carries out its activities in accordance with law, by adopting the most efficient measures to reduce these effects, and by reporting its activity in the mandatory environmental impact studies.

Additionally, it develops policies and adapts processes so that a high percentage of the Group activity is certified to the ISO 14001 standard, which involves an additional commitment required by the law in respect of good environmental practice.

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

Additionally, ACS has various on-going action plans in their companies to reduce the environmental impact in more specific areas. The main initiatives in development are:

- Actions that contribute to the reduction of climate change.
- Initiatives to enhance energy efficiency in its activities.
- Procedures that help to minimise the impact on biodiversity in those projects where necessary.
- Promotion of good practices aimed at saving water in those locations considered to have high water stress.

The detail of the results of R&D+i and environmental policies of the ACS Group are frequently gathered and published on the web page of the ACS Group (www.grupoacs.com) and in the Annual Corporate Responsibility Report.

HOCHTIEF also maintains its own environmental performance, social protection and research and development plans, which characterises it as one of the most effective international building groups in terms of sustainability. These policies are detailed in the sustainability report of the German group, published in March of this year and available at www.hochtief.com.

6. Significant events subsequent to year-end

On 23 January 2013, the ACS Group definitively sold a total of 20,200,000 treasury shares to three entities at a price which was the weighted average of the share price at 2:00 pm on the same day less 3%, which gave rise to a unit price of EUR 17.83 and a total amount of EUR 360,166,000.

In addition, the Group entered into a derivative contract for the same number of ACS shares, payable only in cash and within a period of two years that may be extended for a further year.

On 14 March 2013, HOCHTIEF, A.G. issued a corporate bond amounting to EUR 750 million maturing in five years and with an annual coupon of 3,875%.

On 21 March 2013, in using the authorisation granted by the shareholders at the Annual General Meeting held on 25 May 2009 and in executing the resolution of the Board of Directors of 8 November 2012, ACS, Actividades de Construcción y Servicios, S.A. formally executed the Euro Commercial Paper (ECP) programme for a maximum of EUR 500 million, which was subscribed by the Irish Stock Exchange. By means of this programme, ACS will be able to issue promissory notes maturing between 1 and 364 days, thereby enabling it to diversify its means of obtaining financing on capital markets.

7. Outlook for 2013

In 2013 the ACS Group expects to increase its revenue, improve its profitability ratios and reduce its net debt on the balance sheet to around EUR 3,000 million.

In order to achieve these objectives, the ACS Group will reinforce growth of its activities globally, in profitable developing markets and in activities related to civil and industrial infrastructures.

The Group will implement measures to improve HOCHTIEF's return, including the ACS risk control system, focusing mainly on four basic aspects: the selection of the country, the size of the projects, the certainty of collection and the execution of the works. The objective is for all Group companies to be profitable and sustainable in all their markets and activities.

Lastly, the ACS Group will continue to reduce its net debt by selling non-strategic assets and generating cash through its operating activities.

8. Annual Corporate Governance Report

In accordance with corporate law, following is the Annual Corporate Governance Report, which forms an integral part of the 2012 Directors' Report.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2012

ASSETS

Thousands of euros

	Note	31/12/2012	31/12/2011
NON-CURRENT ASSETS		15,172,747	20,039,669
Intangible assets	04	4,540,185	4,753,432
Goodwill		*2,559,822*	*2,496,438*
Other intangible assets		*1,980,363*	*2,256,994*
Tangible assets - property, plant and equipment	05	2,950,977	3,343,538
Non-current assets in projects	06	729,893	834,692
Investment property	07	71,086	79,511
Investments accounted for using the equity method	09	1,731,614	1,569,911
Non-current financial assets	10	1,848,469	7,351,522
Long-term deposits	10 and 18	362,722	-
Derivative financial instruments	22	470,697	23,739
Deferred tax assets	26.06	2,467,104	2,083,324
CURRENT ASSETS		26,390,629	27,947,941
Inventories	11	1,920,115	1,774,714
Trade and other receivables	12	11,414,486	10,703,493
Trade receivables for sales and services		*10,158,368*	*9,625,068*
Other receivable		*1,173,250*	*951,857*
Current tax assets	*26*	*82,868*	*126,568*
Other current financial assets	10	1,705,449	3,006,222
Derivative financial instruments	22	9,014	-
Other current assets	13	212,238	221,278
Cash and cash equivalents	14	4,527,836	4,155,177
Non-current assets held for sale and discontinued operations	03.09	6,601,491	8,087,057
TOTAL ASSETS		41,563,376	47,987,610

The accompanying notes 01 to 39 and Appendices I to IV are an integral part of the consolidated statement of financial position at 31 December 2012.

EQUITY AND LIABILITIES

Thousands of euros

	Note	31/12/2012	31/12/2011
EQUITY	15	5,711,508	6,191,264
SHAREHOLDERS' EQUITY		3,382,358	5,682,274
Share capital		157,332	157,332
Share premium		897,294	897,294
Reserves		4,828,866	4,709,557
(Treasury shares and equity interests)		(574,696)	(760,651)
Profit for the period of the parent		(1,926,438)	961,940
(Interim dividend)		-	(283,198)
ADJUSTMENTS FOR CHANGES IN VALUE		(725,840)	(2,363,192)
Available-for-sale financial assets		154	(1,839,361)
Hedging instruments		(801,806)	(648,120)
Exchange differences		75,812	124,289
EQUITY ATTRIBUTED TO THE PARENT		2,656,518	3,319,082
NON-CONTROLLING INTERESTS		3,054,990	2,872,182
NON-CURRENT LIABILITIES		10,917,000	13,476,553
Grants	16	54,215	58,132
Non- current provisions	20	1,892,041	2,033,463
Non-current financial liabilities		6,956,583	9,604,305
Bank borrowings, debt instruments and other marketing securities	*17*	*5,745,365*	*3,605,979*
Project finance with limited recourse	*18*	*1,103,847*	*5,888,061*
Other financial liabilities	*19*	*107,371*	*110,265*
Derivative financial instruments	22	594,363	421,705
Deferred tax liabilities	26.06	1,232,499	1,174,599
Other non-current liabilities		187,299	184,349
CURRENT LIABILITIES		24,934,868	28,319,793
Current provisions	20	1,213,613	1,268,481
Current financial assets		4,591,375	6,891,279
Bank borrowings, debt , and other held-for-trading liabilities	*17*	*3,943,345*	*6,271,497*
Project finance with limited recourse	*18*	*278,575*	*77,432*
Other financial liabilities	*19*	*369,455*	*542,350*
Derivative financial instruments	22	23,865	-
Trade and other payables	23	14,741,614	14,560,695
Suppliers		*8,726,149*	*8,186,905*
Other payables		*5,945,128*	*6,285,641*
Current tax liabilities	*26*	*70,337*	*88,149*
Other current liabilities	24	275,121	603,997
Liabilities relating to non-current assets held for sale and discontinued operations	03.09	4,089,280	4,995,341
TOTAL EQUITY AND LIABILITIES		41,563,376	47,987,610

The accompanying notes 01 to 39 and Appendices I to IV are an integral part of the consolidated statement of financial position at 31 December 2012.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

Thousands of euros	Note	31/12/2012	31/12/2011
REVENUE	27	38,396,178	28,471,883
Changes in inventories of finished goods and work in progress		83,704	(219,903)
Capitalised expenses of in-house work on assets	27	25,581	17,494
Procurements	28.01	(23,918,513)	(17,767,484)
Other operating income		403,684	518,922
Staff costs	28.02	(8,680,555)	(6,318,521)
Other operating expenses		(3,265,407)	(2,419,658)
Depreciation and amortisation charge	04,05,06 and 07	(1,468,872)	(953,952)
Allocation of grants relating to non-financial assets and others	16	3,550	4,525
Impairment and gains on the disposal of non-current assets		36,913	(40,289)
Other profit or loss		(24,766)	81,134
OPERATING INCOME		1,591,497	1,374,151
Finance income	28.06	507,853	521,055
Financial costs		(1,289,785)	(1,216,514)
Changes in the fair value of financial instruments	22 and 28.05	105,476	(98,195)
Exchange differences		219	(22,152)
Impairment and gains or losses on the disposal of financial instruments	29	(3,769,932)	367,087
FINANCIAL RESULT		(4,446,169)	(448,719)
Results of companies accounted for using the equity method	09	339,353	318,469
PROFIT BEFORE TAX		(2,515,319)	1,243,901
Income tax	26.04	1,003,104	(181,220)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		(1,512,215)	1,062,681
Profit after tax from discontinued operations	(*)	107,465	45,690
PROFIT FOR THE PERIOD		(1,404,750)	1,108,371
Profit attributed to non-controlling interests	15.07	(521,677)	(146,528)
Profit from discontinued operations attributable to non-controlling interests	15.07	(11)	97
PROFIT ATTRIBUTABLE TO THE PARENT		(1,926,438)	961,940
(*) Profit after tax from discontinued operations attributable to non-controlling interests	03.09	107,454	45,787

EARNINGS PER SHARE

Euros per share	Note	31/12/2012	31/12/2011
Basic earnings per share	31	(6.61)	3.24
Diluted earnings per share	31	(6.61)	3.24
Basic earnings per share from discontinued operations	31	0.37	0.15
Basic earnings per share from continuing operations	31	(6.98)	3.09

The accompanying notes 01 to 39 and Appendices I to IV are an integral part of the consolidated income statement at 31 December 2012.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2012

Thousands of euros	31/12/2012			31/12/2011		
	Of the Parent	Of non-controlling interests	Total	Of the Parent	Of non-controlling interests	Total
A) Total consolidated profit	(1,926,438)	521,688	(1,404,750)	961,940	146,431	1,108,371
Profit/(Loss) from continuing operations	(2,033,892)	521,677	(1,512,215)	916,153	146,528	1,062,681
Profit/(Loss) from discontinued operations	107,454	11	107,465	45,787	(97)	45,690
B) Income and expenses recognised directly in equity	(1,252,253)	(71,623)	(1,323,876)	(1,082,158)	20,811	(1,061,347)
Measurement of financial instruments	(1,314,582)	7,852	(1,306,730)	(896,832)	(10,520)	(907,352)
Cash flow hedges	(289,663)	(5,195)	(294,858)	(523,700)	(75,197)	(598,897)
Exchange differences	(48,421)	(27,752)	(76,173)	(7,017)	111,891	104,874
Arising from actuarial profit and loss and losses	(69,242)	(64,574)	(133,816)	(25,330)	(46,340)	(71,670)
Tax effect	469,655	18,046	487,701	370,721	40,977	411,698
C) Transfers to profit or loss	2,844,907	11,793	2,856,700	43,278	(8,777)	34,501
Measurement of financial instruments	3,925,165	-	3,925,165	-	-	-
Cash flow hedges	117,782	16,847	134,629	133,735	15,901	149,636
Exchange differences	(56)	-	(56)	(63,603)	(19,195)	(82,798)
Tax effect	(1,197,984)	(5,054)	(1,203,038)	(26,854)	(5,483)	(32,337)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(333,784)	461,858	128,074	(76,940)	158,465	81,525

The accompanying notes 01 to 39 and Appendices I to IV are an integral part of the consolidated statement of comprehensive income at 31 December 2012.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2012

Thousands of euros

	Share capital	Share premium	Retained earnings and other reserves	Treasury shares	Valuation adjustments	Profit/(Loss) attributed to the Parent	Interim dividend	Non-controlling interests	TOTAL
Balance at 31 December 2010	**157,332**	**897,294**	**4,118,719**	**(683,491)**	**(1,340,666)**	**1,312,557**	**(283,198)**	**263,839**	**4,442,386**
Income/(expenses) recognised in equity	-	-	(16,354)	-	(1,022,526)	961,940	-	158,465	81,525
Stock options	-	-	8,709	-	-	-	-	-	8,709
Distribution of profit from the prior year									
To reserves	-	-	667,495	-	-	(667,495)	-	-	-
To dividends	-	-	46,714	-	-	(645,062)	283,198	(55,437)	(370,587)
Treasury shares	-	-	(892)	(77,160)	-	-	-	-	(78,052)
Change in listed investees as a result of actuarial and other gains	-	-	(111,814)	-	-	-	-	-	(111,814)
Change in the scope of consolidation and other effects of a lesser amount	-	-	(3,020)	-	-	-	-	2,505,315	2,502,295
2011 interim dividend	-	-	-	-	-	-	(283,198)	-	(283,198)
Balance at 31 December 2011	157,332	897,294	4,709,557	(760,651)	(2,363,192)	961,940	(283,198)	2,872,182	**6,191,264**
Income/(expenses) recognised in equity	-	-	(44,698)	-	1,637,352	(1,926,438)	-	461,858	128,074
Capital increases/(reductions)	3,666	-	(3.666)	-	-	-	-	-	-
Stock options	-	-	8,709	-	-	-	-	-	8,709
Distribution of profit from the prior year									
To reserves	-	-	462,045	-	-	(462,045)	-	-	-
To dividends	-	-	24,143	-	-	(499,895)	283,198	(178,907)	(371,461)
Treasury shares	(3,666)	-	(266,043)	185,955	-	-	-	-	(83,754)
Change in listed investees as a result of actuarial and other gains	-	-	(54,773)	-	-	-	-	-	(54,773)
Change in the scope of consolidation and other effects of a lesser amount	-	-	(6,408)	-	-	-	-	(100,143)	(106,551)
Balance at 31 December 2012	157,332	897,294	4,828,866	(574,696)	(725,840)	(1,926,438)	-	3,054,990	**5,711,508**

The accompanying notes 01 to 39 and Appendices I to IV are an integral part of the consolidated statement of changes in equity at 31 December 2012.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012

Thousands of euros	31/12/2012	31/12/2011
A) CASH FLOWS FROM OPERATING ACTIVITIES	1,299,550	1,286,649
1. Profit/(Loss) before tax	(2,515,319)	1,243,901
2. Adjustments for:	4,688,045	1,463,613
Depreciation and amortisation charge	1,468,872	953,952
Other adjustments to profit (net) (Note 3.23)	3,219,173	509,661
3. Changes in working capital	(206,989)	(884,922)
4. Other cash flows from operating activities:	(666,187)	(535,943)
Interest payable	(1,297,728)	(1,225,747)
Dividends received	542,588	541,434
Interest received	242,574	313,760
Income tax payment/proceeds	(153,621)	(165,390)
B) CASH FLOWS FROM INVESTING ACTIVITIES	2,285,124	(454,907)
1. Investment payables:	(2,496,027)	(2,146,363)
Group companies, associates and business units	(515,952)	836,351
Property, plant and equipment, intangible assets and property investments	(1,749,222)	(2,317,385)
Other financial assets	(135,468)	(364,185)
Other assets	(95,385)	(301,144)
2. Divestment:	4,781,151	1,691,456
Group companies, associates and business units	1,457,507	1,052,974
Property, plant and equipment, intangible assets and investment property	640,884	612,722
Other financial assets	2,678,297	12,149
Other assets	4,463	13,611
C) CASH FLOWS FROM FINANCING ACTIVITIES	(3,174,971)	695,476
1. Equity instrument proceeds (and payment):	(83,754)	(253,788)
Acquisition	(155,880)	(279,253)
Disposal	72,126	25,465
2. Liabililty instrument proceeds (and payment):	(2,323,237)	1,687,448
Issue	4,584,893	3,914,476
Refund and repayment	(6,908,130)	(2,227,028)
3. Dividends paid and remuneration relating to other equity instruments:	(639,150)	(613,858)
4. Other cash flows from financing activities:	(128,830)	(124,326)
Other financing activity proceeds and payables:	(128,830)	(124,326)
D) EFFECT OF CHANGES IN EXCHANGE RATES	(37,044)	175,389
E) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	372,659	1,702,607
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	4,155,177	2,452,570
G) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	4,527,836	4,155,177

1. Cash flows from operating activities	-	14,016
2. Cash flows from investing activities	80,860	-
3. Cash Flows From Financing Activities	-	(14,016)
Cash flows from discontinued operations	80,860	-
Cash and cash equivalents at year end		
Cash and banks	3,583,950	3,086,946
Other financial assets	943,886	1,068,231
Total cash and cash equivalents at year end	4,527,836	4,155,177

The accompanying notes 01 to 39 and Appendices I to IV are an integral part of the consolidated statement of cash flows at 31 December 2012.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

01. Group Activity

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

In addition to the operations carried on directly thereby, ACS, Actividades de Construccion y Servicios, S.A. is the head of a group of subsidiaries that engage in various business activities and which compose, together with the Company, the ACS Group. Therefore, ACS, Actividades de Construccion 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 object, the main business activities of ACS, Actividades de Construccion 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. The promotion, construction, restoration and sale of housing developments and all kinds of buildings intended for industrial, commercial or residential purposes, either alone or through third parties. The 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 rail, railway, light rail 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, computerization 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, signalling 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, channelling, distribution, use, metering and maintenance of any other kind of energy and energy product, 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, channelling and distributing liquid and solid 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 systems of cables 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. The production, sale and use of electricity and of other energy sources and the performance of studies relating thereto, and the production, exploration, sale and use of all manner of solid, liquid or gaseous primary energy resources, including specifically all forms and kinds of hydrocarbons and natural, liquefied or any other type of gas. Energy planning and rationalisation of the use of energy and combined heat and power generation. The research, development and exploitation of communications and information technologies in all their facets.

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 supports of metal 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 product related to all types of energy.

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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.

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, stowing and unstowing, 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.

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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. To manage and administer fixed-income and equity securities of companies not resident in Spain, through the related organisation of the appropriate material and human resources in this connection.

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.

02. Basis of presentation of the Consolidated Financial Statements and basis of consolidation

02.01. Basis of presentation

The consolidated financial statements for 2012 of the ACS Group were prepared:

- By the Directors of the Parent, at the Board of Directors' Meeting held on 21 March 2013.

- 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. The consolidation bases and the principal accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2012 are summarised in Notes 02 and 03.

- 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 03 (accounting policies).

- So that they present fairly the Group's consolidated equity and financial position at 31 December 2012, 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 bases used in preparing the Group's consolidated financial statements for 2012 (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 methods used and to make them compliant with the International Financial Reporting Standards adopted in Europe.

The ACS Group's consolidated financial statements for 2011, (IFRSs as adopted by the European Union) were approved by the shareholders at the Annual General Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 31 May 2012.

The resolutions adopted in relation to the approval of these financial statements were challenged by one shareholder who holds 104 shares (0.000033% of the Parent's share capital). The directors of ACS, Actividades de Construcción y Servicios, S.A. believe that the financial statements for 2011 were correctly prepared and ratified by the auditor, and that the challenge is not likely to be upheld.

The 2012 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.

Responsibility for the information and use of estimates

The information in these consolidated financial statements is the responsibility of the directors of the Group's Parent.

The consolidated financial statements were prepared from the 2012 accounting records of ACS, Actividades de Construcción y Servicios, S.A. and of its Group companies, whose respective separate financial statements were approved by the directors of each company and business segment, once they had been adapted for 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 measurement aimed at determining any impairment losses on certain assets (Notes 03.01, 03.06 and 10.01).
- The fair value of assets acquired in business combinations (Note 02.02.f).
- The measurement of goodwill and the allocation of assets on acquisitions (Note 03.01).
- The recognition of earnings in construction contracts (Note 03.16.01).
- The amount of certain provisions (Note 03.13).
- The assumptions used in the calculation of liabilities and commitments to employees (Note 03.12).
- The market value of the derivatives (such as equity swaps, call spreads, etc.) mentioned in Notes 09 and 10.
- The useful life of the intangible assets and property, plant and equipment (Notes 03.02 and 03.03).

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

Changes in accounting estimates and policies and correction of fundamental errors

Changes in accounting estimates: The effect of any change in accounting estimates is recognised in the same income statement line item as that in which the expense or income measured using the previous estimate had been previously recognised.

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Changes in accounting policies and correction of fundamental errors: In accordance with IAS 8, the effect of any change in accounting policies and of any correction of fundamental errors is recognised as follows: the cumulative effect at the beginning of the year is adjusted in reserves, whereas the effect on the current year is recognised in profit or loss. Also, in these cases the financial date for the comparative year presented together with the year in course is restated.

No errors were corrected in the 2011 financial statements.

Except as indicated in the following paragraphs and the entry into force of new accounting standards, the consolidation criteria applied in 2012 are consistent with those applied in the 2011 consolidated financial statements.

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 03.21.

02.02. Basis of consolidation

a) Balances and transactions with Group companies and associates

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 were eliminated.

However, in accordance with the criteria provided by IFRIC 12, balances and transactions relating to construction projects undertaken by companies of the Construction and Industrial Services division for concession operators are not eliminated on consolidation since these transactions are considered to have been performed for third parties as the projects are being completed.

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 2012 and 2011 the reporting date of the financial statements of all the companies included in the scope of consolidation was the same or was temporarily brought into line with 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 half or more of the voting power of the investee or, even if this percentage is lower or zero, when, for example, there are agreements with other shareholders of the investee that give the Parent control. In accordance with IAS 27, control is the power to govern the financial and operating policies of a company so as to benefit 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.

Also, the Group has an effective ownership interest of less than 50% in certain companies considered to be subsidiaries since the Group holds the majority of the voting power of these companies as a result of the shareholder structure and composition thereof. Most relevant in this connection is Hochtief A.G. in which the Group held a 49.90% ownership interest at the end of 2012 (Note 02.02.f).

The main companies of the ACS Group with dividend rights of more than 50% which are not fully consolidated include: Clece, S.A., Leighton Welspun Contractors, Hospital Majadahonda, S.A. and Autovía de los Pinares, S.A. This circumstance arises because the control over these companies is exercised by other shareholders or because decisions require the affirmative vote of another or other shareholders, and consequently, they have been recognised as joint ventures or companies accounted for using 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 non-controlling shareholders is stated at their 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 attributable to non-controlling interests" and "Profit from discontinued operations attributable 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, disposals and increases and decreases in ownership interests.

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 the venturers. By applying the alternative provided in IAS 31 on Interests in joint ventures, the ACS Group has accounted for jointly controlled companies using the equity method under "Investments accounted for using the equity method"

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in the accompanying consolidated statement of financial position. The share in the profit after tax of these companies is recognised under "Share of results of entities 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) and similar entities (various types of joint ventures) abroad, which are entities 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, the companies are accounted for proportionately in the accompanying consolidated financial statements based upon the Group's ownership interest therein, in accordance with IAS 31.

The assets and liabilities assigned to these types of entities are recognised in the consolidated statement of financial position, classified according to their specific nature on the basis of the existing percentage of ownership. Similarly, income and expense arising from these entities is presented in the consolidated income statement on the basis of their specific nature and in proportion to the Group's ownership interest.

Note 08 and Appendix II contain relevant information on the main joint ventures.

e) Associates

Associates are companies over which the Group is in a position to exercise significant influence and which are not subsidiaries or interests in joint ventures. Significant influence generally exists when the Company holds –directly or indirectly 20% or more of the voting power 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 irrelevant for the Group as a whole.

Investments in associates are accounted for using the equity method, whereby they are initially recognised at acquisition cost. Subsequently, on each reporting date, they are measured at cost, plus the changes in the net assets of the associate based on the Group's percentage of ownership. The excess of the cost of acquisition over the Group's share of 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.

The profit or loss, net of tax, of the associates is included in the Group's consolidated income statement under "Share of results of entities accounted for using the equity method", in proportion to the percentage of ownership. Prior to this, the appropriate adjustments are 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 09 contain relevant information on the main associates.

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 2012 are described in Appendix I, especially noteworthy being the sale of the 23.5% ownership interest in Clece and the 10.28% in Abertis Infraestructuras, S.A.

Acquisitions, sales, and other corporate transactions

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

BUSINESS COMBINATIONS AND OTHER ACQUISITIONS OR INCREASES IN OWNERSHIP INTEREST IN SUBSIDIARIES

			Net cost of combination (Thousands of Euros)			
Name of the Company (or line of business) acquired or merged	Category	Effective transaction date	Amount (net) paid in the acquisition and other costs directly attributable to the combination	Fair value of the equity instruments issued for the acquisition of the company	% of voting rights acquired	% of total voting rights in the company after the acquisition
Clark Builders	Subsidiary	01/01/2012	49,910	-	51.00%	51.00%
Hochtief, A. G.	Subsidiary	2012	20,091	-	0.73%	49.90%

HOCHTIEF, A.G.

The ACS Group considered the conditions to be appropriate to fully consolidate its investment in Hochtief A.G. with effect from 1 June 2011. Therefore, only its income and expenses for the last seven months of 2011 were recognised in the consolidated income statement at 31 December 2011. In 2012 the income and expenses for all twelve months of the year were included and, therefore, this effect should be taken into account in the comparative information.

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

At that date, in accordance with IFRS 3, it was necessary to make an assessment so as to recognise the fair value of identifiable assets and liabilities acquired from Hochtief, A.G. separately from goodwill, the fair value

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of the identifiable assets and liabilities assumed from Hochtief, A.G. ("Purchase Price Allocation" or PPA) at the acquisition date. Since the ACS Group did not have all the information required for a final assessment at 2011 year-end, and in accordance with IFRS 3, the following provisional allocation was made, subsequent to which the Group is required to permanently allocate the purchase of the shares within 12 months. Once this twelve-month period has elapsed, the definitive assignment of the assets identified and the liabilities assumed as a result of the acquisition of Hochtief, A.G. is as follows:

Thousands of euros	Carrying Amount	Allocation of net assets	Fair value of net assets
Tangible assets - property, plant and equipment	2,041,252	-	2,041,252
Intangible assets	565,832	1,504,370	2,070,202
Other non-current assets	3,825,626	56,580	3,882,206
Current assets	9,131,438	(68,355)	9,063,083
Non-current liabilities	(2,903,875)	(1,847,616)	(4,751,491)
Current liabilities	(8,836,023)	(381,625)	(9,217,648)
Total net assets	**3,824,250**	**(736,646)**	**3,087,604**
Non-controlling interests	(1,268,420)	195,532	(1,072,888)
Fair value of the fully acquired net assets (100%)			**2,014,716**
Fair value of assets relating to non-controlling interests			1,105,734
Fair value of the net assets of the acquirer			**908,982**
Cumulative reserves from the purchase to the first date of full consolidation			(28,353)
Purchase price			2,371,136
Goodwill (Note 04.01)			**1,433,801**

The main adjustments made to the carrying amount of the assets and liabilities of Hochtief, A. G. were as follows.

- The main assets to which a higher value was attributed relate to the construction backlog and the relationships with customers, whose balances are amortised based on the useful life taken into account and whose effect on depreciation in the seven-month period ended 31 December 2011 amounted to EUR 168,472 thousand and EUR 282,900 thousand in 2012.

- Accordingly, a higher value was allocated in the PPA, for an attributed net amount of EUR 25 million (EUR 62 million in the seven months of 2011), mainly relating to assets that were sold following the full consolidation of Hochtief and which were not consequently taken into account in the profit of the ACS Group during the related period.

- In addition, provisions were allocated for estimated losses in various projects and investments of Hochtief, which included an attributed net amount of EUR 167 million in 2012 (EUR 216 million in the seven months of 2011), and were not taken into account in the profit of the ACS Group.

- Hochtief's sales in 2011 amounted to EUR 23,282,236 thousand and the net loss attributable to the Parent was EUR 160,288 thousand.

In accordance with IAS 27, the goodwill arising from the acquisition of Hochtief, A.G. shares subsequent to 1 June 2011, given that the ACS Group had already fully consolidated this ownership interest, was recognised in reserves (EUR 29,289 thousand in 2012 and EUR 123,018 thousand in 2011).

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

DECREASE IN OWNERSHIP INTEREST IN SUBSIDIARIES, JOINT VENTURES AND/OR INVESTMENTS IN ASSOCIATES OR OTHER OPERATIONS OF A SIMILAR NATURE

Name of the company (line of business) sold, spun-off or winded-up	Category	Effective transaction date	% of voting power disposed of or derecognised	% of voting power in the company following disposal	Profit/(Loss) before tax (Thousands of Euros)
Clece, S.A.	Subsidiary	08/03/2012	23.50%	76.50%	216,496
Abertis Infraestructuras, S.A.	Associate	25/04/2012	10.28%	0.00%	196,699
Sociedad Concesionaria Vespucio Norte Express, S.A.	Subsidiary	30/09/2012	45.45%	0.00%	88,200

The following regarding changes in scope of consolidation are noteworthy of mention:

- On 8 March 2012, the ACS Group sold its ownership interest of 23.25% of Clece S.A. to various funds managed by Mercapital, to which it has also granted the option to purchase the remaining capital. Following this date, control of Clece, S.A. is to be exercised jointly by the acquiring funds and by ACS, and the company is to be accounted for using the equity method rather than being fully consolidated. The purchase price was EUR 80 million, which represents a total business value of EUR 505.7 million.

- The sale of all ownership interest in Abertis Infraestructuras, S.A. and a profit before taxes of EUR 196,699 thousand recognised under "Impairment and gains or losses on disposals of financial instruments" in the accompanying income statement. After ACS, Actividades de Construcción y Servicios, S.A. disposed of its ownership interest in Abertis Infraestructuras, S.A., ACS and Trebol Holdings S.à.r.l. reached an agreement to terminate the shareholders agreement that was published on 1 September 2010.

- With regard to Sociedad Concesionaria Vespucio Norte Express, S.A., a portion of these gains were not recognised in the ACS Group's consolidated income statement, since these gains were eliminated as a result of the adjustments made in the PPA.

The most significant changes in the scope of consolidation in 2011 relate to the sale of certain wind farms and solar thermal plants, the sale of ownership interest in various Brazilian concession operators of electricity lines throughout this country, and the sale of certain mining contracts of Henry Walker Eltin and the ownership interest in Burton, a mining company located in Leighton. These last disposals had no impact on the income statement of the ACS Group since the capital gains had been eliminated as a result of the adjustments made in the PPA.

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

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03. 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:

03.01. 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 or jointly controlled entity 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:

- If it is attributable to specific assets and liabilities of the companies acquired, 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 balance sheets and whose accounting treatment (amortisation, accrual, etc.) was similar to that of the same assets (liabilities) of the Group. If it is attributable to specific intangible assets, recognising it explicitly in the consolidated statement of financial position provided that the fair value at the acquisition date 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, if there is any impairment, the goodwill is written down with a charge to "Impairment and gains or losses on the disposal of non-current 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 recognised as translation differences or impairment, as appropriate.

Any negative differences between 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 balance sheets and whose accounting treatment (amortisation, accrual, etc.) was similar to that of the same assets (liabilities) of the Group.

- The remaining amounts are presented under "Other gains or losses" in the consolidated income statement for the year in which the share capital of the subsidiary or associate is acquired.

03.02. Other intangible assets

Intangible assets are identifiable non-monetary 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 or losses on the disposal of non-current 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 property, plant and equipment (Note 03.06).

03.02.01. 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.

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03.02.02. Administrative concessions

Concessions may only be recognised as assets when they have been acquired by the company for a 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.

03.02.03. 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 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.

03.02.04. Remaining intangible assets

This heading basically includes the intangible assets related to the acquired companies' construction backlog and customer base, mainly of the Hochtief Group. These intangible assets are measured at fair value on the date of their acquisition, and if material, on the basis of independent external reports. The assets are amortised in the five to ten year period in which it is estimated that profit will be contributed to the Group.

03.03. Tangible assets – property, plant and equipment

Land 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.

The capitalised costs include borrowing costs incurred during the asset construction period only, provided that it is probable that they will give rise to future economic benefits for the Group. Capitalised borrowing costs arise from both specific borrowings expressly used for the acquisition of an asset and general borrowings in accordance with the criteria established in IAS 23. Investment income earned on the temporary investment of specific borrowings pending their expenditure 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 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.

Amortisation 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 property, plant and equipment amortisation charge is recognised in the consolidated income statement and is basically based on the application of amortisation rates determined on the basis of the following average years of estimated useful life of the various assets:

	YEARS OF ESTIMATED USEFUL LIFE
Buildings	20-50
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 property, plant and equipment assigned to certain contracts for services that revert to the contracting agency at the end of the contract term are amortised over the shorter of the term of the contract or the useful life of the related assets.

Assets held under finance leases are recognised in the corresponding asset category, are measured at the present value of the minimum lease payments payable and are amortised 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 amortised 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.

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Interest relating to the financing of non-current assets held under finance leases is charged to consolidated profit for the year using the effective interest method, on the basis of the repayment of the related borrowings. 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 dismantling, 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.

03.04. 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 under a project finance arrangement (limited recourse financing applied to projects).

These financing structures are applied to projects capable in their own right of providing sufficient guarantees to the participating financial institutions with regard to the repayment of the funds borrowed to finance them. Each project is performed through specific companies in which the project assets are financed, on the one hand, through a contribution of funds by the developers, which is limited to a given amount, and on the other, generally representing 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 by real guarantees on the project assets.

These assets are valued at the costs directly allocable to construction incurred through their entry into operation (studies and designs, compulsory purchases, 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 under this heading will be the borrowing costs incurred prior to the entry into operation of the assets arising from external financing thereof. Capitalised borrowing costs arise from specific borrowings expressly used for the acquisition of an asset.

Upkeep and maintenance expenses that do not lead to a lengthening of the useful life of the assets or an increase in their production capacity are expensed currently.

The residual value, useful life and depreciation method applied to the companies' assets are reviewed periodically to ensure that the depreciation method used reflects the pattern in which the economic benefits arising from operating the non-current assets in projects are consumed.

This heading also includes the amount of the 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 under a project finance arrangement (limited recourse financing applied to projects), regardless of whether the demand risk is assumed by the group or the financial institution. In general, the loans are supported by security interests over the project cash flows.

The main features to be considered in relation to non-current assets in projects are as follows:

- The concession assets are owned by the concession 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.

In general, a distinction must be drawn between two clearly different phases: the first in which the concession operator provides construction or upgrade services which are recognised under intangible or financial assets by reference to the stage of completion pursuant to IAS 11, "Construction Contracts" and; a second phase in which the concession operator provides a series of maintenance or operation services of the aforementioned infrastructure, which are recognised in accordance with IAS 18, "Ordinary Income".

An intangible asset is recognised when the demand risk is borne by the concession operator and a financial asset is recognised when the demand risk is borne by the concession grantor since the operator has an unconditional contractual right to receive cash for the construction or upgrade services. These assets also include the amounts paid in relation to the fees for the award of the concessions.

In certain mixed arrangements, the operator and the grantor may share the demand risk, although this is not common for the ACS Group.

All the infrastructures of the ACS Group concessionaires were built by Group companies, there being no infrastructures built by third parties. The revenue and expenses relating to infrastructure construction or improvement services are recognised at their gross amount (record of sales and associated costs), the construction margin being recognised in the consolidated financial statements.

Intangible assets

For concessions classified as intangible assets, provisions for dismantling, removal and rehabilitation and any steps to improve and increase capacity, the revenue from which is contemplated in the initial contract, are capitalised at the start of the concession and the amortisation of these assets and the adjustment for provision discounting are recognised in profit or loss. Also, provisions to replace and repair the infrastructure are systematically recognised in profit or loss as the obligation is incurred.

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Borrowing costs arising from the financing of the infrastructure are recognised in the period in which they are incurred and those accruing from the construction until the entry into service of the infrastructure are capitalised only in the intangible asset model.

Intangible assets are amortised on the basis of the pattern of consumption, taken to be the changes in and best estimates of the production units of each activity. The most important concession business in quantitative terms is the highway activity, whose assets are depreciated or amortised on the basis of the concession traffic.

Financial assets

Concessions classified as a financial asset are recognised at the fair value of the construction or improvement services rendered. In accordance with the amortised cost method, the related revenue is allocated to profit or loss at the interest rate of the receivable arising on the cash flow and concession payment projections, which are presented as revenue on the accompanying consolidated income statement. As described previously, the revenue and expense relating to the provision of the operation and maintenance services are recognised in the consolidated income statement in accordance with IAS 18, "Ordinary Income", and the finance costs relating to the concession are recognised in the accompanying consolidated income statement according to their nature.

Interest income on the concessions to which the accounts receivable model is applied is recognised as sales, since these are considered to be ordinary activities, forming part of the overall objective of the concessionaire, and are carried on and provide income on a regular basis.

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 property, plant and equipment, and the items replaced or renewed are derecognised.

The work performed by the Group on non-current assets is measured at production cost, except for the work performed for concession operators, which is measured at selling price.

Concession operators amortised these assets so that the carrying amount of the investment made is zero at the end of the concession.

Non-current assets in projects are depreciated on the basis of the pattern of use which, in the case of highways, is generally determined by the traffic projected for each year. However, certain contracts have terms shorter than the useful life of the related non-current assets, in which case they are depreciated over the contract term.

At least at each balance sheet date, the companies determine whether there is any indication that an item or group of items of property, plant and equipment is impaired so that, as indicated in Note 03.06, an impairment loss can be recognised or reversed in order to adjust the carrying amount of the assets to their value in use.

The companies consider that the periodic maintenance plans for their facilities, the cost of which is recognised as an expense in the year in which it is incurred, are sufficient to ensure delivery of the assets that have to be returned to the concession provider in good working order on expiry of the concession contracts and that, therefore, no significant expenses will arise as a result of their return.

03.05. 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 revaluate 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. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended 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.

03.06. Impairment of tangible assets – property, plant and equipment and intangible assets excluding goodwill

At each reporting date, 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 might 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.

The 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.

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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.

03.07. 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.

03.08. 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 any directly attributable transaction costs. The Group classifies its non-current and current financial assets, excluding investments in associates and those held for sale, in four categories.

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.

03.08.01. 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 acquisition cost of a financial asset or liability minus principal repayments, plus or minus the cumulative amortisation taken to profit or loss of any difference between that initial cost and the maturity amount. In the case of financial assets, amortised cost also includes any reduction for impairment losses.

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, etc.

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.

03.08.02. Held-to-maturity investments

These are non-derivative financial assets with fixed or determinable payments and fixed maturity 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.

03.08.03. 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.

03.08.04. 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 cost of acquisition, these investments are measured at fair value, recognising the gains or losses arising thereon in equity until the investment is sold or suffers impairment losses, at which time the cumulative gain or loss previously presented in equity under “Valuation Adjustments” is transferred to profit or loss as gains or losses on the corresponding 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 cannot be reliably determined are measured at cost or at their underlying carrying amount, or at a lower amount if there is any evidence of impairment.

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03.08.05. Derecognition of financial assets

The Group derecognises a financial asset when it expires or when the rights to the cash flows from the financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred, such as in the case of firm asset sales, factoring of trade receivables in which the Group does not retain any credit or interest rate risk, sales of financial assets under an agreement to repurchase them at fair value and the securitisation of financial assets in which the transferor does not retain any subordinated debt, provide any kind of guarantee or assume any other kind of risk.

However, the Group does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained, such as in the case of bill discounting, with-recourse factoring, sales of financial assets under an agreement to repurchase them at a fixed price or at the selling price plus interest and the securitisation of financial assets in which the transferor retains a subordinated interest or any other kind of guarantee that absorbs substantially all the expected losses.

03.08.06. Fair value hierarchies

Financial assets and liabilities measured at fair value are classified according to the hierarchy established in IFRS 7, as follows:

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

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

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

03.09. Non-current assets held for sale, liabilities relating to non-current assets held for sale and discountinued operations

At 31 December 2012, non-current assets held for sale relate mainly to the line of business of renewable energy (wind farms and solar thermal plants), assets related to airports managed by Hochtief, investments in certain assets related to telecommunications infrastructure belong to Leighton, highway concession assets and logistics activities. In all the above cases a formal decision was made by the Group to sell these assets, and a plan for their sale was initiated. These assets are currently available for sale and the sale is expected to be completed within a period of 12 months from the date of their classification as assets held for sale.

The main year-on-year increase was due to the sale of 23.5% of Clece to various funds managed by Mercapital, to which a purchase option was granted on the remaining share capital. As of 8 March 2012, the date of the sale, the company became jointly controlled. Other significant changes included the sale of the waste collection activity carried out by Thiess, and the sale of certain transmission lines in Brazil and certain wind farms. Accordingly, in 2012 certain activities related to the telecommunications infrastructure activity carried out by Leighton in Australia were included in this heading.

It is noteworthy of mention that the renewable assets, the airports managed by Hochtief and most of the concessions, which were classified as held for sale, were held in this category for a period of over twelve months. However, they were not sold due to certain circumstances, which at the time of their classification were not likely, mainly related to regulatory uncertainties in the electricity sector and the situation of the financial markets. However, the Group continues to be committed to the plans for selling these assets, which are being actively marketed, and there is a high probability that the sale will take place in the short term. In other cases, sales agreements were signed where the customary conditions precedent have yet to be met in agreements of this type in order to definitively derecognise the assets.

Discontinued operations

The breakdown of the profit from discontinued operations in the periods ended 31 December 2012 and 2011 is as follows:

Thousands of euros	31/12/2012	31/12/2011
	Clece	Clece
Revenue	183,043	1,082,310
Operating expenses	(171,082)	(1,011,559)
Net operating income	11,961	70,751
Profit before tax	**10,508**	**64,456**
Corporate income tax	(3,143)	(18,766)
Profit after tax from discontinued operations	-	-
Profit attributed to non-controlling interests	(11)	97
Profit after tax and non-controlling interests	**7,354**	**45,787**
Profit before tax from the disposal of discontinued operations	216,496	-
Tax on the disposal of discontinued operations	**(66,396)**	**-**
Net profit from the disposal of discontinued operations	**150,100**	**-**
Profit after tax and non-controlling interests from discontinued operations	**157,454**	**45,787**

After the sale by the ACS Group of the 23.5% ownership interest in the Clece Group (formed by Clece, S.A. and its subsidiaries) on 8 March 2012, Clece was no longer classified under discontinued operations and became accounted for using the equity method on having joint control with the new shareholder. Therefore, the net unrealised gain on the sale of Clece amounted to EUR 150,100 thousand and was recognised under “Profit after tax from discontinued operations” in the consolidated income statement for the first half of the year. This profit included both the unrealised gain on the sale of the 23.5% ownership interest, which amounted to EUR 39.7 million, and the revaluation to its market value of the investment held as a result of the loss of control, which amounted to EUR 110.3 million.

In addition to the foregoing, it includes profit from this activity during the first two months of 2012 amounting to EUR 7,354 thousand, net of taxes and non-controlling interests.

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

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

Since the ACS Group maintained control over the subsidiaries of the Clece Group (head of the activity) at 2011 year-end, the effects of this investment were kept under "Non-controlling interests" until its sale.

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

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

The breakdown of the effect of the discontinued operations on the 2012 and 2011 statement of cash flows is as follows:

Thousands of euros	31/12/2012	31/12/2011
	Clece	Clece
Cash flows from operating activities	-	14,016
Cash flows from investing activities	80,860	-
Cash flows from financing activities	-	(14,016)
Net cash flows from discontinued operations	**80,860**	**-**

Accordingly, a net provision of taxes of EUR 50,000 thousand was recognised for future possible contingencies relating to discontinued operations sold that reduce the amount under "Profit after tax and non-controlling interests from discontinued operations" in the consolidated income statement to a profit of EUR 107,454 thousand.

Non-current assets held for sale

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

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

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

Thousands of euros	31/12/2012						
	SPL	Renewable energy	Concessions	Airports managed by Hochtief	TelCo	Other	Total
Tangible assets - property, plant and equipment	27,239	19,029	709	185	464,178	16,661	**528,001**
Intangible assets	37,326	23,095	592	5,905	15,080	21,986	**103,984**
Non-current assets in projects	-	2,610,991	797,787	-	-	10,026	**3,418,804**
Financial Assets	4,524	96,157	29,171	1,312,146	-	15,270	**1,457,268**
Deferred tax assets	2,099	110,281	48,955	-	-	7,344	**168,679**
Other non-current assets	-	-	-	1,278	20,002	548,497	**569,777**
Current assets	43,550	167,329	57,996	16,000	17,130	52,973	**354,978**
Financial assets held for sale	**114,738**	**3,026,882**	**935,210**	**1,335,514**	**516,390**	**672,757**	**6,601,491**
Non-current liabilities	10,960	2,626,331	763,469	4,373	30,056	301,029	**3,736,218**
Current liabilities	32,940	137,358	20,754	13,675	107,056	41,279	**353,062**
Liabilities relating to assets held for sale	**43,900**	**2,763,689**	**784,223**	**18,048**	**137,112**	**342,308**	**4,089,280**
Non-controlling interests held for sale	**12,454**	**(1,180)**	**-**	**372,861**	**-**	**16,840**	**400,975**

The ACS Group recognised a provision for EUR 300,000 thousand which has reduced the balance of "Non-current assets held for sale". This provision is a preliminary estimate and includes the impairment losses on the carrying amount, which arose as the result of, among others, the various legislation approved in 2012, including Law 15/2012, of 27 December (which is currently has yet to be implemented) and Law 16/2012, of 27 December. On 1 February 2013, Royal Decree Law 2/2013 on urgent measures in the electricity system and financial industry was approved. The current estimate is that these measures will not have a significant impact on the carrying amount of the assets affected in 2013 in relation to the ACS Group's consolidated financial statements.

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

The net debt recognised under assets and liabilities held for sale at 31 December 2012 amounted to EUR 2,170,058 thousand (EUR 2,568,300 thousand at 31 December 2011) in renewable energies, EUR 596,367 thousand (EUR 672,386 thousand at 31 December 2011) in concession assets, EUR 53,550 thousand (EUR 274,231 thousand at 31 December 2011) in transmission lines, and EUR 168,331 thousand (EUR 113,416 thousand at 31 December 2011) in other assets.

The income and expenses recognised under "Valuation adjustments" in the consolidated statement of changes in equity, which relate to operations considered to be held for sale at 31 December 2012 and 2011, are as follows:

Thousands of euros	31/12/2012					
	SPL	Renewable energy	Concessions	Airports managed by Hochtief	Other	Total
Financial assets held for sale	-	-	-	138,854	-	138,854
Exchange differences	2,068	(822)	(72,933)	(1,444)	(6,163)	(79,294)
Cash flow hedges	-	(226,919)	(167)	(117,425)	(81,865)	(426,376)
Adjustments for changes in value	**2,068**	**(227,741)**	**(73,100)**	**19,985**	**(88,028)**	**(366,816)**

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

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 business lines or geographical areas that can be considered separately from the others.

03.10. Equity

An equity instrument represents a residual interest in the net 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.

03.10.01. 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.

03.10.02. Treasury shares

The transactions involving treasury shares in 2012 and 2011 are summarised in Note 15.04. Treasury shares were deducted from equity in the accompanying statement of financial position at 31 December 2012 and 2011.

When the Group acquires or sells treasury shares the amount paid or received for the treasury shares is recognised 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.

03.10.03. Share options

The Group has granted options on ACS, Actividades de Construccion 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.

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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).

In addition, the Hochtief Group has granted options on Hochtief, A.G. shares to management members.

03.11. Grants

The ACS Group has received grants from various government agencies mainly to finance investments in property, plant and equipment for its Environment business. Evidence of compliance with the conditions established in the related grant award resolutions was provided to the relevant agencies.

Government grants received by the Group to acquire assets are taken to income over the same period and on the same basis as those used to depreciate the asset relating to the aforementioned grant.

Government grants to compensate costs are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

A government grant receivable as compensation for expenses or losses already incurred or for the purpose of giving financial support with no future related costs is recognised in profit or loss of the period in which it becomes receivable.

03.12. Financial liabilities

Financial liabilities are classified in accordance with the content and the substance of the contractual arrangements.

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.

03.12.01. Bank borrowings, debt and other securities

Interest-bearing bank loans and overdrafts are recognised at the amount 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.

03.12.02. 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.

03.12.03. 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.

03.12.04. 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 recognising 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 (see Note 21).

The post-employment benefit obligations include, inter alia, those arising from certain companies of the Hochtief Group, for which the Group has recognised the related liabilities and whose recognition criteria are explained in Note 03.13.

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.

03.12.05. 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 employee redundancy plans making it necessary to record a provision in this connection.

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03.13. 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 2012 certain litigation and claims were in process against the consolidated companies forming part of the ACS Group arising from the ordinary course of their operations, no representative at the 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 employee termination benefit costs

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 pensions and similar obligations

In the case of foreign companies whose post-employment benefit obligations are not externalised, noteworthy are the provisions for pensions and similar obligations recorded by various Hochtief Group companies as explained below.

Provisions for pensions and similar obligations are recognised for current and future benefit payments to active and former employees and their surviving dependants. The obligations primarily relate to pension benefits, partly for basic pensions and partly for optional supplementary pensions. The individual benefit obligations vary from one country to another and are determined for the most part by length of service and pay scales. The Turner Group's obligations to meet healthcare costs for retired staff are likewise included in pension provisions due to their pension-like nature.

Provisions for pensions and similar obligations are computed by the projected unit credit method. This determines the present value of future entitlements, taking into account current and future benefits already known at the reporting date plus anticipated future increases in salaries and pensions and, for the Turner Group, in healthcare costs. The computation is based on actuarial appraisals using biometric accounting principles. Plan assets as defined in IAS 19 are shown separately as deductions from pension obligations. Plan assets comprise assets transferred to pension funds to meet pension obligations, shares in investment funds purchased under deferred compensation arrangements, and qualifying insurance policies in the form of pension liability insurance. If the fair value of plan assets is greater than the present value of employee benefits, the difference is reported—subject to the limit in IAS 19—under other non-current assets.

Pursuant to the option in IAS 19, actuarial gains and losses are recognised directly in equity in the period during which they arise. The current service cost is reported under personnel costs. The interest element of the increase in pension obligations, diminished by anticipated returns on plan assets, is reported in net investment and interest income.

Past service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are recognised in income by amortization on a straight-line basis over the vesting period.

Provisions for project completion

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 are located. The related provisions have been made for this purpose and the present value of the cost of carrying out these tasks has been estimated, recognising a concession asset as a balancing entry.

Other provisions

Other provisions include mainly provisions for warranty costs.

03.14. 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 rules.
- 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 (see Note 21).

The Group's 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 future changes in the variables affecting each risk.

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03.15. 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 valuation 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 they are recognised according to their classification.

Classification

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 for their net amount under "Change in 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 "Valuation adjustments" in the accompanying consolidated statement of financial position. Hedges giving results of between 80% and 125% in the effectiveness test are considered to be or effective or efficient. 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 forecast 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 the host contracts are not carried at fair value with unrealised gains or losses reported in the income statement.

Assessment

The fair value of the various derivative financial instruments is calculated using techniques widely used in financial markets, by discounting the flows envisaged in each contract on the basis of its characteristics, such as the notional amount and the collection and payment schedule based on spot and futures market conditions at the end of each year.

Interest rate hedges are measured by using the zero-coupon rate curve, determined by employing the Black-Scholes methodology in the case of caps and floors for the deposits and rates that are traded at any given time, to obtain the discount factors.

Equity swaps are measured as the result of the difference between the quoted price at year end and the strike price initially agreed upon, multiplied by the number of contracts reflected in the swap.

Derivatives whose underlying asset is quoted on an organised market and are not qualified as hedges, are measured using the Black-Scholes methodology and applying market parameters such as implicit volatility and estimated dividends.

For those derivatives whose underlying asset is quoted on an organised market, but in which the derivative forms part of financing agreement and where its arrangement substitutes the underlying assets, the measurement is based on the calculation of its intrinsic value at the calculation date.

03.16. 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 also recognised by reference to the stage of completion of the transaction at the reporting 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, only the amount of the commissions is recognised as revenue.

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's rights to receive payment have been established.

Following is a disclosure of specific revenue recognition criteria for certain activities carried on by the Group.

03.16.01. Construction business

In the construction business, the outcome of a construction contract is recognised by the percentage of completion method. The amount of production carried out until the reporting date is recognised as revenue on the basis of the percentage of completion of the entire project. The percentage of completion is measured by reference to the state of completion of the construction work, i.e. the percentage of work performed until the reporting date with respect to the total contract work performed.

In the construction industry, the estimated revenue and costs of construction projects are susceptible to changes during contract performance which cannot be readily foreseen or objectively quantified. In this regard, the budgets used to calculate the stage of completion and the production of each year include

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the measurement at the sale price of the units completed, for which management of the consolidated companies consider there is reasonable assurance of their being collected, as well as their estimated costs.

Should the amount of output from inception, measured at the sale price, of each project be greater than the amount billed up to the end of the reporting period, the difference between the two amounts is recognised under "Trade and other receivables" on the asset side of the consolidated statement of financial position. Should the amount of output from inception be lower than the amount of the progress billings, the difference is recognised under "Trade and other payables - Customer advances" in liabilities in the consolidated statement of financial position.

Machinery or other fixed assets acquired for a specific project are amortised 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 financial statements.

Late-payment interest arising in relation to delays in the collection of certification amounts is recognised when collected.

03.16.02. Industrial services, environment and other businesses

The Group companies recognise as the result of the services rendered by them each year the difference between output (valued at the selling price of the services provided during the period, which are covered by the initial contract entered into with the customer or by approved modifications or addenda thereto, and of services that have not yet been approved but for which there is reasonable assurance of collection) and the costs incurred in the year.

Price increases agreed 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 the customer.

Late-payment interest is recognised as financial income when finally approved or collected.

03.17. 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.

03.18. Offsetting

Asset and liability balances must be offset and the net amount is presented in the consolidated statement of financial position when, and only when, they arise from transactions in which, contractually or by law, offsetting is permitted and the Group companies intend to settle them on a net basis, or to realise the asset and settle the liability simultaneously.

03.19. 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 (tax loss) 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 (loss) nor taxable profit (tax loss).

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 (loss) nor taxable profit (tax loss). The other deferred tax assets (tax loss and tax credit carryforwards) are only recognised when it is probable that the consolidated companies will have sufficient taxable profits in the future against which they can be utilised.

The deferred tax assets and liabilities recognised are reassessed at the end of 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.

The Spanish companies more than 75% owned by the Parent file consolidated tax returns, as part of Tax Group 30/99, in accordance with current legislation.

03.20. 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 (see Note 31.01).

Diluted earnings per share are calculated by dividing net profit or loss 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

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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 2012 and 2011, basic earnings per share were the same as diluted earnings per shares since none of the aforementioned circumstances arose.

03.21. 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.

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. Non-monetary items measured at historical cost are translated to euros at the exchange rates prevailing on the date of the transaction.

The exchange rates of the main currencies in which the ACS Group operates in 2012 and 2011 are as follows:

	Average exchange rate		Closing exchange rate	
	2012	2011	2012	2011
1 U.S. Dollar (USD)	0.775	0.715	0.758	0.772
1 Australian Dollar (AUD)	0.803	0.746	0.788	0.790
1 Polish Zloty (PLN)	0.240	0.242	0.246	0.225
1 Brazilian Real (BRL)	0.395	0.428	0.370	0.415
1 Mexican Peso (MXN)	0.059	0.057	0.059	0.055
1 Canadian Dollar (CAD)	0.776	0.726	0.764	0.758

All exchange rates are in euros.

Any exchange differences arising on settlement or translation at the closing rates of monetary items are recognised in the consolidate 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 (see 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. 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 company whose functional currency is not the euro are treated as assets and liabilities of the foreign company and are translated at the closing rate.

03.22. Entities and branches located in hyperinflationary economies

At the end of 2009, given the economic situation in Venezuela and in accordance with the definition of hyperinflationary economy provided by IAS 29, the country was classified as hyperinflationary and at the end of 2012 it continued to be classified as such. The ACS Group has investments in Venezuela through its subsidiaries of the Construction, Environment and Industrial Services segments, the amounts outstanding at 31 December 2012 and 2011, and the volume of transactions in the years 2012 and 2011 being immaterial.

None of the functional currencies of the consolidated subsidiaries and associates located abroad relate to hyperinflationary economies as defined by IFRSs. Accordingly, at the 2012 and 2011 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.

03.23. Consolidated Statements of Cash Flows

The following terms are used in the consolidated cash flow statements 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 long-term 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 liabilities that are not operating activities.

In view of the diversity of its businesses and activities, the Group opted to report cash flows using the indirect method.

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

As a result of the novation of the equity swap on 277,971,800 shares of Iberdrola, S.A. carried out in December 2012, which ACS may choose to pay in shares or in cash, the reduction of the financial liability amounting to EUR 1,432 million was not considered to be a cash outflow in the accompanying statement of cash flows.

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The breakdown of "Other adjustments to profit (net)" in the statement of cash flows is as follows:

Thousands of euros	2012	2011
Financial income	(507,853)	(521,055)
Financial costs	1,289,785	1,216,514
Impairment and gains or losses on disposals of non-current assets	(36,913)	40,289
Results of companies accounted for using the equity method	(339,353)	(318,469)
Adjustments related to the assignment of net assets of Hochtief	(335,365)	333,350
Impairment and gains or losses on disposal of financial instruments	3,769,932	(367,087)
Adjustments related to the restructuring of Iberdrola and other effects	(621,060)	126,119
Total	**3,219,173**	**509,661**

It should also be noted that for comparison purposes, the cash and cash equivalents recognised as a result of the first full consolidation of Hochtief, A.G. amounting to EUR 2,270,041 thousand, were included in the cash flows from investing activities in Group companies, associates and business units in the preparation of the consolidated statement of cash flows for 2011, and were considered to reduce the value of the investment paid to acquire this company in 2011 amounting to EUR 903,923 thousand (excluding the value of the treasury shares delivered in the takeover).

03.24. Entry into force of new accounting standards

In 2012 the following standards and interpretations came into force and were adopted by the European Union and, where applicable, were used by the Group in the preparation of these consolidated financial statements:

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

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS		Mandatory application in the years beginning on or after:
APPROVED FOR USE IN THE EUROPEAN UNION		
Amendment to IFRS 7 - Financial Instruments: Disclosures - Transfers of Financial Assets (published in October 2010)	Extends and reinforces the disclosures on transfers of financial assets.	Annual periods beginning on or after 1 July 2011
NOT YET APPROVED FOR USE BY THE EUROPEAN UNION		
Amendment to IAS 12 - Income taxes - deferred taxes relating to investment property (published in December 2010)	Regarding the calculation of deferred taxes relating to investment properties in accordance with the fair value model of IAS 40.	Annual periods beginning on or after 1 January 2012 (1)

(1) Approved by the EU on 29 December 2012.

The application of these standards did not have a material effect on the ACS Group's condensed consolidated financial statements.

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

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

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

		Mandatory application in the years beginning on or after:
APPROVED FOR USE IN THE EUROPEAN UNION		
Amendment to IAS 1 - Presentation of other comprehensive income (published in June 2011)	Minor amendment in relation to other comprehensive income	Annual periods beginning on or after 1 July 2012
IFRS 10 - Consolidated financial statements (published in May 2011)	Replaces current consolidation requirements of IAS 27.	Annual periods beginning on or after 1 January 2013 (2)
IFRS 11 - Joint arrangements (published in May 2011)	Replaces current IAS 31 on joint ventures.	Annual periods beginning on or after 1 January 2013 (2)
IFRS 12 - Disclosure of interests in other entities (published in May 2011)	Separate standard establishing the disclosures relating to interests in subsidiaries, associates, joint ventures and unconsolidated companies.	Annual periods beginning on or after 1 January 2013 (2)
IFRS 13 - Measurement of fair value (published in May 2011)	Establishes a framework for measuring fair value.	Annual periods beginning on or after 1 January 2013
IAS 27 (Revised) - Individual financial statements (published in May 2011)	The standard has been revised given that following its the issue of IFRS 10, it will only comprise an entity's separate financial statements	Annual periods beginning on or after 1 January 2013 (2)
IAS 28 (Revised) - Investments in associates and joint ventures (published in May 2011)	Parallel revision in relation to the issue of IFRS 11 Joint Ventures	Annual periods beginning on or after 1 January 2013 (2)
Amendment of IAS 32 Offsetting financial assets and financial liabilities (Published in December 2011)	Additional clarifications regarding the rules for offsetting financial assets and financial liabilities of IAS 32 and introduction of new associated disclosures in IFRS 7	Annual periods beginning on or after 1 January 2014
Amendment to IFRS 7 Disclosures: Offsetting financial assets and financial liabilities (Published in December 2011)		Annual periods beginning on or after 1 January 2013
Interpretation IFRIC 20: Stripping costs in the production phase of a surface mine (published in October 2011)	The IFRS Interpretations Committee deals with the accounting treatment of waste elimination costs in surface mines.	Annual periods beginning on or after 1 January 2013
Amendment to IAS 19 - Employee benefits (published in June 2011)	The amendments mainly affect defined benefit plans given that one of the main changes is the elimination of corridor approach.	Annual periods beginning on or after 1 January 2013
NOT APPROVED FOR USE IN THE EUROPEAN UNION		
IFRS 9 Financial instruments: Classification and measurement (published in November 2009 and in October 2010) and subsequent amendment to IFRS 9 and IFRS 7 on the effective date and transition disclosures (published in December 2011)	Replaces the requirements for classifying, measuring and derecognising financial assets and liabilities of IAS 39.	Annual periods beginning on or after 1 January 2015
Improvements to IFRSs, 2009-2011 Cycle (published in May 2012)	Minor amendments to certain standards.	Annual periods beginning on or after 1 January 2013
Transition rules: Amendment to IFRS 10, 11 and 12 (published in June 2012)	Clarification of the transition rules of these standards.	Annual periods beginning on or after 1 January 2013
Investment companies: Amendment to IFRS 10, IFRS 12 and IAS 27 (published in October 2012)	Exceptions in consolidation for parent companies that meet the definition of an investment company.	Annual periods beginning on or after 1 January 2014

(2) On 1 June 2012, the EU Accounting Regulatory Committee approved to delay the effective date of IFRS 10, 11 and 12 and the new standards IAS 27 and IAS 28 to the years beginning on or after 1 January 2014. These standards may be applied early once they have been approved for use in the EU.

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The Group is in the process of analysing the impact of these standards, however they are not expected to have a significant impact. Certain comments are included below regarding these standards:

- The partially published IFRS 9 (not yet complete to date) replaces IAS 39 in the classification and measurement of financial assets (part published in November 2009) and financial liabilities (published in October 2010). The standard published in October 2010 also includes recognition and derecognition requirements, which are essentially the same as those currently in IAS 39. The remaining phases of IFRS 9 are expected to be carried out in 2013 (impairment and hedge accounting) to finally fully replace IAS 39. After the ACS Group recognised impairment losses in the income statement on its investment in Iberdrola, S.A., the potential effect of this standard on the ACS Group's financial statements was reduced considerably, given that impairment losses would only be recognised on shares it holds directly (see Note 10.01). Although the application date for IFRS 9 is 1 January 2015, it may be voluntarily applied early once adopted for use by the European Union.

- The basic change addressed by IFRS 11 with regard to the current standard is the elimination of the option of proportional consolidation for entities that are jointly controlled, which would then be accounted for using the equity method. Besides this noteworthy amendment, IFRS 11 also change the approach of analysing joint arrangement in certain contexts. Under IAS 31 the conclusion depends to great extent on the legal structure of the agreement, whereas in IFRS 11, this is more of a secondary step, whereby the primary approach of the analysis is whether or not the joint arrangement is structured through a separate vehicle or whether it represents a distribution of net benefits or right or obligation of one party in proportion to its assets and liabilities, respectively. In this regard, the standard defines two unique types of joint arrangements which will be either a joint transaction or jointly controlled investees. With respect to the recognitions of joint values, the standard is not expected to have a significant effect for the ACS Group since it accounts for its jointly controlled companies using the equity method.

- IFRS 13 - Measurement of fair value: the aim of this standard is to be the only standard for calculating the fair value of assets and liabilities where such valuation is required by other standards. In this regard, it does not amend current measurement bases established by other standards and is applicable to the valuation of financial and non-financial items. This standard clarifies that credit risk must be explicitly taken into consideration in measuring the market value of derivative financial instruments.

Improvements to IFRSs (published in May 2012)

Obligatory changes for periods beginning on or after 1 January 2013. This standard has not yet been adopted by the EU. This summary does not include the amendment relating to the first-time adoption of IFRSs (IFRS 1).

Obligatory changes for periods beginning on or after 1 January 2013:

Standard	Amendment
IAS 1	Clarification of the requirements for comparative information. When an entity retrospectively changes an accounting policy or corrects an error or reclassifies an item, the standard requires a third balance sheet at the beginning of the comparative period to be presented. The amendment clarifies that this third balance sheet is required when this retrospective amendment has a material effect on the figures of the opening balance sheet and specifies the disclosures to be provided in relation to this balance sheet, clarifying that related notes are not necessary. Several clarifications were also included in relation to the additional comparative information that may be included in IFRS financial statements.
IAS 16	Classification of servicing equipment. The amendment resolves an inconsistency regarding the classification of servicing equipment which, as spare parts, meet the definition of a tangible asset, and must be classified as property, plant and equipment.
IAS 32	Tax effect of distributions to equity holders. This standard introduces a clarification to indicate that the tax effects of distributions to equity holders or transaction costs related to equity are recognised in accordance with IAS 12 - Income taxes.
IAS 34	Interim financial reporting and segment information. All assets and liabilities of a reportable segment will be disclosed in interim financial statements only if this information is provided to the maximum authority responsible for taking decisions and if there was a significant change from the figures reported for the segment in the last annual financial statements.

The Group is currently assessing the effect that the future application of these standards might have on the financial statements once they enter into force. The Group's preliminary assessment is that the effects of the application of these standards will not be significant.

04. Intangible assets

04.01. Goodwill

The detail by line of business of the changes in goodwill in 2012 and 2011 is as follows:

Thousands of euros

Line of Business	Balance at 31/12/2011	Additions	Disposals and allocations	Impairment	Exchange differences	Balance at 31/12/2012
Parent	**780,939**	-	-	-	-	**780,939**
Construction	**1,553,932**	85,520	(16,246)	(1,673)	(3,756)	**1,617,777**
Industrial Services	**76,965**	1,218	-	(1,152)	(283)	**76,748**
Environment	**84,602**	-	(72)	-	(172)	**84,358**
Total	**2,496,438**	**86,738**	**(16,318)**	**(2,825)**	**(4,211)**	**2,559,822**

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Thousands of euros

Line of Business	Balance at 31/12/2010	Transfer to assets held for sale	Additions	Disposals and allocations	Impairment	Exchange differences	Balance at 31/12/2011
Parent	**780,939**	-	-	-	-	-	**780,939**
Construction	**175,768**	-	1,378,782	-	-	(618)	**1,553,932**
Industrial Services	**64,734**	-	20,369	(7,389)	(313)	(436)	**76,965**
Environment	**127,933**	(36,612)	110	(6,651)	-	(178)	**84,602**
Total	**1,149,374**	**(36,612)**	**1,399,261**	**(14,040)**	**(313)**	**(1,232)**	**2,496,438**

In accordance with the table above, the most significant goodwill is the result of the full consolidation of Hochtief, A.G. (see Note 02.02.f) amounting to EUR 1,433,801 thousand and the result of the merger of the Parent with Grupo Dragados, S.A. The most significant changes in 2012, in addition to the change in provisional goodwill of Hochtief, A.G. at 31 December 2011 amounting to EUR 55,019 thousand, relate to the acquisition of Clark Builders for EUR 30,501 thousand.

In 2011 the most important addition related to the global consolidation of Hochtief, A.G. (see Note 02.02.f) for a provisional amount of EUR 1,378,782 thousand.

In the case of goodwill, each year the ACS Group the carrying amount of the related company or cash-generating unit against its value in use, determined by the discounted cash flow method.

In relation to the goodwill arising from the purchase of Hochtief in 2011, in accordance with IAS 36.80, this goodwill was assigned to the main cash-generating units, which are Hochtief Asia Pacific and Hochtief Americas. In 2012 the ACS Group assessed the recoverability of this goodwill. For the purpose of testing the impairment of the goodwill of Hochtief assigned to the business carried out by Hochtief Asia Pacific, the ACS Group based its valuation on the internal projections made according to the Hochtief business plan for this line of business, discounting the free cash flows at a weighted average cost of capital (WACC) of 8.5%, and using a perpetual growth rate of 2.4%. In addition, this value was compared with that obtained by discounting the average free cash flows based on the projections of the Leighton analysts, using the same WACC and the same perpetual growth rate, and it was concluded that there are no impairment losses in any of the scenarios analysed.

In order to value the Hochtief Américas line of business, an internal valuation was also carried out based on the projections of the Hochtief business plan for this line of business, discounting the cash flows at a weighted average cost of capital (WACC) of 7.6% and using a perpetual growth rate of 2.10%. In addition, this value was compared with the valuations of the analysts for this Hochtief line of business, and it was concluded that there were no impairment losses in the scenarios analysed.

Along with the goodwill arising from the aforementioned full consolidation of Hochtief A.G., the most significant goodwill, which amounted to EUR 780,939 thousand, arose from the merger with Dragados Group in 2003 and related to the amount paid in excess of the value of the assets on the acquisition date. This goodwill was assigned mainly to the cash generating units of the Construction and Industrial Services areas. In 2012 and 2011, the ACS Group assess whether or not this goodwill could be recovered using the discounted cash flow method, with internal projections of the Group for each of the cash-generating units for the 2013-2017 period, except for the concession business of Iridium, for which the carrying amount was conservatively considered.

The discount rate used in each business unit is the weighted average cost of capital (WACC), which was calculated by taking into consideration the cost of average weighted goodwill based on the sales by country of each business unit. In order to calculate the cost of each country's own funds, the country's risk-free rate was used, the deleveraging beta of the sector according to Damodaran, releveraged by the debt of each business unit and the market risk premium according to Damodaran. The cost of the debt is the consolidated actual effective cost of the debt of each business unit and the tax rate used is the weighted average, by country, of the activity of the business units. The discount rate used for Dragados was therefore 8.4%, of which 6.5% was for the Environment business and 6.7% for Industrial Services business.

The perpetual growth rate (g) used is the weighted average based on the sales, by country, of each business unit. The perpetual growth rate of each country relates to the increase of the CPI in 2017 for each of the countries, according to the FMI report of October 2012, and ranges from 1.6% to 2.3% depending on each business.

The combined result of the valuation using discounted cash flows of the operating businesses significantly exceeds the carrying value of the goodwill of the Dragados Group. This value was also compared to the valuations of the ACS Group analysts and its value on the market, there being no signs of impairment in any of the cases analysed.

The remaining goodwill, excluding that generated by the merger between ACS and the Dragados Group and the goodwill arising from the full consolidation of Hochtief A.G., is highly fragmented. Thus, in the case of the Industrial Services area, the total goodwill on the statement of financial position amounts to EUR 76,748 thousand, which relates to 19 companies from this business area, the most significant relating to the acquisition of Midasco, LLC for EUR 15,177 thousand.

In the Environmental area, total goodwill amounted to EUR 81,105 million, relating to 23 different companies, the largest amount being related to the purchase of the portion corresponding to the non-controlling interests of Tecmed, now merged into Urbaser, for EUR 38,215 thousand.

In the Construction area, in addition to the goodwill arising from the full consolidation of Hochtief A.G., noteworthy is the goodwill arising on the acquisitions of Pol-Aqua (EUR 41,487 thousand), Pulice (EUR 46,873 thousand), John P Picone (EUR 40,977 thousand) and Schiavone (EUR 45,255 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 in 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.

The Group conducted sensitivity analyses on the tests for impairment of goodwill carried out, and concluded that, except in the case of Pol-Aqua where the impairment test evidenced a very small gap, reasonable changes in the main assumptions would not give rise to the need to recognise an impairment loss. In the case of the impairment test of Hochtief, the valuations of the cash-generating units evidence a gap of more than 20% compared to their carrying values.

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 carrying amount of the goodwill recognised at 31 December 2012 and 2011. The impairment losses on goodwill in 2012 amounted to EUR 2,825 thousand (2011 EUR 313 thousand).

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04.02. Other intangible assets

The changes in this heading in the consolidated statement of financial position in 2012 and 2011 were as follows:

Thousands of euros

	Development expenditure	Computer software	Concessions	Other intangible assets	**Total other intangible assets**	Accumulated amortisation	Impairment losses	**Total other intangible assets, net**
Balance at 1 January 2011	**8,196**	**36,529**	**155,028**	**403,986**	**603,739**	**(114,413)**	**(24,968)**	**464,358**
Changes in the scope of consolidation	902	(1,994)	94,605	2,004,861	**2,098,374**	(70,644)	-	**2,027,730**
Additions or charges for the year	212	3,277	12,792	31,898	**48,179**	(224,136)	(18,254)	**(194,211)**
Disposals or reductions	(90)	(6,217)	(47,743)	(238,582)	**(292,632)**	34,856	-	**(257,776)**
Exchange differences	(3)	(24)	7,858	6,019	**13,850**	(3,741)	(49)	**10,060**
Transfers to/from other assets	2,598	194	181,468	34,577	**218,837**	(11,944)	(60)	**206,833**
Balance at 31 December 2011	**11,815**	**31,765**	**404,008**	**2,242,759**	**2,690,347**	**(390,022)**	**(43,331)**	**2,256,994**
Changes in the scope of consolidation	-	4	26,815	(57,779)	**(30,960)**	919	-	**(30,041)**
Additions or charges for the year	1,503	1,996	46,118	12,062	**61,679**	(355,360)	(47,252)	**(340,933)**
Disposals or reductions	(59)	(1,065)	(27,533)	21,395	**(7,262)**	3,596	(287)	**(3,953)**
Exchange differences	10	71	(1,335)	4,106	**2,852**	1,188	(1,489)	**2,551**
Transfers to/from other assets	14	313	(2,884)	225,909	**223,352**	(127,607)	-	**95,745**
Balance at 31 December 2012	**13,283**	**33,084**	**445,189**	**2,448,452**	**2,940,008**	**(867,286)**	**(92,359)**	**1,980,363**

At 31 December 2012, the transfers recognised under "Other intangible assets" relate mainly to Tirmadrid, S.A. and UTE Dehesas, which in 2011 were classified under "Non-current assets in projects". These assets are now classified as intangible assets since their financing matured in 2012.

The disposals and reductions in 2012 relate mainly to concession assets arising from the Hochtief Group.

The main additions in 2011 relate to the fair value assigned to intangible assets of the Hochtief Group, of which EUR 1,977,901 thousand were included under the heading "Other intangible assets" (see Note 02.02.f). The business combinations have focused on business characterised by the existence, inter alia, of a significant construction order book and client base, including many contracts 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 relationship 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 signed contractual period as a reference. This assessment gives rise to the generation of an intangible asset, which will be amortised over the remaining term of the contract and the term of the aforementioned contractual relationship, proportionally to the estimated cash flows.

At 31 December 2011, the main assets recognised under "Other intangible assets" related to Hochtief construction backlog (mainly including contracts in the areas of America and Pacific Asia) amounting to EUR 708,476 thousand, to the various trademarks of the Hochtief Group (EUR 221,096 thousand) and to the contractual relationships with clients of the Hochtief Group (EUR 813,140 thousand) generated in the first consolidation process (PPA) described in Note 02.02.f.

In 2012 the losses on items classified as other intangible assets amounting to EUR 46,269 thousand relating to the Construction area (EUR 16,633 thousand at 31 December 2011) were recognised under "Impairment and gains or losses on disposals of non-current assets" in the accompanying consolidated income statement. No impairment losses were reversed in the income statements for 2012 and 2011.

No significant development expenditure was recognised as an expense in the consolidated income statement for 2012 and 2011.

At 31 December 2012, the amount of assets with an indefinite useful life other than those reported as goodwill, relate mainly to several trademarks of the Hochtief Group amounting to EUR 54,895 thousand (EUR 49,693 thousand at 31 December 2011). Trademarks are not amortised systematically, but are checked for possible impairment annually. No impairment losses were recognised in this connection in 2012 or 2011.

There were no material intangible asset items whose title was restricted in 2012 or 2011.

05. Tangible assets – property, plant and equipment

The changes in this heading in the consolidated statement of financial position in 2012 and 2011 were as follows:

Thousands of euros

	Land and buildings	Plant and machinery	Other intangible assets	Advances and Property, plant and equipment in the course of construction	**Total tangible assets - property, plant and equipment**	Accumulated depreciation	Impairment losses	**Total net tangible assets - property, plant and equipment**
Balance at 1 January 2011	**488,503**	**1,276,809**	**781,141**	**156,574**	**2,703,027**	**(1,461,069)**	**(23,797)**	**1,218,161**
Changes in the scope of consolidation	268,236	3,379,881	192,940	3,807	**3,844,864**	(1,993,872)	143	**1,851,135**
Additions or charges for the year	21,114	876,509	81,701	35,772	**1,015,096**	(670,972)	(3,068)	**341,056**
Disposals or reductions	(25,975)	(338,679)	(70,322)	(2,940)	**(437,916)**	344,799	4,064	**(89,053)**
Exchange differences	9,128	285,664	7,405	(305)	**301,892**	(156,188)	(291)	**145,413**
Transfers from/to other assets	15,152	(90,478)	(4,086)	(62,357)	**(141,769)**	21,674	(3,079)	**(123,174)**
Balance at 31 December 2011	**776,158**	**5,389,706**	**988,779**	**130,551**	**7,285,194**	**(3,915,628)**	**(26,028)**	**3,343,538**
Changes in the scope of consolidation	(485)	(44)	6,242	-	**5,713**	288	449	**6,450**
Additions or charges for the year	64,795	1,132,036	86,388	42,301	**1,325,520**	(1,054,086)	(2,408)	**269,028**
Disposals or reductions	(77,018)	(887,686)	(89,517)	(17,418)	**(1,071,639)**	882,164	1,720	**(187,755)**
Exchange differences	1,219	(41,716)	(3,202)	(645)	**(44,344)**	26,293	(222)	**(18,273)**
Transfers from/to other assets	(30,153)	(497,702)	(3,098)	(54,370)	**(585,323)**	122,662	650	**(462,011)**
Balance at 31 December 2012	**734,516**	**5,094,594**	**985,592**	**100,419**	**6,915,121**	**(3,938,307)**	**(25,839)**	**2,950,977**

In 2012 there were no significant changes in the scope of consolidation. In 2011 there were significant changes in the scope of consolidation as a result of the full consolidation of the Hochtief Group which had previously been accounted for using the equity method and amounted to EUR 2,041,252 thousand (see Note 02.02.f).

In 2012 the most relevant acquisitions, by line of business, relate mainly to the Construction Area amounting to EUR 1,213,146 thousand, mainly from Hochtief as the result of acquiring equipment for the

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Leighton mining operations in Leighton for EUR 1,073,595 thousand, to the Industrial Services Area for EUR 63,112 thousand for the acquisition of machinery and equipment to carry out new projects, and to the Environmental Area for EUR 49,256 thousand, mostly earmarked for the acquisition and renovation of machinery and tools.

The most significant additions in 2011 under this heading by line of business related to the Construction area and amounted to EUR 908,956 thousand, which mainly included investments made by Leighton in machinery (equipment for mining) amounting to EUR 804,447 thousand. The additions relating to the Environmental area amounted to EUR 66,009 thousand, and primarily included new cleaning service facilities in Malaga, industrial vehicles and other urban service machinery.

In 2012 and 2011 gains on the disposal of non-current assets totalled a net carrying amount of EUR 187,755 and EUR 89,053 thousand, respectively.

Operating expenses relating directly to property, plant and equipment capitalised in the course of construction were not material in 2012 or 2011.

The Group has taken out insurance policies to cover the possible risks to which its 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 2012 or 2011.

At 31 December 2012, there were restrictions on technical equipment and machinery of the Australian subsidiary, Leigthon, amounting to EUR 171,718 thousand (EUR 58 thousand at 31 December 2011). In addition to the aforementioned restrictions, the ACS Group has mortgaged land and buildings with a carrying amount of approximately EUR 67,149 thousand (EUR 74,945 thousand in 2011) to secure banking facilities granted to the Group.

At 31 December 2012 the Group had recognised a net EUR 2,276,614 thousand, net of depreciation, relating to property, plant and equipment owned by foreign companies and branches of the Group (EUR 2,599,751 thousand in 2011).

At 31 December 2012, the Group had entered into contractual commitments for the future acquisition of property, plant and equipment amounting to EUR 421,428 thousand (EUR 520,534 thousand at 31 December 2011), including most notably EUR 405,388 thousand (EUR 507,255 thousand at 31 December 2011) relating mainly to mining operations in Leighton.

The impairment losses recognised in profit and loss at 31 December 2012 amounted to EUR 2,417 thousand and mainly related to the sale and impairment of machinery of Dragados (EUR 1,988 thousand in 2011). No impairment losses were reversed or recognised in the income statement in 2012 (EUR 45 thousand in 2011).

The leased assets recognised under property, plant and equipment were as follows:

Thousands of euros

	Land and buildings	Plant and machinery	Other tangible assets - property, plant and equipment	Total tangible assets - property, plant and equipment	Accumulated depreciation	Impairment losses	Total net tangible assets - property, plant and equipment
Balance at 31 December 2011	**3,147**	**432,064**	**26,341**	**461,552**	**(8,533)**	**-**	**453,019**
Balance at 31 December 2012	**2,033**	**671,622**	**42,574**	**716,229**	**(18,719)**	**(15)**	**697,495**

In 2012 there were no significant changes in the scope of consolidation. The increase in leased assets at 31 December 2011 with respect to the previous year, is mainly a result of the full consolidation of the Hochtief Group, which had previously been accounted for using the equity method and amounted to EUR 410,571 thousand, mostly relating to plant and machinery of Leighton.

06. Non-current assets in projects

The balance of "Non-current assets in projects" in the consolidated statement balance sheet at 31 December 2012, includes the costs incurred by the fully consolidated companies in the construction of transport, services and power generation centres whose operation forms the subject matter of their respective concessions. These amounts relate to property, plant and equipment associated with projects financed under a project finance arrangement and concessions identified as intangible assets or those that are included as a financial asset according to the criteria discussed in Note 03.04 above. To better understand its activities relating to infrastructure projects, the Group considers it more appropriate to present its infrastructure projects in a grouped manner, although they are broken down by type of asset (financial or intangible) in this note.

All the project investments made by the ACS Group at 31 December 2012, and the related changes in the balance of this heading in 2011 are as follows:

Thousands of euros

Type of infrastructure	End date of operation	Investment	Accumulated depreciation	Carrying amount of non-current assets in projects
Waste treatment	2019 - 2050	429,051	(107,123)	**321,928**
Highways/roads	2024 - 2038	232,292	(19,919)	**212,373**
Police stations	2024 - 2032	75,848	-	**75,848**
Water management	2025 - 2032	40,265	(7,351)	**32,914**
Car parks	2040 - 2051	32,584	(6,023)	**26,561**
Security	2014	64,128	(48,928)	**15,200**
Wind farms	-	13,114	(218)	**12,896**
Solar thermal plants	-	8,911	-	**8,911**
Energy transmission	2040	7,515	-	**7,515**
Other infrastructures	-	16,256	(509)	**15,747**
Total		**919,964**	**(190,071)**	**729,893**

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The changes in this heading in 2012 and 2011 were as follows:

Thousands of euros	2012			2011		
	Investment	Accumulated depreciation	Net carrying amount	Investment	Accumulated depreciation	Net carrying amount
Beginning balance	**1,115,680**	**(280,988)**	**834,692**	**2,670,903**	**(290,617)**	**2,380,286**
Changes in the scope of consolidation	-	-	**-**	(499,733)	7,265	**(492,468)**
Additions or charges for the year	147,062	(56,320)	**90,742**	1,445,587	(95,815)	**1,349,772**
Exchange differences	1,938	632	**2,570**	(9,978)	182	**(9,796)**
Disposals or reductions	(19,116)	3,560	**(15,556)**	(163,151)	9,019	**(154,132)**
Transfers	(325,600)	143,045	**(182,555)**	(2,327,948)	88,978	**(2,238,970)**
Ending balance	**919,964**	**(190,071)**	**729,893**	**1,115,680**	**(280,988)**	**834,692**

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

The concession assets identified as intangible assets, as a result of the Group assuming the demand risk, and the changes in the balance of this heading in 2011 are as follows:

Thousands of euros

Type of infrastructure	End date of operation	Investment	Accumulated depreciation	Carrying amount of non-current assets in projects
Waste treatment	2020 - 2050	313,528	(72,470)	**241,058**
Highways/roads	2024 - 2038	232,273	(19,905)	**212,368**
Car parks	2040 - 2051	32,583	(6,022)	**26,561**
Water management	2025 - 2028	33,557	(7,351)	**26,206**
Other infrastructures	-	2,676	(494)	**2,182**
Total		**614,617**	**(106,242)**	**508,375**

Thousands of euros	2012			2011		
	Investment	Accumulated depreciation	Net carrying amount	Investment	Accumulated depreciation	Net carrying amount
Beginning balance	**816,093**	**(217,253)**	**598,840**	**1,276,649**	**(229,887)**	**1,046,762**
Changes in the scope of consolidation	-	-	**-**	-	-	**-**
Additions or charges for the year	117,161	(41,533)	**75,628**	411,332	(41,898)	**369,434**
Exchange differences	1,938	632	**2,570**	(693)	182	**(511)**
Disposals or reductions	(23,704)	2,967	**(20,737)**	(12,507)	9,236	**(3,271)**
Transfers	(296,871)	148,945	**(147,926)**	(858,688)	45,114	**(813,574)**
Ending balance	**614,617**	**(106,242)**	**508,375**	**816,093**	**(217,253)**	**598,840**

The concession assets identified as financial assets, as a result of the Group non assuming the demand risk, and the changes in the balance of this heading in 2011 are as follows:

Thousands of euros

Type of infrastructure	End date of operation	Collection rights arising from concession arrangements
Police stations	2024 - 2032	75,848
Waste treatment	2040	12,421
Energy transmission	2040	7,512
Water management	2032	6,708
Other infrastructures	-	10,032
Total		**112,521**

Thousands of euros

	2012	2011
Beginning balance	**108,154**	**1,105,726**
Changes in the scope of consolidation	-	(450,624)
Investment	26,883	476,922
Finance income	8,991	244,417
Collections	(14,613)	(109,969)
Disposals or reductions	7,243	(63,007)
Exchange differences	-	(10,040)
Transfers from/to other assets	(24,137)	(1,085,271)
Ending balance	**112,521**	**108,154**

In accordance with the measurement bases of IFRIC 12 and Note 03.04, the amount of financial remuneration included under "Revenue" amounted to EUR 128,365 thousand in 2012, of which EUR 119,374 thousand corresponding to concession assets identified as financial assets are classified as "Non-current assets held for sale and discontinued operations" (EUR 244,417 thousand in 2011).

The borrowing costs accrued in relation to the financing of the concessions classified under the financial asset model amounted to EUR 12,534 thousand in 2012 (EUR 28,910 thousand in 2011).

The detail of the financial assets financed through a project finance arrangement that do not meet the requirements for recognition in accordance with IFRIC 12, and the changes in the balance of this heading in 2012 were as follows:

Thousands of euros

Type of infrastructure	End date of operation	Investment	Accumulated depreciation	Carrying amount of non-current assets in projects
Waste treatment	2019 - 2041	103,102	(34,653)	**68,449**
Security	2014	64,128	(48,928)	**15,200**
Wind farms	-	13,114	(218)	**12,896**
Solar thermal plants	-	8,911	-	**8,911**
Highways/roads	2026	19	(14)	**5**
Energy transmission	-	3	-	**3**
Other infrastructures	-	3,549	(16)	**3,533**
Total		**192,826**	**(83,829)**	**108,997**

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Thousands of euros	2012			2011		
	Investment	Accumulated depreciation	**Net carrying amount**	Investment	Accumulated depreciation	**Net carrying amount**
Beginning balance	**191,433**	**(63,735)**	**127,698**	**288,528**	**(60,730)**	**227,798**
Changes in the scope of consolidation	-	-	**-**	(49,109)	7,265	**(41,844)**
Additions or charges for the year	8,640	(14,787)	**(6,147)**	422,885	(53,917)	**368,968**
Exchange differences	-	-	**-**	755	-	**755**
Disposals or reductions	(2,655)	593	**(2,062)**	(87,637)	(217)	**(87,854)**
Transfers	(4,592)	(5,900)	**(10,492)**	(383,989)	43,864	**(340,125)**
Ending balance	**192,826**	**(83,829)**	**108,997**	**191,433**	**(63,735)**	**127,698**

In 2012 and 2011 non-current assets in projects were acquired for EUR 147,062 thousand and EUR 1,445,587 thousand, respectively.

The main investments in projects made in 2012 relate to the Construction business, especially noteworthy of mention being those made in highway concessions for EUR 93,845 thousand (EUR 414,127 thousand in 2011), and the Environment business in waste treatment amounting to EUR 37,181 thousand. In 2011 the main investments also related to the Industrial Services business in transmission lines for EUR 584,268 thousand, solar thermal plants and photovoltaic plants for EUR 310,938 thousand and wind farms for EUR 72,191 thousand, which are mostly considered as held for sale.

In addition, non-current assets in projects were transferred as a result of selling the 40% ownership interest held in the Avenida de América transfer point and 29% in Concesionaria Ruta del Canal, S.A. In both cases the percentage held became accounted for using the equity method and represented a decrease in the cost of non-current assets in projects of EUR 24,137 thousand and EUR 98,822 thousand, respectively. No unrealised gains arose as a result of these transactions or from the sale or revaluation of the ownership interest held.

After the maturity of the project debt of Tirmadrid, S.A. and UTE Dehesas, they were no longer considered non-current assets in projects and were included under intangible assets for EUR 136,304 thousand and EUR 69,066 thousand, respectively.

Noteworthy of mention in 2011 was the sale of 50% of the I-595 highway Express, Llc which led to a cost reduction of EUR 5,378 thousand.

There were no impairment losses in the income statement at 31 December 2012 (EUR 37,910 thousand at 31 December 2011).

At 31 December 2012 and 2011, the Group had entered into contractual commitments for the acquisition of non-current assets in projects amounting to EUR 35,787 thousand and EUR 244,990 thousand, respectively, which mainly relate to the Group's current concession agreements.

The financing relating to non-current assets in projects is explained in Note 18.

The concession operators are also obliged to hold restricted cash reserves, known as reserve accounts, included under "Other current financial assets" (see Note 10.05).

Lastly, it should be noted that the Group has non-current assets in projects classified under "Non-current assets held for sale and discontinued operations" (see Note 03.09).

07. Investment property

The changes in this heading in 2012 and 2011 were as follows:

Thousands of euros	2012	2011
Beginning balance	**79,511**	**57,176**
Changes in the scope of consolidation	-	23,788
Additions	-	866
Sales	(2,442)	-
Charges for the year	(3,106)	(3,179)
Impairment losses	-	(281)
Transfers from/to other assets	(2,877)	1,141
Ending balance	**71,086**	**79,511**

The Group's investment property relates mostly to subsidised housing in Madrid earmarked for lease by the lessee IVIMA (Madrid Housing Institute) and maturing from 2023 to 2024. The rest relates to housing, car parks and commercial premises to be leased.

The rental income earned from investment property amounted to EUR 9,913 thousand in 2012 (EUR 9,831 thousand in 2011). The average occupancy level of the aforementioned assets was 56% with an average rentable area of 183,540 square meters in the year.

The direct operating expenses arising from investment properties included under "Other operating expenses", amounted to EUR 8,296 thousand (EUR 9,895 thousand in 2011).

There were no contractual commitments for the acquisition, construction or development of investment property, or for repairs, maintenance and improvements.

At the beginning of 2012, the gross carrying amount was EUR 126,022 thousand and accumulated depreciation (increased by accumulated impairment losses) amounted to EUR 46,511 thousand. At year-end, the gross carrying amount and accumulated depreciation were EUR 118,561 thousand and EUR 47,475 thousand, respectively. There were no material differences with respect to fair value in the accompanying consolidated financial statements.

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08. Joint ventures

The main aggregates included in the accompanying consolidated financial statements relating to joint ventures for 2012 and 2011, in proportion to the percentage of ownership interest in the share capital of each joint venture, are as follows:

Thousands of euros	UTE´s,EIG´s		Companies	
	Balance at 31/12/2012	Balance at 31/12/2011	Balance at 31/12/2012	Balance at 31/12/2011
Non-current assets	349,395	447,347	2,607,362	2,330,097
Current assets	2,639,239	3,569,457	1,257,506	1,271,061
Non-current liabilities	381,152	257,668	1,840,488	1,894,036
Current liabilities	2,359,260	3,190,991	1,242,862	1,083,639
Revenue	2,561,789	3,815,390	3,175,811	1,843,756
Profit for the year	272,865	426,610	100,234	(259,359)

In accordance with the opinion set forth in IAS 31, the companies are accounted for using the equity method (Note 02.02.d).

The identification data relating to the main ACS Group unincorporated joint ventures (UTEs) are detailed in Appendix II.

09. Investments in companies accounted for using the equity method

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

Thousands of euros	2012	2011
Beginning balance	**1,569,911**	**2,333,359**
Additions	604,132	1,015,484
Disposals	(519,353)	(815,800)
Change in consolidation method	285,835	(269,770)
Profit for the year	339,353	318,469
Changes in the equity of associates		
Exchange differences/other	*(209,994)*	*241,865*
Cash flow hedges	*(111,153)*	*(241,326)*
Available-for-sale financial assets	*-*	*(38,285)*
Transfer to non-current assets held for sale/discontinued operations	1,185	(770,603)
Distribution of dividends	(228,302)	(203,482)
Ending balance	**1,731,614**	**1,569,911**

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

Thousands of euros	31/12/2012			31/12/2011		
Line of Business	Share of net assets	Profit/Loss for the year	**Total carrying amount**	Share of net assets	Profit/Loss for the year	**Total carrying amount**
Construction	886,443	264,087	**1,150,530**	864,750	247,556	**1,112,306**
Industrial Services	192,545	4,073	**196,618**	105,954	18,702	**124,656**
Environment	356,559	26,781	**383,340**	84,054	12,343	**96,397**
Corporate Unit	(43,286)	44,412	**1,126**	196,684	39,868	**236,552**
Total	**1,392,261**	**339,353**	**1,731,614**	**1,251,442**	**318,469**	**1,569,911**

Construction

At 31 December 2012, noteworthy of mention in the Construction Area is the ownership interest from the Hochtief Group accounted for using the equity method, both if they are associates and joint ventures, in accordance with the alternative included in IAS 31, amounting to EUR 1,062,102 thousand (EUR 1,019,884 thousand at 31 December 2011). The ownership interest in Aurelis Real Estate amounting to EUR 284,040 thousand (EUR 249,664 thousand at 31 December 2011) and in Leighton Welspun Contractors EUR 178,381 thousand (EUR 179,900 thousand at 31 December 2011) are noteworthy of mention.

Environment

The main change in the Environment Area relates to accounting for the Clece Group using the equity method, the reason for which the ACS Group acquired joint control over certain funds managed by Mercapital. The carrying value at 31 December 2012 amounted to EUR 269,713 thousand.

Corporate Unit

In April 2012 the ACS Group sold all of its ownership interest held in Abertis Infraestructuras, S.A., which until then was accounted for using the equity method through Admirabilia, S.A., with a profit before taxes of EUR 196,699 thousand. This is the main change that occurred in the equity method relating to the Corporate Unit.

The market value of the associates accounted for using the equity method for which there are prices quoted in the stock market at 31 December 31 of 2012 amounted to EUR 112,896 thousand (EUR 1,151,633 thousand in 2011). This year-on-year decrease is due mainly to the sale of all the Company's ownership interest in Abertis Infraestructuras, S.A., the value of which on the stock market amounted to EUR 989,444 thousand at 31 December 2011.

In addition to the above-mentioned impairment tests, the Group has performed the corresponding impairment testing to verify the recoverability of the rest of the assets. For the purpose of carrying out these impairment tests, the Group considered the future cash flow projections as well as the discounting of dividends and external market valuations for each of the ownership interests in accordance with available information. Especially in relation to the underlying goodwill, the tests did not disclose the need to for a provision to cover significant impairment in the consolidated income statement at the end of 2012 and 2011.

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 statements of financial position in 2012 and 2011 is as follows:

Thousands of euros	31/12/2012		31/12/2011	
	Non-Current	Current	Non-Current	Current
Equity instruments	504,512	110,855	5,544,802	48,512
Loans to associates	859,467	131,773	957,488	95,175
Other loans	362,747	111,537	569,455	212,797
Debt securities	3,155	802,325	2,952	683,707
Other financial assets	118,588	548,959	276,825	1,966,031
Total	**1,848,469**	**1,705,449**	**7,351,522**	**3,006,222**

10.01. Equity instruments

The detail of the balance of this heading at 31 December 2012 and 2011 is as follows:

Thousands of euros	31/12/2012	31/12/2011
Iberdrola, S,A,	315,423	5,360,336
Xfera Móviles, S,A,	79,206	79,206
Other smaller investments	109,883	105,260
Total	**504,512**	**5,544,802**

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.

At 31 December 2012, the ACS Group held 75,190,459 shares representing 1.22% of the share capital of Iberdrola, S.A. at that date (1,107,736,286 shares representing 18.83% of the share capital of Iberdrola at 31 December 2011). The consolidated average cost amounted to EUR 4.195 per share (EUR 7.1 per share, prior to taking into account the valuation adjustments at 31 December 2011).

The ownership interest in Iberdrola is recognised at its market price at the end of each year (EUR 4.195 per share in 2012 and EUR 4.839 per share in 2011) amounting to EUR 315,423 thousand (EUR 5,360,336 thousand at 31 December 2011). At 31 December 2011, a negative valuation adjustment of EUR 1,791,480 thousand, net of the related tax effect, was recognised under "Equity - Valuation adjustments - Available-for-sale financial assets".

The most relevant transactions in 2012 with regard to Iberdrola are as follows:

- On 18 April 2012, ACS Actividades de Construcción y Servicios, S.A. carried out an accelerated bookbuilding process through UBS and Société Générale among professional and qualified investors both in Spain and abroad, of a package of 220,518,120 Iberdrola, S.A. shares, representing 3.69% of its share capital. The placement price resulting from the process was EUR 3.62 per share. As a result of this transaction, the ACS Group incurred a loss before tax, along with other expenses related thereto, amounting to EUR 855,689 thousand recognised under "Impairment and gains or losses on disposals of financial instruments" in the accompanying consolidated income statement (see Note 29).

- Accordingly, on 13 July 2012 Residencial Monte Carmelo, S.A., wholly owned by ACS, Actividades de Construcción y Servicios, S.A., entered into a prepaid forward finance transaction with Société Générale, which allowed the company to cancel the syndicated loan of EUR 1,599,223 thousand it had entered into with a bank syndicate, in which Banco Bilbao Vizcaya Argentaria, S.A. acted as the agent (see Note 18). This agreement was amended on 21 December 2012 and the prepaid forward was cancelled subsequent to 2012 year-end (see Note 18).

- In 2012 ACS, Actividades de Construcción y Servicios, S.A. also signed several amendments to the equity swap agreement entered into with Natixis, which entailed changing the repayment of the underlying value from EUR 1,000 million to EUR 1,432 million on 277,971,800 Iberdrola, S.A. shares, the elimination of the margin calls, the arrangement of a fixed guarantee of EUR 355,531 thousand, establishing the maturity date as 31 March 2015 and amending the method of terminating the agreement.

Following these transactions, at 31 December 2012, the ACS Group only held the aforementioned 1.22% ownership interest in Iberdrola and the following derivative financial instruments, which were measured at fair value through profit or loss at 2012 year-end:

- A group of financial derivatives on 597,286,512 Iberdrola, S.A. shares that limit the ACS Group's exposure to fluctuations in the market of the aforementioned company's shares (see Note 22).

- An equity swap signed with Natixis on 277,971,800 Iberdrola, S.A. shares (see Note 22), in which the ACS Group continues holding the usufruct rights on these shares.

In 2011 there were no purchases or disposals of Iberdrola, S.A. shares, whereby the decrease in the percentage of ownership interest as compared to 2010 was a result of the diluting effects of corporate transactions and the flexible Iberdrola dividend.

With regard to impairment on the ownership interest in Iberdrola, it should be noted that, as in previous years, the ACS Group has internally tested its 1.22% ownership interest for impairment based on the discounting of future dividends and other information available on its investee, which also allowed it to conclude that there was no impairment since the recoverable value of the investment was below the consolidated average cost. A loss to the market price at the end of the year amounting to EUR 222,139 was therefore recognised under "Impairment and gains or losses on disposals of financial instruments" in the accompanying consolidated income statement (see Note 29). In 2011 the Group concluded that, based on the assumptions existing at this date, no impairment losses need be recognised on its ownership interest in Iberdrola.

"Impairment and gains or losses on disposals of financial instruments" in the accompanying consolidated income statement for 2012 (see Note 29) includes the aforementioned loss with regard to the sale of the 3.69% of the share capital of Iberdrola, the impairment of the 1.22% ownership interest and additional losses of EUR 2,873,344 thousand as a result of the Residencial Monte Carmelo transactions and the equity swap. The market value of the derivative financial instruments held at year end in relation to Iberdrola shares represented a profit of EUR 232,333 thousand which was recognised under "Changes in fair value of financial instruments".

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Xfera Móviles, S.A. (Yoigo)

At 31 December 2012 and 2011, the ACS Group had a 17% ownership interest in the share capital of Xfera Móviles, S.A. through ACS Telefonia Movil, S.L. after the sale of part of its holding in 2006 to the Telia Sonera Group. In relation to this sale transaction, there is an unrecognised contingent price and in certain scenarios, call and put options on the ownership interest of ACS, the conditions of which are not likely to be met.

The carrying value of the ownership interest in Xfera amounted to EUR 198,376 thousand at 31 December 2012 and 2011, which, following write-downs in previous years, relates to the contributions made in the years 2006 onwards, including the participating loans related thereto included under "Other non-current loans". This carrying value relates to the contributions made after 2006, since the Group had recorded very significant provisions in relation to this ownership interest in the years previous to 2006.

In order to calculate the recoverable value of this investment the ACS Group used the discounted cashflow method, on the basis of the company's internal projections until 2017, using the weighted average cost of capital (WACC) of 10.46% as the discount rate and a perpetual growth rate of 1.4%. A sensitivity analysis was also performed taking into consideration different discount rates, a perpetual growth rate and even deviations of up to minus 50% in the business plan estimates for the company. Both in the baseline and in the rest of the scenarios considered, the recoverable value of this investment would be above its carrying value. This conclusion is consistent with the valuations of Xfera published by analysts and by its controlling shareholder. Notwithstanding the foregoing, in accordance with the principle of prudence, and considering that Xfera is in the final stages of its launch phase, the Group has not revalued its ownership interest to its estimated market value.

Other investments

At 31 December 2012, other investments relates mainly to non-controlling interests including, among others, the ownership interests held by subsidiaries of Hochtief amounting to a net EUR 91,492 thousand (EUR 64,718 thousand at 31 December 2011).

The Group has assessed the recoverability of the assets included under this heading, recognising the related impairment on the basis of the recoverability analysis performed.

10.02. Loans to associates

The detail of the balances of "Loans to associates" and of the scheduled maturities at 31 December 2012, is as follows:

Thousands of euros	Current	Non-current				
	2013	2014	2015	2016	2017 and subsequent years	Total non-current
Loans to associates	131,773	560,931	32,803	12,480	253,253	859,467

The detail of the balances of "Loans to associates" and of the scheduled maturities at 31 December 2011, is as follows:

Thousands of euros	Current	Non-current				
	2012	2013	2014	2015	2016 and subsequent years	Total non-current
Loans to associates	95,175	581,847	349	80,153	295,139	957,488

At 31 December 2012, the non-current loans in euros include, inter alia, the loan granted in relation to the acquisition of Aurelis Real Estate for EUR 88,459 thousand (EUR 142,010 thousand at 31 December 2011) maturing in 2014. In addition, it should be noted that non-current loans granted in euros were granted to Línea Nueve (Branches Dos and Cuatro) for EUR 62,868 thousand (EUR 49,601 thousand in 2011), Celtic Road Group (Waterford and Portlaoise) for EUR 45,566 thousand (the same as in 2011), Circunvalación de Alicante, S.A. for EUR 52,161 thousand (EUR 42,793 thousand in 2011), Infraestructuras y Radiales, S.A. for EUR 41,177 thousand (the same as in 2011), and TP Ferro Concesionaria, S.A. for 32,138 thousand (EUR 30,901 thousand in 2011).

In relation to foreign currency loans, the loan granted to Habtoor Leighton Group for EUR 402,500 thousand (EUR 380,993 thousand in 2011) is also noteworthy of mention. In relation to the loan to Habtoor Leighton Group, the investment in this company was fully provisioned in the accompanying financial statements, and other provisions were also recognised to cover other risks relating to this ownership interest.

These loans bear interest at market rates.

10.03. Other loans

The detail of the balances of "Other loans" and of the scheduled maturities at 31 December 2012, is as follows:

Thousands of euros	Current	Non-current				
	2013	2014	2015	2016	2017 and subsequent years	Total non-current
Other loans	111,537	285,258	10,108	6,487	60,894	362,747

The detail of the balances of "Other loans" and of the scheduled maturities at 31 December 2011, is as follows:

Thousands of euros	Current	Non-current				
	2012	2013	2014	2015	2016 and subsequent years	Total non-current
Other loans	212,797	131,389	187,321	57,200	193,545	569,455

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Non-current loans include mainly the debt that continues to be refinanced to local corporations, amounting to EUR 101,798 thousand at 31 December 2012 (EUR 310,000 thousand at 31 December 2011), and the participating loans to Xfera Móviles, S.A., amounting to EUR 119,170 thousand at 31 December 2012 and 2011 (see Note 10.01). Among the current loans, of most significance were those granted to local corporations for an amount of EUR 18,454 (EUR 69,991 thousand at 31 December 2011).

These loans earn interest tied to Euribor plus a market spread.

10.04. Debt securities

At 31 December 2012, this heading included the investments in securities maturing in the short term relating mainly to Hochtief for EUR 517,948 thousand, to Cobra for EUR 121,251 thousand and to Urbaser for EUR 79,633. The increase in this heading is due mainly to the purchases of Level 1 fixed income and equity securities from the Hochtief Group (see Note 21). This heading also includes pledges of EUR 22,683 thousand at 31 December 2012 and 2011 as well as restricted as the use of their balances of EUR 255,577 thousand (EUR 232,078 thousand at 31 December 2011). Also included under this heading are EUR 76,821 thousand in sovereign debt corresponding to Luxembourg (EUR 79,788 thousand at 31 December 2011).

10.05. Other financial assets

At 31 December 2012, "Other financial assets" included short-term deposits amounting to EUR 418,123 thousand (EUR 1,696,131 thousand at 31 December 2011). In 2012 the most relevant portion relates to the amounts contributed to meet the coverage ratios of certain financing for the ownership interest in Hochtief (see Notes 17 and 18) and certain derivatives arranged by the Group (see Note 22). The reduction with regard to 2011 is due to the cancellation of the amounts contributed by the ACS Group to meet the coverage ratios in the Iberdrola, S.A. equity swap and the ownership interest in this company through Residencial Monte Carmelo, which amounted to EUR 1,140,497 thousand. These amounts earn interest at market rates and their availability depends on the compliance with the coverage ratios. A balancing entry is recognised for this amount in relation to the current bank borrowings incurred to meet these commitments.

At 31 December 2011, other non-current financial assets included EUR 171,786 thousand from Leighton which had restrictions with regard to the use of their balances and which were recovered in December 2012.

The balance of this heading also includes the current account with the securitisation SPV (see Note 12) and the balance of the reserve account relating to activity of the projects.

Impairment losses

In 2012 no significant impairment losses were recognised on the financial assets in addition to those relating to the ACS Group's ownership interest in Iberdrola (see Note 10.01). In 2011 the impairment losses on financial assets amounted to EUR 81,761 thousand. The most significant reversals due to the impairment of financial assets in 2012 amounted to EUR 7,188 thousand (EUR 419 thousand in 2011).

11. Inventories

The detail of “Inventories” is as follows:

Thousands of euros	31/12/2012	31/12/2011
Merchandise	225,092	220,864
Raw materials and other supplies	413,760	383,346
Work in progress	1,126,536	1,061,048
Finished goods	7,472	7,669
By-products, waste and recovered materials	197	312
Advances to suppliers and subcontractors	147,058	101,475
Total	**1,920,115**	**1,774,714**

Inventories at 31 December 2012 mostly relates to the EUR 1,362,941 thousand (EUR 1,218,658 thousand at 31 December 2011) contributed by the Hochtief Group, including work in progress amounting to EUR 1,099,627 thousand (EUR 1,021,219 thousand at 31 December 2011), and mainly real estate (land and buildings), of Hochtief and its Australian subsidiary Leighton, of which EUR 699,284 thousand were restricted at 31 December 2012 (EUR 581,030 thousand at 31 December 2011). In addition to the aforementioned restrictions, inventories with a carrying amount of EUR 7,579 thousand in 2012 (EUR 15,312 thousand in 2011) have been pledged and/or mortgaged as security for the repayment of debts.

Impairment losses on inventories recognised and reversed in the consolidated income statement for 2012, relating to the various ACS Group companies, amounted to EUR 212 thousand and EUR 6,129 thousand, respectively (EUR 753 thousand and EUR 822 thousand in 2011).

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:

2012

Thousands of euros	Construction	Industrial Services	Environment	Corporate unit and adjustments	Balance at 31/12/2012
Trade receivables for sales and services	6,473,517	2,585,646	504,862	1,193	**9,565,218**
Receivable from group companies and associates	235,930	385,875	3,901	(32,556)	**593,150**
Other receivables	412,480	647,530	113,744	(504)	**1,173,250**
Current tax assets	56,125	53,063	6,119	(32,439)	**82,868**
Total	**7,178,052**	**3,672,114**	**628,626**	**(64,306)**	**11,414,486**

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2011

Thousands of euros

	Construction	Industrial Services	Environment	Corporate unit and adjustments	**Balance at 31/12/2011**
Trade receivables for sales and services	6,201,094	2,262,617	678,919	2,374	**9,145,004**
Receivable from group companies and associates	245,678	281,758	17,913	(65,285)	**480,064**
Other receivables	307,789	499,862	137,126	7,080	**951,857**
Current tax assets	142,308	5,744	1,240	(22,724)	**126,568**
Total	**6,896,869**	**3,049,981**	**835,198**	**(78,555)**	**10,703,493**

Trade receivables for sales and services - Net trade receivables balance

The detail of trade receivables for sales and services and net trade receivables balance, by line of business, at 31 December 2012 and 2011, is as follows:

2012

Thousands of euros

	Construction	Industrial Services	Environment	Corporate unit and adjustments	**Balance at 31/12/2012**
Trade receivables and notes receivable	3,371,245	1,402,984	418,074	5,671	**5,197,974**
Completed work pending certification	3,291,857	1,274,815	107,979	17	**4,674,668**
Allowances for doubtful debts	(189,585)	(92,154)	(21,191)	(4,494)	**(307,424)**
Total receivables for sales and services	**6,473,517**	**2,585,645**	**504,862**	**1,194**	**9,565,218**
Advances received on orders (Note 23)	(1,039,643)	(1,768,535)	(6,078)	1	**(2,814,255)**
Total net trade receivables balance	**5,433,874**	**817,110**	**498,784**	**1,195**	**6,750,963**

2011

Thousands of euros

	Construction	Industrial Services	Environment	Corporate unit and adjustments	**Balance at 31/12/2011**
Trade receivables and notes receivable	3,853,128	1,709,189	612,892	6,986	**6,182,195**
Completed work pending certification	2,541,499	655,800	87,973	15	**3,285,287**
Allowances for doubtful debts	(193,533)	(102,372)	(21,946)	(4,627)	**(322,478)**
Total receivables for sales and services	**6,201,094**	**2,262,617**	**678,919**	**2,374**	**9,145,004**
Advances received on orders (Note 23)	(1,356,808)	(1,432,737)	(12,517)	(1)	**(2,802,063)**
Total net trade receivables balance	**4,844,286**	**829,880**	**666,402**	**2,373**	**6,342,941**

At 31 December 2012, retentions held by customers for contract work in progress amounted to EUR 517,209 thousand (EUR 461,403 thousand at 31 December 2011).

The Group companies assign trade receivables to financial institutions, without the possibility of recourse against them in the event of non-payment. The balance of receivables was reduced by EUR 307,872 thousand in this connection at 31 December 2012 (EUR 356,208 thousand at 31 December 2011).

Substantially all the risks and rewards associated with the receivables, as well as control over them, were transferred through the sale and assignment of the receivables, since there are no repurchase agreements between the Group companies and the banks that have acquired the assets, and the banks 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.

The balance of "Trade receivables and notes receivable" was reduced by the amounts received from the "CAP-TDA2 Fondo de Titulizacion de Activos", a securitisation SPV which was set up on 19 May 2010.

The ACS Group companies fully and unconditionally assign receivables to the securitisation 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 securitisation SPV for any reason. This securitisation SPV, which is subject to Spanish law, transforms the receivables acquired into bonds. It is managed by a management company called Titulizacion de Activos, Sociedad Gestora de Fondos de Titulizacion, S.A.

The amount of the receivables sold to the Securitisation SPV was EUR 229,531 thousand at 31 December 2012 (EUR 276,158 thousand at 31 December 2011), of which EUR 48,792 thousand (EUR 58,946 thousand at 31 December 2011) were recognised as a current account with the Securitisation SPV included under "Other Current financial assets - Other loans" (see Note 10.05).

There was no customer at 31 December 2012 that represented more than 10% of total revenue. At 31 December 2011, customers with net sales of over 10% include the Spanish public authorities, which accounted for 21% of the net trade receivables balance of the ACS Group.

Changes 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 2012 and 2011:

Thousands of euros

Allowance for doubtful debts	Construction	Industrial Services	Environment	Corporate unit and adjustments	**Total**
Balance at 31 December 2010	**(39,089)**	**(94,285)**	**(19,877)**	**(4,629)**	**(157,880)**
Charges for the year	(140,833)	(14,640)	(9,240)	2	**(164,711)**
Reversals/Excesses	319	6,553	1,708	-	**8,580**
Changes in scope and other	(13,930)	-	5,463	-	**(8,467)**
Balance at 31 December 2011	**(193,533)**	**(102,372)**	**(21,946)**	**(4,627)**	**(322,478)**
Period provisions	(20,402)	(22,098)	(6,028)	-	**(48,528)**
Reversals/Excesses	26,005	30,297	6,225	133	**62,660**
Changes in scope and other	(1,655)	2,019	558	-	**922**
Balance at 31 December 2012	**(189,585)**	**(92,154)**	**(21,191)**	**(4,494)**	**(307,424)**

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A concentration of credit risk is not considered to exist since the Group has a large number of customers engaging in various activities.

The net trade receivables balance at 31 December 2012 amounted to EUR 6,750,963 thousand (EUR 6,342,941 thousand at 31 December 2011), of which EUR 1,122,587 thousand (EUR 1,876,465 thousand at 31 December 2011) relate to domestic activity and EUR 5,628,377 thousand (EUR 4,466,476 thousand at 31 December 2011) to international activity.

With regard to domestic activity, EUR 703,124 thousand (EUR 1,332,131 thousand at 31 December 2011), 63% of the balance (71% of the balance at 31 December 2011) relates to the net balance receivable from the Spanish public authorities, the remainder relating to the private sector, without large concentrations thereof.

In relation to foreign activity, this balance mainly relates to the activity carried on by Hochtief, A.G. and amounts to EUR 5,139,079 thousand. This figure includes amounts which were outstanding but not impaired at 31 December 2012, of which EUR 126,043 was up to 30 days overdue, EUR 94,257 thousand between 31 and 90 days overdue and EUR 86,152 thousand more than 90 days overdue.

Group management considers that the carrying amount of the trade receivables reflects their fair value. The Group companies are responsible for managing the accounts receivable and determining the need for an allowance, since each Company best knows its exact position and the relationship with each of its clients. However, each line of business lays down certain guidelines on the basis that each client has its own peculiarities depending on the business activity performed. In this regard, for the Construction area, the accounts receivable from public authorities pose no recoverability problems of significance, and international activity mainly relates to work performed for public authorities in foreign countries, 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.

In the Environmen area, the main problems are related to arrears from local public authorities. In these cases, the affected companies renegotiate with the 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 2012, this amount totalled EUR 101,798 thousand (EUR 300,960 thousand at 31 December 2011), which was included under the heading “Other loans”, and matures as follows:

Thousands of euros

	2014	2015	2016	2017 and subsequent years	Total
	62,982	6,057	2,563	30,196	**101,798**

Additionally, the existence of arrears and of a possible default are low since besides the fact that the Group also has the right to request late interest from public authorities, its private clients are assigned a maximum risk level before contracting a service.

In the Industrial Services 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 initially analysed for a client and for a specific project, depending on its size. In the case of foreign private clients, the practice is to require payments in advance at the beginning of the project and establish collection periods based on the type of project, which are either short term or non-recourse discounts are negotiated, allowing for positive management of working capital.

13. Other current assets

This heading in the statement of financial position includes mainly short-term accruals of prepaid expenses and interest.

14. Cash and cash equivalents

"Cash and cash equivalents" 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 amounting to EUR 50,222 thousand (EUR 85,212 thousand at 31 December 2011) reflect their fair value and there are no restrictions as to their use.

15. Equity

15.01. Capital

At 31 December 2012, 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.

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

The General Shareholders' Meeting held on 25 May 2009 authorised the Company's Board of Directors to increase share capital by up to 50% at the date of this resolution on one or several occasions, and at the date, in the amount and under the conditions freely agreed in each case, within five years following 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 share capital increase or increases may be carried out by issuing new shares, either ordinary, without voting rights, preference or redeemable shares. The new shares shall be payable by means of monetary contributions equal to the par value of the shares and any share premium which may be agreed.

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

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

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

The Ordinary General Shareholders' Meeting of ACS, Actividades de Construcción y Servicios, S.A. held on 31 May 2012 resolved, among other matters, to a share capital increase and reduction.

In this regard, the Company resolved in increase share capital to a maximum of EUR 646 million with a charge to voluntary reserves, whereby the first capital increase may not exceed EUR 362 million and the second increase may not exceed EUR 284 million, indistinctly granting the Executive Commission, the Chairman of the Board of Directors and the Director Secretary the power to execute the resolution. The capital increase is expected to take place, in the case of the first increase, within the two months following the date of the General Shareholders' Meeting for 2011 and, in the case of the second increase, within the first quarter of 2013, thereby coinciding with the dates on which the ACS Group has traditionally distributed the final dividend and the interim dividend.

Specifically, and by virtue of this delegation, on 28 June 2012 the Company resolved to carry out the first capital increase for a maximum amount of EUR 362 million. This capital increase is aimed at establishing an alternative remuneration system, as in many Ibex companies, that would allow shareholders to receive bonus shares from ACS or cash through the sale of the related bonus issue rights which are trade on the stock market, or that may be sold to ACS at a certain price based on a formula approved by the Board.

In relation to the foregoing, the Company increased its share capital by EUR 3,666,047.50 relating to 7,332,095 ordinary shares of EUR 0.5 par value each.

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

In addition to the aforementioned authorisation to reduce capital, at the General Shareholders' Meeting held on 31 May 2012, the shareholders resolved, among other matters, to expressly allow the treasury shares acquired by the Company or its subsidiaries to be earmarked, in full or in part, for sale or retirement, for delivery to the employees or directors of the Company or the Group and for reinvestment plans for dividends or similar instruments. The Board of Directors is granted the power for its execution.

With regard to this point, and simultaneously with the aforementioned capital increase, share capital was reduced by EUR 3,666,047.50 relating to 7,332,095 ordinary shares of EUR 0.5 par value each through the retirement of the Parent's treasury shares (see Note 15.04).

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

In addition to Parent, the companies included in the scope of consolidation whose shares are listed on securities markets are Hochtief A.G. on the Frankfurt Stock Exchange (Germany), Dragados y Construcciones Argentina, S.A.I.C.I. on the Buenos Aires Stock Exchange (Argentina), Leighton Holdings Ltd., Macmahon Holdings Limited, Sedgman Limited on the Australia Stock Exchange and Pol-Aqua on the Warsaw Stock Exchange (Poland).

At 31 December 2012, the shareholders with an ownership interest of over 10% in the share capital of the Parent were Corporacion Financiera Alba, S.A. with an ownership interest of 18.305% and Inversiones Vesan, S.A. with an ownership interest of 12.521%.

15.02. Share premium

At 31 December 2012 and 2011, the share premium amounted to EUR 897,294 thousand and there had been no changes therein in the previous two years.

The Consolidated Spanish Limited Liability Companies Law expressly permits the use of the share premium account balance to increase capital and does not establish any specific restrictions as to its use.

15.03. Retained earnings and other returns

The detail of this heading at 31 December 2012 and 2011 is as follows:

Thousands of euros

	Balance at 31/12/2012	Balance at 31/12/2011
Reserves of the Parent	2,356,541	1,815,975
Reserves at consolidated companies	2,472,325	2,893,582
Total	**4,828,866**	**4,709,557**

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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 2012 and 2011 is as follows:

Thousands of euros

	Balance at 31/12/2012	Balance at 31/12/2011
Legal reserve	35,287	35,287
Voluntary reserves	1,078,092	1,024,546
Reserve for redenomination of share capital in euros	3,666	-
Goodwill reserve	162	162
Other retained earnings	164,831	123,623
Legal reserve	1,074,503	632,357
Total	**2,356,541**	**1,815,975**

Legal reserve

Under the Consolidated Spanish Limited Liability 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 of the Group's Parent, which amounts to EUR 35,287 thousand, has reached the stipulated level at 31 December 2012 and 2011.

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 required appropriations to the legal or other restricted reserves in accordance with current legislation.

Pursuant to the Consolidated Spanish Companies Law, profit may not be distributed unless the amount of the unrestricted legal reserves is at least equal to the amount of research and development expenses included under assets in the statement of financial position. In this case the reserves allocated to meet this requirement are considered to be restricted reserves.

Reserve for retired capital

As a result of the retirement of the Parent's shares carried out in 2012, in accordance with that established in Article 33.5.c of the Consolidated Spanish Companies Law, ACS, Actividades de Construcción y Servicios, S.A. arranged a restricted reserve for retired capital amounting to EUR 3,666 thousand, which is equivalent to the nominal value of the reduced share capital.

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 consolidation adjustments, is as follows:

Thousands of euros	Balance at 31/12/2012	Balance at 31/12/2011
Construction	277,884	(51,397)
Environment	605,946	516,815
Industrial Services	752,479	606,987
Corporate Unit	836,016	1,821,177
Total	**2,472,325**	**2,893,582**

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" in 2012 and 2011 were as follows:

	2012		2011	
	Number of shares	Thousands of euros	Number of shares	Thousands of euros
At beginning of the year	**23,608,833**	**760,651**	**19,542,383**	**683,491**
Purchases	9,393,512	155,880	9,845,100	279,253
Sales	(4,013,784)	(115,262)	(5,778,650)	(202,093)
Bonus Payments 2011	(287,700)	(9,269)	-	-
Depreciation	(7,332,095)	(217,304)	-	-
At end of the year	**21,368,766**	**574,696**	**23,608,833**	**760,651**

At 31 December 2012, the Group held 21,368,766 treasury shares of the Parent, with a par value of EUR 0.5 each, representing 6.79% of the share capital, with a consolidated carrying amount of EUR 574,696 thousand which is recorded under "Treasury shares" in equity in the accompanying consolidated statement of financial position. At 31 December 2011, the Group held 23,608,833 treasury shares of the Parent, with a par value of EUR 0.5 each, representing 7.50% of the share capital, with a consolidated carrying amount of EUR 760,651 thousand which was recorded under "Treasury shares" in equity in the accompanying consolidated statement of financial position.

The average purchase price of ACS shares in 2012 was EUR 16.59 per share and the average selling price of the shares in 2012 was EUR 28.72 per share (EUR 28.36 and EUR 34.97 per share, respectively, in 2011).

On 7 July 2012, 7,332,095 treasure shares were retired with a carrying amount of EUR 217,304 thousand in accordance with the resolutions adopted by the General Shareholders' Meeting held on 31 May 2012 in relation to the shareholder remuneration system (see Note 15.01).

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On 4 February 2011, as a result of completing the takeover bid for Hochtief, A.G., the ACS Group delivered 5,050,085 ACS shares as consideration for the shares held by the shareholders of Hochtief, A.G., who accepted the bid.

On 23 January 2013, the ACS Group sold a total of 20,200,000 treasury shares (see Note 32).

15.05. Interim dividend

At 31 December 2012, as a result of the losses incurred by the Parent and in accordance with Article 277 of the Consolidated Spanish Companies Law, no interim dividends were paid.

At the meeting on 15 December 2011, 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 7 February 2012. The Board of Directors prepared the accounting statement required by the Spanish Companies Law in which it stated to have sufficient liquidity to distribute this dividend.

This interim dividend paid is recognised under "Interim dividend" and is deducted from "Equity attributed to the Parent" included at 31 December 2011 under "Other current liabilities" in the accompanying consolidated statement of financial position.

15.06. Adjustments for changes in value

The changes in the balance of this heading in 2012 and 2011 were as follows:

Thousands of euros

	2012	2011
Beginning balance	**(2,363,192)**	**(1,340,666)**
Hedging Instruments	(153,686)	(312,850)
Available-for-sale financial assets	1,839,515	(639,056)
Exchange differences	(48,477)	(70,620)
Ending balance	**(725,840)**	**(2,363,192)**

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

The changes relating to available-for-sale financial assets include the unrealised gains or losses arising from changes in their fair value net of the related tax effect. The change was mainly the result of the transactions carried out in relation to the ownership interest in Iberdrola, S.A. (see Note 10.01) which at 31 December 2011 had a negative balance of EUR 1,791,480 thousand under "Valuation adjustments - Available-for-sale financial assets".

The translation differences at 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 2012 relates exclusively to the difference arising in the period from 2004 to 2012, net of the related tax effect, between the closing and opening exchange rates, on non-monetary items whose fair value is adjusted against equity and on the translation to euros of the balances in the functional currencies of fully and proportionately consolidated companies and as companies accounted for using the equity method whose functional currency is not the euro.

The main translation differences, by currency, were as follows:

Thousands of euros	Balance at 31/12/2012	Balance at 31/12/2011
Australian dollar	81,762	174,553
Brazilian real	55,724	84,476
Mexican peso	(7,473)	(16,679)
Argentine peso	(21,732)	(14,945)
US dollar	7,680	13,351
Venezuelan bolivar	(18,818)	(9,996)
Polish zloty	2,264	(9,307)
Other currencies	(23,596)	(1,051)
Exchange differences of companies accounted for using the equity method	1	(96,113)
	75,812	**124,289**

In addition to the balance of translation differences at 31 December 2012, the balance of "Valuation adjustments" include a loss of EUR 801,806 thousand for hedging instruments and a gain of EUR 154 thousand for assets available for sale.

15.07. Non-controlling interests

The detail, by line of business, of the balance of "Non-controlling interests" in the consolidated statement of financial position at 31 December 2012 and 2011 is as follows:

Thousands of euros	Balance at 31/12/2012			Balance at 31/12/2011		
Line of Business	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
Construction	2,418,313	471,079	-	**2,609,544**	**104,160**	
Industrial Services	72,683	49,558	-	**70,005**	**37,769**	
Environment	42,306	1,040	11	46,202	4,599	(97)
Total	**2,533,302**	**521,677**	**11**	**2,725,751**	**146,528**	**(97)**

Non-controlling interests mainly relates to the full consolidation of Hochtief as of 1 June 2011, and includes both the ownership interests of the non-controlling shareholders of Hochtief as well as the non-controlling

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interests included in the balance sheet of the German company, amounting to EUR 1,603,445 thousand at 31 December 2012 (EUR 1,511,976 thousand at 31 December 2011), which mainly relate to the non-controlling shareholders of Leighton Holdings.

"Non-controlling interests" in the accompanying consolidated statement of financial position reflects the proportional share of the equity of Group companies in which there are non-controlling interests. The changes in 2012, by item, were as follows:

Thousands of euros

Balance at 31 December 2011	**2,872,182**
Profit for the year from continuing operations	521,677
Loss for the year from discontinued operations	11
Dividends received	(178,907)
Change in scope of consolidation	(113,177)
Changes in share capital and other	13,034
Adjustments for changes in value	(59,830)
Balance at 31 December 2012	**3,054,990**

The changes in 2011, by item, were as follows:

Thousands of euros

Balance at 31 December 2010	**263,839**
Profit for the year from continuing operations	146,528
Loss for the year from discontinued operations	(97)
Dividends received	(55,437)
Change in scope of consolidation	2,473,013
Changes in share capital and other	32,302
Adjustments for changes in value	12,034
Balance at 31 December 2011	**2,872,182**

The detail of this balance at 31 December 2012, by business segment, is as follows:

Thousands of euros

Line of Business	Share Capital	Reserves	Profit for the year	Profit from discontinued operations	Total
Construction	1,407,456	1,010,857	471,079	-	**2,889,392**
Industrial Services	43,425	29,258	49,558	-	**122,241**
Environment	20,657	21,649	1,040	11	**43,357**
Total	**1,471,538**	**1,061,764**	**521,677**	**11**	**3,054,990**

The detail of this balance at 31 December 2011, by business segment, was as follows:

Thousands of euros

Line of Business	Share Capital	Reserves	Profit for the year	Profit from discontinued operations	Total
Construction	1,424,848	1,184,696	104,160	-	**2,713,704**
Industrial Services	43,298	26,707	37,769	-	**107,774**
Environment	21,504	24,698	4,599	(97)	**50,704**
Total	**1,489,650**	**1,236,101**	**146,528**	**(97)**	**2,872,182**

At 31 December 2012, the shareholders with an ownership interest equal to or exceeding 10% of the share capital of the Group's main subsidiaries were as follows:

Group	Percentage of ownership	Shareholder
Construction		
John P. Picone, Inc. (*)	20.00%	John P. Picone
Besalco Dragados S.A.	50.00%	Besalco Construcciones, S.A.
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%)
Autovía del Pirineo, S.A.	28.00%	Construcciones Mariezcurrena, S.L. (20%)
Industrial Services		
Beni Saf Water Company Spa.	49.00%	Algerian Energy Company -SPA
Emurtel, S.A.	49.90%	Ginés Heredia (20%)
		José María Rodríguez (29.9%)
Procme, S.A.	25.46%	José Reis Costa
Iberoamericana de Hidrocarburos S.A. de C.V.	40.50%	Monclova Pirineos Gas, S.A. de C.V.
Serpista, S.A.	49.00%	Temg Mantenimiento, S.A. (10%)
		Iberia, S.A. (39%)
Triana do Brasil Projetos e Serviços, Ltda.	50.00%	CTEEP Compañía de Transmisión Eléctrica Paulista
Sistemas Sec, S.A.	49.00%	Compañía Amerinana de Multiservicios Limitada
Environment		
Centro de Transferencias, S.A.	30.00%	Emgrisa
Residuos Sólidos Urbanos de Jaén, S.A.	40.00%	Diputación Provincial de Jaén
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%)
Ecoparc de Barcelona, S.A.	33.60%	Comsa Medio Ambiente S.L.(28,30%)
Residuos Industriales de Zaragoza, S.A.	36.30%	Marcor Ebro, S.A.
Tangshan International Container Terminal Co. Ltd.	45.72%	Tangshan Port Industrial Group Co., Ltd.
Vertederos de Residuos, S.A.	16.03%	Fomento de Construcciones y Contratas, S.A.

(*) There is a purchase commitment of 20% for which the related liability was recognised.

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In addition, according to the available information, at 31 December 2012, the non-controlling shareholder of Hochtief, A.G. with an ownership percentage greater than or equal to 10% is Qatar Holding Luxembourg (10%), there being no non-controlling shareholder in the case of Leighton Holdings, Ltd.

16. Grants

The changes in the balance of this heading in 2012 and 2011 were as follows:

Thousands of euros	2012	2011
Beginning balance	**58,132**	**69,949**
Changes in the scope of consolidation	-	(5,440)
Additions	1,966	5,829
Transfers	(3,398)	(9,039)
Recognition in income statement	(2,485)	(3,167)
Ending balance	**54,215**	**58,132**

The grants related to assets recognised in the consolidated income statement (recognised under "Allocation to profit or loss of grants related to non-financial non-current assets and other grants" in the consolidated income statement) amounted to EUR 3,550 thousand before tax in 2012 (EUR 4,525 thousand in 2011). The timing of recognition in profit or loss is detailed as follows:

	2012			2011		
	<1	2-5	>5	<1	2-5	>5
Grants related to assets	6,315	18,268	29,632	7,611	21,831	28,690

17. Bank borrowings, debt instruments and other marketable securities

17.01. Debt instruments and other held-for-trading liabilities

At 31 December 2012, the ACS Group had non-current debentures and bonds issued amounting to EUR 1,483,824 thousand and EUR 157,670 thousand in current issues (EUR 722,632 thousand in non-current and EUR 46,421 thousand in current, respectively, at 31 December 2011) from Leighton Holdings and Hochtief, A.G. The most relevant changes with regard to 2011 arise from a corporate bond issued by Hochtief, A.G. for a nominal amount of EUR 500 million maturing in five years with an annual coupon of 5.5%, and a carrying amount of EUR 516,189 thousand at 31 December 2012, and the issue by Leighton of secured bonds for a nominal amount of USD 500 million maturing at 10 years at a fixed annual rate of 5.95%, and a carrying amount of EUR 371,912 thousand at 31 December 2012. At 31 December 2011, the balance in full was from its Australian subsidiary, Leighton. In 2010 a bond of USD 350 million was issued with an equivalent value in euros of EUR 263,987 thousand (EUR 273,997 thousand at 31 December 2011). This bond has three tranches with maturities in 2015, 2017 and 2020, and interest rates ranging from 4.51% to 5.78%. This heading also includes a bond issued in 2009 amounting to EUR 220,265 thousand (EUR 220,074 thousand at 31 December 2011), with a nominal value of AUD 280 million maturing at five years, and with a fixed coupon of 9.5%. In 2008, Leighton Holdings issued USD 280 million through a private placement repayable in 2013, 2015 and 2017, and with an interest rate ranging from 6.91% to 7.66%. The carrying amount of this private placement at 31 December 2012 amounted to EUR 211,422 thousand (EUR 219,235 thousand at 31 December 2011). Finally, the debentures and bonds issued include EUR 57,719 thousand (EUR 55,747 thousand at 31 December 2011) relating to three additional bonds with fixed or floating interest rates held by Leighton Holdings.

The detail, by maturity, of these debentures and bonds at 31 December 2012 is as follows:

Thousands of euros	Current	Non-current				
	2013	2014	2015	2016	2017 and subsequent years	Total non-current
Debentures and bonds	157,670	225,598	136,152	-	1,122,074	1,483,824

The detail, by maturity, of these debentures and bonds at 31 December 2011 is as follows:

Thousands of euros	Current	Non-current				
	2012	2013	2014	2015	2016 and subsequent years	Total non-current
Debentures and bonds	46,421	96,238	220,074	140,924	265,396	722,632

17.02. Bank loans

The detail of the bank borrowings at 31 December 2012 and the repayment schedules are as follows:

Thousands of euros	Current	Non-current				
	2013	2014	2015	2016	2017 and subsequent years	Total non-current
Bank loans in euros	3,169,859	1,142,227	1,933,731	160,226	96,080	3,332,264
Foreign currency loans	434,317	259,847	13,520	18,273	41,399	333,039
Finance lease obligations	181,499	160,745	107,250	137,890	190,353	596,238
Total	**3,785,675**	**1,562,819**	**2,054,501**	**316,389**	**327,832**	**4,261,541**

The detail of the bank borrowings at 31 December 2011 and the repayment schedules are as follows:

Thousands of euros	Current	Non-current				
	2012	2013	2014	2015	2016 and subsequent years	Total non-current
Bank loans in euros	5,540,058	805,568	537,258	317,593	599,185	2,259,604
Foreign currency loans	551,081	172,188	79,685	5,850	5,852	263,575
Finance lease obligations	133,937	327,313	5,362	4,680	22,813	360,168
Total	**6,225,076**	**1,305,069**	**622,305**	**328,123**	**627,850**	**2,883,347**

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The ACS Group's most significant bank loans are as follows:

- The long-term financing from the investee Hochtief, A.G. amounted to EUR 1,148,816 thousand (EUR 1,578,917 thousand at 31 December 2011). This amount includes EUR 84,500 thousand for a five-year loan with an initial amount of EUR 120,600 thousand issued on 25 November 2011 and placed among Spanish and international banks. This loans bears interest tied to six-month Euribor plus a market spread. There was also a loan of EUR 240,000 thousand issued in 2010 in two tranches of EUR 59,500 thousand and EUR 180,500 thousand, respectively, with a maturity of five years and an interest rate tied to six-month Euribor plus a market spread. Four loans issued by Hochtief in 2009 for an initial amount of EUR 300,000 thousand maturing between three and five years, earning interest at fixed and floating rates, and which were repaid for EUR 129,500 thousand in 2012, the principle of which amounted to EUR 30,000 thousand at 31 December 2012. There were also two additional bank loans amounting to EUR 193,750 thousand from 2008, one with a nominal amount of EUR 154,750 thousand maturing in five years, and the other for EUR 39,000 thousand maturing in seven years, bearing interest at six-month Euribor plus a market spread. An international syndicate of banks granted a five-year forward market credit facility which amounted to EUR 1,500,000 thousand in a tranche for guarantees and EUR 500,000 thousand credit facility. At 31 December 2012, EUR 200,000 thousand were repaid (EUR 400,000 thousand at 31 December 2011). In addition, Leighton Holding arranged bank loans amounting to EUR 256,094 thousand (EUR 464,590 thousand at 31 December 2011), most of which were to finance investments in Habtoor Leighton Group and other projects.

- Also noteworthy is the financing obtained for the acquisition of Hochtief, A.G. shares for a nominal amount of EUR 200,000 thousand maturing in June 2014 through the SPV Major Assets, S.L., and EUR 250,000 thousand maturing in July 2014 through Corporate Statement, S.L., both with an in rem guarantee secured by Hochtief shares deposited therein, which at 31 December 2012, amounted to 13,948,778.

- On 9 February 2012 ACS Actividades de Construccion y Servicios, S. A. entered into a contract with a syndicate of banks, composed of 32 Spanish and foreign entities, for the refinancing of the syndicated loan which now matures in July 2015. At 31 December 2012, the amount contracted totalled EUR 1,430,300 thousand and was classified as non-current. At 31 December 2011, this loan amounting to EUR 1,589,911 thousand was recognised under "Current financial liabilities" in the accompanying consolidated statement of financial position.

- In May 2012 the Group renewed the syndicated loan with Urbaser for EUR 506,300 thousand (EUR 750,000 thousand at 31 December 2011) maturing at 28 November 2014, which was then reclassified as non-current.

- The ACS Group held mortgage loans amounting to EUR 59,261 thousand at 31 December 2012 (EUR 57,877 thousand at 31 December 2011).

- At 31 December 2012, the Group companies had undrawn bilateral credit facilities with limits of 7,847,547 thousand (EUR 6,886,169 thousand in 2011), of which the amount of EUR 4,123,347 thousand (EUR 2,633,253 thousand at 31 December 2011), which sufficiently covers the Group's needs with respect to its short-term obligations.

At 31 December 2012, the current and non-current bank borrowings in foreign currency amounted to EUR 767,356 thousand (EUR 814,656 thousand in 2011), of which EUR 326,794 thousand were in Australian dollars (EUR 464,590 thousand in 2011), EUR 237,464 thousand were in US dollars (EUR 222,676 thousand in 2011), EUR 82,663 thousand were in Canadian dollars (EUR 28,608 thousand in 2011), EUR 36,006 thousand were in Chilean pesos (EUR 28,462 thousand in 2011), EUR 24,944 thousand were in Chinese yuan (EUR 15,120 thousand in 2011), EUR 20,258 thousand were in Moroccan dirham (EUR 28,544 thousand in 2011), EUR 9,406 thousand were in Indian rupee, EUR 9,345 thousand were in Brazilian reals (EUR 3,122 thousand in 2011), EUR 5,154 thousand were in Polish zloty (EUR 9,602 thousand in 2011) and EUR 5,760 thousand were in Argentine pesos (EUR 4,194 thousand in 2011).

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 (see note 03.21).

In 2012 the Group's euro loans and credits bore average annual interest of 3.63% (3.30% in 2011). Foreign currency loans and credits bore average annual interest of 6.12% (3.94% in 2011).

In accordance with its risk management policy and in order to reduce liquidity risk, the ACS Group attempts to achieve a reasonable balance between non-current financing for the Group's strategic investments (above all, limited recourse financing as described in Note 18) and current financing for the management of working capital. The effect of the changes in interest rates on finance costs are indicated in Note 21.

In 2012 and 2011 the ACS Group satisfactorily met its bank borrowing payment obligations on maturity. Additionally, up to the date of the preparation of the consolidated financial statements, the Group had not failed to meet any of its financial obligations. Accordingly, at 31 December 2012, the ACS Group met all ratios required by its financing arrangement.

17.03. Finance lease obligations

The amounts payable under finance leases which are included under the heading "Bank borrowings, debt instruments and other marketable securities" in the accompanying consolidated statement of financial position at 31 December 2012 and 2011, were as follows:

2012

Thousands of euros

	Within one year	Between two and five years	More than five years	Balance at 31/12/2012
Present value of minimum lease payments	181,499	405,885	190,353	**777,737**
Unaccrued finance charges	29,362	56,119	4,908	**90,389**
Total amounts payable under finance leases	**210,861**	**462,004**	**195,261**	**868,126**

2011

Thousands of euros

	Within one year	Between two and five years	More than five years	Balance at 31/12/2011
Present value of minimum lease payments	133,937	337,355	22,813	494,105
Unaccrued finance charges	13,383	23,189	649	37,221
Total amounts payable under finance leases	**147,320**	**360,544**	**23,462**	**531,326**

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It is the Group's policy to lease certain of its fixtures and equipment under finance leases. Most of these leases were arranged by Leighton Holding for its mining activity. 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. The contingent rental payments were not material at 31 December 2012 or at 31 December 2011.

The Group's finance lease obligations are secured by the lessors' charges on the leased assets.

18. Limited recourse financing of projects and debts

"Project finance and limited recourse borrowings" on the liability side of the statement of financial position includes, in addition to the financing for the acquisition of Iberdrola, S.A. and Hochtief, A.G., the amount of the financing related to infrastructure projects. The detail of the balance of this heading, by type of financed asset at 31 December 2012, is as follows:

Thousands of euros	Current	Non-current	Total
Hochtief Aktiengesellschaft	12,076	589,631	601,707
Project financing			
Property assets (Inventories)	239,353	117,340	356,693
Waste treatment	12,147	173,243	185,390
Highways	388	131,469	131,857
Police station	4,161	60,214	64,375
Water management	1,996	21,766	23,762
Energy transmission	-	9,655	9,655
Security	8,446	-	8,446
Photovoltaic plants	8	529	537
	278,575	**1,103,847**	**1,382,422**

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

Thousands of euros	Current	Non-current	Total
Iberdrola, S.A.	20,959	4,940,600	4,961,559
Hochtief Aktiengesellschaft	15,752	593,029	608,781
Project financing			
Waste treatment	23,230	161,544	184,774
Highways	1,185	93,828	95,013
Police station	3,907	64,375	68,282
Water management	1,616	24,203	25,819
Security systems	8,968	8,446	17,414
Transport interchange	1,812	1,515	3,327
Photovoltaic plants	-	518	518
Other infrastructures	3	3	6
	77,432	**5,888,061**	**5,965,493**

The detail, by maturity, of non-current financing at 31 December 2012 and 2011 is as follows:

Thousands of euros	Maturity in				
	2014	2015	2016	2017 and subsequent years	Total
Balance at 31 December 2012	152,136	613,523	28,908	309,280	**1,103,847**

Thousands of euros	Maturity in				
	2013	2014	2015	2016 and subsequent years	Total
Balance at 31 December 2011	35,006	3,123,234	2,454,058	275,763	5,888,061

The most significant financing arrangements were as follows:

- **Financing of the acquisition of Iberdrola, S.A.**

  In 2012 the main changes took place as a result of the transactions carried out in relation to the ACS Group's ownership interest in Iberdrola, S.A. mentioned in Note 10.01.

  In this regard, the most noteworthy of mention within the limited-recourse financing for the acquisition of Iberdrola shares is the financing that Residencial Monte Carmelo, S.A. has entered into with a syndicate of banks, in which Banco Bilbao Vizcaya Argentaria, S.A. acted as the agent, maturing in 2014, with an in rem guarantee on the shares acquired and the existence of a coverage ratio on the market value of the Iberdrola, S.A. shares such that if this ratio is not maintained, it could cause the pledge to be enforced. On 13 July 2012, the company entered into a financial transaction with Société Générale which would allow the aforementioned syndicated loan to be cancelled for the total amount payable at this date (EUR 1,599,223 thousand) (see Note 6). In December 2012, as a result of the amendment made to this agreement, the ACS Group derecognised the financing associated thereto amounting to EUR 1,605,699 thousand. The financial transaction (including the prepaid forward and the share loan) were definitively cancelled in full in February 2013.

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

  On 14 June 2011, the Company extended the maturity of its equity swap over Iberdrola, S.A. shares to March 2015 for an amount of EUR 2,432,272 thousand at 31 December 2011. In 2012 the Company repaid EUR 1,000 million by offsetting the amounts contributed as collateral to meet the coverage ratios. This loan was secured by shares amounting to 4.73% of the underlying value of Iberdrola, S.A. and bears interest at a rate tied to Euribor. With regard to this financing, on 27 July 2012 ACS, Actividades de Construcción y Servicios, S.A. signed a new amendment in order to eliminate the margin calls and, in this regard, a fixed guarantee was determined until maturity amounting to EUR 355,531 thousand which is recognised under "Long-term deposits" in the accompanying consolidated statement of financial position. On 24 December 2012, an additional novation agreement was signed, whereby the contract could be settled in the form of cash of ACS shares. In view of this amendment, the ACS Group recognised the aforementioned equity swap as a financial derivative at 2012 year-end (see Note 22).

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- Financing of the acquisition of Hochtief, A.G.

In relation to the initial package of Hochtief, A.G. share acquired in 2007, on 27 October 2011 Cariatide, S.A. entered into a refinancing agreement with a bank syndicate for a nominal amount of EUR 602,000 thousand until 24 July 2015. At 31 December 2012 and at the date of approval of these condensed financial statements, the coverage ratios envisaged by this financing were met.

The main characteristics of the financing arrangement include the maintenance of a coverage ratio over the market value of the shares of Hochtief, A.G. If this ratio were not to be met, the pledge on the acquired shares could be enforced. In the event that the aforementioned coverage ratio is not maintained, ACS, Actividades de Construcción y Servicios, S.A. would be obligated to contribute additional funds.

At 31 December 2012, and at the date of the preparation of these financial statements, this coverage ratio stipulated in this agreement was being met.

To cover the ratios required in the financing of Hochtief A.G., the Group contributed funds amounting to EUR 90,957 thousand at 31 December 2012 (EUR 92,157 thousand at 31 December 2011). These funds reduced the limited recourse financing and the portion exceeding the amount of the credit facility was recognised under "Other current financial assets" on the asset side of the statement of financial position (see Note 10.05).

- Project financing

Project financing most notably includes that from Hochtief with regard to real estate assets (classified for accounting purposes as inventories in the accompanying consolidated statement of financial position) obtained for the development of real estate assets, both of Hochtief and Leighton.

At 31 December 2012, other project financing most notably included that relating to the waste treatment plant of Ecoparc de Barcelona, S.A. The purpose of the loan is to finance the project for the construction, administration and operation of the metropolitan complex for integral municipal waste treatment in the duty-free zone of Barcelona.

The Group has arranged various interest rate hedges in connection with the aforementioned financing (see Note 22).

The average interest rate for this type of project financing amounted to an annual 4.15% in 2012 and 4.42% in 2011.

The debts relating to limited recourse financing are secured by non-current assets in projects and include clauses requiring that certain ratios be complied with by the project and which were being met in all cases at 31 December 2012.

In 2012 and 2011 the ACS Group satisfactorily settled all its project financing debts with limited recourse on maturity. Additionally, up to the date of the preparation of the consolidated financial statements, the Group had complied with all its financial obligations.

19. Other financial liabilities

The breakdown of the balances of this heading in the consolidated statements of financial position is as follows:

Thousands of euros	Balance at 31/12/2012		Balance at 31/12/2011	
	Non-current	Current	Non-current	Current
Non-bank borrowings at a reduced interest rate	52,338	6,620	56,009	6,019
Payable to associates	4,475	348,497	4,099	471,837
Other	50,558	14,338	50,157	64,494
Total	**107,371**	**369,455**	**110,265**	**542,350**

At 31 December 2012, "Other financial liabilities" includes mainly "Payable to associates", which most notably includes the payment obligation in relation to the various projects in the Asia Pacific division of Hochtief.

The "Non-bank borrowings at a reduced interest rate" are loans at reduced or zero interest rates granted by the Ministry of Industry, Commerce and Tourism and dependent agencies. The effect of the financing at market interest rates would not be material.

20. Provisions

The changes in non-current provisions in 2012 were as follows:

Thousands of euros

Non-Current	Provision for pensions and similar obligations	Provision for taxes	Provision for third-party liability	Provisions for actions on infrastructure	Total
Balance at 31 December 2011	**449,039**	**14,189**	**1,554,008**	**16,227**	**2,033,463**
Additions or charges for the year	204,587	13,662	280,603	6,641	**505,493**
Reversals and amounts used	(128,483)	(9,255)	(503,157)	(77)	**(640,972)**
Increases due to the passing of time and the effect of exchange rates on discount rates	2,530	-	2,588	114	**5,232**
Exchange differences	(3,089)	(79)	(4,716)	-	**(7,884)**
Changes in the scope of consolidation	-	-	255	(3,546)	**(3,291)**
Balance at 31 December 2012	**524,584**	**18,517**	**1,329,581**	**19,359**	**1,892,041**

The Group companies recognise provisions on the liability side of the accompanying consolidated statement of financial position for present obligations arising from past events which the companies consider will probably require an outflow of resources embodying economic benefits to settle them on maturity. These provisions are recognised when the related obligation arises and the amount recognised is the best estimate at the date of the accompanying consolidated financial statements of the present value of the future expenditure required to settle the obligation. The change in the year relating to the discount to present value is recognised as interest cost in the consolidated income statement.

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Following is detailed information on the Group's provisions, distributed into three large groups:

Provisions for pensions and similar obligations

On the one hand, defined benefit pension commitments were entered into by companies included in the group as a result of the merger by absorption of the Dragados Group in 2003. These commitments were externalised through collective life insurance contracts, in which investments have been allocated whose flows coincide in time and amounts with the amounts and payment timetable of the insured benefits. Based on the valuation made, the amounts required to meet the commitments to current and retired employees amounted to EUR 19,643 thousand at 31 December 2012 (EUR 27,026 thousand at 31 December 2010) and EUR 193,162 thousand at 31 December 2012 (EUR 193,627 thousand in 2011), respectively. The actuarial assumptions used in the 2012 and 2011 valuations detailed above, are as follows:

Annual rate of increase of maximun social security pension deficit	2.00%
Annual wage increase	2.35%
Annual CPI growth rate	2.00%
Mortality table (*)	PERM/F-2000 P

(*) Guaranteed assumptions which will not vary

The interest rates applied since the pension obligations were externalised ranged from a maximum of 5.93% to a minimum 3.02%. The interest rate applied was 4.90% in 2012 and 4.85% in 2011.

The aforementioned amounts relating to pension commitments recognised under "Staff costs" in the consolidated income statement for 2012, gave rise to an expense of EUR 49 thousand in 2012 (EUR 471 thousand in 2011).

Additionally, ACS, Actividades de Construccion y Servicios, S.A. and other Group companies have alternative pension system obligations to certain members of the management team and 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, which represented a contribution in 2012 of EUR 3,757 thousand and was recognised under "Staff costs" in the 2012 consolidated statement of financial position. EUR 4,455 thousand were recognised in this connection in 2011. The portion relating to the Parent's directors who performed executive duties in 2012 amounted to EUR 1,811 thousand (EUR 1,955 thousand in 2011) (see Note 34).

Except as indicated above, in general, the Spanish Group companies have not established any pension plans to supplement the social security pension benefits. However, pursuant to the Consolidated Pension Fund and Plan Law, in the specific cases in which similar obligations exist, the companies externalise their pension and other similar obligations to employees. The Group has no liability in this connection.

Some of the Group's foreign companies are obligated to supplement the retirement benefit and other similar obligations to its employees, including those from the Hochtief Group. The accrued obligations and, where appropriate, the related plan assets were measured by independent actuarial experts using generally accepted actuarial methods and techniques and the related amounts are recognised under "Long-Term Provisions – Provisions for Pensions and Similar Obligations" in the accompanying consolidated statement of financial position, in accordance with IFRSs.

The Group's retirement benefits include both defined contribution and defined benefit plans. Under defined contribution plans, the Company pays into a state or private pension fund voluntarily or in accordance with statutory or contractual stipulations and has no obligation to pay further contributions. Under defined benefit plans, the Company's obligation is to provide agreed benefits to current and former employees. Defined benefit plans can be funded externally or through pension provisions.

Defined benefit plans are mostly in use at Hochtief A.G., its German subsidiaries and the Turner Group (benefits agreed up to December 31, 2003).

Since January 1, 2000, pension arrangements in the Hochtief Group in Germany have consisted of a company-funded basic pension in the form of a modular defined contribution plan and a supplementary pension linked to company performance. These benefits are classed as defined benefit liabilities under IAS 19. The size of the basic pension component depends on employee income and age (resulting in an annuity conversion factor) and a general pension contribution reviewed by Hochtief every three years. The size of the supplementary pension component depends on growth in IFRS-basis profit after taxes. The basic pension can be supplemented in this way by up to 20 percent. The pension arrangements in force until December 31, 1999 featured benefit groups based on collective agreements. These benefits were integrated into the new system of retirement benefits as an initial pension component. Benefits comprise an old-age pension, an invalidity pension and a surviving dependants' pension.

Turner changed from defined benefit to defined contribution plans with effect from January 1, 2004. Depending on length of service and salary level, between three percent and six percent of an employee's salary is paid into an external fund. In addition, Turner employees have an option to pay up to 25 percent of their salaries into an investment fund as part of a 401 (k) plan. Turner tops up the first five percent of the deferred compensation by up to 100 percent depending on length of service. Employees can join the plan after three years' service. Tax relief is granted on payments into the fund; the investment risk is borne by employees. Leighton and Flatiron likewise have defined contribution plans and pay between four and ten percent of salary (before deductions) into an external fund.

Hochtief A.G.´s pension finances were restructured with the creation of a contractual trust arrangement (CTA) as of December 31, 2004. This arrangement was extended to all major Hochtief Group companies in subsequent years. The transferred assets are administered in trust by Hochtief Pension Trust e. V. and serve exclusively to fund pension obligations. The transferred cash is invested on the capital market in accordance with investment principles set out in the trust agreement. The defined benefit plans discontinued by the Turner Group effective December 31, 2003 are covered by an external fund.

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The size of pension provisions is determined on an actuarial basis. This necessarily involves estimates. Specifically, the actuarial assumptions used are as follows:

Percent	2012		2011	
	Germany	Other Countries	Germany	Other Countries
Discount factor *	3.50	3.45	4.75	4.38
Wage increases	3.00	–	3.00	–
Pension increases	2.00	–	1.75	–
Health cost increases	–	5.00	–	5.00
Anticipated return on plan assets *	4.51	8.00	4.62	8.00

*Weighted average

The discount factors are derived from the Mercer Pension Discount Yield Curve (MPDYC) model taking into account the company-specific duration of pension liabilities. Salary and pension increases ceased to be taken into account in foreign operations (the Turner Group) in 2004 due to the changeover in pension arrangements. Biometric mortality assumptions are based on published country-specific statistics and experience. For the German market, they are determined using the Prof. Dr. Klaus Heubeck 2005 G tables. Turner uses the RP-2000 Mortality Table for employees. Assumptions regarding the anticipated return on plan assets are based in each country on the intended portfolio structure and future returns on individual asset classes. Projections are based on long-term historical averages. For the main domestic pension plans, the anticipated return on plan assets was additionally derived using asset-liability studies.

Changes in the present value of defined benefit obligations and of the market value of plan assets are as follows:

Changes in the present value of defined benefit obligations:

Thousands of euros	2012			From June to December 2011		
	Germany	Other countries	Total	Germany	Other countries	Total
Defined benefit obligations at beginning of period	**681,292**	**261,935**	**943,227**	**651,426**	**236,101**	**887,527**
Current service cost	8,641	1,632	**10,273**	5,791	785	**6,576**
Past service cost	1,599	–	**1,599**	284	(1,651)	**(1,367)**
Interest expense	31,070	10,889	**41,959**	17,784	6,834	**24,618**
Actuarial (gains)/losses	129,546	25,285	**154,831**	23,910	10,872	**34,782**
Benefits paid from Company assets	(726)	(1,957)	**(2,683)**	(116)	(1,208)	**(1,324)**
Benefits paid from fund assets	(35,860)	(12,794)	**(48,654)**	(19,461)	(13,270)	**(32,731)**
Employee contributions	1,599	–	**1,599**	1,843	–	**1,843**
Effect of transfers	(98)	–	**(98)**	(15)	–	**(15)**
Consolidation changes	146	–	**146**	(154)	-	**(154)**
Currency adjustments	–	(5,515)	**(5,515)**	–	23,472	**23,472**
Defined benefit obligation at end of year	**817,209**	**279,475**	**1,096,684**	**681,292**	**261,935**	**943,227**
Reclassification as liabilities associated with assets held for sale	(3,295)	–	**(3,295)**	(2,181)	–	**(2,181)**
Defined benefit obligation at end of year after reclassification	**813,914**	**279,475**	**1,093,389**	**679,111**	**261,935**	**941,046**

Changes in the market value of plan assets:

Thousands of euros	2012			From June to December 2011		
	Germany	Other countries	Total	Germany	Other countries	Total
Plan assets at beginning of period	**589,549**	**180,799**	**770,348**	**673,951**	**192,044**	**865,995**
Anticipated returns on plan assets	26,690	13,873	40,563	18,303	8,657	26,960
Difference between anticipated and actual returns	17,589	9,147	26,736	(37,404)	(23,607)	(61,011)
Withdrawal of plan assets due to overfunding of pension obligation	-	-	-	(50,000)	-	(50,000)
Employer contributions	2,503	4,372	6,875	2,370	-	2,370
Employee contributions	1,599	-	1,599	1,843	-	1,843
Effect of transfers	(8)	-	(8)	-	-	-
Benefits paid	(35,860)	(12,794)	(48,654)	(19,461)	(13,270)	(32,731)
Consolidation changes	53	-	53	(53)	-	(53)
Currency adjustments	-	(3,785)	(3,785)	-	16,975	16,975
Plan assets end of year	**602,115**	**191,612**	**793,727**	**589,549**	**180,799**	**770,348**
Reclassification as liabilities associated with assets held for sale	(2,170)	-	(2,170)	(2,062)	-	(2,062)
Plan assets at end of year after reclassification	**599,945**	**191,612**	**791,557**	**587,487**	**180,799**	**768,286**

Investing plan assets to cover future pension obligations generated actual returns of EUR 67,299 thousand (in June to December 2011 losses of EUR 34,051 thousand).

Defined benefit obligations are covered by plan assets as follows:

Thousands of euros	31/12/2012		31/12/2011	
	Defined benefit obligation	Plan assets	Defined benefit obligation	Plan assets
Uncovered by plan assets	54,348	-	53,840	-
Partially covered by plan assets	983,169	727,870	840,184	705,209
Incompletely covered by plan assets	**1,037,517**	**727,870**	**894,024**	**705,209**
Fully covered by plan assets	55,872	63,687	47,022	63,077
Total	**1,093,389**	**791,557**	**941,046**	**768,286**

The pension provisions are determined as follows:

Thousands of euros	31/12/2012	31/12/2011
Defined benefit obligation	1,093,389	941,046
Less plan assets	791,557	768,286
Funding status	**301,832**	**172,760**
Adjustments arising from the limit in IAS 19.58	-	-
Assets from overfunded pension plans	7,815	16,055
Provisions for pensions and similar obligations	**309,647**	**188,815**

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The fair value of plan assets is divided among asset classes as follows:

Thousands of euros	31/12/2012		31/12/2011	
	Market value	%	Market value	%
Stock	225,236	28.46	166,336	21.65
Fix-interest securities	421,850	53.29	456,630	59.43
Real estate	32,686	4.13	26,777	3.49
Insurance policies	63,196	7.98	62,599	8.15
Commodities	29,310	3.70	35,858	4.67
Cash	19,279	2.44	20,086	2.61
Total	**791,557**	**100.00**	**768,286**	**100.00**

As of December 31, 2012, anticipated pension payments for future years are as follows:

Thousands of euros	
Due in 2013	55,065
Due in 2014	56,452
Due in 2015	57,010
Due in 2016	57,922
Due in 2017	58,726
Due in 2018 to 2022	296,460

Experience adjustments –the effects of differences between the previous actuarial assumptions and what has actually occurred– are as follows:

Thousands of euros	2012	From June to December 2011
Defined benefit obligation at end of year	**1,093,389**	**941,046**
Effect of differences in fiscal year	(4,733)	(816)
Effect as percentage of defined benefit obligations	(0.43)	(0.09)
Plan assets at end of year	**791,557**	**768,286**
Effect of differences in fiscal year	26,736	(61,011)
Effect as percentage of plan assets	3.38	(7.94)
Funding status at end of year	**301,832**	**172,760**

Pension expense under defined benefit plans is made up as follows:

Thousands of euros	2012			From June to December 2011		
	Germany	Other countries	Total	Germany	Other countries	Total
Current service cost	8,641	1,632	10,273	5,791	785	6,576
Past service cost	1,599	–	1,599	284	(1,651)	(1,367)
Total personnel expense	**10,240**	**1,632**	**11,872**	**6,075**	**(866)**	**5,209**
Interest expense for accrued benefit obligations	31,070	10,889	41,959	17,784	6,834	24,618
Anticipated return on plan assets	(26,690)	(13,873)	(40,563)	(18,303)	(8,657)	(26,960)
Total interest expense (net investment and interest income)	**4,380**	**(2,984)**	**1,396**	**(519)**	**(1,823)**	**(2,342)**
Total pension expense	**14,620**	**(1,352)**	**13,268**	**5,556**	**(2,689)**	**2,867**

EUR 323,187,000 was paid into defined contribution plans in 2012 (from June to December 2011: EUR 164,034 thousand), mostly in the Leighton Group (EUR 290,108 thousand; June to December 2011: EUR 145,513 thousand) and the Turner Group (EUR 28,502 thousand; June to December 2011: EUR 15,573 thousand). An additional EUR 83,834 thousand (June to December 2011: EUR 52,336 thousand) was paid into state pension schemes. Costs of defined contribution plans are reported as part of personnel expenses. The Turner Group's obligations to meet healthcare costs for retired staff are included in pension provisions due to their pension-like nature. The defined benefit obligation as of December 31, 2012 came to EUR 45,028 thousand (2011: EUR 40,105 thousand). Healthcare costs accounted for EUR 1,569 thousand (June to December 2011: EUR 746 thousand) of the current service cost and EUR 1,692 thousand (June to December 2011: EUR 1,101 thousand) of the interest expense.

The effects of a one percentage point change in the assumed healthcare cost trend rate are as follows:

Thousands of euros	31/12/2012		31/12/2011	
	Increase	Decrease	Increase	Decrease
Effect on the sum of current service cost and interest expense	–	–	15	(15)
Effect on defined benefit obligation	4	(4)	362	(328)

The Consolidated Statement of Comprehensive Income includes EUR 128,095 thousand in actuarial losses recognised in 2012 before deferred taxes and after consolidation changes (June to December 2011: EUR 95,793 thousand). Before deferred taxes, the cumulative amount of actuarial losses is EUR 381,391 thousand (2011: EUR 253,296 thousand).

Provisions for taxes

Non-current provisions include the amounts estimated by the Group to settle claims brought in connection with the payment of various taxes, levies and local taxes, mainly property tax and other possible contingencies, as well as the estimated consideration required to settle probable or certain liabilities and outstanding obligations for which the exact amount of the corresponding payment cannot be determined or for which the actual settlement date is not known, since they are contingent upon meeting certain terms and conditions. These provisions have been provided in accordance with the specific analysis of the probability that the related tax contingency or challenge, might be contrary to the interests of the ACS

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Group, under the consideration of the country in which it has its origin, and in accordance with the tax rates in this country. Since the timing for these provisions is dependent on certain facts, in some cases associated with the decisions handed down by the courts or similar bodies, the Group does not update these provisions given the uncertainty of the exact time in which the related risk may arise or disappear.

Provisions for third-party liability

These relate mainly to the following:

Provisions for litigation

These provisions cover the risks arising from ACS Group companies which are party to certain legal proceedings due to the liability inherent to the activities carried on by them. The lawsuits that may be significant represent scantly material amounts when considered individually, based on the size of the ACS Group, and none of them are particularly noteworthy, except for the arbitration proceedings relating to the highway concessions R-2, R-3 and R-5 of the Autonomous Community of Madrid (Spain) which belong to companies that are not fully consolidated by the ACS Group With regard to the claim filed by Boliden-Apirsa, the Supreme Court finally dismissed this lawsuit through the judgment of 11 January 2012. Period charges to these provisions are made based on an analysis of the lawsuits or claims in progress, according to the reports prepared by the legal advisers of the ACS Group. As in the case of provisions for taxes, these amounts are not updated to the extent that the time at which the risk arises or disappears depends on circumstances linked to judgments or arbitration and it is impossible to determine the date on which they will be resolved. Additionally, these provisions are not derecognised until the judgements handed down are final and payment is made, or there is no doubt as to the disappearance of the associated risk.

Environmental Provisions

The ACS Group has an environmental policy goes beyond strict compliance with current legislation in the area of environmental improvement and protection to include the establishment of preventative planning and the analysis and minimisation of the environmental impact of the activities carried on by the Group. These provisions are made to cover any likely environmental risks which might arise.

Guarantees and contractual and legal obligations

This heading includes the provisions to cover the expenses relating to obligations arising from contractual and legal obligations which are not of an environmental nature. A significant portion of these provisions is made by increasing the value of those assets related to the obligations in relation to administrative concession, whose effect on profit or loss occurs when the asset is depreciated in accordance with depreciation rates. Additionally, it includes provisions for highway concession companies, in relation to the costs of future expropriations borne by the concession companies in accordance with agreements with the grantors, as well as the current value of the investments made in concession contracts, according to the respective financial economic models.

Period charges to these provisions are generally mainly made to cover the costs of sealing and post-closing maintenance, as well as amounts associated with highway concession contracts and other activities undertaken in the form of a concession. The additions for the year relate mainly to companies which have initiated their activity and assume the contractual obligation of sealing or replacement. The uses and reversals of such provisions arise from the sealing of different vessels associated with waste treatment companies in the Group, in addition to the payment of amounts associated with the expropriation of land on which there are real estate assets.

Such provisions are made when the associated commitments arise, the timing of their use being conditional in the case of waste treatment, on the number of tonnes treated and the fill rate of the different vessels, and in the case of concessions or other activities, on the use of the infrastructure and/or its wear. Timing is analysed according to the financial and economic model of each concession, considering related historical information in order to adjust for possible deviations that might arise in the payment schedule set for these models.

The breakdown of provisions for third-party liabilities, by line of business, is as follows:

LINE OF BUSINESS

Thousands of euros

Construction	943,760
Industrial Services	122,799
Environment	138,385
Corporate unit	124,637
Total	**1,329,581**

The most significant provisions in the Construction area relate to the incorporation of the Hochtief Group, for which period provisions were made at 31 December 2012 amounting to EUR 309,835 thousand for employee obligations and claims. In addition to these amounts, as a result of the liabilities assumed due to the full consolidation of Hochtief, provisions were made to cover risks associated with certain investments and other liabilities of this group (see Note 02.02.f).

The changes in current provisions in 2011 were as follows:

CURRENT

Thousands of euros

	Provision for termination benefits	Provision for contract work completion	Operating allowance	Total
Balance at 31 December 2011	**16,979**	**105,510**	**1,145,992**	**1,268,481**
Additions or charges for the year	7,637	19,722	941,457	968,816
Amounts used	(8,918)	(22,824)	(690,332)	(722,074)
Reversals	(1,710)	(1,714)	(293,716)	(297,140)
Exchange differences	(1,048)	(169)	(2,247)	(3,464)
Changes in the scope of consolidation	(34)	-	(972)	(1,006)
Balance at 31 December 2012	**12,906**	**100,525**	**1,100,182**	**1,213,613**

Provisions for project completion relate to the losses budgeted or estimated during execution of the projects and for the expenses arising from such projects from the date of their completion to the date of their definitive settlement, which are determined systematically as a percentage of the value of production over the term of the project based on experience in the construction business.

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21. Financial risk and capital management

In view of its activities, the ACS Group is exposed to various financial risks, mainly arising from the ordinary course of its operations, the borrowings to finance its operating activities, and its investments in companies with functional currencies other than the euro. The financial risks to which the operating units are subject include mainly interest rate, foreign currency, liquidity and credit risks.

Cash flow interest rate risk

This risk arises from changes in future cash flows relating to 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 caps and floors are arranged for a substantial portion of the borrowings that may be affected by this risk (see Note 22).

The sensitivity of the ACS Group's profit and equity to changes in interest rates, taking into account its existing hedging instruments and fixed rate financing, is as follows:

Thousands of euros

Year	Increase / Decrease in the interest rate (basic points)	Effect on profit or loss (prior to tax)	Effect on equity (after tax)
2012	50	(2,721)	91,557
	-50	2,721	(91,557)
2011	50	(18,114)	119,626
	-50	18,114	(119,626)

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 the risk inherent to structural investments in foreign operations with a functional currency other than the euro, the Group endeavours to make these investments 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 various financial instruments for the purpose of mitigating exposure to foreign currency risk (see Note 22).

The sensitivity analysis shown below reflects the potential effect on the ACS Group, both on equity and on the consolidated income statement, of a five per cent fluctuation in the most significant currencies in comparison with the functional currency of each Group company, based on the situation at the end of the reporting period.

EFFECT ON PROFIT OR LOSS BEFORE TAX

Millions of euros

Functional currency	Currency	2012 5%	2012 -5%	2011 5%	2011 -5%
EUR	USD	5.8	-5.7	4.5	-4.5
EUR	BRL	7.9	-7.9	13.2	-13.2
EUR	RON	-1.8	1.8	-	-
AUD	USD	5.2	-5.2	5.5	-5.5
CZK	EUR	-1.1	1.1	-2.5	2.5
QAR	EUR	2.1	-2.1	1.0	-1.0

EFFECT ON EQUITY BEFORE TAX

Millions of euros

Functional currency	Currency	2012 5%	2012 -5%	2011 5%	2011 -5%
EUR	USD	29.1	-29.0	13.3	-13.2
EUR	BRL	10.4	-10.4	38.6	-38.6
EUR	DZD	7.6	-7.6	7.6	-7.6
EUR	PEN	2.5	-2.5	2.2	-2.2
EUR	CHF	2.0	-2.4	2.1	-2.1

Following is the breakdown of the major currencies of the financial assets and liabilities of the ACS Group:

AT 31 DECEMBER 2012

Thousands of euros

	US Dollar (USD)	Brazilian Real (BRL)	Moroccan Dirham (MAD)	Chilean Peso (CLP)	Mexican Peso (MXP)	Australian Dollar (AUD)	Other currencies	Balance at 31/12/2012
Marketable securities (portfolio of short- and long-term investments	223,724	312	-	1,671	-	657	1,833	228,197
Loans to associates	14,121	8,493	-	9,748	-	410,170	244	442,776
Other loans	123,341	-	215	662	18	76,646	8,612	209,494
Bank borrowings (non-current)	98,614	19	-	-	827	1,672,559	3,820	1,775,839
Bank borrowings (current)	119,111	33	14,902	45,753	5,927	499,011	52,661	737,398

AT 31 DECEMBER 2011

Thousands of euros

	US Dollar (USD)	Brazilian Real (BRL)	Moroccan Dirham (MAD)	Chilean Peso (CLP)	Mexican Peso (MXP)	Australian Dollar (AUD)	Other currencies	Balance at 31/12/2011
Marketable securities (portfolio of short- and long-term investments	57,142	274	-	32,092	-	-	61	89,569
Loans to associates	43,911	59,386	40	-	116,629	388,657	110,364	718,987
Other loans	398,259	1,251	1,332	2,566	3,588	208,954	10,068	626,018
Bank borrowings (non-current)	114,059	3,122	24,294	1,037	1,630	1,158,468	13,920	1,316,530
Bank borrowings (current)	96,074	8,619	4,477	(18,484)	3,109	526,444	39,330	659,569

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Liquidity risk

This risk arises from the timing differences between borrowing requirements for business investment commitments, debt maturities, working capital requirements, etc. and the funds obtained from the conduct of the Group's ordinary operations, different forms of bank financing, capital market transactions and divestments.

The current financial market environment is marked by a liquidity crisis caused by the general downturn of credit. The ACS Group has a policy for the proactive management of liquidity risk through the comprehensive monitoring of cash and anticipation of the expiration of financial operations. The Group also manages liquidity risk through the efficient management of investments and working capital and the arrangement of lines of long-term financing.

The Group's objective with respect to the management of liquidity risk 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 connection, noteworthy is the use of limited recourse financing of projects and debts as described in Note 18, and current financing for working capital requirements.

In 2012 ACS, Actividades de Construccion y Servicios, S.A. entered into a contract with a syndicate of banks for the refinancing of the syndicated loan facility maturing in July 2012 until July 2015. The amount currently taken out totals EUR 1,430,300 thousand and the syndicated loan with Urbaser for EUR 506,300 thousand was refinanced until November 2014, as well as most of the financing of its investment in Iberdrola (as described in Note 10.01). At 31 December 2012, the liquidity risk related to Iberdrola relates exclusively to the derivatives indicated in the aforementioned Note, which may be settled in the long term. Accordingly, the Group obtained EUR 1,224.6 million after applying Royal Decree Law 04/2012 on financing payments to suppliers. These refinancing transactions ensure the liquidity of the ACS Group's operations.

Lastly, it should be noted in relation to this risk that as a precautionary measure, at its General Meeting of Shareholders held in 2009 and for a period of five years the ACS Group authorised the Board of Directors of ACS, Actividades de Construccion y Servicios, S.A. to increase the share capital, as well as the issuance of debt securities, simple, redeemable or convertible, etc. as detailed in Note 15.01.

At its Annual General Meeting held in 2011, the shareholders of the Hochtief Group also took measures to allow for an increase in capital.

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 far as possible by means of the preventive assessment of the solvency rating of the Group's potential clients. 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 profit and loss for the year. The credit risk has historically been very limited.

Additionally, the ACS Group is exposed to the risk of breach by its counterparties in transactions involving financial derivatives and cash placement. The Corporate management of the ACS Group establishes counterparty selection criteria based on the quality of credit of the financial institutions which translates into a portfolio of entities of high quality and solvency. In this regard, there were no significant payment defaults in 2012 or 2011.

Exposure to publicly traded share price risk

The ACS Group is exposed to risks relating to the performance of the share price of listed companies.

This exposure relates to derivative agreements which are related to remuneration systems linked to the performance of the ACS share price (see Note 22). These equity swaps eliminate the uncertainty regarding the exercise price of the remuneration systems, however, since the derivatives do not qualify for hedge accounting, their market value has an effect on the consolidated statement of income (positive in the case of an increase in share price and negative if this is not the case).

With regard to the Company's exposure to price fluctuations of the shares of Abertis, Hochtief, Iberdrola and ACS, in 2012 this risk with Abertis shares disappeared when the shares were sold and the exposure to this risk with Iberdrola decreased as a result of the partial divestment indicated in Note 10.01 and the other transactions mentioned in this Note. In the case of Hochtief, the exposure is mainly focused on the possible risk of impairment that fluctuations in the price of Hochtief shares entail (see Notes 04.01 and 28.03).

It should be indicated that changes in the price of the shares of listed companies, with regard to which the ACS Group has derivative instruments, financial investments, etc., will have an impact on the income statement thereof.

Capital management

The objectives of capital management at the ACS Group are to maintain an optimum financial and net worth structure to reduce the cost of capital and at the same time to safeguard the Group's ability to continue to operate with sufficiently sound debt/equity ratios.

The capital structure is controlled mainly through the debt/equity ratio, calculated as net financial debt divided by equity. Net financial debt is taken to be:

+ Net debt with recourse:
  + Non-current bank borrowings
  + Current bank borrowings
  + Issue of bonds and debentures
  - Cash and other current financial assets
+ Project financing debt.

The Group's directors consider that the gearing ratio at 31 December 2012 and 2011 was adequate, the detail being as follows:

Thousands of euros

	31/12/2012	31/12/2011
Net recourse debt	**3,569,529**	**3,368,692**
Non-current bank borrowings	4,261,541	2,883,347
Current bank borrowings	3,785,675	6,225,075
Issue of bonds and debentures	1,641,494	769,053
Other financial liabilities	476,826	652,616
Long term deposits, other current financial assets and cash	(6,596,007)	(7,161,399)
Project financing	**1,382,422**	**5,965,493**
Equity	**5,711,508**	**6,191,264**
Leverage	87%	151%
Leverage to net recourse debt	**62%**	**54%**

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Estimate of fair value

The breakdown at 31 December 2012 and 2011 of the ACS Group's assets and liabilities measured at fair value according to the hierarchy levels mentioned in Note 03.08.06 is as follows:

Thousands of euros

	Value at 31/12/2012	Level 1	Level 2	Level 3
Assets	**1,900,558**	**866,874**	**958,611**	**75,073**
Equity instruments	615,367	348,926	191,368	75,073
Debt securities	805,480	517,948	287,532	-
Financial instrument receivables				
Non-current	470,697	-	470,697	-
Curren	9,014	-	9,014	-
Liabilities	**618,228**	**-**	**618,228**	**-**
Financial instrument receivables				
Non-current	594,363	-	594,363	-
Curren	23,865	-	23,865	-

Thousands of euros

	Value at 31/12/2011	Level 1	Level 2	Level 3
Assets	**5,865,505**	**5,697,710**	**119,040**	**48,755**
Equity instruments	5,434,562	5,385,807	-	48,755
Debt securities	392,831	311,903	80,928	-
Financial instrument receivables				
Non-current	23,739	-	23,739	-
Curren	14,373	-	14,373	-
Liabilities	**476,548**	**-**	**445,848**	**30,700**
Financial instrument receivables				
Non-current	421,705	-	421,705	-
Curren	54,843	-	24,143	30,700

22. Derivative financial instruments

The ACS Group's different lines of business expose it to financing 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 (see Note 21), the ACS Group has arranged various financial derivatives, most of which have non-current maturities.

Following is the detail, by maturity, of the notional amounts of the aforementioned hedging instruments at 31 December 2012 and 2011, based on the nature of the contracts:

FINANCIAL YEAR 2012

Thousands of euros

	Notional value	2013	2014	2015	2016	2017	Subsequent years	Net fair value
Interest rate	3,360,318	332,249	1,475,776	914,239	119,029	33,209	485,816	(134,413)
Exchange rate	502,207	411,121	68,099	2,476	20,511	-	-	(4,511)
Price	-	-	-	-	-	-	-	-
Non-qualified hedges	4,289,831	267,535	226,180	3,721,927	13,420	13,752	47,017	407
Total	**8,152,356**	**1,010,905**	**1,770,055**	**4,638,642**	**152,960**	**46,961**	**532,833**	**(138,517)**

FINANCIAL YEAR 2011

Thousands of euros

	Notional value	2012	2013	2014	2015	2016	Subsequent years	Net fair value
Interest rate	6,081,407	3,164,438	219,021	1,730,114	240,000	209,623	518,211	(182,129)
Exchange rate	402,740	271,067	70,548	41,713	415	18,997	-	(4,452)
Price		7,270	-	157,196	-	-	-	(111,845)
Non-qualified hedges	2,132,578	944,889	201,734	149,203	581,266	204,000	51,486	(140,010)
TOTAL	**8,781,191**	**4,387,664**	**491,303**	**2,078,226**	**821,681**	**432,620**	**569,697**	**(438,436)**

The notional amount for non-current assets and liabilities held for sale relating to renewable energy and concession activities at 31 December 2012 was as follows:

FINANCIAL YEAR 2012

Thousands of euros

	Notional value	2013	2014	2015	2016	2017	Subsequent years
Interest rate	2,428,630	-	2,819	-	-	199,008	2,226,803

The notional amount for non-current assets and liabilities held for sale relating to renewable energy and concession activities at 31 December 2011 was as follows:

FINANCIAL YEAR 2011

Thousands of euros

	Notional value	2012	2013	2014	2015	2016	Subsequent years
Interest rate	2,583,680	16,728	16,130	15,703	-	3,474	2,531,645

The following table shows the fair value of the hedging instruments based on the nature of the contract, at 31 December 2012 and 2011 (in thousands of euros):

Thousands of euros	2012		2011	
	Assets	Liabilities	Assets	Liabilities
Interest rate				
Cash flows	7	134,420	392	182,521
Non-efficient	-	-	-	-
Exchange rate	5,345	9,856	7,623	12,075
Price	-	-	-	111,845
Non-qualified hedges	474,359	473,952	30,097	170,107
TOTAL	**479,711**	**618,228**	**38,112**	**476,548**

The Group does not have any hedges of its foreign investments, since the foreign currency risk is hedged by the transactions performed in the local currency. Additionally, most significant foreign investments were made with long-term financing in which the interest rates on project financing debt are hedged.

Cash flow hedges (interest rate)

The purpose of using these derivatives is to limit changes in interest rates on its borrowings and to guarantee fixed interests rates, mainly by arranging interest rate swaps as the borrowings are arranged and used.

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Most hedges are interest rate swaps that expire at the same time or slightly sooner than the underlying that they are hedging.

Hedges of this type are mainly related to the various syndicated loans within the Group and to project and other non-current financing, both at 31 December 2012 and 31 December 2011 (see Notes 17 and 18).

In relation to syndicated loans, the following hedges were arranged:

- Syndicated loan of ACS, Actividades de Construcción y Servicios, S.A. for EUR 1,430,300 thousand. Various interest rate swaps amounting to EUR 1,058,000 thousand were arranged maturing between July 2014 and 2015.
- The syndicated financing of the Urbaser Group is hedged by interest rate swaps amounting to EUR 506,300 thousand, which mature in November 2014.
- The volume of interest rate hedging derivatives related to the financing of Hochtief A.G. amounted to EUR 614,893 thousand at 31 December 2012.

Noteworthy are the following hedges in relation to limited recourse project and debt financing:

- Coverage of the syndicated loan for the acquisition of Hochtief, A.G. (EUR 602,000 thousand) amounting to EUR 452,025 thousand, with final maturity in July 2014 through an interest rate swap.
- The derivative liabilities relating to solar thermal plants, wind powered facilities and highway concessions were reclassified to liabilities relating to assets held for sale. In this regard, there are interest rate swaps to hedge 75 to 100% of the financing of the solar thermal plants, which mature between 2019 and 2025, and interest rate swaps to hedge the financing of the wind powered facilities, which mature between 2019 and 2024.

In the case of highway concessions, noteworthy are the interest rate hedges:

- Autovia de La Mancha and Inversora de La Mancha has hedges amounting to EUR 134,109 thousand instrumented in an interest rate swap expiring in 2032.
- Autovía del Pirineo has hedges amounting to EUR 121,600 million instrumented in an interest rate swap expiring in 2030.
- Eix Diagonal has hedges amounting to EUR 199,008 million instrumented in an interest rate swap expiring in 2017.

Cash flow hedges (exchange rate)

The foreign currency risk relates mainly to projects in which payments and/or collections are made in a currency other than the functional currency.

The most significant derivatives contracted to hedge these risks relate to foreign currency hedges arranged mostly by Leighton (subsidiary of the Hochtief group) for a notional amount of EUR 364,870 thousand, which mature between 2013 and 2016.

In the case of Industrial Services, the most significant derivatives relate to exchange rate hedges for foreign projects for a nominal amount of EUR 47,108 thousand in 2012, which mature in 2013 (EUR 52,083 thousand in 2011 maturing between 2012 and 2014).

Price hedges

In 2011 the fair value of the price hedges amounted to EUR 111,845 thousand and related to Leighton's payment obligation with respect to an infrastructure project in Australia.

Derivative instruments not classified as hedges

The assets and liabilities relating to financial instruments not qualified as hedges include the fair value of the derivatives which do not meet hedging conditions. Noteworthy of mention within assets relating to financial instruments is the measurement at fair value of the call spread contracted in relation to the refinancing on Iberdrola, S.A. shares carried out in July 2012 (see Note 10.01) on an underlying amount of 597,286,512 Iberdrola shares. The market value at 2012 year-end gave rise to the recognition of an asset amounting to EUR 460,506 thousand. This effect, net of the cost of the paid premium, was recognised as income under "Changes in fair value of financial instruments" in the accompanying consolidated financial statements (see Note 28.05).

With regard to liabilities related to financial instruments the most significant at 31 December 2012 relates to the fair value of the equity swap on Iberdrola, S.A. shares. The fair value thereof at 31 December 2012 amounted to EUR 266,327 thousand. In addition, other liabilities relate to the derivative included in the outsourcing to a financial institution of the 2010 stock option plan amounting to EUR 95,092 thousand (EUR 80,249 thousand at 31 December 2011). The financial institution acquired these shares on the market for delivery to management who are beneficiaries of this Plan in accordance with the conditions included therein, at the exercise price of the option. The measurement of fair value of this instrument is included under "Changes in fair value of financial instruments" (see Note 28.05).

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

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

At 31 December 2012, the ACS Group held other derivatives that did not qualify for hedge accounting, which included the measurement at fair value of the financial instruments that are settled by differences and whose negative market value amounted to EUR 93,513 thousand (EUR 47,605 thousand at 31 December 2011), thereby giving rise to a loss of EUR 45,908 thousand recognised under "Changes in fair value of financial instruments" (see Note 28.05).

At the end of December 2010, the ACS Group purchased 1.9% ownership interest in the share capital of Iberdrola, S.A. and was thereby granted all voting and dividend rights associated therewith. To finance this acquisition, the ACS Group structured the transaction by signing a prepaid forward share commitment with a financial institution, which matured in July 2012. This commitment can only be settled in cash and can be settled in part or in full at any time by the ACS Group. The related derivative is secured by the Iberdrola shares as the underlying assets. The measurement at fair value of this instrument gave rise to a loss for 2012 of EUR 42,660 thousand recognised under "Changes in fair value of financial instruments" in the consolidated income statement (see Note 28.05).

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23. Trade and other payables

This heading mainly includes the amounts outstanding for trade purchases and related costs, as well as customer advances for contract work amounting to EUR 2,814,255 thousand in 2012 (EUR 2,802,063 thousand in 2011) (see Note 12).

Disclosures on deferred payments to suppliers Additional Provision Three. "Duty of Disclosure" of Law 15/2010, of 5 July.

In relation to the disclosures required by Additional Provision Three of Law 15/2010, of 5 July for these first financial statements prepared since the entry into force of the Law, at 31 December 2011, there were balances payable to suppliers that were past due by more than the legal maximum payment period at 31 December 2012 amounting to EUR 271,731 thousand (EUR 235,640 thousand at 31 December 2011).

This balance relates to Spanish consolidated group companies which, due to their nature, are trade payables to suppliers of goods and services and included under "Current liabilities" in the consolidated statement of financial position at 31 December 2012 and 2011. Amounts payable to non-current asset suppliers and finance lease payables are not included in this balance.

The legal maximum payment period applicable to the Spanish consolidated group companies under Law 3/2004, of 29 December, on combating late payment in commercial transactions ranges between 75 and 120 days.

The following table provides information relating to the deferral of payments to suppliers, in accordance with the Spanish Accounting and Audit Institute resolution of 29 September 2010 implementing the duty of disclosure regulations provided in Law 15/2010 of 5 July:

	Thousands of euros	%
Within maximum legal period	1,960,791	45%
Other	2,374,018	55%
Total	**4,334,809**	**100%**
Weighted average days outstanding (PMPE)	148 days	
Deferrals exceeding legal maximum limit at 31 December	271,731	

PMPE is understood to be the "Weighted average period past due", in other words, the ratio between the payments made to all suppliers in the year within a period exceeding the legal payment term and the number of days by which this deadline was exceeded, over the total amount of payments made in the year subsequent to the legal deadline.

24. Other current liabilities

The detail of this heading at 31 December 2012 and 2011 is as follows:

Thousands of euros	Balance at 31/12/2012	Balance at 31/12/2011
Advance payments received	56,824	50,921
Payable to non-current asset suppliers	18,447	13,295
Interim dividend payable (Note 15.05)	-	283,198
Deposits and guarantees received	2,756	4,941
Other	197,094	251,642
Total	**275,121**	**603,997**

25. Segments

25.01. Basis of segmentation

The structure of the ACS Group reflects its focus on different lines of business or activity areas. Segment reporting based on the different lines of business includes information regarding the Group's internal organisation, taking into account the bodies involved in monitoring operations and taking decisions.

25.01.01. Primary segments – business segments

The business segments used to manage the ACS Group are as follows:

- **Construction.** This segment includes the activities carried on mainly by Dragados, Hochtief, A.G. and Iridium, which are focused on the construction of civil works, residential and non-residential buildings, concession activity (mainly transport infrastructures), mining and real estate. It should be noted that the debt arising from the acquisition of Hochtief was reclassified to the Corporation area at 31 December 2012.
- **Industrial Services.** This area engages in the provision of applied engineering services and the installation and maintenance of industrial infrastructure in the energy, communications and control systems industries.
- **Environment.** This segment groups together environmental services such as street cleaning, waste collection and transport, treatment and recycling of urban, commercial and industrial waste, integral management of the water cycle and urban landscaping. Also included in this segment are the outsourcing of integral building maintenance activities (carried on through Clece).
- **Corporate Unit.** This comprises the business activity carried on by ACS, Actividades de Construccion y Servicios, S.A., and also groups the main investments in activities in Iberdrola, S.A. and Xfera Moviles, S.A.
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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 IFRS 8.

25.02. Basis and methodology for business segment reporting

The reporting structure is designed in accordance with the effective management of the various segments comprising 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 information for these businesses is presented below.

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25.02.01. Income statement by business segment: 2012

Thousands of euros

	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
Revenue	**29,682,756**	**1,690,799**	**7,050,012**	**(27,389)**	**38,396,178**
Changes in inventories of finished goods and work in progress	83,009	1,037	(342)	-	83,704
Capitalised expenses of in-house work on assets	5,087	20,372	122	-	25,581
Procurements	(19,612,238)	(455,635)	(3,878,645)	28,005	(23,918,513)
Other operating income	359,572	52,268	3,155	(11,311)	403,684
Staff costs	(6,498,197)	(790,895)	(1,360,651)	(30,812)	(8,680,555)
Other operating expenses	(2,045,387)	(287,089)	(915,399)	(17,532)	(3,265,407)
Depreciation and amortisation charge	(1,290,238)	(128,177)	(49,020)	(1,437)	(1,468,872)
Allocation of grants relating to non-financial assets and other	185	3,264	101	-	3,550
Impairment and gains on the disposal of non-current assets	71,106	(1,577)	(32,616)	-	36,913
Other profit or loss	506	1,753	2,097	(29,122)	(24,766)
Operating income	**756,161**	**106,120**	**818,814**	**(89,598)**	**1,591,497**
Finance income	227,998	27,800	95,094	156,961	507,853
Finance costs	(468,026)	(134,055)	(273,706)	(413,998)	(1,289,785)
Changes in the fair value of financial instruments	(45,138)	(47)	-	150,661	105,476
Exchange differences	(10,970)	(600)	11,812	(23)	219
Impairment and gains on the disposal of non-current assets	179,914	22,506	(7,536)	(3,964,816)	(3,769,932)
Financial profit /loss	**(116,222)**	**(84,396)**	**(174,336)**	**(4,071,215)**	**(4,446,169)**
Results of companies accounted for using the equity method	264,087	26,781	4,073	44,412	339,353
Profit before tax	**904,026**	**48,505**	**648,551**	**(4,116,401)**	**(2,515,319)**
Corporate income tax	(183,686)	(8,483)	(183,320)	1,378,593	1,003,104
Profit for the year from continuing operations	**720,340**	**40,022**	**465,231**	**(2,737,808)**	**(1,512,215)**
Profit after tax from discontinued operations	-	157,465	-	(50,000)	107,465
Profit for the year	**720,340**	**197,487**	**465,231**	**(2,787,808)**	**(1,404,750)**
Profit attributed to non-controlling interests	(471,054)	(1,040)	(49,558)	(25)	(521,677)
Profit from discontinued operations attributed to non-controlling interests	-	(11)	-	-	(11)
Profit attributable to the parent	**249,286**	**196,436**	**415,673**	**(2,787,833)**	**(1,926,438)**

25.02.02. Income statement by business segment: 2011

Thousands of euros

	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
Revenue	**19,801,527**	**1,685,710**	**7,045,007**	**(60,361)**	**28,471,883**
Changes in inventories of finished goods and work in progress	(224,948)	5,864	(819)	-	(219,903)
Capitalised expenses of in-house work on assets	9,232	7,540	86	636	17,494
Procurements	(13,214,312)	(434,131)	(4,166,324)	47,283	(17,767,484)
Other operating income	427,801	47,770	42,631	720	518,922
Staff costs	(4,078,602)	(801,217)	(1,407,591)	(31,111)	(6,318,521)
Other operating expenses	(1,506,873)	(270,428)	(631,455)	(10,902)	(2,419,658)
Depreciation and amortisation charge	(765,128)	(133,194)	(54,317)	(1,313)	(953,952)
Allocation of grants relating to non-financial assets and other	180	4,062	283	-	4,525
Impairment and gains on the disposal of non-current assets	(3,073)	647	(37,863)	-	(40,289)
Other profit or loss	55,254	(578)	5,777	20,681	81,134
Operating income	**501,058**	**112,045**	**795,415**	**(34,367)**	**1,374,151**
Finance income	145,801	43,648	130,703	200,903	521,055
Finance costs	(313,270)	(102,557)	(313,883)	(486,804)	(1,216,514)
Changes in the fair value of financial instruments	(24,960)	(5)	-	(73,230)	(98,195)
Exchange differences	(18,399)	(423)	(3,346)	16	(22,152)
Impairment and gains on the disposal of non-current assets	208,604	52,967	106,321	(805)	367,087
Financial profit /loss	**(2,224)**	**(6,370)**	**(80,205)**	**(359,920)**	**(448,719)**
Results of companies accounted for using the equity method	247,556	12,343	18,702	39,868	318,469
Profit before tax	**746,390**	**118,018**	**733,912**	**(354,419)**	**1,243,901**
Corporate income tax	(217,822)	(30,995)	(204,549)	272,146	(181,220)
Profit for the year from continuing operations	**528,568**	**87,023**	**529,363**	**(82,273)**	**1,062,681**
Profit after tax from discontinued operations	-	45,690	-	-	45,690
Profit for the year	**528,568**	**132,713**	**529,363**	**(82,273)**	**1,108,371**
Profit attributed to non-controlling interests	(104,160)	(4,599)	(37,769)	-	(146,528)
Profit from discontinued operations attributed to non-controlling interests	-	97	-	-	97
Profit attributable to the parent	**424,408**	**128,211**	**491,594**	**(82,273)**	**961,940**

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25.02.03. Statement of financial position by business segment: 2012

ASSETS

Thousands of euros

	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
Non-current assets	**9,700,079**	**2,123,766**	**787,360**	**2,561,542**	**15,172,747**
Intangible assets	3,690,050	465,741	109,276	275,118	4,540,185
Goodwill	2,123,602	84,358	76,748	275,114	2,559,822
Other intangible assets	1,566,448	381,383	32,528	4	1,980,363
Tangible assets-property, plant and equipment / Property investments	2,388,569	422,338	201,868	9,288	3,022,063
Non-current assets in projects	270,401	326,529	132,963	-	729,893
Non-current financial assets	2,277,773	840,155	293,213	531,664	3,942,805
Other current assets	1,073,286	69,003	50,040	1,745,472	2,937,801
Current assets	**17,022,775**	**1,402,499**	**9,670,263**	**(1,704,908)**	**26,390,629**
Inventories	1,727,446	42,638	157,818	(7,787)	1,920,115
Trade and other receivables	7,178,049	628,628	3,672,115	(64,306)	11,414,486
Other current financial assets	1,822,044	437,173	1,104,902	(1,658,670)	1,705,449
Derivative financial instruments	5,225	-	-	3,789	9,014
Other current assets	172,602	8,925	28,303	2,408	212,238
Cash and cash equivalents	3,320,216	170,397	1,017,565	19,658	4,527,836
Non-current assets held for sale	2,797,193	114,738	3,689,560	-	6,601,491
Total assets	**26,722,854**	**3,526,265**	**10,457,623**	**856,634**	**41,563,376**

EQUITY AND LIABILITIES

Thousands of euros

	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
Equity	**6,059,283**	**1,236,404**	**917,864**	**(2,502,043)**	**5,711,508**
Equity attributed to the Parent	3,169,721	1,193,047	795,623	(2,501,873)	2,656,518
Non-controlling interests	2,889,562	43,357	122,241	(170)	3,054,990
Non-current liabilities	**6,013,416**	**1,109,075**	**423,679**	**3,370,830**	**10,917,000**
Grants	1,957	50,001	2,257	-	54,215
Non-current financial liabilities	3,357,727	749,243	164,606	2,685,007	6,956,583
Bank borrowings, debt instruments and other marketable securities	2,993,646	567,781	87,872	2,096,066	5,745,365
Limited recourse project financing	279,794	181,462	52,960	589,631	1,103,847
Other financial liabilities	84,287	-	23,774	(690)	107,371
Derivative financial instruments	63,054	35,688	10,658	484,963	594,363
Other non-current liabilities	2,590,678	274,143	246,158	200,860	3,311,839
Current liabilities	**14,650,155**	**1,180,786**	**9,116,080**	**(12,153)**	**24,934,868**
Current financial liabilities	3,108,309	564,346	706,296	212,424	4,591,375
Bank borrowings, debt instruments and other marketable securities	2,190,470	359,071	686,409	707,395	3,943,345
Limited recourse project financing and debt	243,902	12,880	9,717	12,076	278,575
Other financial liabilities	673,937	192,395	10,170	(507,047)	369,455
Derivative financial instruments	23,331	6	528	-	23,865
Trade and other payables	9,353,035	518,177	4,965,430	(95,028)	14,741,614
Other current liabilities	1,226,097	54,357	337,829	(129,549)	1,488,734
Liabilities relating to non-current assets held for sale	939,383	43,900	3,105,997	-	4,089,280
Total equity and liabilities	**26,722,854**	**3,526,265**	**10,457,623**	**856,634**	**41,563,376**

25.02.04. Statement of financial position by business segment: 2011

ASSETS

Thousands of euros

	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
Non-current assets	**9,319,466**	**2,092,248**	**709,875**	**7,918,080**	**20,039,669**
Intangible assets	3,942,954	419,518	115,841	275,119	4,753,432
Goodwill	2,059,756	84,602	76,965	275,115	2,496,438
Other intangible assets	1,883,198	334,916	38,876	4	2,256,994
Tangible assets-property, plant and equipment / Property investments	2,757,851	473,693	180,792	10,713	3,423,049
Non-current assets in projects	325,280	382,634	126,778	-	834,692
Non-current financial assets	1,172,259	787,674	237,501	6,723,999	8,921,433
Other current assets	1,121,122	28,729	48,963	908,249	2,107,063
Current assets	**16,041,480**	**1,975,432**	**9,812,318**	**118,711**	**27,947,941**
Inventories	1,610,871	47,688	123,925	(7,770)	1,774,714
Trade and other receivables	6,890,248	835,201	3,049,980	(71,936)	10,703,493
Other current financial assets	1,524,798	424,133	862,286	195,005	3,006,222
Derivative financial instruments	-	-	-	-	-
Other current assets	186,110	8,738	24,137	2,293	221,278
Cash and cash equivalents	3,253,505	89,056	811,497	1,119	4,155,177
Non-current assets held for sale	2,575,948	570,616	4,940,493	-	8,087,057
Total assets	25,360,946	4,067,680	10,522,193	8,036,791	47,987,610

EQUITY AND LIABILITIES

Thousands of euros

	Construction	Environment	Industrial Services	Corporate unit and adjustments	Total Group
Equity	**4,691,431**	**1,118,107**	**957,394**	**(575,668)**	**6,191,264**
Equity attributed to the Parent	1,977,575	1,067,402	849,621	(575,516)	3,319,082
Non-controlling interests	2,713,856	50,705	107,773	(152)	2,872,182
Non-Current Liabilities	**6,032,177**	**580,929**	**457,058**	**6,406,389**	**13,476,553**
Grants	1,474	53,724	2,934	-	58,132
Non-current financial liabilities	3,023,650	277,434	238,660	6,064,561	9,604,305
Bank borrowings, debt instruments and other marketable securities	2,792,917	107,084	175,046	530,932	3,605,979
Limited recourse project financing	148,717	170,350	35,365	5,533,629	5,888,061
Other financial liabilities	82,016	-	28,249	-	110,265
Derivative financial instruments	189,694	17,463	11,056	203,492	421,705
Other non-current liabilities	2,817,359	232,308	204,408	138,336	3,392,411
Current Liabilities	**14,637,338**	**2,368,644**	**9,107,741**	**2,206,070**	**28,319,793**
Current financial liabilities	2,582,101	1,359,321	603,157	2,346,700	6,891,279
Bank borrowings, debt instruments and other marketable securities	1,813,208	1,179,216	584,277	2,694,796	6,271,497
Limited recourse project financing and debt	6,904	23,979	9,836	36,713	77,432
Other financial liabilities	761,989	156,126	9,044	(384,809)	542,350
Derivative financial instruments	-	-	-	-	-
Trade and other payables	9,649,142	560,225	4,559,939	(208,611)	14,560,695
Other current liabilities	1,458,088	72,487	273,922	67,981	1,872,478
Liabilities relating to non-current assets held for sale	948,007	376,611	3,670,723	-	4,995,341
Total equity and liabilities	**25,360,946**	**4,067,680**	**10,522,193**	**8,036,791**	**47,987,610**

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The detail of revenue from Construction is as follows:

Thousands of euros	2012	2011
Spain	**1,810,091**	**2,943,330**
Dragados	1,720,580	2,879,991
Hochtief	25	155
Concessions	89,486	63,184
International	**27,872,665**	**16,858,197**
Dragados	2,318,350	1,920,420
Hochtief	25,527,697	14,881,650
Concessions	26,618	56,127
Total	**29,682,756**	**19,801,527**

The detail of revenue from Industrial Services is as follows:

Thousands of euros	2012	2011
Networks	769,351	841,304
Specialised products	2,420,780	2,523,942
EPC projects	2,688,605	2,342,248
Control systems	856,327	1,022,853
Renewable energy: generation	374,266	373,368
Eliminations	(59,317)	(58,708)
Total	**7,050,012**	**7,045,007**

In 2012 total revenue from Industrial Services amounted to EUR 4,111,801 thousand, relating to international operations, and represented 58.3% (EUR 3,382,652 thousand representing 48.0% in 2011).

The detail of revenue from the Environment area is as follows:

Thousands of euros	2012	2011
Environment	1,523,919	1,512,458
Integral services	166,880	173,252
Total	**1,690,799**	**1,685,710**

In 2012 total revenue from the Environment area amounted to EUR 436,650 thousand, relating to international operations, and represented 25.8% (EUR 408,182 thousand representing 24.2% in 2011).

Revenue is allocated on the basis of the geographical distribution of clients.

The reconciliation of revenue, by segment, to consolidated revenue at 31 December 2012 and 2011 is as follows:

Thousands of euros

Segments	31/12/2012 External income	31/12/2012 Inter-segment income	31/12/2012 Total income	31/12/2011 External income	31/12/2011 Inter-segment income	31/12/2011 Total income
Construction	29,672,154	10,602	**29,682,756**	19,790,819	10,708	**19,801,527**
Environment	1,690,167	632	**1,690,799**	1,681,075	4,635	**1,685,710**
Industrial Services	7,033,857	16,155	**7,050,012**	6,999,989	45,018	**7,045,007**
(-) Adjustments and eliminations of ordinary inter-segment income	-	(27,389)	**(27,389)**	-	(60,361)	**(60,361)**
Total	**38,396,178**	**-**	**38,396,178**	**28,471,883**	**-**	**28,471,883**

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

The reconciliation of the profit/loss, by business, with consolidated profit/loss before taxes at 31 December 2012 and 2011 is as follows:

Thousands of euros

	31/12/2012	31/12/2011
Segments		
Construction	720,340	528,568
Environment	197,487	132,713
Industrial Services	465,231	529,363
Total profit of the segments reported upon	**1,383,058**	**1,190,644**
(+/-) Non-assigned profit	(2,787,819)	(82,176)
(+/-) Elimination of internal profit (between segments)	-	-
(+/-) Other profits (loss)	-	-
(+/-) Income tax and /or profit (loss) from discontinued operations	(1,110,558)	135,433
Profit/(Loss) before tax	**(2,515,319)**	**1,243,901**

Revenue, by geographical area, at 31 December 2012 and 2011 was as follows:

NET AMOUNT OF TURNOVER BY GEOGRAPHICAL AREA

Thousands of euros

	31/12/2012	31/12/2011
Domestic market	5,975,062	7,822,852
Foreign market	32,421,116	20,649,031
a) European Union	4,234,636	3,265,180
b) O.E.C.D countries	23,276,437	13,861,025
c) Rest of countries	4,910,043	3,522,826
Total	**38,396,178**	**28,471,883**

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The following table shows the detail, by geographical area, of certain of the Group's consolidated balances:

Thousands of euros	Spain		Rest of the world	
	2012	2011	2012	2011
Revenue	5,975,062	7,822,852	32,421,116	20,649,031
Segment assets	15,952,695	25,953,620	25,610,681	22,033,990
Total net investments	(3,445,163)	523,422	1,160,039	2,378,437

The assets at 31 December 2012, by geographical area, are as follows:

Thousands of euros	2012
Europe	**22,220,151**
Spain	15,952,695
Germany	3,946,036
Rest of Europe	2,321,420
Rest of geographic areas	**19,343,225**
Americas	7,590,082
Asia	6,260,526
Australia	5,392,491
Africa	100,126
Total	**41,563,376**

The additions to non-current assets, by line of business, were as follows:

Thousands of euros	2012	2011
Construction	1,360,099	1,365,396
Environment	95,046	92,052
Industrial Services	78,654	1,148,096
Corporate unit and adjustments	10	7
Total	**1,533,809**	**2,605,551**

26. Tax matters

26.01. Consolidated tax group

Pursuant to current legislation, ACS, Actividades de Construccion y Servicios, S.A. is the Parent of the Tax Group 30/99, which includes the Spanish subsidiaries in which the Parent has a direct or indirect ownership interest of at least 75% which meet the 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, either individually or with groups of companies.

26.02. Tax Audit

In 2012 there was no inspection by the tax authorities with a significant effect.

An audit on the years 2006 to 2012 is still pending in relation to consolidated income tax for the Tax Group 30/99. Other companies and taxes are still pending in accordance with the periods established by the related regulations.

In view of the 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 consolidated financial statements for 2011.

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.

Thousands of euros	2012	2011
Consolidated profit before tax	(2,515,319)	1,243,901
Net profit from equity accounted investments	(339,353)	(318,469)
Permanent differences	53,429	324,690
Taxable profit	(2,801,243)	1,250,122
Tax at 30%	(840,373)	375,037
Tax credits and tax relief	(179,517)	(243,241)
Effect of different standard tax rate in other countries	8,941	14,167
Current tax income expense	(1,010,949)	145,963
Effective rate, excluding equity method	34.16%	15.77%

The permanent differences in 2012 are due to various items which, in accordance with applicable legislation, are not deductible for tax purposes. The permanent differences arising in 2011 related mainly to the inclusion of certain negative items directly recognised, net of the tax effect, in consolidated profit before taxes as a result of the first-time integration of the Hochtief Group.

The 2012 tax credits relate to the elimination of the double taxation of dividends (in particular those received from Iberdrola) and gains totalling EUR 143,774 thousand (EUR 110,330 thousand in 2011), as well as tax incentives amounting to EUR 35,743 thousand (EUR 132,911 thousand in 2011) mainly in connection with R&D (and profit reinvestment in 2011), which, for the most part, were obtained by companies not residing in Spain in both years.

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26.04. Detail of income tax expense

The detail of the income tax expense is as follows:

Thousands of euros	2012	2011
Current income tax expense (Note 26.03)	(1,010,949)	145,963
Expense/(income)relating to adjustments to prior year's tax	(5,474)	(5,354)
(Income) arising from the application of prior year's deferred tax assets	(26,674)	(606)
Expense arising from deferred tax assets generated in the year and not capitalised	68,233	33,999
Expense / (Income) other adjustments to tax for the year	(28,240)	7,218
Final balance of the corporation tax expense	**(1,003,104)**	**181,220**

The expenses relating to the deferred tax assets generated in the year and not recognised are a result mainly of the decision, in accordance with the principle of prudence, not to recognise the tax assets associated to tax losses incurred by the Group companies whose registered office is in Germany.

26.05. Tax recognised in equity

In addition to the tax effects recognised in the consolidated income statement, in 2012 a charge of EUR 715,337 thousand was recognised directly in the Group's equity (a credit of EUR 379,361 thousand in 2011). These amounts relate to tax effects due to adjustments of assets available for sale, with a charge of EUR 773,852 thousand in 2012 (a credit of EUR 261,205 thousand in 2011), the cash flow derivatives, with a credit of EUR 16,764 thousand in 2012 (EUR 92,755 thousand in 2011), and actuarial losses, with a credit of EUR 41,751 thousand in 2012 (EUR 25,401 thousand in 2011).

26.06. Deferred taxes

The detail of the main deferred tax assets and liabilities recognised by the Group and of the changes therein in 2012 and 2011 is as follows:

Thousands of euros			Charge / credit to equity				Business combinations		
	Balance at 31 December 2011	Current movement in the year	Actuarial gains and losses	Charge/ credit to asset and liability revaluation reserve	Available-for-sale financial assets	Other	Period acquisitions	Period disposals	Balance at 31 December 2012
Assets									
Temporary differences	1,784,832	9,335	41,751	2,606	(558,310)	(2,882)	39,250	(8,601)	1,307,981
Tax losses	107,448	709,281	-	-	-	(7,815)	-	(448)	808,466
Tax credits	191,044	159,613	-	-	-	-	-	-	350,657
Liabilities									
Temporary differences	1,174,599	81,122	-	32	(15,110)	(7,370)	-	(774)	1,232,499

Thousands of euros

	Balance at 31 December 2010	Current movement in the year	Charge / credit to equity: Actuarial gains and losses	Charge / credit to equity: Charge/ credit to asset and liability revaluation reserve	Charge / credit to equity: Available-for-sale financial assets	Charge / credit to equity: Other	Business combinations: Period acquisitions	Business combinations: Period disposals	Balance at 31 December 2011
Assets									
Temporary differences	656,296	(264,765)	25,401	17,113	325,097	(6,639)	1,046,361	(14,032)	1,784,832
Tax losses	30,436	58,383	-	59	(4,140)	(238)	23,437	(489)	107,448
Tax credits	137,223	49,307	-	-	-	4,709	-	(195)	191,044
Liabilities									
Temporary differences	270,835	(70,310)	-	(1,335)	(7,618)	(6,041)	990,455	(1,387)	1,174,599

Deferred tax assets and liabilities have not been offset.

The breakdown of the deferred tax assets and liabilities in 2011 due to temporary differences is as follows:

Thousands of euros

	31/12/2012	31/12/2011
Deferred tax assets arising from:		
Asset valuation adjustments and impairment losses	193,207	684,615
Other provisions	279,450	297,679
Pension costs	153,880	118,352
Income with different tax and accounting accruals	70,336	82,007
Business combinations	205,482	323,062
Financial expenses not deductible	129,570	-
Other	276,056	279,117
Total	**1,307,981**	**1,784,832**
Deferred tax liabilities arising from:		
Assets recognised at an amount higher than their tax base	642,709	722,978
Income with different tax and accounting accrual	28,912	34,059
Other	560,878	417,562
Total	**1,232,499**	**1,174,599**

The main changes recognised in 2012 regarding tax assets consist of the generation of the tax loss carryforward for EUR 707,173 thousand, linked to the consolidated tax loss of the ACS tax group in Spain estimated for 2012, which expire in eighteen years. These tax loss carryforwards, which arose mainly as a result of impairment losses and unrealised losses arising from the investment in Iberdrola, S.A., did not exist in 2011, the year in which the tax effect of the valuation adjustments of Iberdrola were included for the most part as deferred tax assets for temporary differences recognised at 31 December 2011 amounting to EUR 577,365 thousand, which also impacts the decrease recognised under assets for temporary differences.

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Since a tax loss was generated, the tax credits of the consolidated tax could not be applied in that year and, therefore, may be applied in subsequent years, which caused an increase in tax assets due to tax credits. Tax credits for double taxation expire in seven years and tax credits relating to incentives expire between fifteen and eighteen years.

With regard to deferred tax assets generated as a result of temporary differences, the only item for which tax legislation considers a specific expiry period is that of non-deductible finance costs arising from the application of the new income tax regulation in Spain, which limits the deductibility of these costs to 30% of the operating profit, thereby allowing adjustments for excess to be offset by the differences to the contrary generated over the following eighteen years.

The deferred tax assets indicated in this Note were recognised in the consolidated statement of financial position because the Group's directors considered that, based on their best estimate of the Group's future earnings, it is probable that these assets will be recovered.

In addition to the amounts recognised on the asset side of the statement of financial position, as detailed 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 impossible to predict the related future flows of profit, which are significant in the Group companies domiciled in Germany. Therefore the tax assets relating to income tax loss carryforwards amounting to EUR 970,282 thousand (EUR 833,521 thousand in 2011), and to municipal taxes amounting to EUR 1,229,886 thousand (EUR 1,044,718 thousand in 2011) were not recognised.

27. Revenue

The distribution of revenue relating to the Group's ordinary operations, by business segment, is as follows:

Thousands of euros

	2012	2011
Construction	29,682,756	19,801,527
Industrial Services	7,050,012	7,045,007
Environment	1,690,799	1,685,710
Corporate unit and other	(27,389)	(60,361)
Total	**38,396,178**	**28,471,883**

In 2012 foreign currency transactions relating to sales and services amounted to EUR 28,006,322 thousand (EUR 16,552,597 thousand in 2011) and those relating to purchases and services received amounted to EUR 19,569,347 thousand (EUR 11,255,473 thousand in 2011).

The distribution of revenue relating to the Group's ordinary operations, by the main countries where it operates, is as follows:

NET REVENUE BY GEOGRAPHICAL AREA

Thousands of euros

	2012	2011
Australia	12,494,377	7,291,262
United States	8,250,834	4,919,673
Spain	5,975,062	7,822,852
Germany	1,916,208	1,392,950
Mexico	1,305,731	1,094,552
Indonesia	1,015,674	603,707
Canada	935,953	308,701
United Arab Emirates	925,054	313,845
Poland	722,052	602,098
Brazil	539,630	398,476
China	504,625	485,378
United Kingdom	487,734	207,211
Portugal	337,137	424,877
Other	2,986,107	2,606,301
Total	**38,396,178**	**28,471,883**

The backlog by line of business at 31 December 2012 and 2011 was as follows:

Thousands of euros

	2012	2011
Construction	49,264,770	50,335,869
Industrial Services	7,160,659	6,874,688
Environment	9,200,577	8,940,593
Total	**65,626,006**	**66,151,150**

Capitalised expenses amounting to EUR 25,581 thousand (EUR 17,494 thousand in 2011), relating mainly to in-house work on property, plant and equipment and intangible assets, were recognised under "In-house work on non-current assets" in the consolidated income statement in 2012.

"Other operating income" includes mainly the amounts billed to joint ventures in the Construction area and to grants related to income received by the Group.

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28. Expenses

28.01. Procurements

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

Thousands of euros	2012	2011
Cost of merchandise	1,569,340	1,548,529
Cost of raw materials and other consumables used	18,277,139	11,478,192
Contract work carried out by other companies	4,072,355	4,740,767
Impairment of merchandise, raw material and procurements	(320)	(4)
Total	**23,918,513**	**17,767,484**

28.02. Staff costs

The detail of "Staff costs" is as follows:

Thousands of euros	2012	2011
Wages and salaries	7,447,514	5,323,300
Social security costs	841,482	774,087
Other staff costs	385,603	218,910
Provisions	5,956	2,224
Total	**8,680,555**	**6,318,521**

Staff costs amounting to EUR 8,709 thousand in 2012 and 2011 relating to the ACS, Actividades de Construccion y Servicios, S.A. share option plans were charged to profit and loss and are recognised under "Wages and salaries".

The average number of employees at Group companies in 2012 was 164,342 (164,923 employees in 2011). In calculation the Group's average workforce in 2012, the average number of employees of the Hochtief Group was taking into considering during this same period, without a weighting coefficient being applied.

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

Category	Average number of employees 31/12/2012			Average number of employees 31/12/2011		
	Men	Women	Total	Men	Women	Total
University graduates	24,280	6,308	30,588	21,538	5,985	27,523
Junior college graduates	5,820	1,677	7,497	7,355	2,043	9,398
Non-graduate line personnel	10,727	1,415	12,142	17,111	2,843	19,954
Clerical personnel	3,462	6,354	9,816	4,259	5,128	9,387
Other employees	96,047	8,252	104,299	91,177	7,484	98,661
Total	**140,336**	**24,006**	**164,342**	**141,440**	**23,483**	**164,923**

The distribution of the average number of employees, by line of business, was as follows:

Number of employees	2012	2011
Construction	94,357	91,957
Industrial Services	40,276	42,044
Environment	29,654	30,865
Corporate Unit and Other	55	57
Total	**164,342**	**164,923**

28.03. Share-based payment systems

The share options relating to the 2005 Plan (extension of 2004 Plan), have an exercise price of EUR 24.10 per share. All 3,918,525 share options of the 2005 Plan were exercise in 2011 with an average weighted market price for the beneficiaries of EUR 34.06 per share. The 2005 Plan was executed in full in 2012.

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

- Number of shares: 6,203,454 shares.
- Beneficiaries: 57 executives: 1 executive with 936,430 shares, 4 executives with between 752,320 and 351,160 shares; 8 executives with 92,940 shares; 16 executives with 69,708 shares and 28 executives with 46,472 shares.
- Acquisition price: EUR 34.155 per share.

The options may be exercised in two equal parts, cumulative if the beneficiary so wishes, during the fourth and fifth years after 1 May 2010, inclusive. However, in the case of an employee is terminated without just cause or if it is the beneficiary's own will, the options may be exercised six months following the event in question in the cases of death, retirement, early retirement or permanent disability, and after 30 days in all other cases. Tax withholdings and the taxes to be paid as a result of exercising the share options will be borne exclusively by the beneficiaries. The method for exercising the option is settled through equity instruments. No options relating to this plan were exercised in 2012 or 2011.

The commitments arising from this plan are hedged through a financial institution (see Note 22).

The stock market price of ACS shares at 31 December 2012 and 2011 was EUR 19.040 and EUR 22.900 per share, respectively.

Within the Hochtief Group there are also share-based payment remuneration systems for the group's management. These plans were set up in 2004, following the sale of the ownership interest of RWE in Hochtief and have continued up to the present year. All of these share option plans form part of the remuneration system for senior executives of Hochtief, and long-term incentive plans. The total amount provisioned for these share-based payment plans amounted to EUR 21,456 thousand at 31 December 2012 (EUR 37,208 thousand at 31 December 2011). The effect on the consolidated statement of income for 2012 in this connection was not significant. To hedge the risk of exposure to changes in the market price of the Hochtief shares, it has a number of derivatives which are not considered to be accounting hedges.

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28.04. Operating leases

The most significant information relating to the operating leases held by the Group as lessee is as follows:

Thousands of euros	2012	2011
Lease payments under operating leases recognised in profit for the year	751,695	614,071

At the end of the reporting period, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

Thousands of euros	2012	2011
Within one year	345,820	393,992
Between two and five years	730,924	838,358
Over five years	132,500	237,260

The Group does not have any material operating leases as a lessor.

28.05. Changes in the fair value of financial instruments

This heading includes the effect on the income statement of derivative instruments which do not meet the efficiency criteria provided in IAS 39, or which are not hedging instruments. The most significant effect is the market value of the derivative financial instruments held at year-end in relation to Iberdrola shares, which generated a gain of EUR 232,333 thousand (see Note 10.01). Accordingly, losses were incurred in 2012 mainly as a result of the valuation of the derivative of the 2010 ACS share option plan and the market value of certain derivatives (see Note 22) amounting to EUR 60,751 thousand (EUR 78,112 thousand in 2011).

28.06. Finance income

At 31 December 2012, finance income included, among other items, the dividends from Iberdrola, S.A. which amounted to EUR 223,435 thousand. At 31 December 2012, the dividends from Iberdrola, S.A. amounting to EUR 373,099 thousand, less the adjustment made amounting to EUR 179,657 thousand, on the basis of the policy of prudence, to neutralise the net contribution of this company to profit or loss for the year.

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

This heading of the accompanying consolidated financial statements for 2012 includes the losses incurred in relation to the sale of the 3.69% share capital of Iberdrola, the impairment losses on the 1.22% ownership interest, and the additional losses as a result of the Residencial Monte Carmelo, S.A. transactions and the equity swap of Iberdrola, the transactions of which are described in Note 10.01. It is also noteworthy of mention that in 2012 the gains on the sale of the 10.28% holding of Abertis Infraestructuras, S.A. amounted to EUR 196,699 thousand.

In 2011, this heading included the capital gains arising from the sale of certain concessions such as the Vespucio Norte Express highway and the San Cristobal tunnel in Chile for EUR 156,988 thousand, certain renewable energy assets, the sale of certain transmission lines in Brazil, the capital gains on the sale of concession assets (mainly the I-595 highway for EUR 51,870 thousand), as well as the gains on the sales of ownership interests in logistics and other environmental businesses. This heading also includes the provisions made in relation to certain concession assets amounting to EUR 57,200 thousand.

30. Distribution of profit

The proposed allocation of loss for 2012 that the Company's directors will submit for approval by the shareholders at the General Shareholders' Meeting consists of offsetting the loss for the year with a charge to future profits.

In addition to the foregoing, at the date of the call notice of the General Shareholders' Meeting, the Board of Directors has agreed to propose an alternative remuneration system enabling bonus shares of ACS, Actividades de Construccion y Servicios, S.A., or cash through the sale of the related free allotment rights to shares. This option would be instrumented through an increase in paid-in capital, which would be subject to approval by the shareholders at the Annual General Meeting. If approved, the increase in paid-in capital could be carried out by the Board or Directors, or by delegation, the Executive Committee on two occasions, in order to take into account not only the remuneration traditionally paid in July but also the possible interim dividend for the year. Upon each capital increase, each shareholder of ACS, Actividades de Construcción y Servicios, S.A. would receive a bonus issue right for each share of ACS, Actividades de Construcción y Servicios, S.A. The rights received would be traded on the Madrid, Barcelona, Bilbao and Valencia stock markets. Depending on the alternative chosen, shareholders would be able to either receive additional paid-in shares of ACS, Actividades de Construccion y Servicios, S.A. or sell their bonus issue rights on the market or sell them to the company at a specific price calculated using an established formula.

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 ordinary shares outstanding during the year, excluding the average number of treasury shares held in the year.

Accordingly:

	31/12/2012	31/12/2011	Change (%)
Net profit for the period (thousands of euros)	(1,926,438)	961,940	(300,27)
Weighted average number of shares outstanding	291,343,082	296,612,696	(1,78)
Basic earnings per share (Euros)	**(6.61)**	**3.24**	**(304.01)**
Profit after tax and non-controlling interests from discontinued operations (Thousands of euros)	107,454	45,787	134.68
Basic earnings per share from discontinued operations (Euros)	**0.37**	**0.15**	**146.67**
Basic earnings per share from continuing operations (Euros)	**(6.98)**	**3.09**	**(325.89)**

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31.02. Diluted earnings per share

The diluted earnings per share were the same as basic earnings per share. At 31 December 2012 and 2011, the ACS Group had no ordinary shares that could potentially be diluted since no convertible debt had been issued and, 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 share options lead to diluted earnings.

32. Events after the reporting period

On 23 January 2013, the ACS Group definitively sold a total of 20,200,000 treasury shares to three entities at a price which was the weighted average of the share price at 2:00 pm on the same day less 3%, which gave rise to a unit price of EUR 17.83 and a total amount of EUR 360,166,000 (see Note 15.04). In addition, the Group entered into a derivative contract for the same number of ACS shares, payable only in cash and within a period of two years that may be extended for a further year.

On 14 March 2013, Hochtief, A.G. issued a corporate bond amounting to EUR 750 million maturing in seven years and with an annual coupon of 3.875%.

On 21 March 2013, in using the authorisation granted by the shareholders at the Annual General Meeting held on 25 May 2009 and in executing the resolution of the Board of Directors of 8 November 2012, ACS, Actividades de Construcción y Servicios, S.A. formally executed the Euro Commercial Paper (ECP) programme for a maximum of EUR 500 million, which was subscribed by the Irish Stock Exchange. By means of this programme, ACS will be able to issue promissory notes maturing between 1 and 364 days, thereby enabling it to diversify its means of obtaining financing on capital markets.

33. Related party balances and transactions

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 Parent's individual financial statements.

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

33.01. Transactions with associates

In 2012 the Group companies performed the following transactions with related parties that do not form part of the Group:

Thousands of euros	2012	2011
Sale of goods and services	101,340	138,850
Purchase of goods and services	8,868	8,618
Accounts receivable	1,585,106	1,547,115
Accounts payable	489,960	643,656

Transactions between Group companies are carried under normal market conditions.

33.02. Balances and transactions with other related parties

Information relating to the transactions with related parties carried out in 2012 is disclosed in accordance with the Order EHA/3050/2004, of 15 September of the Ministry of Economy and Finance and the CNMV Circular 1/2005, of 1 April.

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

The transactions performed in 2012 were as follows (in thousands of euros):

Thousands of euros

2012 Related transactions	Significant shareholders		Directors and managers	Other related parties							
Expenses and revenue	Grupo Iberostar	Total	Total	Fidalser, S.L.	Rosán Inversiones, S.L.	Terratest Técnicas Especiales, S.A.	Indra	Zardoya Otis, S.A.	March-JLT, S.A.	Total	Total
Management or cooperation agreements	-	-	-	-	-	3,211	-	-	-	3,211	3,211
Leases	-	-	-	182	-	-	-	-	-	182	182
Reception of services	-	-	-	66	-	1,092	2,756	1,113	-	5,027	5,027
Other expenses	-	-	-	-	-	-	-	-	41,806	41,806	41,806
Expenses	**-**	**-**	**-**	**248**	**-**	**4,303**	**2,756**	**1,113**	**41,806**	**50,226**	**50,226**
Provision of services	538	538	97	-	276	-	2,130	5	-	2,411	3,046
Revenue	**538**	**538**	**97**	**-**	**276**	**-**	**2,130**	**5**	**-**	**2,411**	**3,046**

Thousands of euros

2012 Related transactions	Significant shareholders		Other related parties					
Other transactions	Banca March	Total	Banco Sabadell	Fidwei Inversiones, S.L.	Lynx Capital, S.A.	Fidalser, S.L.	Total	Total
Financing agreements: Loans and capital contributions (lender)	52,120	52,120	859,603	-	-	-	859,603	911,723
Guarantees given	41,120	41,120	-	-	-	-	-	41,120
Dividends and other distributed profit	-	-	-	554	674	1,059	2,287	2,287
Other transactions	30,645	30,645	-	-	-	-	-	30,645

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The transactions performed in 2011 were as follows (in thousands of euros):

Thousands of euros

2011 Related transactions	Significant shareholders			Directors and managers	Other related parties							
Expenses and revenue	Banca March	Grupo Iberostar	Total	Total	Fidalser, S.L.	Rosán Inversiones, S.L.	Terratest Técnicas Especiales, S.A.	Indra	Zardoya Otis, S.A.	March-JLT, S.A.	Total	Total
Management or cooperation agreements	1,125	-	1,125	-	-	-	3,059	-	-	-	3,059	4,184
Leases	-	-	-	-	200	-	-	-	-	-	200	200
Reception of services	-	-	-	-	62	-	5,467	5,709	1,112	-	12,350	12,350
Other expenses	-	-	-	-	-	-	-	-	-	43,137	43,137	43,137
Expenses	**1,125**	**-**	**1,125**	**-**	**262**	**-**	**8,526**	**5,709**	**1,112**	**43,137**	**58,746**	**59,871**
Provision of services	-	1,052	1,052	644	-	5,434	-	3,472	17	-	8,923	10,619
Revenue	**-**	**1,052**	**1,052**	**644**	**-**	**5,434**	**-**	**3,472**	**17**	**-**	**8,923**	**10,619**

Thousands of euros

2011 Related transactions	Significant shareholders		Other related parties					
Other transactions	Banca March	Total	Banco Sabadell	Fidwei Inversiones, S.L.	Lynx Capital, S.A.	Fidalser, S.L.	Total	Total
Financing agreements: Loans and capital contributions (lender)	91,280	91,280	974,055	-	-	-	974,055	1,065,335
Guarantees given	42,730	42,730	-	-	-	-	-	42,730
Dividends and other distributed profit	-	-	-	861	702	1,025	2,588	2,588
Other transactions	100,753	100,753	-	-	-	-	-	100,753

At 31 December 2012, the outstanding balance payable to Banca March for credit facilities and loans granted to ACS Group companies amounted to EUR 47,075 thousands (EUR 53,722 thousand in 2011). The transactions being maintained at 31 December 2012, in accordance with the information available regarding ACS Group companies, amounted to EUR 22,893 thousand (EUR 24,770 thousand at 31 December 2011) in guarantees, EUR 18,123 thousand (EUR 29,230 thousand at 31 December 2011) in reverse factoring transactions to suppliers.

At 31 December 2012. the balance payable to Banco Sabadell amounted to EUR 261,191 thousand (EUR 477,036 thousand in 2011) for loans and credit facilities granted to ACS Group companies. Accordingly, the transactions maintained by this bank at 31 December 2012, in accordance with the information available regarding ACS Group companies, amounted to EUR 209,706 thousand (EUR 191,600 thousand at 31 December 2011) in guarantees and sureties, EUR 35,429 thousand (EUR 75,887 thousand at 31 December 2011) in reverse factoring transactions to suppliers. In addition, at 31 December 2011 the balance of discounting facilities amounted to EUR 634 thousand and factoring transactions totalled EUR 21,825 thousand.

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

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

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

The transactions with other related parties are listed due to the relationship of certain board members of ACS, Actividades de Construcción y Servicios, S.A. with companies in which they are either shareholders or senior executives. In this regard, the transactions with Fidalser, S.L., Terratest Tecnicas Especiales, S.A., Fidwei Inversiones, S.L. and Lynx Capital, S.A. are listed due to the relationship of the director, Pedro Lopez Jimenez, with these companies. Transactions with Indra are listed due to its relationship with the director Javier Monzon. The transactions performed with the Zardoya Otis, S.A. are indicated due to its relationship with the director José María Loizaga. The transactions with Banco Sabadell are listed due the bank's relationship with the director Javier Echenique. The transactions with the insurance broker, March-JLT, S.A., are listed due to the company's relationship with Banca March, although in this case the figures listed are intermediate premiums paid by ACS Group companies, rather than considerations for insurance brokerage services.

"Other transactions" includes all transactions not related to the specific sections included in the periodic public information reported in accordance with the regulations published by the CNMV. In 2012 "Other transactions" related exclusively to Banca March, since it is the main shareholder of Corporacion Financiera Alba, S.A., which is a direct shareholder of the ACS Group. Banca March, as a financial institution, provides various financial services to ACS Group companies in the ordinary course of business amounting to a total EUR 30,645 thousand (EUR 100,753 thousand in 2011), and in this case they relate to the reverse factoring lines of credit for suppliers.

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

The transactions performed between ACS consolidated Group companies were eliminated in the consolidation process and form part of the normal business activities of the companies in terms of their company object and conditions. The transactions were carried out on an arm's length basis and they do not have to be disclosed to present fairly the equity, financial position and results of the operations of the Group.

In accordance with the information available to ACS, Actividades de Construcción y Servicios, S.A., the members of the Board of Directors were not involved in any conflicts of interest in 2012 or 2011, in accordance with that indicated in Article 229 of the Spanish Companies Law.

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34. Board of Directors and senior executives

In 2012 and 2011 the Board members of ACS, Actividades de Construcción y Servicios, S.A. received the following remuneration either as members of the boards of directors of the Parent and the Group companies or as senior executives of Group companies.

Thousands of euros	2012	2011
Fixed remuneration	3,862	3,617
Variable remuneration	3,885	3,788
By-law stipulated director's emoluments	2,734	3,278
Other	1	1
Total	**10,482**	**10,684**

In addition, EUR 1,808 thousand were charged to consolidated income in 2012 and 2011 as a result of the share options granted to members of the Board of Directors with executive posts. This amount relates to the proportion of the value of the plan at the date on which it was granted.

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

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Thousands of euros	2012	2011
Pension funds and plans: contributions	1,811	1,955
Pension funds and plans: obligations assumed	1,811	1,955
Life insurance premiums	16	16

The amount recognised under "Pension funds and plans: Contributions" includes the payments made by the Company in 2012. The amount recognised under "Pension funds and plans: Obligations assumed" relates, in addition to the foregoing, to obligations charged to income in the year in this connection, even if they had been disbursed prior to the related year. The obligations assumed in relation to pension plans are the same as the amounts contributed in this connection, since these obligations have been externalised and transferred to an insurance company. Accordingly, the Group has not assumed any outstanding obligation other than the contribution of the annual premium.

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

Remuneration, by type of director, including the amounts charged to the income statement relating to share options, were as follows:

Thousands of euros	2012	2011
Executive Directors	8,393	8,243
Non-executive nominee Directors	1,256	1,436
Non-executive independent Directors	524	687
Other Non-Executive Directors	309	318
Total	**10,482**	**10,684**

34.01. Transactions with members of the Board of Directors

The transactions with members of the Board of Directors or with companies in which they have an ownership interest giving rise to a relation with the ACS Group are indicated in Note 33.02 on transactions with related parties.

34.02. Remuneration of senior executives

The remuneration in 2012 and 2011 of the Group's senior executives who are not also executive directors was as follows:

Thousands of euros	2012	2011
Salaries (fixed and variable)	21,025	27,352
Pension Plans	1,690	2,165
Life insurance	25	44

EUR 6,901 thousand were charged to consolidated income in 2012 and 2011 as a result of the share options granted to the Group's senior executives, and were not recognised under "Total remuneration".

With regard to the Group's senior executives, only one transaction was recognised with Group companies, which consisted of purchasing assets for EUR 453 thousand on an arm's-length basis.

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35. Other disclosures concerning the Board of Directors

Pursuant to Article 229 of the Spanish Companies Law, following is a detail of the companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of ACS, Actividades de Construcción y Servicios, S.A., in which the members of the Board of Directors at 2012 year-end own equity interests, and of the functions, if any, that they discharge thereat:

Name	Investee	Line of Business	Ownership interest	Function
Joan David Grimá Terré	Cory Environmental Management Limited	Environment	0.000%	Board Member
Pedro López Jiménez	GTCEISU Construcción, S.A. (the Terratest Group)	Special Foundations	45.00%	Chairman (through Fapindus, S.L.)
Santos Martinez-Conde Gutiérrez-Barquín	Fomento de Construcciones y Contratas, S.A.	Construction and Services	0.004%	None
Santos Martinez-Conde Gutiérrez-Barquín	Técnicas Reunidas, S.A.	Construction of Industrial Facilities	0.002%	None
Santos Martinez-Conde Gutiérrez-Barquín	Repsol YPF, S.A.	Energy	0.001%	None
Santos Martinez-Conde Gutiérrez-Barquín	Indra Sistemas, S.A.	Information technologies and defence systems	0.004%	None
Santos Martinez-Conde Gutiérrez-Barquín	Endesa, S.A.	Energy	0.000%	None
Santos Martinez-Conde Gutiérrez-Barquín	Ferrovial, S.A.	Construction and Services	0.001%	None
Santos Martinez-Conde Gutiérrez-Barquín	Telefónica, S.A.	Telephony	0.001%	None
Santos Martinez-Conde Gutiérrez-Barquín	Abertis Infraestructuras, S.A.	Concessions	0.001%	None
Santos Martinez-Conde Gutiérrez-Barquín	Gás Natural SDG, S.A.	Energy	0.001%	None
Santos Martinez-Conde Gutiérrez-Barquín	Enagas, S.A.	Energy	0.002%	None
Santos Martinez-Conde Gutiérrez-Barquín	Iberdrola, S.A.	Energy	0.001%	None
D. 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	Sagital, S.A.	Private security and integral building maintenance	5.10%	None
Juan March de la Lastra	Indra Sistemas, S.A.	Information technologies and defence systems	0.009%	Board Member
Antonio García Ferrer	Ferrovial, S.A.	Construction and Services	0.000%	None

Also pursuant to the aforementioned law, set forth below are the activities carried on, as independent professionals or as employees, by the various members of the Board of Directors that are identical, similar or complementary to the activity that constitutes the company object of ACS, Actividades de Construccion y Servicios, S.A. for 2012.

Name	Activity performed	Type of arrangement	Company through which the activity is performed	Position or function at the company concerned
Pablo Valbona Vadell	Finance	Employee	Banca March, S.A.	First Deputy Chairman
Manuel Delgado Solís	Construction	Employee	Dragados, S.A.	Board Member
Javier Echenique Landiribar	Finance	Employee	Banco Sabadell	Deputy Chairman
Javier Echenique Landiribar	Energy	Employee	Repsol YPF, S.A.	Board Member
Javier Echenique Landiribar	Paper	Employee	Ence, S.A.	Board Member
Juan March de la Lastra	Holding	Employee	Corporación Financiera Alba, S.A.	Board Member
Juan March de la Lastra	Information Technologies	Employee	Indra Sistemas, S.A.	Board Member
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
Antonio García Ferrer	Construction	Employee	Dragados, S.A.	Board Member
Antonio García Ferrer	Industrial Services	Employee	ACS, Servicios, Comunicaciones y Energía, S.L.	Board Member
Antonio García Ferrer	Urban services and concessions	Employee	ACS, Servicios y Concesiones, S.L.	Board Member
Agustín Batuecas Torrego	Transport interchange	Employee	Intercambiador de Transporte de Avenida de América	Chairman
Agustín Batuecas Torrego	Rail transport of goods	Employee	Continental Raíl, 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 Continental Auto, S.L. Chairman
Agustín Batuecas Torrego	Transport interchange	Employee	Intercambiador de Transportes Plaza de Castilla, S.A.	Individual representing Continental Auto, S.L. Chairman
Agustín Batuecas Torrego	Rail transport of goods	Employee	Construrail, S.A.	Board Member
Pedro José López Jiménez	Construction and Services	Employee	Hochtief, A.G.	Board Member
Pedro José López Jiménez	Paper	Employee	Ence, S.A.	Board Member
Pedro José López Jiménez	Industrial Services	Employee	ACS, Servicios , Comunicaciones y Energía, S.L.	Deputy Chairman
Pedro José López Jiménez	Construction	Employee	Dragados, S.A.	Acting Chairman and Deputy Chairman
Pedro José López Jiménez	Urban services and concessions	Employee	ACS, Servicios y Concesiones, S.L.	Acting Chairman and Deputy Chairman

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Name	Activity performed	Type of arrangement	Company through which the activity is performed	Position or function at the company concerned
Pedro José López Jiménez	Special Foundations	Employee	GTCEISU Construction, S.A.	Chairman (through Fapindus, S.L.)
Santos Martínez-Conde Gutiérrez-Barquín	Finance	Employee	Banca March, S.A.	Board Member
Santos Martínez-Conde Gutiérrez-Barquín	Holding	Employee	Alba Participaciones, S.A.	Chairman
Santos Martínez-Conde Gutiérrez-Barquín	Steel	Employee	Acerinox, S.A.	Board Member
Santos Martínez-Conde Gutiérrez-Barquín	Holding	Employee	Corporación Financiera Alba, S.A.	Board Member - CEO
Javier Monzón de Cáceres	Urban services and concessions	Employee	ACS, Servicios y Concesiones, S.L.	Board Member
Javier Monzón de Cáceres	Information Technologies	Employee	Indra Sistemas, S.A.	Chairman
Miguel Roca Junyent	Infrastructure Concessions	Employee	Abertis Infraestructuras, S.A.	Non-Board Member secretary
Miguel Roca Junyent	Textile	Employee	La Seda de Barcelona, S.A.	Chairman of the AGM
Miguel Roca Junyent	Finance	Employee	Banco Sabadell, S.A.	Non-Board Member secretary
Miguel Roca Junyent	Energy	Employee	Endesa	Independent External Board Members
Álvaro Cuervo García	Stock Exchange	Employee	BME-Bolsas y Mercados Españoles, S.A.	Board Member
José Luis del Valle Pérez	Urban services and concessions	Employee	ACS, Servicios y Concesiones, S.L.	Board Member secretary
José Luis del Valle Pérez	Industrial Services	Employee	ACS, Servicios, Comunicaciones y Energía, S.L.	Board Member secretary
José Luis del Valle Pérez	Construction	Employee	Dragados, S.A.	Board Member secretary
José Luis del Valle Pérez	Engineering and Assembly work	Employee	Cobra Gestión de Infraestructuras, S.L.	Board Member secretary
José Luis del Valle Pérez	Integral Maintenance	Employee	Clece, S.A.	Chairman
José Luis del Valle Pérez	Investments	Employee	Del Valle Inversiones, S.A.	Director acting severally
José Luis del Valle Pérez	Construction and Services	Employee	Hochtief, A.G.	Member of the Supervisory Board
Joan David Grimá Terré	Environment	Employee	Cory Environmental Management Limited	Board Member
Florentino Pérez Rodríguez	Holding	Independent Professional	Inversiones Vesán, S.A.	Board Member
D. Julio Sacristán Fidalgo	Holding	Employee	Inversiones Vesán, S.A.	Board Member
Sabina Fluxá Thienemann	Tourism	Employee	Iberostar Hoteles y Apartamentos, S.L.	Board Member

In 2012 the ACS Group had commercial relationships with companies in which certain of its directors hold management functions. All these commercial transactions were carried out on an arm's length basis in the ordinary course of business, and related to ordinary Group transactions.

The members of the Company's Board of Directors have had no conflicts of interest over the year.

36. Guarantee commitments to third parties

At 31 December 2012, the ACS Group had provided guarantees to third parties in connection with its business activities totalling EUR 13,495,400 thousand (EUR 13,548,136 thousand in 2011).

Noteworthy are the guarantees given by Hochtief. In this connection the syndicated guarantee lines obtained by Hochtief A.G. in 2007 were refinanced together with a syndicated credit facility in December 2011, with a combined credit and guarantee line of EUR 2,000,000 thousand by an international syndicate of banks. The guarantee tranche amounted to EUR 1,500,000 thousand, of which EUR 1,120,200 thousand had been drawn down at the end of the reporting period. This line is available for ordinary activities, mainly relating to the concession are and Europe division of Hochtief, and has been granted for a five year term, expiring on 13 December 2016.

The Hochtief Group also has undrawn guarantee lines amounting to EUR 5,740,000 thousand from insurance companies and banks.

Hochtief A.G. has arranged a limited guarantee line for US insurance companies in relations to the obligations of the Turner and Flatiron Groups. This is the type of Financing used in the United Sates to guarantee the performance of public works and for certain clients. Financing totalled USD 6,500,000 thousand, of which USD 4,417,000 thousand has been used in 2011. The guarantee furnished by Hochtief has never been called and it is not projected that this will occur in the future.

The Group's directors do not expect any material liabilities additional to those recognised in the accompanying consolidated statement of financial position to arise as a result of the transactions described in this Note.

The contingent liabilities include the ordinary liability of the companies with which the Group carries on 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 performance of the contracts, compliance with the obligations assumed 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 connection, in relation to one of the concession operators in which the Group holds ownership interests, the non-controlling shareholders have a potential option to sell and guarantees to

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third parties. However the Group and its legal advisors do not consider that the conditions stipulated for its execution have been met, and accordingly, no liability was recognised in this connection in the accompanying financial statements. The directors of the Group companies consider that the possible effect on the financial statements would not be material.

In relation to the ownership interest held by Hochtief in the airport of Budapest, included under "Assets classified as held for sale", the non-controlling shareholders have the option of selling their interest in the event of a change of control in Hochtief, at a price that would be set by a third party. This would require Hochtief to purchase the asset, which is currently subject to arbitration. The Group and its legal advisors consider that, should actions be taken, this control option would have to be assessed exclusively based on the direct ownership interest of ACS en Hochtief, which is less than 50%.

37. Information on the environment

The ACS combines its business aims with the objective of protecting the environment and appropriately managing the expectations of its stakeholders in this area. ACS's environmental policy is intended to be a framework in which, on the one hand, the general lines to be followed (principles) are defined and, on the other hand, the particular features of each business line and each project are collected (articulation).

The principles are the ACS Group's general environmental commitments. These are sufficiently flexible as to accommodate the elements of policy and planning developed by the companies in the different business areas. In addition, these commitments need to keep within the requirements of the ISO 14001 Standard:

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

In order to be able articulate and deploy a policy on these environmental commitments, the most significant are identified at corporate level and are compared with each company's management system and the environmental priorities for each business. These common priorities, which then become common to the majority of the ACS Group members, establish objectives and programs to individually improve each company.

The significant degree of implementation of an environmental management system present in companies representing 55.8% of the Group's sales, is based on the aim of seeking to adopt the ISO 14001 standard in the majority of the Group's activities. This standard is already implemented in companies representing 68.0% of the ACS Group sales, although it is not the only certificate, considering that ACS Group companies accounting for 78.13% of sales have reported the obtainment of other types of certifications, many in addition to the ISO14001 international standard.

The responsibility of overseeing the ACS Group's environmental performance falls to the Environmental Department in each company. In general, the following common, general and most significant characteristics were found in the ACS Group's companies' management of environmental impacts:

These companies develop policies and action plans in a decentralised independent manner (in ACS companies accounting for 96.0% of sales, objectives are defined in relation to the environment on a regular basis, and 25.0% of the companies reward employees for complying with these objectives).

They also implement certification schemes and external independent audits (55.8% of the ACS Group's production was audited in 2012).

They perform environmental audits (724 in 2012).

Companies representing 71.6% of ACS Group sales have some type of centralised database to collect environmental data.

Companies representing 33.0% of the ACS Group's sales have an incident reporting system for detailing near misses relating to environmental matters. A total of 967 environmental incidents occurred in 2012, which involved the origination of a total of 20 sanctioning administrative proceedings.

The main environmental assets relate to the water treatment facilities, biogas, incineration and leachate systems to prevent and reduce environmental pollution and damage. At 31 December 2012, the value of these assets, net of depreciation, was EUR 17,511 thousand (EUR 18,020 thousand in 2011).

Environmental expenses incurred in 2012 amounted to EUR 1,979 thousand (EUR 1,343 thousand in 2011).

38. Auditors' fees

The fees for financial audit services provided to the various companies in 2012 and 2011 were as follows:

Thousands of euros	2012	2011
Audit service fees	**15,189**	**14,745**
Main auditor	11,204	8,735
Other auditors	3,985	6,010
Fees for tax services	**1,892**	**3,614**
Main auditor	370	878
Other auditors	1,522	2,736
Other services	**3,963**	**5,334**
Main auditor	2,508	3,039
Other auditors	1,455	2,295
Total	**21,044**	**23,693**

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

As stated in Note 2 to the financial statements, Appendices I, II and III list the subsidiaries, joint ventures and associates of most significance in the ACS Group in 2011, including their registered office and the Group's effective percentage of ownership. The effective percentage indicated in the Appendices includes, in the event it is applicable to subsidiaries, the proportional part of the treasury shares held by the subsidiary.

The information is grouped in accordance with the management criteria of the ACS Group on the basis of the different business segments or lines of business carried on.

1. Corporate Unit

This includes the Parent of the Group, ACS, Actividades de Construccion y Servicios, S.A., and companies with ownership interests mainly in energy and telecommunications.

2. Construction

Information is separated on the basis of the two companies heading this line of business:

- Dragados. This includes both domestic and foreign activities relating to civil construction works (highways and roads, railways, hydraulic infrastructures, coasts and ports, etc.), as well as residential and non-residential buildings.
- Hochtief. This segment includes the activities carried on by the different business segments of this company:
  - Hochtief America. Its activity is mainly carried on in the USA and Canada and relates to the construction of buildings (public and private), infrastructures, civil engineering, and educational and Sports facilities.
  - Hochtief Asia Pacific. Its activities are carried on by its Australian subsidiary Leighton, noteworthy being construction, mining contracts and the operation and development of real estate infrastructures.
  - Hochtief Concessions. This segment operates concession relating to airports, roads, tunnels and social infrastructure (schools, and public centres), most with public and private collaboration.
  - Hochtief Europe. This segment mainly operates through Hochtief Solutions A.G., which designs, develops, constructs and operates infrastructure projects, real estate and facilities.
- Iridium. It carries out infrastructure promotion and development, both in relation to transport and public facilities, managing different public-private collaboration models.

3. 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.

4. Environment

This segment groups together environmental services such as road Cleaning, waste collection and transport, treatment and recycling of urban, commercial and industrial waste, integral management of the water cycle and urban landscaping.

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Appendix I. Subsidiaries

Company	Registered Office	% Effective Ownership
PARENTS		
ACS, Actividades de Construcción y Servicios, S.A.	Avda. de Pío XII, 102. 28036 Madrid. Spain	-
ACS Actividades Finance, B.V.	Amsterdam. Holand	100.00%
ACS Telefonía Móvil, S.L.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Admirabilia, S.L.	Avda. de Pio XII, 102. 28036 Madrid. Spain	100.00%
Aurea Fontana, S.L.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Cariátide, S.A.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Corporate Funding, S. L.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Corporate Statement, S. L.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Equity Share, S.L.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Funding Statement S.L.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Major Assets, S. L.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Novovilla, S.L.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
PR Pisa, S.A.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Residencial Monte Carmelo, S.A.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Roperfeli, S.L.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Villa Aurea, S.L.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Villanova, S.A.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
CONSTRUCTION - DRAGADOS		
Acainsa, S.A.	C/ Orense, 34 - 1°. 28020 Madrid. Spain	100.00%
Aparcamiento Tramo C. Rambla-Coslada, S.L.	C/ Orense, 34 - 1°. 28020 Madrid. Spain	100.00%
Besalco Dragados, S.A.	Avda. Tajamar n° 183 piso 1° Las Condes. Santiago de Chile. Chile	50.00%
Castellano Leonesa de Minas, S.A.	Avda. del Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Cesionaria Vallés Occidental, S.A.	Avda. Josep Tarradellas, n° 8-10. 08029 Barcelona. Spain	100.00%
Comunidades Gestionadas, S.A. (COGESA)	C/ Orense, 34-1°. 28020 Madrid. Spain	100.00%
Consorcio Dragados Conpax Dos S.A.	Avda. Vitacura 2939 ofic 2201. Las Condes.Santiago de Chile. Chile	55.00%
Consorcio Dragados Conpax, S.A.	Avda. Vitacura 2939 ofic. 2201.Las Condes. Santiago de Chile. Chile	60.00%
Consorcio Tecdra, S.A.	Almirante Pastene, 244.702. Providencia. Santiago de Chile. Chile	100.00%
Construcciones y Servicios del Egeo, S.A.	Alamanas,1 151 25 Maroussi. Athens. Greece	100.00%
Constructora Dycven, S.A.	Veracruz Edif. Torreón, 3°, Urbaniz. Las Mercedes. Caracas. Venezuela	100.00%
Constructora Vespucio Norte, S.A.	Avda. Vitacura 2939 Of.2201, Las Condes. Santiago de Chile. Chile	54.00%
Construrail, S.A.	C/ Orense, 11. 28020 Madrid. Spain	51.00%
Continental Rail, S.A.	C/ Orense, 11. 28020 Madrid. Spain	100.00%
DRACE Infraestructuras S.A.	Avda. del Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Drace Infrastructures USA, Llc.	701 5 th Avenue, Suite 7170 Seattle, WA 98104. Washington. United States of America	100.00%
Dragados Canada, Inc.	Suite 1400 40 Elgin Street. Otawa. Ontario. Canada	100.00%
Dragados Construction USA, Inc.	500 Fifth Avenue, 38 th. Floor. New York, NY 10110. United States of America	100.00%
Dragados CVV Constructora, S.A.	Avda. Vitacura 2939 of.2201. Las Condes.Santiago de Chile. Chile	80.00%
Dragados Inversiones USA, S.L.	Avda. Camino de Santiago, 50 - 28050 Madrid. Spain	100.00%
Dragados Ireland Limited	The Oval ,Block 3, end floor 160,Shelbourn Road Dublin 4.Dublin. Ireland	100.00%
Dragados Obra Civil y Edificac Mexico S.A de C.V.	C/ Hamburgo, 172, piso 1. Juarez Distrito Federal 06000 Mexico	100.00%
Dragados UK Ltd.	Hill House 1 Little New Street. London EC4A3TR United Kingdom	100.00%
Dragados USA, Inc.	500 Fifth Avenue, 38 th. Floor. New York, NY 10110. United States of America	100.00%
Dragados, S.A.	Avda. del Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Dycasa S.A.	Avda. Leandro N. Alem.986. Buenos Aires. Argentina	66.10%
Eix Diagonal Construccions, S.L.	Avda. del Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Flota Proyectos Singulares UK Ltd.	Regina house second floor, 1-5 Queen Street. London. United Kingdom	100.00%
FPS Encon Precast, Llc.	1660 Lincoln St, suite 1800.Denver, CO 80264. United States of America	55.00%
Gasoductos y Redes Gisca, S.A.	C/ Orense, 11. 28020 Madrid. Spain	52.50%
Geocisa UK Ltd.	6 Mitre Passage, Floor 8. Greenwich Peninsula - Peninsula Central. London SE10 0ER. United Kingdom	100.00%
Geocisa USA Inc.	2711 Centerville Road, Suite 400, Wilmigton, New Castle - Delaware. United States of America	100.00%
Geotecnia y Cimientos, S.A.	C/ Los Llanos de Jerez, 10-12. 28823 Coslada. Madrid. Spain	100.00%
Gestifisa, S.A.	C/ Orense, 34 1°. 28020 Madrid. Spain	100.00%
Inmobiliaria Alabega, S.A.	C/ Orense, 34 - 1°. 28020 Madrid. Spain	100.00%
John P. Picone Inc.	31 Garden Lane. Lawrence.NY 11559 United States of America	80.00%
Lucampa, S.A.	C/ Orense, 34 - 1°. 28020 Madrid. Spain	100.00%

Company	Registered Office	% Effective Ownership
Manteniment i Conservació del Vallés, S.A.	Avda. Josep Tarradellas, nº 8 2º puerta 4. 08029 Barcelona. Spain	100.00%
Mostostal Pomorze, S.A.	80 - 557 Gdansk ul. Marynarki Polskiej 59. Poland	66.00%
Newark Real Estate Holdings, Inc.	500 Fifth Avenue, 38 th. Floor. New York, NY 10110. United States of America	100.00%
PA CONEX Sp. z.o.o.	09-500 Gostynin ul. Ziejkowa 2a. Poland	66.00%
PA Wyroby Betonowe Sp. z.o.o.	82-300 Elblag ul. Plk. Dabka 215. Poland	66.00%
Placidus Investments Sp. z.o.o.	00-728 Warszawa ul. Kierbedzia 4. Poland	39.60%
Pol-Aqua Wostok Sp. z.o.o.	115184 Moscow ul. Nowokuznieckaja 9. Russia	33.66%
Pol-Aqua, S.A.	Dworska 1, 05-500 Piaseczno k /. Varsow. Poland	66.00%
Protide, S.A.	C/ Orense,34 - 1º 28020 Madrid. Spain	100.00%
Pulice Construction, Inc.	2033 W Mountain View Rd. Phoenix. AZ 85021 Phoenix. United States of America	100.00%
Remodelación Ribera Norte, S.A.	Avda. Josep Tarradellas, nº 8 2º puerta 4. 08029 Barcelona. Spain	100.00%
Residencial Leonesa, S.A.	C/ Orense, 34 - 1º. 28020 Madrid. Spain	100.00%
Schiavone Construction Company	150 Meadowlands Parkway Seacaucus. New Jersey 07068. United States of America	100.00%
Sicsa Rail Transport, S.A.	C/ Orense, 11. 28020 Madrid. Spain	76.00%
Sussex Realty, Llc.	31 Garden Lane Lawrence, NY 11559. United States of America	90.00%
Técnicas e Imagen Corporativa, S.L.	Avda. de Paris, 1 - 19200 Azuqueca de Henares. Guadalajara. Spain	100.00%
TECO Sp. z.o.o.	51 - 502 Wroclaw ul. Mydlana 1. Poland	66.00%
Tecsa Empresa Constructora, S.A.	Avda. Madariaga, 1, 4º 48014 Bilbao. Spain	100.00%
Tedra Australia Pty. L.T.D.	293 Queen Street, Altona, Meadows VIC 3028. Australia	100.00%
Vias Canada Inc.	150 King Street West, Suite 805.Toronto ON. Canada	100.00%
Vias USA Inc.	2711 Centerville Road, Suite 400, Wilmington.New Castle. Delaware. United States of America	100.00%
Vias y Construcciones UK Limited	Regina House 2nd Floor, 1-5. Queen Street. London. United Kingdom	100.00%
Vías y Construcciones, S.A.	C/ Orense, 11. 28020 Madrid. Spain	100.00%
Weneda Sp. z.o.o.	45-355 Opole ul. 1 - go Maja 77/1. Poland	66.00%
CONSTRUCTION - IRIDIUM (Concessions)		
ACS Infrastructure Canada, Inc.	155 University Avenue, Suite 1800,Toronto, Ontario M5H 3B7. Canada	100.00%
ACS Infrastructure Development, Inc.	Corporation Trust Company, Corporation Trust Center, 1209 Orange Street. Wilmington New Castle. Delaware 19801. United States of America	100.00%
ACS NA30 Holding Inc.	3700 - 1 Place Ville-Marie.Montreal, Quebec H3B 3P4. Canada	100.00%
ACS Neah Partner Inc.	2800 Park Place. 666 Burrard Street. Vancouver BC V6C 2Z7. Canada	100.00%
ACS WEP Holdings, Inc.	1 Germain Street Suite 1500. Saint John NB E2L4V1. Canada	100.00%
Autovía de La Mancha, S.A. Concesionaria JCC Castilla La Mancha	21.500 de la CM-42 en el 45.430 de Mascaraque. Toledo. Spain	75.00%
Autovia del Camp del Turia, S.A.	C/ Alvaro de Bazán, nº 10 Entlo. 46010 Valencia. Spain	65.00%
Autovía del Pirineo, S.A.	Autovía del Pirineo A-21, pk. 39, 31487 Liédena, Navarra. Spain	72.00%
Autovía Medinaceli-Calatayud Soc.Conces.Estado, S.A.	Avda. Camino de Santigo, 50 - 28050 Madrid. Spain	95.00%
Can Brians 2, S.A.	Avinguda Josep Tarradellas, 8, 2º. 08029 Barcelona. Spain	100.00%
CAT Desenvolupament de Concessions Catalanes, S.L.	Avinguda Josep Tarradellas, 8, 2º. 08029 Barcelona. Spain	100.00%
Concesionaria Santiago Brión, S.A.	Centro de Control AG-56 Enlace de Pardiñas - Costola. 15895 Ames. A Coruña. Spain	70.00%
Concesiones Viarias Chile Tres, S.A.	José Antonio Soffia N°2747, Oficina 602, Comuna de Providencia. Santiago de Chile. Chile	100.00%
Concesiones Viarias Chile, S.A.	José Antonio Soffia N°2747, Oficina 602, Comuna de Providencia. Santiago de Chile. Chile	100.00%
Desarrollo de Concesionarias Viarias Dos, S.L.	Avda. del Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Desarrollo de Concesionarias Viarias Uno, S.L.	Avda. del Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Desarrollo de Concesiones Ferroviarias, S.L.	Avda. del Camino de Santiago, 50. 28050 Madrid. Spain	100.00%
Dragados Concessions, Ltd.	Hill House, 1 - Little New Street. London EC4A 3TR. England	100.00%
Dragados Waterford Ireland, Ltd.	The Oval, Building 3. 160 Shelbourne Rd. Ballsbridge. Dublin. Ireland	100.00%
Eix Diagonal Concessionària de la Generalitat de Catalunya, S.A.	Ctra N-340, Km 1213,80 Km 1213. 08720 Vilafranca del Penedes.Barcelona. Spain	100.00%
Estacionament Centre Direccional, S.A.	Avda. de la Universitat, s/n. 43206 Reus. Tarragona. Spain	100.00%
Explotación Comercial de Intercambiadores, S.A.	Avda. de America, 9A (Intercambiador de Tptes) Madrid. Spain	100.00%
FTG Holding Limited Partnership	1300 - 777 Dunsmuir Street Po Box 10424 Stn Pacific Ctr. Vancouver Bc V7Y 1K2. Canada	66.68%
FTG Holdings, Inc.	1300 - 777 Dunsmuir Street Po Box 10424 Stn Pacific Ctr. Vancouver Bc V7Y 1K2. Canada	100.00%
Green Canal Golf, S.A.	Avda. Filipinas, s/n esquina Avda. Pablo Iglesias s/n 28003 Madrid. Spain	100.00%
I 595 ITS Solutions, Llc.	Corporation Trust Company, Corporation Trust Center, 1209 Orange Street. Wilmington New Castle. Delaware 19801. United States of America	100.00%
Inversora de la Autovía de la Mancha, S.A.	Avda. Camino de Santigo, 50 - 28050 Madrid. Spain	75.00%
Iridium Aparcamientos, S.L.	Avda. Camino de Santigo, 50 - 28050 Madrid. Spain	100.00%
Iridium Concesiones de Infraestructuras, S.A.	Avda. Camino de Santiago, 50. 28050 Madrid. Spain	100.00%

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Company	Registered Office	% Effective Ownership
Iridium Nouvelle Autoroute 30, Inc.	1, Place Ville-Marie 37e étage Montreal. Quebec H3B 3P4. Canada	100.00%
Iridium Portlaoise Ireland Limited	The Oval, Building 3. 160 Shelbourne Rd. Ballsbridge. Dublin. Ireland	100.00%
Marestrada-Operações e Manutenção Rodoviária, S.A.	Rua Julieta Ferrão, nº 10 – 6º andar 1600-131 Lisboa. Portugal	70.00%
Parking Mérida III, S.A.	Avda. Lusitania, 15 1º Puerta 7. Mérida. Badajoz. Spain	100.00%
Parking Nou Hospital del Camp, S.L.	Avda. de la Universitat, s/n.43206 Reus. Tarragona. Spain	100.00%
Parking Palau de Fires, S.L.	Avda. de la Universitat, s/n.Spain. 43206 Reus. Tarragona. Spain	100.00%
PLANESTRADA - Operação e Manutenção Rodoviária, SA	CAM Grandola EN120 – Bairro da Tirana 7570 Grandola . Portugal	70.00%
Reus-Alcover Conc de la Generalitat de Catalunya, S.A.	Avda. Josep Tarradellas, 8, 2º. 08029 Barcelona. Spain	100.00%
Sociedad Inversora de Infraestructuras de la Mancha, S.L.	Avda. de Tenerife, 4 - 6. 28703 San Sebastián de los Reyes. Madrid. Spain	66.67%
The Currituck Development Group, Llc.	Corporation Trust Company, Corporation Trust Center, 1209 Orange Street. Wilmington New Castle. Delaware 19801. United States of America	100.00%
CONSTRUCTION - HOCHTIEF		
Airport Partners GmbH	Düsseldorf, Germany	20.88%
Beggen PropCo Sàrl	Strassen, Luxembourg	52.20%
Builders Reinsurance S.A.	Steinfort, Luxembourg	52.20%
Eurafrica Baugesellschaft mbH	Essen, Germany	52.20%
HAP Hamburg Airport Partners GmbH & Co. KG	Hamburg, Germany	37.06%
HOCHTIEF AirPort Capital Verwaltungs GmbH & Co. KG	Essen, Germany	52.20%
HOCHTIEF AirPort GmbH	Essen, Germany	52.20%
HOCHTIEF AirPort Retail SHPK	Tirana, Albania	52.20%
HOCHTIEF Concessions India Private Limited	Haryana, India	52.20%
HOCHTIEF Global One GmbH	Essen, Germany	52.20%
HOCHTIEF Insurance Broking and Risk Management Solutions GmbH	Essen, Germany	52.20%
Steinfort Capital Growth SICAV-SIF	Bertrange, Luxembourg	52.20%
Steinfort Fund of Funds SICAV-SIF	Findel-Golf, Luxembourg	52.20%
Steinfort Propco Sàrl	Strassen, Luxembourg	52.20%
Sydney Airport Intervest GmbH	Essen, Germany	24.17%
Vintage Real Estate HoldCo Sàrl	Strassen, Luxembourg	52.20%
Vintage Real Estate HoldCo Sàrl	Strassen, Luxemburgo	52.20%
Hochtief Americas		
2501 Constructors LLC	DC, United States of America	52.20%
ASI-Flatiron Inc.	Longmont, United States of America	52.20%
Auburndale Company, Inc.	Ohio, United States of America	52.20%
Audubon Bridge Constructors	New Roads, United States of America	28.19%
Bethesda View Constructors LLC	Maryland, United States of America	52.20%
California Steel Advisory Services	Walnut Creek, United States of Amrica	52.20%
Canadian Turner Construction Company (Nova Scotia)	Nova Scotia, Canada	52.20%
Canadian Turner Construction Company Ltd.	Markham, Canada	52.20%
Capitol Building Services LLC	Maryland, United States of America	52.20%
Caribbean Operations, Inc.	Delaware, United States of America	52.20%
CB Finco Corporation	Alberta, Canada	26.62%
CB Resources Corporation	Alberta, Canada	26.62%
Clark Builders Partnership Corporation	Alberta, Canada	26.62%
E. E. Cruz and Company Inc.	Holmdel, United States of America	52.20%
Facilities Management Solutions, LLC	Delaware, United States America	52.20%
FCI Constructors/Balfour Beatty	San Marco, United States of America	36.54%
FCI Constructors/Cleveland Bridge	Longmont, United States America	28.71%
FECO Equipment	Denver, United States of America	52.20%
Flatiron Construction Corp.	Wilmington, United States America	52.20%
Flatiron Construction Services	Vancouver, United States of America	52.20%
Flatiron Constructors Canada Limited	Vancouver, Canada	52.20%
Flatiron Constructors Inc.	Wilmington, United States of America	52.20%
Flatiron Constructors Inc. Canadian Branch	Vancouver, Canada	52.20%
Flatiron Electric AL Group	Wilmington, United States of America	52.20%
Flatiron Equipment Company Canada	Calgary, Canada	52.20%
Flatiron Holding Inc.	Wilmington, United States of America	52.20%
Flatiron Parsons	Los Angeles, United States of America	36.54%
Flatiron West Inc.	Wilmington, United States of America	52.20%
Flatiron West Inc., San Marcos	Wilmington, United States of America	52.20%
Flatiron/C.M. Piech	Longmont, United States of America	26.62%
Flatiron/Kiewit, a Joint Venture	Longmont, United States of America	33.93%
Flatiron/Turner Construction of New York LLC	New York, United States of America	52.20%
Flatiron/United	Chocowinity, United States America	31.32%

Company	Registered Office	% Effective Ownership
Flatiron-Lane	Longmont, United States of America	28.71%
Flatiron-Manson	Minneapolis, United States of America	36.54%
Flatiron-Tidewater Skanska	Tampa, United States of America	31.32%
Henry Street Builders, LLC	Virginia, United States of America	52.20%
HOCHTIEF Americas GmbH	Essen, Germany	52.20%
HOCHTIEF Argentina S.A.	Buenos Aires, Argentina	52.20%
HOCHTIEF USA INC.	Dallas, United States of America	52.20%
HT CONSTRUCTION INC.	Dover, United States of America	52.20%
Lacona, Inc.	Tennessee, United States of America	52.20%
Maple Red Insurance Company	Vermont, United States of America	52.20%
McKissack & McKissack, Turner, Tompkins, Gilford JV(MLK Jr. Memorial)	New York, United States of America	28.71%
Metacon Technology Solutions, LLC	Texas, United States of America	52.20%
Mideast Construction Services, Inc.	Delaware, United States of America	52.20%
Misener Constru-Marina S.A. de C.V.	Ciudad Juarez, Mexico	52.20%
Misener Servicios S.A. de D.V.	Ciudad Juarez, Mexico	52.20%
North Carolina Constructors	Longmont, United States of America	31.32%
O'Brien Edwards/Turner Joint Venture (Denby High School Renov)	New York, United States of America	26.10%
Offshore Services, Inc.	Delaware, United States of America	52.20%
OMM Inc.	Plantation, United States of America	52.20%
Palmetto Transportation Constructors	Longmont, United States of America	33.93%
Saddleback Constructors	Mission Viejo, United States of America	28.19%
Services Products Buildings, Inc.	Ohio, United States of America	52.20%
TC Professional Services, LLC	Delaware, United States of America	52.20%
TCCO of South Carolina, LLC	South Carolina, United States of America	52.20%
TGS/SamCorp JV (Paso del Norte - Port of Entry)	New York, United States of America	52.20%
The Lathrop Company, Inc.	Delaware, United States of America	52.20%
The Turner Corporation	Dallas, United States of America	52.20%
Tompkins Builders, Inc.	Washington, United States of America	52.20%
Tompkins Turner Grunley Kinsley JV (C4ISR Aberdeen)	District of Columbia, United States of America	26.62%
Tompkins/Ballard JV (Richmond City Jail)	New York, United States of America	39.15%
Tompkins/Gilford JV (Prince George's Community College Center)	District of Columbia, United States of America	39.15%
Turner (East Asia) Pte. Ltd.	Singapore	52.20%
Turner Alpha Limited	Trinidad, Trinidad and Tobago	36.54%
Turner Canada Holdings Inc.	New Brunswick, Canada	52.20%
Turner Caribe, Inc.	Delaware, United States of America	52.20%
Turner Cayman Ltd.	Great Britain	52.20%
Turner Construction Company	New York, United States of America	52.20%
Turner Construction Company - Singapore (US)	Singapore	52.20%
Turner Construction Company of Indiana, LLC	Indiana, United States of America	52.20%
Turner Construction Company of Ohio LLC	Delaware, United States of America	52.20%
Turner Cornerstone Korea	Südkorea	52.20%
Turner Cross Management (Blackrock)	New York, United States of America	31.32%
Turner Cross Management IV (Blackrock Wilmington 400 Bellevue)	New York, United States of America	36.54%
Turner Davis JV (Laurelwood/Rowney)	New York, United States of America	26.62%
Turner Development Corporation	Delaware, United States of America	52.20%
Turner Harmon JV (Clarian Hospital - Fishers)	New York, United States of America	39.15%
Turner HGR JV(Smith County Jail-Precon/Early Release)	New York, United States of America	31.32%
Turner International (East Asia) Pte. Limited	Sri Lanka	52.20%
Turner International (Hong Kong) Limited	Hong Kong	52.20%
Turner International (UK) Ltd.	London, Great Britain	52.20%
Turner International Industries, Inc.	Delaware, United States of America	52.20%
Turner International Korea LLC	Südkorea	52.20%
Turner International Limited	Bermuda, United States of America	52.20%
Turner International LLC	Delaware, United States of America	52.20%
Turner International Malaysia SDN BHD	Malaysia	52.20%
Turner International Mexico SRL	United States of America	52.20%
Turner International Professional Services, S. De R. L. De C. V	Mexico	52.20%
Turner International Pte. Limited	Singapore	52.20%
Turner International Support Services, S. De R. L. De C. V.	Mexico	52.20%
Turner Lee Lewis (Lubbock Hotel)	New York, United States of America	31.32%
Turner Logistics Canada Ltd.	New Brunswick, Canada	52.20%
Turner Logistics, LLC	Delaware, United States of America	52.20%
Turner Management Consulting (Shanghai) Co. Ltd.	Shanghai, China	52.20%
Turner Partnership Holdings Inc.	New Brunswick, Canada	52.20%
Turner Project Management India Private Ltd.	India	52.20%

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Company	Registered Office	% Effective Ownership
Turner Support Services, Inc.	Delaware, United States of America	52.20%
Turner Surety & Insurance Brokerage Inc.	New Jersey, United States of America	52.20%
Turner Trotter II(IPS Washington School)	New York, United States of America	26.10%
Turner Trotter JV (Clarian Fishers Medical Center)	New York, United States of America	39.15%
Turner Vietnam Co. Ltd.	Vietnam	52.20%
Turner/ADCo DTA (OUSD downtown education center)	New York, United States of America	36.54%
Turner/Con-Real - Forest/JV	New York, United States of America	31.32%
Turner/Con-Real (Tarratn County college District SE Campus New Wing)	New York, United States of America	36.54%
Turner/Hallmark JV1 (Beaumont ISD Athletic Complex)	New York, United States of America	52.20%
Turner/HSC JV (Cooper University Hospital)	New York, United States of America	36.54%
Turner/JGM JV (Proposition Q)	New York, United States of America	34.97%
Turner/Trevino JV1 (HISD Program Management)	New York, United States of America	33.93%
Turner/White JV (Sinai Grace Hospital)	New York, United States of America	31.32%
Turner-Davis Atlanta Airport joint Venture (Hartsfield Jackson Intnl Ariport DOA Secutiry Office Renovation)	New York, United States of America	31.32%
Turner-Penick JV (US Marine Corp BEQ Pkg 4 & 7)	New York, United States of America	31.32%
Turner-Powers & Sons (Lake Central School Corporation)	New York, United States of America	31.32%
Turner-Tooles JV (Cobo Conference Center)	New York, United States of America	41.76%
Universal Construction Company, Inc.	Delaware, United States of America	52.20%
West Coast Rail Constructors	San Marco, United States of America	33.93%
White/Turner Joint Venture (New Munger PK-8)	New York, United States of America	26.10%
White/Turner Joint Venture Team (DPS Mumford High School)	New York, United States of America	26.10%
White-Turner JV (City of Detroit Public Safety)	New York, United States of America	26.10%
Hochtief Asia Pacific		
111 Margaret Street Pty Limited	Victoria, Australia	13.95%
145 Ann Street Pty. Ltd.	Australia	27.89%
145 Ann Street Trust	Australia	27.89%
512 Wickham Street Pty. Ltd.	Australia	27.89%
512 Wickham Street Trust	Australia	27.89%
A.C.N. 126 130 738 Pty. Ltd.	Australia	27.89%
A.C.N. 151 868 601 Pty Ltd	Victoria, Australia	27.89%
ACN 112 829 624 Pty Ltd	Australia	27.89%
Ashmore Developments Pty Limited	Australia	27.89%
Ausindo Holdings Pte. Ltd.	Singapore	27.89%
Australia-Singapore Cable (Australia) Pty Limited	Australia	27.89%
Australia-Singapore Cable (International) Limited	Australia	27.89%
Australia-Singapore Cable (Singapore) Pte Ltd	Bermuda, Great Britain	27.89%
Boggo Road Project Pty Limited	Singapore	27.89%
Boggo Road Project Trust	Queensland, Australia	27.89%
BOS Australia Pty. Ltd.	South Bank, Australia	27.89%
Broad Construction Services (NSW/VIC) Pty. Ltd.	Newcastle, Australia	27.89%
Broad Construction Services (NT) Pty. Ltd.	Perth, Australia	27.89%
Broad Construction Services (QLD) Pty. Ltd.	Gold Coast, Australia	27.89%
Broad Construction Services (SA) Pty. Ltd.	Eastwood, Australia	27.89%
Broad Construction Services (VIC) Pty. Ltd.	Melbourne, Australia	27.89%
Broad Construction Services (WA) Pty Ltd.	Australia	27.89%
Broad Group Holdings Pty. Ltd.	Perth, Australia	27.89%
Deep Blue Consortium Pty Ltd	Australia	10.19%
Delron Cleaning Pty Ltd	Australia	22.31%
Delron Group Facility Services Pty Limited	Australia	22.31%
Devine Bacchus Marsh Pty Limited	WA, Australia	6.98%
Devine Constructions Pty Limited	Queensland, Australia	6.98%
Devine Funds Pty Limited	Queensland, Australia	6.98%
Devine Funds Unit Trust	Victoria, Australia	6.98%
Devine Homes Pty Limited	Australia	6.98%
Devine Land Pty Limited	Queensland, Australia	6.98%
Devine Ltd.	Brisbane, Australia	13.96%
Devine Management Services Pty Limited	Queensland, Australia	6.98%
Devine Queensland No. 10 Pty Limited	Queensland, Australia	6.98%
Devine Springwood No. 1 Pty Limited	Queensland, Australia	6.98%
Devine Springwood No. 2 Pty Limited	NSW, Australia	6.98%
Devine Springwood No. 3 Pty Ltd.	Australia	6.98%
DMB Pty Limited	Queensland, Australia	6.98%
DoubleOne 3 Pty Ltd	Australia	13.96%

Company	Registered Office	% Effective Ownership
DoubleOne 3 Unit Trust	Australia	13.96%
DPS Leighton Offshore Engineering Sdn Bhd	Queensland, Australia	27.89%
Ewenissa Pty Ltd.	Sydney, Australia	27.89%
Giddens Investment Ltd.	Hong Kong	27.89%
Green Construction Company	Wilmington, United States of America	27.89%
Gridcomm Pty. Ltd.	Melbourne, Australia	27.89%
Hamilton Harbour	Australia	20.92%
Hamilton Harbour Unit Trust (Devine Hamilton Unit Trust)	Australia	20.92%
HOCHTIEF Asia Pacific GmbH	Essen, Germany	52.20%
HOCHTIEF AUSTRALIA HOLDINGS LIMITED	Sydney, Australia	52.20%
Hunter Valley Earthmoving Co. Pty Ltd.	Rutherford, Australia	27.89%
HWE Cockatoo Pty Ltd	Australia	27.89%
HWE Maintenance Services Pty. Ltd.	Australia	27.89%
HWE Mining Pty Ltd	Australia	27.89%
HWE Newman Assets Pty Ltd	Australia	27.89%
Infoplex Pty. Ltd.	Sydney, Australia	27.89%
Jarrah Wood Pty. Ltd.	Australia	27.89%
JH Rail Holdings Pty. Limited	Australia	16.45%
JH Rail Investments Pty. Limited	Australia	16.45%
JH Rail Operations Pty. Limited	Australia	16.45%
JHG Mutual Limited	Australia	27.89%
Joetel Pty. Limited	Australia	16.45%
John Holland - Leighton (South East Asia) Joint Venture	Hong Kong	27.89%
John Holland (NZ) Ltd.	New Zealand	27.89%
John Holland AD Holdings Pty. Ltd.	Abbotsford, Australia	27.89%
John Holland AD Investments Pty. Ltd.	Abbotsford, Australia	27.89%
John Holland AD Operations Pty. Ltd.	Abbotsford, Australia	27.89%
John Holland Aviation Services Pty. Ltd.	Australia	27.89%
John Holland Development & Investment Pty. Ltd.	Abbotsford, Australia	27.89%
John Holland Engineering Pty. Ltd.	Australia	27.89%
John Holland Group Pty Ltd.	Abbotsford, Australia	27.89%
John Holland Infrastructure Nominees Pty. Ltd.	Australia	27.89%
John Holland Infrastructure Pty. Ltd.	Australia	27.89%
John Holland Infrastructure Trust	Australia	27.89%
John Holland Investment Pty. Ltd.	Australia	27.89%
John Holland Melbourne Rail Franchise Pty. Ltd.	Australia	27.89%
John Holland Pty Ltd.	Abbotsford, Australia	27.89%
John Holland Queensland Pty. Ltd.	Australia	27.89%
John Holland Rail Pty. Ltd.	Abbotsford, Australia	27.89%
John Holland Services Pty. Ltd.	Australia	27.89%
Kingscliff Resort Trust	Australia	27.89%
LCPL (PNG) Limited	Papua New Guinea	27.89%
Leighton (PNG) Limited	Papua New Guinea	27.89%
Leighton Admin Services Pty Ltd.	Sydney, Australia	27.89%
Leighton Africa Botswana (Proprietary) Limited	Botswana	27.89%
Leighton Arranging Pty. Ltd.	Australia	27.89%
Leighton Asia (China) Limited	Hong Kong	27.89%
Leighton Asia (Hong Kong) Holdings (No. 2) Limited	Hong Kong	27.89%
Leighton Asia Ltd.	Hong Kong	27.89%
Leighton Asia Southern Pte. Ltd.	Singapore	27.89%
Leighton Construction and Mining Africa (Pty) Ltd	Botswana	27.89%
Leighton Contractors (Asia) Ltd.	Hong Kong	27.89%
Leighton Contractors (China) Ltd.	Hong Kong	27.89%
Leighton Contractors (Indo-China) Ltd.	Hong Kong	27.89%
Leighton Contractors (Laos) Sole Company Ltd.	Laos	27.89%
Leighton Contractors (Malaysia) Sdn. Bhd.	Malaysia	27.89%
Leighton Contractors (Philippines) Inc.	Philippines	11.16%
Leighton Contractors Asia (Cambodia) Co. Ltd.	Cambodia	27.89%
Leighton Contractors Asia (Vietnam) Limited	Vietnam	27.89%
Leighton Contractors Inc.	Wilmington, United States of America	27.89%
Leighton Contractors Infrastructure Nominees Pty. Ltd.	Australia	27.89%
Leighton Contractors Infrastructure Pty. Ltd.	Australia	27.89%
Leighton Contractors Infrastructure Trust	Australia	27.89%
Leighton Contractors Lanka (Private) Ltd.	Sri Lanka	27.89%
Leighton Contractors Mauritius Ltd.	Mauritius	27.89%

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Company	Registered Office	% Effective Ownership
Leighton Contractors Pty Ltd.	Sydney, Australia	27.89%
Leighton Engineering & Construction (Singapore) Pte Ltd	Singapore	27.89%
Leighton Engineering Joint Venture	Malaysia	19.52%
Leighton Finance (USA) Pty. Ltd.	Australia	27.89%
Leighton Finance International Pty Ltd.	Australia	27.89%
Leighton Finance Ltd.	Sydney, Australia	27.89%
Leighton Foundation Engineering (Asia) Ltd.	Hong Kong	27.89%
Leighton Funds Management Pty Ltd.	Sydney, Australia	27.89%
Leighton Geotech Ltd.	Bangkok, Thailand	6.70%
Leighton Harbour Trust	Australia	27.89%
Leighton Holdings Infrastructure Nominees Pty. Ltd.	Australia	27.89%
Leighton Holdings Infrastructure Pty. Ltd.	Australia	27.89%
Leighton Holdings Infrastructure Trust	Australia	27.89%
Leighton Holdings Investments Pty. Ltd.	Australia	27.89%
Leighton Holdings Limited	Sydney, Australia	27.89%
Leighton Holland Browse JV	Australia	27.89%
Leighton Infrastructure Investments Pty. Ltd.	Sydney, Australia	27.89%
Leighton International FZ LLC	United States of America	27.89%
Leighton International Holdings Limited	Cayman Islands, Great Britain	27.89%
Leighton International Ltd.	Cayman Islands, Great Britain	27.89%
Leighton International Mauritius Holdings Limited No. 4	Mauritius	27.89%
Leighton International Projects (India) Private Limited	India	27.89%
Leighton Investments Mauritius Limited	Mauritius	27.89%
Leighton Investments Mauritius Limited No. 2	Hong Kong	27.89%
Leighton Investments Mauritius Limited No. 4	Mauritius	27.89%
Leighton John Holland Joint Venture (Lai Chi Kok)	Hong Kong	27.89%
Leighton LLC	Mongolia	27.89%
Leighton Mauritius (Africa) Limited	Mauritius	27.89%
Leighton Middle East and Africa (Holding) Limited	Great Britain	27.89%
Leighton Motorway Investments No. 2 Pty. Ltd.	Sydney, Australia	27.89%
Leighton Offshore Australia Pty. Ltd.	Australia	27.89%
Leighton Offshore Pte. Ltd.	Singapore	27.89%
Leighton Offshore Sdn Bhd (formerly Leighton International Sdn. Bhd.)	Malaysia	27.89%
Leighton Offshore-John Holland Joint Venture (LTA Project)	Australia	27.89%
Leighton Pacific St Leonards Pty. Ltd.	Australia	27.89%
Leighton Pacific St Leonards Unit Trust	Australia	27.89%
Leighton Portfolio Services Pty Ltd.	Sydney, Australia	27.89%
Leighton Projects Consulting (Shanghai) Ltd.	China	27.89%
Leighton Properties (Brisbane) Pty Ltd.	Sydney, Australia	27.89%
Leighton Properties (VIC) Pty Ltd.	Sydney, Australia	27.89%
Leighton Properties (WA) Pty. Ltd.	Australia	27.89%
Leighton Properties Pty Ltd.	Sydney, Australia	27.89%
Leighton Properties Resorts Pty Limited	Australia	27.89%
Leighton Property Development Pty Ltd.	Sydney, Australia	27.89%
Leighton Property Funds Management Ltd.	Sydney, Australia	27.89%
Leighton Property Management Pty Ltd.	Sydney, Australia	27.89%
Leighton Residential Investments Pty. Ltd.	Australia	27.89%
Leighton Services Australia Pty Ltd.	Sydney, Australia	27.89%
Leighton Staff Shares Pty Ltd.	Sydney, Australia	27.89%
Leighton USA Inc.	United States of America	27.89%
Leighton-John Holland Joint Venture	Australia	27.89%
Leighton-LNS Joint Venture	Hong Kong	22.31%
Leighton-Macmahon Joint Venture	Hong Kong	20.92%
Leigthon Offshore / Leigthon Engineering & Construction JV	Singapore	27.89%
Leigthon Offshore Arabia Co. Ltd.	Saudi Arabian	27.89%
LH Holdings Co Pty Ltd	Australia	27.89%
LMENA No. 1 Pty. Ltd.	Australia	27.89%
LMENA Pty. Ltd.	Australia	27.89%
LPWRAP Pty Ltd	Australia	27.89%
LSE Technology (Australia) Pty Ltd.	Sydney, Australia	27.89%
Martox Pty. Ltd.	Australia	16.45%
Menette Pty. Limited	Australia	27.89%
Metro Developments Australia Pty. Ltd.	Australia	27.89%
Metronode (NSW) Pty Ltd	Australia	27.89%

Company	Registered Office	% Effective Ownership
Metronode Investments Pty Limited (formerly Vytel Investments)	Sydney, Australia	27.89%
Metronode M2 Pty Ltd	Australia	27.89%
Metronode New Zealand Limited	New Zealand	27.89%
Metronode Pty Ltd.	Sydney, Australia	27.89%
Metronode S2 Pty Ltd	Victoria, Australia	27.89%
Moonamang Joint Venture Pty Ltd	Australia	27.89%
Moorookyle Devine Pty Limited	Victoria, Australia	1.74%
Nestdeen Pyt. Ltd.	Australia	27.89%
Nextgen Networks Pty. Ltd.	Australia	27.89%
Nextgen Pure Data Pty Ltd	Australia	27.89%
Nextgen Telecom (WA) Pty Ltd (formerly known as Silk Telecom (WA))	WA, Australia	27.89%
Nextgen Telecom Pty Limited (formerly Silk Telecom Pty. Limited)	Victoria, Australia	27.89%
Nexus Point Solutions Pty. Ltd.	Sydney, Australia	27.89%
Opal Insurance (Singapore) Pte Ltd.	Singapore	27.89%
Pioneer Homes Australia Pty Limited	Queensland, Australia	3.49%
Plant & Equipment Leasing Pty Ltd.	Sydney, Australia	27.89%
PT Cinere Serpong Jaya	Indonesia	27.89%
PT Leighton Contractors Indonesia	Indonesia	27.89%
PT Ngawi Kertosono Jaya	Indonesia	26.50%
PT Solo Ngawi Jaya	Indonesia	26.50%
PT Thiess Contractors Indonesia	Jakarta, Indonesia	27.89%
River Links Developments Pty. Ltd.	Australia	27.89%
Riverstone Rise Gladstone Pty Ltd	Australia	13.96%
Riverstone Rise Gladstone Unit Trust	Australia	13.96%
Silverton Group (Aust) Pty. Ltd.	Australia	27.89%
Silverton Group Pty. Ltd.	Australia	27.89%
Talcliff Pty Limited	Queensland, Australia	6.98%
Technical Resources Pty Ltd.	Sydney, Australia	27.89%
Telecommunication Infrastructure Pty. Ltd.	Abbotsford, Australia	27.89%
Thai Leighton Ltd.	Bangkok, Thailand	13.67%
Thiess (Mauritius) Pty. Ltd.	Mauritius	27.89%
Thiess Contractors (Malaysia) Sdn. Bhd.	Kuala Lumpur, Malaysia	27.89%
Thiess Contractors (PNG) Ltd.	Papua New Guinea	27.89%
Thiess India Pvt Ltd	India	27.89%
Thiess Infraco Pty. Limited	Australia	27.89%
Thiess Infrastructure Nominees Pty. Ltd.	Australia	27.89%
Thiess Infrastructure Pty. Ltd.	Australia	27.89%
Thiess Infrastructure Trust	Australia	27.89%
Thiess Investments Pty Ltd.	South Bank, Australia	27.89%
Thiess John Holland Joint Venture (Airport Link)	Australia	27.89%
Thiess John Holland Joint Venture (Eastlink)	Australia	27.89%
Thiess John Holland Joint Venture (Lane Cove Tunnel)	Australia	27.89%
Thiess John Holland Motorway Services	Australia	27.89%
Thiess Minecs India Pvt. Ltd.	India	25.10%
Thiess NC	New Caledonia	27.89%
Thiess NZ Limited	Auckland, New Zealand	27.89%
Thiess Pty Ltd.	South Bank, Australia	27.89%
Thiess Services John Holland Services Joint Venture	Australia	27.89%
Thiess Services Ltd.	New Zealand	27.89%
Thiess Services Pty Ltd.	South Bank, Australia	27.89%
Thiess Southland Pty Ltd.	South Bank, Australia	27.89%
Think Consulting Group Pty. Ltd.	Australia	27.89%
Townsville City Project Pty Ltd	Australia	20.92%
Townsville City Project Trust	Australia	20.92%
Vision Hold Pty Ltd.	St. Leonards, Australia	27.89%
Visionstream Australia Pty Ltd.	St. Leonards, Australia	27.89%
Visionstream Pty Ltd.	Sydney, Australia	27.89%
Visionstream Services Pty Ltd.	Sydney, Australia	27.89%
Vytel Pty Ltd.	Sydney, Australia	27.89%
Wai Ming Contracting Company Limited	Hong Kong	27.89%
Western Port Highway Trust	Australia	27.89%
Yoltax Pty. Limited	Australia	16.45%
Zelmex Pty. Limited	Australia	16.45%

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Company	Registered Office	% Effective Ownership
Hochtief Europe		
A.L.E.X.-Bau GmbH	Essen, Germany	52.20%
ACL Investment a.s.	Prag, Czech Republic	52.20%
Advago S.A.	Spata, Greece	26.62%
Area of Sports mbH & Co. KG	Mönchengladbach, Germany	26.10%
AVN Chile Fünfte Holding GmbH	Essen, Germany	52.20%
AVN Chile Vierte Holding GmbH	Essen, Germany	52.20%
car.e Facility Management GmbH	Hamburg, Germany	52.20%
car.e. Facility Management Kft.	Budapest, Hungary	52.20%
Constructora Cheves S.A.C.	Lima, Peru	33.93%
Constructora HOCHTIEF - Tecsa S.A.	Santiago de Chile, Chile	36.54%
Constructora Nuevo Maipo S.A.	Santiago de Chile, Chile	36.54%
Copernicus Apartments Sp.z o.o.	Warschau, Poland	52.20%
Deutsche Bau- und Siedlungs-Gesellschaft mbH	Essen, Germany	52.20%
Deutsche Baumanagement GmbH	Essen, Germany	52.20%
DURST-BAU GmbH	Wien, Austria	52.20%
Entreprise Générale de Construction HOCHTIEF-LUXEMBOURG S.A.	Luxembourg, Luxembourg	52.20%
Euripus s.r.o.	Prag, Czech Republic	52.20%
Europaviertel Baufeld 4d GmbH & Co. KG	Essen, Germany	52.20%
FM Go! GmbH	München, Germany	39.10%
FM Holding GmbH	Essen, Germany	52.20%
forum am Hirschgarten Nord GmbH & Co. KG	Essen, Germany	52.20%
forum am Hirschgarten Süd GmbH & Co. KG	Essen, Germany	52.20%
GVG mbH & Co. Objekt RPU Berlin 2 KG	Essen, Germany	49.07%
HOCHTIEF (UK) Construction Ltd.	Swindon, Great Britain	52.20%
HOCHTIEF A5 Holding GmbH	Wien, Austria	52.20%
HOCHTIEF ABC Schools Partner Inc.	Calgary, Canada	52.20%
HOCHTIEF Ackerstraße 71-76 GmbH & Co. KG	Berlin, Germany	52.20%
HOCHTIEF Asset Services GmbH	Essen, Germany	52.20%
HOCHTIEF Aurestis Beteiligungsgesellschaft mbH	Essen, Germany	52.20%
HOCHTIEF B2L Partner Inc.	Calgary, Canada	52.20%
HOCHTIEF Canada Holding 1 Inc.	Toronto, Canada	52.20%
HOCHTIEF Canada Holding 2 Inc.	Toronto, Canada	52.20%
HOCHTIEF Canada Holding 3 Inc.	Calgary, Canada	52.20%
HOCHTIEF Canada Holding Inc.	Toronto, Canada	52.20%
HOCHTIEF Construction Austria GmbH & Co. KG	Wien, Austria	52.20%
HOCHTIEF Construction Chilena Ltda.	Santiago de Chile, Chile	52.20%
HOCHTIEF Construction Erste Vermögensverwaltungsgesellschaft mbH	Essen, Germany	52.20%
HOCHTIEF Construction Management Middle East GmbH	Essen, Germany	52.20%
HOCHTIEF CZ a.s.	Prag, Czech Republic	52.20%
HOCHTIEF Development Austria GmbH	Wien, Austria	52.20%
HOCHTIEF Development Austria Verwaltungs GmbH & Co. KG	Wien, Austria	52.20%
HOCHTIEF Development Czech Republic s.r.o.	Prag, Czech Republic	52.20%
HOCHTIEF Development Hungary Kft.	Budapest, Hungría	52.20%
HOCHTIEF Development Poland Sp. z o.o.	Warschau, Poland	52.20%
HOCHTIEF Development Project One SRL	Bucarest, Romania	52.20%
HOCHTIEF Development Project Three SRL	Bucarest, Romania	52.20%
HOCHTIEF Development Project Two SRL	Bucarest, Romania	52.20%
HOCHTIEF DEVELOPMENT ROMANIA SRL	Bucarest, Romania	52.20%
HOCHTIEF Development Schweden AB	Stockholm, Suecia	52.20%
HOCHTIEF Development Schweiz Projekt 2 AG	Opfikon, Switzerland	52.20%
HOCHTIEF Energy Management GmbH	Essen, Germany	52.20%
HOCHTIEF Energy Management Harburg GmbH	Hamburg, Germany	33.93%
HOCHTIEF Facility Management Bahrain Airport W.L.L.	Manama, Bahrein	13.31%
HOCHTIEF Facility Management Bahrain W.L.L.	Manama, Bahrein	26.62%
HOCHTIEF Facility Management Hellas S.A.	Spata, Greece	52.20%
HOCHTIEF Facility Management Polska Sp. z o.o.	Warschau, Poland	52.20%
HOCHTIEF Facility Management Swiss AG	Zürich, Switzerland	46.98%
HOCHTIEF Facility Management UK Limited	London, Great Britain	52.20%
HOCHTIEF Hamburg GmbH	Hamburg, Germany	36.54%
HOCHTIEF HUNGARIA Facility Management Kft.	Budapest, Hungary	52.20%
HOCHTIEF Kirchberg Services S.A.	Luxembourg, Luxembourg	52.20%
HOCHTIEF NEAH Partner Inc.	Edmonton, Canada	52.20%

Company	Registered Office	% Effective Ownership
HOCHTIEF Offshore Crewing GmbH	Essen, Germany	52.20%
HOCHTIEF ÖPP Projektgesellschaft mbH	Essen, Germany	52.20%
HOCHTIEF Polska S.A.	Warschau, Poland	52.20%
HOCHTIEF PPP Bundeswehrpartner FWK München GmbH & Co. KG	Essen, Germany	52.20%
HOCHTIEF PPP Schools Capital Limited	Swindon, Great Britain	26.62%
HOCHTIEF PPP Schulpartner Braunschweig GmbH	Braunschweig, Germany	52.20%
HOCHTIEF PPP Schulpartner Frankfurt am Main GmbH & Co. KG	Frankfurt am Main, Germany	52.20%
HOCHTIEF PPP Schulpartner GmbH & Co. KG	Heusenstamm, Germany	49.54%
HOCHTIEF PPP Schulpartner Köln P 1 GmbH & Co. KG	Essen, Germany	52.20%
HOCHTIEF PPP Schulpartner Köln Rodenkirchen GmbH & Co. KG	Essen, Germany	52.20%
HOCHTIEF PPP Solutions (Ireland) Limited	Dublin, Ireland	52.20%
HOCHTIEF PPP Solutions (UK) Limited	Swindon, Great Britain	52.20%
HOCHTIEF PPP Solutions GmbH	Essen, Germany	52.20%
HOCHTIEF PPP Solutions North America Inc.	Delaware, United States of America	52.20%
HOCHTIEF Presidio Holding LLC	Wilmington, United States of America	52.20%
HOCHTIEF Projektentwicklung 'Am Europagarten' GmbH & Co. KG	Essen, Germany	52.20%
HOCHTIEF Projektentwicklung GmbH	Essen, Germany	52.20%
HOCHTIEF Projektentwicklung 'Helfmann Park' GmbH & Co. KG	Essen, Germany	52.20%
HOCHTIEF Property Management GmbH	Essen, Germany	52.20%
HOCHTIEF Shield Investment Inc.	Toronta, Canada	52.20%
HOCHTIEF Solutions AG	Essen, Germany	52.20%
HOCHTIEF Solutions Middle East Qatar W.L.L.	Doha, Qatar	25.58%
HOCHTIEF Solutions Real Estate format GmbH	Essen, Germany	52.20%
HOCHTIEF Solutions Real Estate GmbH	Essen, Germany	52.20%
HOCHTIEF Trade Solutions GmbH	Essen, Germany	52.20%
HOCHTIEF ViCon GmbH	Essen, Germany	52.20%
HOCHTIEF ViCon Qatar W.L.L.	Doha, Catar	25.58%
HTD Smart Office Nr.1 GmbH & Co. KG	Wien, Austria	52.20%
HTP Grundbesitz Blue Heaven GmbH	Essen, Germany	49.07%
HTP Immo GmbH	Essen, Germany	52.20%
I.B.G. Immobilien- und Beteiligungsgesellschaft Thüringen-Sachsen mbH	Essen, Germany	52.20%
Immobilière de Hamm S.A.	Luxembourg, Luxembourg	52.20%
Inversiones HOCHTIEF PPP Solutions Chile dos Ltda.	Santiago de Chile, Chile	52.20%
LOFTWERK Eschborn GmbH & Co. KG	Essen, Germany	52.20%
MK 1 Am Nordbahnhof Berlin GmbH & Co. KG	Essen, Germany	52.20%
MOLTENDRA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Mainoffice KG	Frankfurt am Main, Germany	52.20%
OOO HOCHTIEF	Moscu, Russia	52.20%
Project Development Poland 3 B.V.	Amsterdam, Holland	52.20%
Project SP1 Sp. z o.o.	Warschau, Poland	52.20%
Projektgesellschaft Börsentor Frankfurt GmbH & Co. KG	Essen, Germany	52.20%
Projektgesellschaft Konrad-Adenauer-Ufer Köln GmbH & Co. KG	Essen, Germany	52.20%
Projektgesellschaft Marco Polo Tower GmbH & Co. KG	Hamburg, Germany	36.54%
Projektgesellschaft Quartier 21 mbH & Co. KG	Essen, Germany	28.71%
PSW Leinetal GmbH	Freden, Germany	52.20%
RheinauArtOffice GmbH & Co. KG	Essen, Germany	26.10%
SCE Chile Holding GmbH	Essen, Germany	52.20%
SCE Chilean Holding S.A.	Santiago de Chile, Chile	52.20%
Soduker B.V.	Amsterdam, Holland	52.20%
Spiegel-Insel Hamburg GmbH & Co. KG	Essen, Germany	52.20%
Stadion Nürnberg Betriebs - GmbH	Nürnberg, Germany	39.10%
Streif Baulogistik GmbH	Essen, Germany	52.20%
STREIF Baulogistik Polska Sp.z o.o.	Warschau, Poland	52.20%
Tirpser B.V.	Amsterdam, Holland	52.20%
Tivoli Garden GmbH & Co. KG	Essen, Germany	52.20%
Uferpalais Projektgesellschaft mbH & Co. KG	Essen, Germany	36.54%
INDUSTRIAL SERVICES		
ACS industrial Services, LLC.	3511 Silverside road suite 105 Wilmington Delaware 19810 County of New Castle. United States of America	100.00%
ACS Peru	Avda. Víctor Andrés Belaúnde 887 Distrito Carmen de Le Legua Reinoso. Lima. Peru	100.00%
ACS Servicios Comunicac y Energía de Mexico SA CV	C/ Juan Racine, 112 Piso 8. 11510 Mexico DF. Mexico	100.00%
ACS Servicios Comunicaciones y Energía, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Actividades de Instalaciones y Servicios, Cobra, S.A.	C/ 21 nº 7070, Parque Empresarial Montevideo. Bogotá. Colombia	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	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	100.00%

CONSOLIDATED FINANCIAL STATEMENTS

Company	Registered Office	% Effective Ownership
Actividades de Servicios e Instalaciones Cobra, S.A.	Avda. Amazonas 3459 - 159 e Iñaquito Edificio Torre Marfil. Oficina 101. Ecuador	100.00%
Actividades y Servicios, S.A.	Nicaragua 5935 3° Piso.Buenos Aires. Argentina	100.00%
Agadirver	Rua Rui Teles Palhinha, 4. Leião. 2740-278 Porto Salvo. Portugal	74.54%
Agua Energía e Meio Ambiente, Ltda.	Rua Marechal Camera, 160 sala 1621.Rio de Janeiro. Brazil	100.00%
Al-Andalus Wind Power, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Albatros Logistic, Maroc, S.A.	Rue Ibnou El Coutia. Lotissement At Tawfiq hangar 10 Casablanca. Morocco	75.00%
Albatros Logistic, S.A.	C/ Franklin Naves, 16-22. 28906 Getafe. Madrid. Spain	100.00%
Albufera Projetos e Serviços, Ltda.	Avda. Presidente Wilson 231, Sala 1701 Parte. Rio de Janeiro. Brazil	100.00%
Aldebarán S.M.E., S.A.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Aldeire Solar, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Aldeire Solar-2, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Alfrani, S.L.	C/ Manzanares, 4. 28005 Madrid. Spain	100.00%
Altomira Eólica, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Andasol 3 Central Termosolar Tres, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Andasol 4 Central Termosolar Cuatro, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Andasol 5 Central Termosolar Cinco, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Andasol 6 Central Termosolar Seis, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Andasol 7 Central Termosolar Siete, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Antennea Technologies, S.L.	C/ Sepúlveda, 6. 28108 Alcobendas. Madrid. Spain	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	100.00%
API Fabricación, S.A.	Raso de la Estrella, s/n. 28300 Aranjuez. Spain	100.00%
API Movilidad, S.A.	Avda. de Manoteras, 26. 28050 Madrid. Spain	100.00%
Aplied Control Technology, LLC.	5005 N. Stateline Av. Texarcana Texas TX 75503. United States of America	100.00%
Araucária Projetos e Serviços de Construção, Ltda.	Avda. Presidente Wilson 231, Sala 1701 Parte. Rio de Janeiro. Brazil	50.00%
Argencobra, S.A.	Nicaragua 5935 2 Piso. CP C1414BWK Buenos Aires. Argentina	100.00%
Asistencia Offshore, S.A.	Bajo de la Cabezuela, s/n.11510 Puerto Real. Cadiz. Spain	100.00%
Atil-Cobra, S.A.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Atlântico-Concessões Transp Energia do Brazil Ltda.	Rua Marcos Macedo 1333 sala 1410 Ed. P tio D.Luiz Torre II. 60150-190.Fortaleza. Brazil	74.54%
Audeli, S.A.	C/ Anabel Segura 11, edificio 2 C.Madrid 28108. Spain	88.90%
B.I. Josebeso, S.A.	Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela	82.80%
Barra do Peixe Montagens e Serviços, Ltda.	Avda. Marechal Camera, 160 sala 1621.Rio de Janeiro. Brazil	99.90%
Benisaf Water Company, Spa	29 Bis Rue Abou Nouas, Hydra - Alger. Argel. Argelia	51.00%
Berea Eólica, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	70.00%
Biobeiraner, Lda.	3475-031 Caramulo.Fresquesia do Guardao - Conelho de Tondela. Portugal	21.62%
Biodemira, Lda.	Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278.Porto Salvo. Portugal	74.54%
Bioparque Mira, Lda.	Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278.Porto Salvo. Portugal	74.54%
Biorio, Lda.	Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278.Porto Salvo. Portugal	74.54%
BTOB Construccion Ventures, S.L.	C/ Teide, 4-1° Plta. 28709 San Sebastián de los Reyes. Madrid. Spain	100.00%
C. A. Weinfer de Suministro de Personal	Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela	82.80%
Cachoeira Montages e Serviços, Ltda.	Marechal Camera,160 Rio de Janeiro. Brazil 20020	100.00%
Calidad e Inspecciones Offshore, S.L.	Bajo de la Cabezuela, s/n. 11510 Puerto Real. Cadiz. Spain	100.00%
California Sun Power, LLC.	818 West Seventh Street Los Angeles California 90017. United States of America	100.00%
Calvache Eólica, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	70.00%
Carta Valley Wind Power, LLC.	2711 Centerville Road Suite 400.Wilmington county of New Castle delaware 19808. United States of America	100.00%
Castellwind Asturias, S.L.	C/ Celestino Junquera, 2, oficina 56. Gijón. Spain	65.22%
Catalana de Treballs Públics, S.A.	Carretera del Mig, 37. 08940 Cornella de Llobregat. Barcelona. Spain	100.00%
Cataventos Acarau, Ltda.	Fazenda Libra Acarau S/N. 62.580-000.Acarau, Estado do Cear. Brazil	74.54%
Cataventos de Paracuru, Ltda.	Sitio Freixeiras S/N. 62.680-000.Paracuru, Estado do Cear. Brazil	74.54%
Cataventos Embuaca, Ltda.	Fazenda Bodes S/N Praia da Embuaca. 62.690-000.Trairi, Estado do Cear. Brazil	74.54%
CCR Platforming Cangrejera S.A. de C.V.	C/ Juan Racine, 112 Piso 8. 11510 Mexico DF. Mexico	68.00%
Central Térmica de Mejillones, S.A	Avda. José pedro Alessandri 2323 Macul.Santiago de Chile. Chile	100.00%
Centro de Control Villadiego, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Chaparral Wind Power, S.L.	C/ Cardenal Marcelo Spínola 10. Madrid 28016. Spain	100.00%
CIL	Avda. Marechal Camera 160. Rio de Janeiro. Brazil	100.00%
CM- Constriçoes, Ltda.	Rua, XV de Novembro 200, 14º Andar San Paulo. Brazil CPE 01013-000	74.54%
Cme Águas, S.A.	Rua Rui Teles Palhinha, 4. Leião 2740-278 Porto Salvo. Portugal	74.54%
Cme Angola, S.A.	Avda. 4 de Fevereiro, 42.Luanda. Angola	74.54%
CME Cabo Verde, S.A.	Achada Santo António.Praia. Cabo Verde	74.54%
CME Chile, SPA.	Puerto Madero 9710, Of 35-36A.Pudahuel. Chile	74.54%
CME Construction Mecano Electric, S.A.	332 Bd. Brahim Roudani 12 Ma rif. Casablanca 01. Morocco	74.54%
Cme Madeira, S.A.	Rua Alegria N.º 31-3º. Madeira. Portugal	37.79%
CME Peru, S.A.	Avda. Víctor Andrés Belaunde 395. San Isidro. Lima. Peru	74.54%
Cobra Bahía Instalaçoes e Serviços	Cuadra 4, 10 Estrada do Coco/Bahia. Brazil 47680	100.00%
Cobra Bolivia, S.A.	Rosendo Gutierrez, 686 Sopocachi. Bolivia	100.00%
Cobra Concesiones Brazil, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%

Company	Registered Office	% Effective Ownership
Cobra Concesiones, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra CSP USA, Inc.	2711 Centerville Road, Suite 400, Wilmington.County of Newcastle. Delaware 19808. United States of America	100.00%
Cobra Energy Investment, LLC.	7380 West Sahara, Suite 160.Las Vegas NV 89117. United States of America	100.00%
Cobra Energy, Ltd	60 Solonos street, Athens. Greece	100.00%
Cobra Georgia, Llc.	Old Tbilisi Region, 27/9 Brother Zubalashvili Street. Georgia	100.00%
Cobra Gestión de Infraestructuras, S.L.U	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Gibraltar Limited	Suites 21&22 Victoria House, 26 Main Street. Gibraltar	100.00%
Cobra Great Island Limited	160 Shelbourne Road Ballbridge. Dublin. Ireland	100.00%
Cobra Group Australia Pty, Ltd.	Level 5 Mayne Building 390 ST Kilda Road.Melbourne. Australia	100.00%
Cobra Industrial Services, Inc.	3511Silverside road suite 105.Wilmington Delaware 19810 County of New Castle. United States of America	100.00%
Cobra Infraestructuras Hidráulicas, S.A.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Infraestructuras Internacional, S.A.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Ingeniería de Montajes, S.A.	Fernando Villalon,3. 41004 Sevilla. Spain	100.00%
Cobra Ingeniería Uruguay, S.A.	Colinia Apartamento 305. Montevideo. Uruguay	100.00%
Cobra Instalaciones Mexico, S.A. de C.V.	C/ Melchor Ocampo, 193 Colonia Verónica Anzures. Mexico	100.00%
Cobra Instalaciones y Serv. India PVT	B - 324 New Friends Colony New Delhi-110 025. India	100.00%
Cobra Instalaciones y Servicios Internacional, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Instalaciones y Servicios Dominican Republic	Avda. Anacanoa Hotel Dominican Fiesta Santo Domingo, DN.Santo Domingo. Dominican Republic	100.00%
Cobra Instalaciones y Servicios, S.A.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Instalaçoes y Servicios, Ltda.	Rua Uruguai, 35, Porto Alegre, Rio Grande do Sul. Brazil	100.00%
Cobra Inversiones y Gestión, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra La Rioja Sur	Concepción Arenal 2630 CP 1426 Capital Federal Buenos Aires. Argentina	100.00%
Cobra Peru II, S.A.	Avda. Víctor Andrés Belaúnde 887 Distrito: Carmen de Le Legua Reinoso. Peru	100.00%
Cobra Peru, S.A.	Avda. Víctor Andrés Belaúnde 887 Distrito: Carmen de Le Legua Reinoso. Peru	100.00%
Cobra Servicios Auxiliares, S.A.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Sistemas de Seguridad, S.A.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Sistemas y Redes, S.A.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Solar del Sur, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Sun Power USA, Inc.	2711 Centerville Road Suite 400.Wilmington Country of New Castle Delaware 19808. United States of America	100.00%
Cobra Termosolar USA, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Cobra Thermosolar Plants, Inc.	3773 Howard Hughes.Las Vegas, Nevada. EEUU	100.00%
Cobra-Udisport Conde de Guadalhorce, S.L.	Paseo Cerrado de Calderón, 18. Edif.Mercurio 1ª Plta. 29018 Málaga. Spain	51.00%
COICISA Industrial, S.A. de C.V.	Melchor Ocampo, 193 Verónica Anzures 11300. Mexico	60.00%
Coinsal Instalaciones y Servicios, S.A. de C.V.	Residencial Palermo, Pasaje 3, polígono G Casa #4 San Salvador, El Salvador	100.00%
Coinsmar Instalaciones y Servicios, SARLAU	210 Boulevard Serketouni Angle Boulevard Roudani nº 13, Maarif 2100. Casablanca. Morocco	100.00%
Concesionaria Angostura Siguas, S.A.	Avda. Victor Andrés Belaunde, 887.Lima. Peru	60.00%
Consorcio Especializado Medio Ambiente, S.A.de C.V	Melchor Ocampo,193 piso 14.Méjico D.F. Mexico	60.00%
Consorcio Sice-Comasca TLP S.A.	Avda. Vitacura 2670. Oficina 702 – piso 7. Las Condes Santiago de Chile. Chile	50.00%
Construçao e Manutençao Electromecánica S.A. (CME)	Rua Rui Teles Palhinha 4 Leião 2740-278 Porto Salvo. Portugal	74.54%
Construcciones Dorsa, S.A.	Cristóbal Bordiú, 35-5ª oficina 515-517. Madrid. Spain	99.73%
Control y Montajes Industriales Cymi Chile, Ltda.	C/Apoquindo 3001 Piso 9.206-744 Las Condes. Santiago de Chile. Chile	100.00%
Control y Montajes Industriales CYMI, S.A.	C/ Teide 4, 2ª Planta. 28709 San Sebastián de los Reyes. Madrid. Spain	100.00%
Control y Montajes Industriales de Méjico, S.A. de C.V.	C/ Juan Racine, 116- 6º. 11510 Mexico D.F	100.00%
Conyceto Pty Ltd.	22 On Kildare. 22 Kildare Road.7700 Newlands.South Africa	92.00%
Corporación Ygnus Air, S.A.	C/ Anabel Segura 11, edificio 2 C.Madrid 28108. Spain	88.90%
Cosersa, S.A.	Avda. de Manoteras, 26. 28050 Madrid. Spain	100.00%
Cotefy S.A. de C.V.	Calzada de las Águilas, 1948.Ensenada. Mexico	80.00%
Cymi do Brazil, Ltda.	Avda. Presidente Wilson 231, sala 1701 20030-020 Rio de Janeiro. Brazil	100.00%
Cymi Holding, S.A.	Avda. Presid Wilson 231 Sala 1701 Parte Centro. Rio de Janeiro. Brazil	100.00%
Cymi Investment USA, S.L.	C/ Teide, 4-2ª Plta. 28709 San Sebastián de los Reyes. Madrid. Spain	100.00%
Cymi Seguridad, S.A.	C/ Teide, 4-2ª Plta. 28709 San Sebastián de los Reyes. Madrid. Spain	100.00%
Cymi USA INC.	5005N State Line Ave.Texarkana - TX75503. United States of America	100.00%
Cymimasa Serviços Industriais Ltda.	Avda. Presidente Wilson nº 231, Sala 1701 Parte cero.Río de Janeiro. Brazil	100.00%
Delta P I, LLC.	400-A Georgia Av.Deer Park Texas 77536. United States of America	100.00%
Depuradoras del Bajo Aragón S.A.	Paraíso 3- 50410 Cuarte de Huerva. Zaragoza. Spain	55.00%
Desarrollo Informático, S.A.	Avda. de Santa Eugenia, 6. 28031 Madrid. Spain	100.00%
Dimática, S.A.	C/ Saturnino Calleja, 20. 28002 Madrid. Spain	100.00%
Dinsa Eléctricas y Cymi, S.A. de CV	C/ Juan Racine, 116-6º. 11510 Mexico D.F	100.00%
Dragados Construc. Netherlands, S.A.	Claude Debussylaan 24, 1082 MD Amsterdam. Holand	100.00%
Dragados Gulf Construction, Ltda.	P. O Box 3140 Al Khobar 31952 Kingdom of Saudi Arabia	100.00%
Dragados Industrial , S.A.	Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Dragados Industrial Algerie S.P.A.	Lot nº7 - Ville Coopérative El Feteh - El Bihar. Alger. Algérie	100.00%
Dragados Industrial Canada, Inc.	620 Rene Levesque West Suite 1000 H3B 1 N7 Montreal. Quebec. Canada	100.00%
Dragados Offshore de Méjico KU-A2, S.A de C.V.	Juan Racine n 112, piso 8, Col. Los Morales 11510 Mexico D.F.	100.00%
Dragados Offshore de Méjico, S.A. de C.V.	Juan Racine n 112, piso 8, Col. Los Morales 11510 Mexico D.F.	100.00%

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Company	Registered Office	% Effective Ownership
Dragados Offshore USA, Inc.	One Riwerway, Suite 1700.77056 Texas. Houston. United States of America	100.00%
Dragados Offshore, S.A.	Bajo de la Cabezuela, s/n. 11510 Puerto Real. Cádiz. Spain	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	100.00%
Dragados-Swiber Offshore, S.A.P.I. de C.V.	Juan Racine, 112. Piso 8, Col.Los Morales 11510 Mexico D.F. Mexico	51.00%
Dyctel infraestructura de Telecomunicaçoes, Ltda.	C/ Rua Riachuelo, 268. 90010 Porto Alegre. Brazil	100.00%
Dyctel Infraestructuras de Telecomunicaciones, S.A.	C/ La Granja, 29. 28108 Alcobendas. Madrid. Spain	100.00%
Ecocivil Electromur G.E., S.L.	C/ Paraguay, Parcela 13/3. 30169 San Ginés. Murcia. Spain	100.00%
El Otero Wind Power, S.L.	C/ Cardenal Marcelo Spínola 10. Madrid 28016. Spain	100.00%
El Recuenco Eólica, S.L.	C/ Cardenal Marcelo Spínola 10. Madrid 28016. Spain	100.00%
Electren USA Inc.	500 Fifth Avenue, 38th floor.Nueva York 10110. United States of America	100.00%
Electrén, S.A.	Avda. del Brazil, 6. 28020 Madrid. Spain	100.00%
Electromur, S.A.	C/ Cuatro Vientos, 1. San Ginés. Murcia. Spain	100.00%
Electronic Traffic, S.A.	C/ Tres Forques, 147. 46014 Valencia. Spain	100.00%
Electronic Trafic de Mexico, S.A. de C.V.	Melchor Ocampo 193 Torre C Piso 14D. Veronica Anzures . D.F. 11300. Mexico	100.00%
Emplogest, S.A.	Rua Alfredo Trinidade, 4 Lisboa. 01649 Portugal	98.21%
Emurtel, S.A.	C/ Carlos Egea, parc. 13-18. P.I. Oeste. Alcantarilla. Murcia. Spain	50.10%
Enclavamientos y Señalización Ferroviaria, S.A.	C/ La Granja, 29. 28108 Alcobendas. Madrid. Spain	100.00%
Enelec, S.A.	Avda. Marechal Gomes da Costa 27. 1800-255 Lisboa. Portugal	100.00%
Energía Sierrezuela, S.L.	C/ Cardenal Marcelo Spínola 10. Madrid 28016. Spain	100.00%
Energía y Recursos Ambientales Internacional, S.L.	C/ Cardenal Marcelo Spínola, 10.28016 Madrid. Spain	100.00%
Energías Ambientales de Guadalajara, S.L.	C/ Cardenal Marcelo Spínola 10. Madrid 28016. Spain	100.00%
Energías Ambientales de Oaxaca, S.A. de C.V.	Juan Racine, 112 piso 6 Mexico D.F.	100.00%
Energías Ambientales de Soria, S.L.	C/ Cardenal Marcelo Spínola 10. Madrid 28016. Spain	100.00%
Energías Renovables Andorranas, S.L.	C/ Cardenal Marcelo Spínola, 10.28016 Madrid. Spain	75.00%
Energías y Recursos Ambientales, S.A.	Avda. de Pío XII, 102. 28036 Madrid. Spain	100.00%
Engemisa Engenharia Limitida	Ruas das Patativas, 61 41720-100.Salvador de Bahía. Brazil	100.00%
Enipro, S.A.	Rua Rui Teles Palhinha, 4. Leião. 2740-278 Porto Salvo. Portugal	74.54%
Enq, S.L.	C/ F, nº 13. P.I. Mutilva Baja. Navarra. Spain	100.00%
Eólica del Guadiana, S.L.	C/ Manuel Siurot, 27. 21004 Huelva. Spain	90.00%
Eólica Majadillas, S.L.	C/ Cardenal Marcelo Spínola 10. Madrid 28016. Spain	100.00%
EPC Ciclo Combinado Norte, S.A. de C.V.	Melchor Ocampo, 193, Torre C piso 14D. 11300 Méjico D.F. Mexico	75.00%
EPC Plantas Fotovoltáicas Lesedi y Letsatsi, S.L.	Cardenal Marcelo Spinola, 10.28016 Madrid. Spain	100.00%
Equipos de Señalización y Control, S.A.	C/ Severino Covas, 100. Vigo. Pontevedra. Spain	100.00%
Etra Bonal, S.A.	C/ Mercuri, 10-12. Cornellá de Llobregat. Barcelona. Spain	100.00%
Etra Interandina, S.A.	C/ 100, nº 8A-51, Of. 610 Torre B. Santafe de Bogota. Colombia	100.00%
Etra Investigación y Desarrollo , S.A.	C/ Tres Forques, 147. 46014 Valencia. Spain	100.00%
Etrabras Mobilidade e Energia Ltda.	Avda. Marechal Camara, 160, Sala 1619. 20020-080 Centro.Rio de Janeiro. Brazil	100.00%
Etracontrol, S.L.	Avda. Manoteras, 28.28050 Madrid. Spain	100.00%
Etralux, S.A.	C/ Tres Forques, 147. 46014 Valencia. Spain	100.00%
Etranorte, S.A.	C/ Errerruena, pab. G. P.I. Zabalondo. Munguia. Vizcaya. Spain	100.00%
Extresol 2, S.L.	Torre de Miguel Sesmero. Badajoz Carretera N-432 Badajoz-Granada km 32,700. Spain	100.00%
Extresol 3, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Extresol-1, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Extresol-4 S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Eyra Energías y Recursos Ambientais, Lda.	Avda Sidonio Pais, 28 Lisboa. Portugal	98.00%
Eyra Instalaciones y Servicios, S.L.	C/ Cardenal Marcelo Spínola,10. 28016 Madrid. Spain	100.00%
Eyra Wind Power USA Inc	2711 Centerville Road Suite 400. Wilmington county of New Castle delaware 19808. United States of America	100.00%
Firefly Investments 261	22 On Kildare. 22 Kildare Road. 7700 Newlands.South Africa	92.00%
France Semi, S.A.	20/22 Rue Louis Armand rdc. 75015 Paris. France	99.73%
Fuengirola Fotovoltaica, S.L.	C/ Sepulveda, 6 28108 Alcobendas. Madrid. Spain	100.00%
Garby Aprovechamientos Energéticos, S.L.	José Luis Bugallal Marchesi, 20. 15008 La Coruña. Spain	100.00%
Geida Beni Saf, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Gerovitae La Guancha, S.A.	Ctra. del Rosario Km 5,2. La Laguna. 38108 Santa Cruz Tenerife. Islas Canarias. Spain	100.00%
Gestão de Negocios Internacionais SGPS, S.A.	Rua Rui Teles Palhinha 4 - 3º Lei o 2740-278.Porto Salvo. Portugal	74.54%
Gestión Inteligente de Cargas, S.L.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	100.00%
Global Spa, S.L.	Camino Vell de Bunyola, 37. 07009 Palma de Mallorca. Islas Baleares. Spain	100.00%
Golden State Environmental Tedagua Corporation, S.A.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Grafic Planet Digital, S.A.U.	C/ Anable Segura,10 2º. 28109 Madrid. Spain	100.00%
Guatemala de Tráfico y Sistemas, S.A.	C/ Edificio Murano Center, 14. Oficina 803 3-51. Zona 10. Guatemala	100.00%
H.E.A Instalaçoes Ltda.	Rua das Patativas, 61 Salvador de Bahía	55.00%
Hidra de Telecomunicaciones y Multimedia, S.A.	C/ Severo Ochoa, 10. 29590 Campanillas. Málaga. Spain	100.00%
Hidraulica de Cochea, S.A.	Dr Ernesto Perez Balladares, s/n.Chiriqui. Panama	100.00%
Hidráulica de Mendre, S.A.	Dr. Ernesto Pérez Balladares. Provincia de Chiriqui. Panama	100.00%
Hidráulica de Pedregalito S.A.	Urbanización Doleguita Calle D Norte, Edificio Plaza Real, Apto/Local 1.Chiriqui. Panama	100.00%
Hidraúlica del Alto, S.A.	Dr. Ernesto Pérez Balladares. Provincia de Chiriqui. Panama	75.00%

Company	Registered Office	% Effective Ownership
Hidráulica del Chiriqui, S.A.	Dr. Ernesto Pérez Balladares. Provincia de Chiriqui. Panama	100.00%
Hidráulica Río Piedra, S.A.	Dr. Ernesto Pérez Balladares David. Chiriqui. Panama	100.00%
Hidraúlica San José, S.A.	Dr.Ernesto Perez Balladares, s/n.Chiriqui. Panama	100.00%
Hidrogestión, S.A.	Avda. Manoteras, 28. 28050 Madrid. Spain	100.00%
Hidrolazan, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Hochtief Cobra Grid Solutions GmbH	Alfredstrade,236.Essen. Germany	100.00%
Humiclima Caribe Cpor A.Higüey	Ctra. Cruce De Friusa, s/n. Higüey. Altagracia. Dominican Republic	100.00%
Humiclima Centro, S.A.	C/ Orense,4 1° planta. 28020 Madrid. Spain	100.00%
Humiclima Est Catalunya, S.L.	Carretera del Mig, 37. 08940 Cornella de Llobregat. Barcelona. Spain	100.00%
Humiclima Est, S.A.	Camino Vell de Bunyola, 37. 07009 Palma de Mallorca. Islas Baleares. Spain	100.00%
Humiclima Jamaica Limited	Corner Lane 6 Montego Bay. St James. Jamaica	100.00%
Humiclima Magestic Grupo, S.L.	Camino Vell de Bunyola, 37. 07009 Palma de Mallorca. Islas Baleares. Spain	100.00%
Humiclima Mexico, S.A. de C.V.	Cancun (Quintana De Roo). Mexico	100.00%
Humiclima Panama, S.A.	C/ 12, Corregimiento de Rio Abajo Panama	100.00%
Humiclima Sac, S.A.	Camino Vell de Bunyola, 37. 07009 Palma de Mallorca. Islas Baleares. Spain	100.00%
Humiclima Sur, S.L.	C/ Morocco, 12. Jérez de La Frontera. Cádiz. Spain	100.00%
Humiclima Valladolid, S.L.	C/ Puente Colgante, 46. Valladolid. Spain	100.00%
Hydro Management, S.L.	Avda.Teneniente General Gutierrez Mellado, 9. 30008 Murcia. Spain	79.63%
Iberoamericana de Hidrocarburos, S.A. de C.V.	C/ Melchor Ocampo 193. Colonia Verónica Anzures. Mexico	59.50%
ImesAPI Maroc	Rue Ibnou El Coutia. Lotissement At Tawfiq hangar 10. Casablanca. Morocco	100.00%
Imesapi, Llc.	The Corporation Trust Center, 1209 Orange Street.Wilmington, Delaware 19801. United States of America	100.00%
ImesAPI, S.A.	Avda. de Manoteras, 26. 28050 Madrid. Spain	100.00%
Imocme, S.A.	Rua Rui Teles Palhinha, 4. Leião. 2740-278 Porto Salvo. Portugal	74.54%
Infraest. Energéticas Medioambi. Extremeñas, S.L.	Polígono Industrial Las Capellanías. Parcela 238B. Cáceres. Spain	100.00%
Infraestructuras Energéticas Aragonesas, S.L.	C/ Paraíso, 3. 50410 Cuarte de Huerva. Zaragoza. Spain	100.00%
Infraestructuras Energéticas Castellanas, S.L.	Aluminio, 17. 47012 Valladolid. Spain	51.00%
Ingenieria de Transporte y Distribución de Energía Eléctrica, S.L. (Intradel)	C/ Cardenal Marcelo Spínola,10. 28016 Madrid. Spain	100.00%
Initec do Brazil Engenharia e Construçoes, Ltda.	Avda. Rio Branco, 151 5º andar, Grupo 502, Centro.20040 - 911 Rio de Janeiro. Brazil	100.00%
Initec Energía Ireland, LTD.	The Oval, Block 3, 2nd Floor, Shelbourne Road Ballsbridge 160. Dublin 4. Ireland	100.00%
Initec Energía, S.A.	Vía de los Poblados, 11. 28033 Madrid. Spain	100.00%
Injar, S.A.	C/ Catamarca Esq. C/Mendoza Polígono El Sebadal. 35008 Las Palmas. Islas Canarias. Spain	100.00%
Innovtec, S.R.L.U.	Immeuble les Baux RN 8.13420 Gemenos. France	100.00%
Inotec	Rua Vula Matadi, 154 - Vila Alice, Luanda. Angola	33.75%
Instalaciones y Montajes de Aire Climatizado, S.L.	Camino Vell de Bunyola, 37. 07009 Palma de Mallorca. Islas Baleares. Spain	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	100.00%
Instalaciones y Servicios Codepa, S.A.	C/ 12, Rio Abajo Ciudad de Panama. Panama	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	100.00%
Instalaciones y Servicios INSERPA, S.A.	Urb. Albrook C/Principal Local 117. Panama	100.00%
Instalaciones y Servicios Uribe Cobra, S.A. de C.V	José Luis Lagrange, 103 piso 8 Los Morales Miguel Hidalgo.Mexico D.F. Mexico	51.00%
Intebe, S.A.	C/ Doctor Alexandre Frias nº 3 , 3º C. Cambrils. Tarragona. Spain	99.40%
Intecsa Ingeniería Industrial, S.A.	Vía de los Poblados, 11. 28033 Madrid. Spain	100.00%
Integrated Technical Producs, LLC.	1117 Joseph Street Shreveport Louisiana LA 71107. United States of America	100.00%
Invexta Recursos, S.L.	Ayala, 120. 28006 Madrid. Spain	100.00%
Iscobra Instalacoes e Servicios, Ltda.	General Bruce,810 Rio de Janeiro. Brazil 20921	100.00%
Itumbiara Marimbondo, Ltda.	Marechal Camera,160 Río de Janeiro. Brazil 20020	100.00%
La Caldera Energía Burgos, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	61.79%
LestEnergía	Calçada Da Rabaça, Nº 11. Penamacor. Portugal	74.54%
Linhas de Transmissao de Montes Claros, Ltda.	Avda. Marechal Camera, 160 sala 1621. Rio de Janeiro. Brazil	100.00%
Litran do Brazil Partipaçoes S.A.	Avda. Marechal Camera 160, sala 1808. Rio de Janeiro. Brazil	75.00%
LTE Energía, Ltda.	Pz. Centenario - Av. Naçoes Unidas 12995. 04578-000. Sao Paulo. Brazil	74.54%
Lumicán, S.A.	C/ Arco, nº 40. Las Palmas de Gran Canaria. Islas Canarias. Spain	100.00%
Lusobrisa	Rua Rui Teles Palhinha, 4-3º. Leião 2740-278 Porto Salvo. Portugal	74.54%
Luziana Montagens e Servicios, Ltda.	Avda. Marechal Camara, 160. Rio de Janeiro. Brazil	100.00%
Maessa Telecomunicaciones, S.A. (MAETEL)	C/ Bari, 33 - Edificio 3. 50197 Zaragoza. Spain	99.40%
Maetel Peru, S.A.C.	C/ Julian Arias Araguez nº250. Lima. Per Lima. Peru	100.00%
Maintenance et Montages Industriels S.A.S	64 Rue Montgrand. Marseille .13006 Marseille. France	100.00%
Makiber, S.A.	Pso. de la Castellana, 182 - 2°. 28046 Madrid. Spain	100.00%
Manchasol 1 Central Termosolar Uno, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Manchasol 2 Central Termosolar Dos, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Mantenimiento y Montajes Industriales, Masa Chile, Ltda.	C/Apoquindo 3001 Piso 9.206-744 Las Condes. Santiago de Chile. Chile	100.00%
Mantenimiento y Montajes Industriales, S.A.	Edif. Milenium, C/ Teide 5-1°. 28709 San Sebastián de los Reyes. Madrid. Spain	100.00%
Mantenimientos Integrales Senax, S.A.	C/ Tarragones, 12.L´Hospitalet de L´Infant. Tarrragona. Spain	100.00%

CONSOLIDATED FINANCIAL STATEMENTS

Company	Registered Office	% Effective Ownership
Mantenimientos, Ayuda a la Explotación y Servicios, S.A. (MAESSA)	C/ Cardenal Marcelo Spinola Nº 42 - planta 11ª. 28016 Madrid. Spain	100.00%
Mas Vell Sun Energy, S.L.	C/ Prósper de Bofarull, 5 . Reus. Tarragona. Spain	100.00%
Masa Algeciras, S.A.	Avda. Blas Infante, Edificio Centro Blas Infante, local 8. 11201 Algeciras. Cádiz. Spain	100.00%
Masa Galicia, S.A.	Políg. Ind. De la Grela - C/ Guttember, 27, 1º Izqd. 15008 La Coruña. Spain	100.00%
Masa Huelva, S.A.	C/ Alonso Ojeda, 1. 21002 Huelva. Spain	100.00%
Masa Méjico, S.A. de C.V.	C/ Juan Racine, 112, 8º - Colonia Los Morales, Del. Miguel Hidalgo - 11510 Mexico D.F.	100.00%
Masa Norte, S.A.	C/ Ribera de Axpe, 50-3º. 48950 Erandio Las Arenas. Vizcaya. Spain	100.00%
Masa Puertollano, S.A.	Crta. Calzada de Calatrava, km. 3,4. 13500 Puertollano. Ciudad Real. Spain	100.00%
Masa Servicios, S.A.	Políg. Ind. Zona Franca, Sector B, Calle B. 08040 Barcelona. Spain	100.00%
Masa Tenerife, S.A.	Pº Milicias de Garachico, 1, 4º, Ofic. 51 - Edif. Hamilton. 38002 Sta. Cruz de Tenerife. Islas Canarias. Spain	100.00%
MASE Internacional, CRL	PO Box 364966.San Juan. Puerto Rico	100.00%
Mencli, S.L.	C/ Biniarroca s/n, Local 16. 07710 Sant Lluis. Menorca. Islas Baleares. Spain	100.00%
Mexicana de Servicios Auxiliares, S.A. de C.V.	Avda. Paseo de la Reforma, 404. Piso 15.1502. Colonia Juarez. Delegación Cuauhtemoc. 06600 Mexico D.F. Mexico	100.00%
Mexicobra, S.A.	Colonia Polanco C/Alejandro Dumas,160. Mexico D.F. 11500. Mexico	100.00%
Mexsemi, S.A. de C.V.	Avda. Dolores Hidalgo 817 CD Industrial Irapuato Gto. 36541. Mexico	99.73%
Midasco, Llc.	7121 Dorsey Run Road Elkrige.Maryland 21075-6884. United States of America	100.00%
Mimeca, C.A.	Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela	82.80%
Minuano Montangens e Servicios, Ltda.	Avda. Marechal Camera, 160 Sala 1626.Rio de Janeiro. Brazil	100.00%
Moncobra Canarias Instalaciones, S.A.	León y Castillo, 238. 35005 Las Palmas de Gran Canaria. Islas Canarias. Spain	100.00%
Moncobra Constructie si Instalare, S.R.L.	Floresca, 169-A floresca Business Park.Bucarest. Romania	100.00%
Moncobra Dom	3296 Bld Marquisat de Houelbourg- ZI de Jarry97122 Baie Mahault. Guadalupe	100.00%
Moncobra Peru	Avda Víctor Andrés Belaúnde 887 Distrito: Carmen de le Legua Reinoso. Peru	100.00%
Moncobra, S.A.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Monelec, S.L.	C/ Ceramistas, 14. Málaga. Spain	100.00%
Montrasa Maessa Asturias, S.L.	C/ Camara, nº 54-1º dchra. 33402 Avilés. Asturias. Spain	50.00%
Moyano Maroc SRALU	269 8D Zertouni Etg 5 Appt 1.Casablanca. Morocco	100.00%
Murciana de Tráfico, S.A.	Carril Molino Nerva, s/n. Murcia. Spain	100.00%
New Generation Sistems, S.R.L.	139, rue Simone Signoret - Tournezy II.34070 Motpellier . France	100.00%
NGS - New Generation Services, Ltda.	Pz. Centenario - Av. Naçoes Unidas 12995. 04578-000Sao Paulo. Brazil	74.54%
NGS - New Generation Supplier, Unipessoal Lda	Rua Rui Teles Palhinha, Nº 4, 3º Andar 2740-278 Porto Salvo Lisboa. Portugal	74.54%
North Africa Infraestructures, S.L.	C/ Cardenal Marcelo Spínola, 10.28016 Madrid. Spain	51.00%
OCP Peru	Avda Víctor Andrés Belaúnde 887 Distrito: Carmen de le Legua Reinoso	100.00%
Oficina Técnica de Estudios y Control de Obras, S.A	C/ Guzmán el Bueno, 133-1º. Edificio Britania. 28003 Madrid. Spain	100.00%
Opade Organización y Promoción de Actividades Deportivas, S.A.	Avda. de América, 10. Madrid. Spain	100.00%
P. E. Sierra de las Carbas, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	61.79%
P.E. Marcona, S.R.L.	Alfredo Salazar, 409 Miraflores.Lima. Peru	99.99%
P.E. Monte das Aguas, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	60.00%
P.E. Monte dos Nenos, S.L.	José Luis Bugallal Marchesi, 20. 15008 La Coruña. Spain	100.00%
P.E.Donado, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
P.E.Tesosanto, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	61.79%
Parque Cortado Alto, S.L.	C/ Cardenal Marcelo Spínola, 10.28016 Madrid. Spain	51.00%
Parque Eólico Buseco, S.L.	Comandante Caballero, 8. 33005 Oviedo. Asturias. Spain	80.00%
Parque Eólico de Valdecarro, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Parque Eólico La Val, S.L.	C/ Cardenal Marcelo Spínola, 10.28016 Madrid. Spain	51.00%
Parque Eólico Santa Catalina, S.L.	La Paz, 23-2ºB. Valencia. Spain	100.00%
Parque Eólico Tadeas, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	51.48%
Parque Eólico Tres Hermanas, S.A.C	Avda. Alfredo Salazar,409.Lima. Peru	100.00%
Parque Eólico Valdehierro, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	51.48%
Percomex, S.A.	Melchor Ocampo, 193 Torre C-Colonia Verónica Anzures. Mexico	100.00%
Pilatequia, S.L.	C/ Velazquez 61 Planta 1, Puerta Izq. 28001 Madrid. Spain	52.18%
Planta de Tratamiento de Aguas Residuales, S.A.	Avda Argentina,2415 Lima. Peru	100.00%
Procme, S.A.	Rua Rui Teles Palhinha, 4. Leião 2740-278 Porto Salvo. Portugal	74.54%
Promservi, S.A.	Avda. de Manoteras, 26. 28050 Madrid. Spain	100.00%
Railways Infraestructures Instalac y Servicios LLC		100.00%
Recursos Ambientales de Guadalajara, S.L.	C/ Cardenal Marcelo Spínola 10. 28016 Madrid. Spain	100.00%
Recursos Eólicos de Mexico, S.A. de C.V.	Juan Racine, 112 piso 6.Mexico D.F. Mexico	100.00%
Red Top Wind power, LLC.	2711 Centerville Road Suite 400.Wilmington county of New Castle delaware 19808. United States of America	100.00%
Remodelación el Sauz, S.A. de C.V.	José Luis Lagrande, 103 P-8.Los Morales Polanco. Mexico	95.00%
Repotenciación C.T. Manzanillo, S.A. de C.V.	Juan Racine,112 piso 8.Mexico D.F. Mexico	100.00%
Riansares Eólica, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	70.00%
Ribagrande Energía, S.L.	C/ Cardenal Marcelo Spínola 10. Madrid 28016. Spain	100.00%
Rioparque, Lda.	Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278. Porto Salvo. Portugal	74.54%
Robledo Eólica, S.L.	C/ Cardenal Marcelo Spínola 10. Madrid 28016. Spain	100.00%

Company	Registered Office	% Effective Ownership
Roura Cevasa, S.A.	Caracas, 5. Barcelona. Spain	100.00%
Salam Sice Tech Solutions, Llc.	Salam Tower West Bay P.O. Box 15224 DOHA (Qatar)Box 15224 Doha. Qatar	49.00%
Salmantina de Seguridad Vial, S.A.	Cascalajes, 65-69. 37184 Villares de la Reina. Salamanca. Spain	100.00%
Sao-Simao Montagens e Servicos de Electricidade, Ltda.	Rua Marechal Camara, 160. Rio de Janeiro. Brazil	100.00%
Sedmiruma, S.R.L.	Bucarest, sector 3, Str Ion Nistor 4. Romania	100.00%
Sedmive, C.A. (Soc. Españ. Montajes Indus Venezuela)	Avda. Rómulo Gallegos con 4ta. Av. Palos Grandes, 1ra. Av. Santa Eduvigis, edificio KLM, piso 2 oficina 2-D Urb. Los Palos Grandes, zona postal 1060 Caracas, Venezuela	100.00%
Seguridad Integral Metropolitana, S.A.	C/ La Granja, 29. 28108 Alcobendas. Madrid. Spain	90.00%
SEMI Bulgaria, S.L.U.	C/ Stara Planina, 5.Sofia. Bulgaria	100.00%
Semi Germany, S.A.	Schlüter Str.17 10625.Berlin. Germany	100.00%
Semi Italia, SRL.	Via Uberto Visconti Di Modrone 3. Milan. Italia	100.00%
Semi Maroc, S.A.	5 Rue Fakir Mohamed .Casablanca Sidi Belyout. Morocco	99.73%
SEMI Panama, S.A.	Edificio El Peñón, C/ 40, Bellavista. Panama	100.00%
Semi Servicios de Energia Industrial y Comercio SL	Gülbahar Mah. Altan Erbulak Sok. Atasoy Is Hani No: 3/1. Estambul. Turquia	100.00%
Semi USA Corporation	2800 Post Oak Blvd. Suite 5858.Houston, Texas. United States of America	100.00%
Semicosta Inc Sociedad Anónima	Diagonal al parque del Centro Comercial el Pueblo.San José. Costa Rica	100.00%
Semona, S.R.L.	Avda John Kennedy, Esq Lope de Vega, Edif. Scotiabank.Santo Domingo. Republica Dominicana	70.00%
Sermacon Joel, C.A.	Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela	82.80%
Sermicro, S.A.	C/ Pradillo, 46. 28002 Madrid. Spain	100.00%
Serpimex, S.A. de C.V.	Juan Racine 112 8 Colonia Los Morales Polanco Delegación Miguel Hidalgo. Mex DF11510	100.00%
Serpista, S.A.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	51.00%
Serrezuela Solar II, S.L.	Rafael Calvo, 42 Bj Dcha.28010 Madrid. Spain	100.00%
Serveis Catalans, Serveica, S.A.	Avda. de Manoteras, 26. 28050 Madrid. Spain	100.00%
Servicios Administrativos Offshore, S.A. de C .V .	Juan Racine 112 8° Piso Col. Los Morales C.P. 11510 Mexico D.F. Mexico	100.00%
Servicios Cymimex, S.A. de C.V.	Juan Racine 112 6° Piso Colonia Los Morales 11510. Mexico D.F. Mexico	100.00%
Servicios Dinsa, S.A. de C.V.	Juan Racine 112 3° Piso Colonia Los Morales Mexico (DF) Delegación Miguel Hidalgo 11510	100.00%
Servicios Logísticos y Auxiliares de Occidente, SA	Avda. Ofibodegas Los Almendros, 3 13-35 Guatemala	100.00%
Servicios Operativos Offshore, S.A. de C. V .	Juan Racine 112 8° Piso Col. Los Morales C.P. 11510 Mexico D.F. Mexico	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	100.00%
Sete Lagoas Transmissora de Energia, Ltda.	Avda. Marechal Camera, 160.Río de Janeiro. Brazil	100.00%
Setec Soluçoes Energeticas de Transmissao e Controle, Ltda.	Avda. Presidente Wilson 231, sala 1701 20030-020 Rio de Janeiro. Brazil	100.00%
Sice do Brazil, S.A.	C/ Joaquim Eugenio de Lima, 680. Sao Paulo. Brazil	100.00%
Sice Energía, S.L.	C/ Sepúlveda, 6. 28108 Alcobendas. Madrid. Spain	100.00%
Sice Hellas Sistemas Tecnológicos Sociedad Unipersonal de Responsabilidad Limitada	C/ Omirou. 14562 Kifissia. Grecia	100.00%
Sice NZ Limited	Level 4, Corner Kent & Crowhurst Streets, New Market.Auckland, 1149. Australia	100.00%
SICE PTY, Ltd.	Level 5, Mayne Building. 390 St. Kilda Road Melbourne, Vicotira 3004. Australia	100.00%
Sice Puerto Rico, Inc.	C/ Fordham 275 San Juan PR 00927. University Gardens. Puerto Rico	100.00%
Sice South Africa Pty, Ltd.	C/ PO Box 179. 009 Pretoria, Sudafrica	100.00%
Sice Tecnología en Minería, S.A.	Avda. Vitacura 2670. Oficina 702 – piso 7. Las Condes Santiago de Chile. Chile	60.00%
Sice Tecnología y Sistemas, S.A.	C/ Sepúlveda, 6. 28108 Alcobendas. Madrid. Spain	100.00%
SICE, Inc.	Two Alhambra Plaza,suite 1106.Coral Gables. Fl 33134. Miami. United States of America	100.00%
SICE, LLC.	Rublesvkoye Shosse 83/1 121467 Moscu. Russia	100.00%
Sidetel, S.A.	Avda. Manoteras, 28. Madrid. Spain	100.00%
Sistemas Integrales de Mantenimiento, S.A.	C/ Teide, 5 - 1°. 28709 San Sebastián de los Reyes. Madrid. Spain	100.00%
Sistemas Sec, S.A.	C/ Miraflores 383. Santiago de Chile. Chile	51.00%
Small Medium Enterprises Consulting, B.V.	Claude Debussylaan, 44, 1082 MD.Amsterdam. Holand	74.54%
Soc Iberica de Construcciones Electricas de Seguridad, S.L.	C/ La Granja 29. 28108 Alcobendas. Madrid. Spain	100.00%
Soc. Española de Montajes Industriales, S.A. (SEMI)	C/ Manzanares, 4. 28005 Madrid. Spain	99.73%
Sociedad Ibérica de Construcciones Eléctricas, S.A.	C/ Sepúlveda, 6. 28108 Alcobendas. Madrid. Spain	100.00%
Sociedad Industrial de Construccion Eléctricas, S.A	C/ Aquilino de la Guardia. Edificio IGRA Local 2. Urbanización Bella Vista Panama	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	100.00%
Sociedad Industrial de Construcciones Eléctricas Siceandina, S.A.	C/ Chinchinal, 350. Barrio El Inca. Pichincha - Quito (Ecuador)	100.00%
Sociedad Industrial de Construcciones Eléctricas, S.A. de C.V.	Pso de la Reforma, 404. Despacho 1502, Piso 15 Col. Juarez 06600 Delegación Cuauhtemoc Mexico D.F.	100.00%
Sociedad Industrial de Construcciones Eléctricas, S.L., Ltda.	C/ 94 NO. 15 32 P 8. Bogota D.C. Colombia	100.00%
Société Industrielle de Construction Electrique, S.A.R.L.	Espace Porte D Anfa 3 Rue Bab Mansour Imm C 20000 Casa Blanca. Morocco	100.00%
Soluciones Auxiliares de Guatemala, S.A.	2 Avda. 13-35 Zona 17, Ofibodegas los Almendros № 3. 01017 Ciudad de Guatemala. Guatemala	100.00%
Soluciones Eléctricas Integrales de Guatemala, S.A.	2 Avda. 13-35 Zona 17, Ofibodegas los Almendros № 3. 01017 Ciudad de Guatemala. Guatemala	100.00%
Spcobra Instalaçoes e Serviços, Ltda.	Joao Ventura Batista,986 Sao Paulo. Brazil 02054	56.00%
Sti Telecom Spa	Avda. Vitacura 2670. Oficina 702 – piso 7. Las Condes Santiago de Chile. Chile	100.00%

CONSOLIDATED FINANCIAL STATEMENTS

Company	Registered Office	% Effective Ownership
Sumipar, S.A.	C/ B Sector B Zona Franca 4. 08040 Barcelona. Spain	100.00%
Taxway, S.A.	Colonia, 981.Montevideo. Uruguay	100.00%
Tecneira Acarau Geraçao e Comercialiçao de Energia Eletrica S.A.	Rua Marcos Macedo 1333 Sala 416 CEP 60.150-190 Aldeota.Fortaleza. Brazil	74.54%
Tecneira do Paracuru, Ltda.	Sitio Freixeiras, S/N. 62.680-000.Paracuru, Estado do Cear. Brazil	74.54%
Tecneira Novas Enerias SGPS, S.A.	Rua Rui Teles Palhinha, 4. Leiao 2740 Oeiras. Portugal	74.54%
Tecneira, S.A.	Rua Rui Teles Palhinha, 4. Leião 2740-278 Porto Salvo. Portugal	74.54%
Técnicas de Desalinización de Aguas, S.A.	Procesador, 19. Telde 35200 Las Palmas. Islas Canarias. Spain	100.00%
Tecnicas de Sistemas Electrónicos, S.A. (Eyssa-Tesis)	Rua General Pimenta do Castro 11 - 1. Lisboa. Portugal	100.00%
Tecnotel Clima, S.L.	Pg Ind.Valle Guimar Manz, 6. Arafo. Santa Cruz de Tenerife. Islas Canarias. Spain	100.00%
Tecnotel de Canarias, S.A.	Misiones, 13. Las Palmas de Gran Canaria. Spain	100.00%
Tedagua Internacional, S.L.	C/ Cardenal Marcelo Spínola, 10.28016 Madrid. Spain	100.00%
Tedagua Renovables, S.L.	Procesador, 19. Telde 35200 Las Palmas. Islas Canarias. Spain	100.00%
Telcarrier, S.A.	C/ La Granja, 29. 28108 Alcobendas. Madrid. Spain	100.00%
Telsa Instalaciones de Telecomunicaciones y Electricidad, S.A.	C/ La Granja, 29. 28108 Alcobendas. Madrid. Spain	100.00%
Tesca Ingenieria del Ecuador, S.A.	Avda. 6 de diciembre N37-153 Quito. Ecuador	100.00%
TNG Brazil, Ltda.	Avda. Dom Luis Paracuru 1200, Bairro de Meireles. 60.160-230.Fortaleza, Estado do Cear . Brazil	74.54%
Tonopah Solar Energy Holdings I, LLC.	7380 West Sahara, Suite 160.Las Vegas NV 89117. United States of America	36.60%
Tonopah Solar Energy Holdings II, LLC.	2425 Olympic Blvd, suite 500E.Santa Monica, CA 90404. United States of America	36.60%
Tonopah Solar Energy, LLC	2425 Olympic Blvd, suite 500E.Santa Monica, CA 90404. United States of America	36.60%
Trafiurbe, S.A.	Estrada Oct vio Pato C Empresar-Sao Domingo de Rana. Portugal	76.20%
Triana do Brazil Projetos e Serviços, Ltda.	Avda. Presidente Wilson 231, Sala 1701 Parte. Rio de Janeiro. Brazil	50.00%
Trigeneración Extremeña, S.L.	C/ Cardenal Marcelo Spínola, 10.28016 Madrid. Spain	100.00%
Tucurui Dourados Montagens e Serviços, Ltda.	Avda. Marechal Camera, 160 sala 1621.Rio de Janeiro. Brazil	99.00%
UrbaEnergía Instalaciones y Servicios, S.L.	C/ Cardenal Marcelo Spínola,10.28016 Madrid. Spain.	100.00%
Urbaenergía, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	100.00%
Valdelagua Wind Power, S.L.	C/ Cardenal Marcelo Spínola 10. Madrid 28016. Spain	100.00%
Venelin Colombia SAS	C/ 107 A N°. 8-22.Bogota. D.C. Colombia	82.80%
Venezolana de Limpiezas Industriales, C.A. (VENELIN)	Pz Venezuela, Torre Phelps s/n. 1050 Caracas. Venezuela	82.80%
Ventos da Serra Produção de Energía, Ltda.	Monte do Poço Branco, Estrada de Sines EN121. 7900-681. Ferreira do Alentejo. Portugal	74.54%
Viabal Manteniment i Conservacio, S.A.	Roders, 12. 07141 Marratxi. Islas Baleares. Spain	100.00%
Vieyra Energía Galega, S.A.	José Luis de Bugallal Marchesi, 20 - 1 izq. 15008 La Coruña. Spain	50.00%
Villanueva Cosolar, S.L.	Guadalajara,14. 19193 Guadalajara. Spain	59.63%
ENVIRONMENT		
ACS Servicios y Concesiones, S.L.	Avda. Camino de Santiago, 50.28050 Madrid. Spain	100.00%
AXIL 3 Ingenieros, S.L.U.	Plazoleta Arq. Marrero Regalado,4. bajo dcha.38001 Santa Cruz de Tenerife. Spain	100.00%
Blas Moreno, S.L.	Avda. Diagonal, nº 611 - 2º. Barcelona. Spain	60.00%
Centro de Transferencias, S.A.	Polígono Los Barriales, s/n. Valladolid. Spain	70.00%
Cytrar, S.A. de C.V.	C/ Lázaro Cardenas, Km 6 en Hermosillo, Sonora. Mexico	100.00%
Eco Actrins, S.L.U.	C/ Alcalde Luis Pascual, 17 Bajo Caudete.Albacete. Spain	50.00%
Ecoentorno Ambiente, S.A.	Camino de la Muñoza, s/n. Ctra. Madrid-Barcelona, km. 15,200. 28042 Madrid. Spain	51.00%
Ecoparc de Barcelona S.A.	C/ A . Políg. Industrial Zona Franca. Barcelona. Spain	66.40%
Edafología y Restauración del Entorno Gallego, S.L.	C/ Copérnico, s/n 1º-1 dcha Pol. Ind. A Gresla. Coruña. Spain	100.00%
Empordanesa de Neteja, S.A.	Avda. Diagonal, nº 611 - 2º. Barcelona. Spain	60.00%
Evere, S.A.S.	Avda. Albert Einstein. 34000 Montpellier. France	99.35%
France Auto Service Transport, E.U.R.L.	Place de la Madeleine, 6. 75008 Paris. France	100.00%
Gestión Medioambiental de Torrelavega, S.A.	Boulevard Demetrio Herrero, 6. 39300 Torrelavega. Santander. Spain	60.00%
Gestión y Protección Ambiental, S.L.	Condado de Treviño, 19. Burgos. Spain	70.00%
Interenvases, S.A.	Vial Secundario, s/n. Polígono Industrial de Araia. Bilbao. Spain	100.00%
Laboratorio de Gestión Ambiental, S.L.	Avda. de Tenerife 4-6. 28703 San Sebastian de los Reyes. Madrid. Spain	100.00%
Monegros Depura, S.A.	Pza. Antonio Beltrán Martínez, nº 1 - Edificio Trovador, oficina 6 C. 50002 Zaragoza. Spain	55.00%
Mora la Nova Energía, S. L.	C/ Lincoln, 11. 08006 Barcelona. Spain	71.00%
Octeva, S.A.S.	ZA Marcel Doret rue Jacques Monod. 62100 Calais. France	68.69%
Olimpia, S.A. de C.V.	C/ 6 Oriente - Colonia Francisco Sarabia - Tehuacan, Puebla. Mexico	100.00%
Orto Parques y Jardines, S.L.	Luçar Dòcean s/n. Parroquía de Orto. A Coruña. Spain	100.00%
Pruvalsa, S.A.	Calle Independencia, Sector centro, Edificio Ariza, piso 2, ofic. 2-2, Valencia, Edo. Carabobo. Venezuela	82.00%
Puerto Seco Santander-Ebro, S.A.	C/ Ramón y Cajal, 17. Luceni. Zaragoza. Spain	62.50%
Recuperación Int. Residuos de Castilla y León, S.A.	Polígono Industrial Ntra. Sra. de Los Angeles. Parcela 10, nave 8 y 9. Palencia. Spain	100.00%
Residuos de la Janda, S.A.	C/ La Barca de Vejer s/n. Vejer de La Frontera. Cádiz. Spain	60.00%
Residuos Industriales de Teruel, S.A.	Ctra. de Madrid, km. 315,800 Edif. Expo Zaragoza, 3 Ofic. 14. 50012 Zaragoza. Spain	63.70%

Company	Registered Office	% Effective Ownership
Residuos Industriales de Zaragoza, S.A	Crta de Madrid Edif.Expozaragoza Km. 315.8 3 of 14. 50012 Zaragoza. Spain	63.70%
Residuos Sólidos Urbanos de Jaén, S.A.	Palacio de la Excma. Diputación de Jaén. Jaén. Spain	60.00%
Salins Residuos Automoción, S.L.	C/ 31 c/v calle 27 - Nave 715-701, P.I. Catarroja. Valencia. Spain	80.00%
SCI Sintax	Route de Phaffans. 90380 Roppe. France	100.00%
Sertego, S.L.	Camino de Hormigueras, 171.28031 Madrid. Spain	100.00%
Servicios de Aguas de Misiones, S.A.	Avda. López y Planes, 2577. Misiones. Argentina	90.00%
Servicios Generales de Jaén, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastian de los Reyes. Madrid. Spain	75.00%
Servicios Selun, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastian de los Reyes. Madrid. Spain	100.00%
Sevicios Corporativos TWC, S.A. de C.V.	C/ Lázaro Cardenas, Km 6 en Hermosillo, Sonora. Mexico	100.00%
Sintax Est S.A.R.L.	Place de la Madeleine, 6. 75008 Paris. France	100.00%
Sintax Ile de France S.A.R.L.	7 Rue du Docteur Fourniols, 95420 Magny en Vexin. France	100.00%
Sintax Logística Transportes, S.A.	Vale Ana Gomez, Ed. Síntax Estrada de Algeruz. Setubal. Portugal	100.00%
Sintax Logística, S.A.	C/ Diputación, 279, Atico 6ª. Barcelona. Spain	100.00%
Sintax Logístics Zeebrugge, S.A.R.L.	283 Avenue Louise, Bruxelles. Bélgica	100.00%
Sintax Logistique France, S.A.S.	Place de la Madeleine, 6. 75008 Paris. France	100.00%
Sintax Logistique Maroc, S.A.R.L.	332 Boulevard Brahim Roudani - Maarif. Casablanca. Morocco	100.00%
Sintax Logístique Mediterraneé, E.U.R.L.	Place de la Madeleine, 6. 75008 Paris. France	100.00%
Sintax Logístique Region Parisienne, E.U.R.L.	Place de la Madeleine, 6. 75008 Paris. France	100.00%
Sintax Logistique Valenciennes, S.A.R.L.	Place de la Madeleine, 6. 75008 Paris. France	100.00%
Sintax Navigomes, Ltda.	Avda. Luisa Todi, 73. 2900 Setúbal. Portugal	51.00%
Sintlogistica, Ltda.	Vale Ana Gomez, Ed. Síntax Estrada de Algeruz. Setubal. Portugal	100.00%
Socamex, S.A.	C/ Cobalto s/n Par. 213. Pol. San Cristóbal. Valladolid. Spain	100.00%
Somasur, S.A.	20, Rue Meliana Hai Ennahada. Rabat. Morocco	100.00%
Tangshan International Container Terminal Co. Ltd.	Tangshan Port Development Zone. Hebei Province. República Popular China	54.28%
Tecmed Environment, S.A.S.	21 Rue Jules Guesde. 69230 Saint Genis Laval. Lyon. France	96.75%
Tecmed Maroc, S.A.R.L.	Avda. capitaine Sidi Omar Elaissaoui cite OLM-Suissi II. Rabat. Morocco	65.00%
Tecmed Servicios de Recolección, S.A. de C.V.	C/ Homero nº109 Dp 604 Colonia Chapultepec, Morales del Miguel Hidalgo. Mexico DF	100.00%
Tecmed Técnicas Mediamb. de Mexico, S.A. de C.V.	Melchor Ocampo, no 193 Torre C, piso 14D. Mexico	100.00%
Técnicas Aplicadas de Recuperaciones Industriales, S.A.	Avda. de Tenerife, 4 - 6. 28703 San Sebastian de los Reyes. Madrid. Spain	95.00%
Técnicas de Recuperación e Inertización, S.A.	Avda. de Tenerife, 4 - 6. 28703 San Sebastian de los Reyes. Madrid. Spain	100.00%
Tirmadrid, S.A.	C/ Cañada Real de las Merinas, s/n. Madrid. Spain	66.36%
Trans Inter Europe, S.A.S.	Route de Phaffans. 90380 Roppe. France	100.00%
Trans Inter Uberherrn, E.U.R.L.	33 Langwies, D-66 802 Überherrn. Germany	100.00%
Transportes Residuos Industriales y Peligrosos, S.L.	C/ Copérnico, 1 1°dcha., P.I. La Gresla. A Coruña. Spain	100.00%
Tratamiento de Residuos Sólidos Urbanos, S.A. de C.V.	C/ Lázaro Cardenas, Km 6 en Hermosillo, Sonora. Mexico	100.00%
Tratamiento Integral de Residuos de Cantabria S.L.U.	Avda. de Tenerife, 4 - 6.28703 San Sebastian de los Reyes Madrid. Spain	100.00%
Tresima Limpiezas Industriales, S.A. (TRELIMSA)	C/ Copérnico, 1 1° dcha., P.I. La Gresla (A Coruña). Spain	80.00%
Urbacet, S.L..	C/ Fray Junipero Serra nº 65 3°, 08030 Barcelona. Spain	100.00%
Urbamar Levante Residuos Industriales, S.L.	C/ 31 c/v calle 27 - Nave 715-701, P.I. Catarroja. Valencia. Spain	80.00%
Urbana de Servicios Ambientales, S.L.	Avda. José Ortega y Gasset, nº 194-196. Madrid. Spain	70.00%
Urbaser Argentina, S.A.	L.N. Alem 986, Piso 3 - Capital Federal. Buenos Aires. Argentina	100.00%
Urbaser Barquisimeto, C.A.	Carrera, 4 Zona Ind Barquisimeto. Lara. Venezuela	100.00%
Urbaser de Méjico, S.A. de C.V.	C/ Juan Racine 112-8°, Col. Los Morales, 11510 Mexico DF	100.00%
Urbaser Environnement, S.A.S.	1140 Avenue Albert Einstein. BP 51. 34000 Montpellier Cedex 09. France	96.75%
Urbaser INC.	Hunton&William LLP,1111 Brickell Av. Suite 2500 Miami, Florida 33131.United States of America	100.00%
Urbaser Libertador, C.A.	Avda. Paseo Cabriales, Sector Kerdell, Torre Movilnet, piso 11, ofic. 4. Valencia. Estado de Carabobo. Venezuela	100.00%
Urbaser Limited	Unit F, 2nd Floor, Pate Court, St. Margaret's Road.Cheltenham, GL50 4DY. United Kingdom	100.00%
Urbaser Mérida, C.A.	C/ 26, entre Av. 2 y 3, C.C. La Casona, piso 2, local 18. Mérida. Estado Mérida. Venezuela	100.00%
Urbaser S.r.l.	Vía Archimede, 161.Roma. Italia	100.00%
Urbaser San Diego, C.A.	Cent Com Fin de Siglo, pta baja, Av. D. Julio Centeno, Sector La Esmeralda, Local 11. Venezuela	65.00%
Urbaser Transportes, S.L.	Avda. Diagonal, nº 611 - 2º. Barcelona. Spain	100.00%
Urbaser Valencia, C.A.	C/ 123, s/n, cruce con avenida 94, avda. lizandro Alvarado, zona industrial la Guacamaya, Galpon, Urbaser, Valencia Estado Carabobo. Venezuela	100.00%
Urbaser, S.A.	Camino de Hormigueras, 171.28031 Madrid. Spain	100.00%
Urbasys, S.A.S.	Route de Tremblay, F-91480 Varennes-Jarcy. France	99.35%
Vadereli, S.L.	Avda. Tenerife, 4 y 6.28703 San Sebastian de los Reyes. Madrid. Spain	51.00%
Valenciana de Eliminación de Residuos, S.L.	Paraje "El Cabezo del Pino". Real de Montroi. Valencia. Spain	85.00%
Valenciana de Protección Ambiental, S.A.	L' Alcudia de Crepins - Polig. El Caneri - Parcela 6. Valencia. Spain	99.55%
Valorga International, S.A.S.	1140 Avenue Albert Einstein. BP 51. 34000 Montpellier Cedex 09. France	96.75%
Valorgabar, S.A.S.	1140, Avenue Albert Einstein. BP 51. 34000 Montpellier Cedex 09. France	99.35%
Vertedero Las Mulas, S.L.	Camino de Las Mulas, s/n. 28945 Fuenlabrada. Madrid. Spain	100.00%
Vertederos de Residuos, S.A. (VERTRESA)	Camino de Hormigueras, 171.28031 Madrid. Spain	83.97%

CONSOLIDATED FINANCIAL STATEMENTSS

Appendix II. UTE´s / EIG´s

UTE / EIG	Address	% Effective Ownership	Revenue
CONSTRUCTION - DRAGADOS			
Ave Lalín	Avda. Finisterre, 25 - A Coruña. Spain	100.00%	10,088
Ave Ulla	Avda. Finisterre, 25 - A Coruña.- Spain	100.00%	34,872
Yesa	C/ Rene Petit, 25 - Yesa	33.33%	10,095
Gorg Línea 9	C/ Via Laietana, 33 - Barcelona. Spain	43.50%	15,238
Túneles de Pajares 2	Avda. Camino de Santiago, 50 - Madrid. Spain	84.00%	22,478
Langosteira	Avda. Finisterre, 25 - A Coruña. Spain	55.00%	54,745
Puente de Cádiz	Avda. Tenerife, 4 y 6 - San Sebastián de los Reyes. Spain	100.00%	25,122
Ave Girona	C/ Acanto, 22 - 5ª Planta - Madrid. Spain	40.00%	56,168
Complejo Administrativo 9 de Octubre	C/ Alvaro de Bazan, 10 - Valencia. Spain	54.00%	25,204
Central Greece Motorway E-65	Avda. Messogeion, 85 - Atenas. Greece	33.33%	14,630
Zaratamo	Pz. Venezuela, 1 - Bilbao. Spain	90.00%	13,951
Hospital de Bellvitge	C/ Via Laietana, 33 - Barcelona. Spain	55.00%	10,965
Obras Abrigo Puerto Valencia	C/ Alvaro de Bazan, 10 - Valencia. Spain	29.00%	19,825
Viaducto Río Ulla	C/ Wenceslao Wernández Florez, 1 - A Coruña. Spain	100.00%	12,761
Metro de Granada	C/ Lope de Vega, 4 - Granada. Spain	70.00%	10,300
Ampliación Puerto de Tazacorte	C/ Candelaria, 28 - 3ª Planta - Ed. Olympo - Santa Cruz De Tenerife. Spain	85.00%	10,223
Contradique de Granadilla	C/ Candelaria, 28 - 3ª Planta - Ed. Olympo - Santa Cruz De Tenerife. Spain	80.00%	13,584
Ave Túnel de Serrano	C/ Cardenal Marcelo Spinola, 52 - Madrid. Sapin	42.00%	45,131
Baixo Alentejo	Avda. Visconde De Valmor, 66 - Lisboa. Portugal	44.00%	47,067
Estacions L9-Besos	C/ Via Laietana, 33 - Barcelona. Spain	50.00%	23,841
Vía Litoral	C/ Candelaria, 28 - 3ª Planta - Ed. Olympo - Santa Cruz De Tenerife. Spain	100.00%	18,363
Ampliación Complejo Atocha Fase I	Avda. Camino de Santiago, 50 - Madrid. Spain	100.00%	24,945
Viaducto de Archidona	Avda. Camino de Santiago, 50 - Madrid. Spain	50.00%	10,609
Autovía del Pirineo	Avda. Roncesvalles, 6 - Pamplona - Iruña. Spain	72.00%	10,950
Terminal Aeropuerto de Ibiza	Pz. Es Forti, 4 - Palma de Mallorca. Spain	70.00%	17,010
Beasain Este	Barrio Loinatz - Beasain	47.00%	12,287
Edifico Usos Múltiples en Salamanca	Pz. Juan de Austria, 2 - Valladolid. Spain	99.00%	10,720
Tolosa	C/ Gran Via, 53 - Bilbao. Spain	40.00%	30,735
Estructura Sagrera Ave	C/ Via Laietana, 33 - Barcelona. Spain	33.50%	21,756
Urbanización Terminal Polivalente	C/ Maestro Alonso, 1 - Murcia. Spain	50.00%	10,356
Ave San Isidro - Orihuela	C/ Alvaro de Bazan, 10 - Valencia. Spain	70.00%	48,740
Estacions L9-Llobregat	C/ Via Laietana, 33 - Barcelona. Spain	50.00%	58,312
Construcción Plataforma Tramo Urrieta - Hernani	C/ Gran Via, 53 - Bilbao. Spain	37.00%	13,765
Dragados-Sisk Crosrail Eastern R. Tunnels	25 Canal Sq. 33 fl. Canary Wharf - London	90.00%	161,024
Forth Crossing Bridge Constractors	Grange House West Main Road, Grange Mouth - Scotland	28.00%	151,463
HVDC Tunnel GEIE	C/ 2, Rue Helene Boucher - 93330 Neuilly Sur Marne	50.00%	49,187
Consorcio Dragados - Concay	C/ 94 A, Nº 13-08 Barrio Chico - Bogota	70.00%	14,715
Estación Girona	C/ Acanto, 22 - 5ª Planta - Madrid. Spain	40.00%	13,125
Maceiras Redondela	C/ Caballero Andante, 42 - Madrid. Spain	50.00%	15,860
Durango - Amorebieta	C/ Elcano, 14 - Bilbao. Spain	75.00%	19,254
A-32 Ibros - Ubeda	C/ Orense, 11 - Madrid. Spain	65.00%	13,074
Loiola Herrera	Barrio Loyola, 25 - Azpeitia. Spain	50.00%	14,060
Nudo Venta de Baños	C/ Orense, 11 - Madrid. Spain	50.00%	25,939
Medinaceli	C/ Acanto, 22 - 5ª Planta - Madrid. Spain	22.40%	10,140
Depósito de Vallecas	C/ Orense, 11 - Madrid. Spain	60.00%	10,731
Antequera	C/ Orense, 11 - Madrid. Spain	85.38%	29,157
Techint- Dycasa	Hipólito Bouchard 557 piso 17 - Buenos Aires. Argentina	40.00%	29,286
Dragados Cobra Initec JV- Great Ireland	The Oval Building , Block 3, 2nd Floor 160, Shelbourne Road, Ballsbridge, Dublin. Ireland	33.33%	36,739
Dragados / Judlau (019)	26-15 Ulmer Street, College Point - New York 11354. United States of America	55.00%	122,149
Seattle Tunnel Partners	999 3rd Avenue, 22nd Floor - Seattle 98104. United States of America	55.00%	188,681
Picone / Schiavone / Frontier / Drag. USA (538)	31 Garden Lane, Lawrence NY 11559. United States of America	87.50%	37,766
Dragados/ Flatlron/ Sukut	P.O Box 608, Sunol CA 94586. United States of America	40.00%	39,834
Picone / Schiavone (312)	31 Garden Lane, Lawrence NY 11559. United States of America	100.00%	22,085
41G Constructors (520)	150 Meadowlands Pkwy Secaucus, NY 07094 . United States of America	100.00%	58,389
Rondout Constructor (185)	150 Meadowlands Pkwy Secaucus, NY 07094. United States of America	76.40%	23,846
Skanska / Picone II (47)	20 North Central Ave, Valley Stream, NY 11580. United States of America	27.50%	52,063

UTE / EIG	Address	% Effective Ownership	Revenue
S3 Tunnel Constructors (514)	207 East 94th St., NY,NY	37.50%	24,055
S3 II Tunnel Constructors (516)	360 West 31st St., NY, NY	30.00%	37,185
Schiavone/Kiewit (521)	29-60 Northern Blvd, NY, NY	60.00%	20,113
Plaza Schiavone (523)	195 Broadway, 18th Floor, NY, NY	40.00%	39,927
SSK Constructors (524)	1181 Broadway, 5th Floor, NY, NY	42.50%	140,034
Project - S-8 sec 6,7	Ul. Adama Branickiego, 15 - Warszawa	51.00%	37,478
Project - S-8 sec 3	Al. Ujazdowskie, 41 - Warszawa	51.00%	64,376
Project - S-8 sec 5	Ul. Adama Branickiego, 15 - Warszawa	51.00%	19,259
CONSTRUCTION - HOCHTIEF			
Bau-ARGE BAB A8 Ulm - Augsburg	D - 86441 Zusmarshausen / Im Zusamtal 7	50.00%	100,111
Forth Replacement Crossing	GB - Schottland	28.00%	151,123
Gotthard Basis Tunnel, Lose Bodio&Faido	CH - 6743 - Bodio / Consorzio TAT	25.00%	167,602
Crossrail C310 Thames Tunnel (incl. HT UK-Anteil)	GB - London / Hiview House, Highgate Road	50.00%	89,327
Arge Tunnel XFEL	D - Hamburg	50.00%	42,679
Arge Saale - Elster - Brücke	D - 06258 Schkopau / Hallesche Straße 174	36.00%	49,170
ARGE Tunnel Lichtenfels	D - 96215 Lichtenfels / Arge Tunnel Lichtenf.	50.00%	32,502
Maliakos Kleidi CJV/OJV	GR - Itea-Gonnoi	61.02%	26,858
E6 Dovrebanen FP2	NO - Eidsvoll/ Minnesund	40.00%	36,966
Arge Montgelas-Park München	D - München / Törringstraße 2-4	65.00%	11,689
INDUSTRIAL SERVICES			
UTE ACS-COBRA-CASTOR	C/ Cardenal Marcelo Spinola, 10 - Madrid. Spain	100.00%	176,297
CONSORCIO LARRAYNAGA	C/ Reparto San Juan, Hotel Seminole, 300 Mangua. Nicaragua	100.00%	14,041
UTE C.T. VALLE UNO	C/ Severo Ochoa, 4 28760 Tres Cantos - Madrid. Spain	50.00%	42,021
UTE C.T. VALLE DOS	C/ Severo Ochoa, 4 28760 Tres Cantos - Madrid. Spain	50.00%	42,507
UTE C.C. BREMEN	C/ Cardenal Marcelo Spínola,10 - Madrid. Spain	100.00%	29,998
EP UTE PTAR TABOADA	Avda. Victor Andrés Belaunde, 887 - Peru	100.00%	23,323
UTE DRAGADOS COBRA INITEC JV	C/ Shelbourne Road, 160 Dublin - Ireland	100.00%	36,734
UTE AMPLIACION BBG	C/ Zugazarte, 56 48930 Las Arenas Getxo - Vizcaya. Spain	68.00%	35,245
UTE LOS COCOS	C/ Cardenal Marcelo Spínola, 10 - Madrid. Spain	100.00%	35,522
EP UTE YX LOS COCOS	C/ Anacaona, 20 Santo Domingo - Dominican Republic	100.00%	16,722
UTE ACELEC	Avda del Brasil, 6 - Madrid. Spain	33.33%	14,326
Ute Luz Madrid	Evaristo San Miguel 4 - Madrid. Spain	60.00%	22,984
Ute Vea 2012	C/ Orense, 68 - Madrid	50.00%	10,767
Enwesa- Maessa EAE UTE	C/ Tarragones 12, bajo planta 4ª-43890 Hospitalet del Infante - Tarragona. Spain	50.00%	11,957
La Réunion UTE	8 rue du Grand Hotel - 97434 Saint Gilles Les Bains - La Réunion - France	84.00%	15,213
UTE MOGENTE-ALCUDIA DE CRESPINS	Avda de Manoteras, 46 1º - Madrid. Spain	15.00%	14,474
UTE ACELEC	Avda de Brasil 6,2ª planta - Madrid. Spain	33.33%	14,326
ENVIRONMENT			
UTE Legio	C/ Valle de Portugal, s/n - San Román de La Vega (León). Spain	50.00%	12,756
UTE Ebro	Parque Tecnológico de Reciclados. Parc. C1-18. Crta. La cartuja a Torrecilla de Valmadrid. Km. 1,195 - 50720 Zaragoza. Spain	100.00%	16,585
UTE La Paloma	Crta. De Valencia Km. 14, Valdemingomez -, Madrid. Spain	62.00%	11,206
UTE BKU - Tecmed (Albada)	Nostian s/n, 15010 - La Coruña. Spain	100.00%	12,497
UTE Vertresa Rwe Proces (Las Dehesas)	Ctra. Valencia, km 14. Complejo Valdemíngomez - Madrid. Spain	100.00%	20,200
UTE Urbamar	Nuevo Dique del Este s/n, Puerto de Valencia - Valencia. Spain	80.00%	15,647
UTE Logroño Limpio	Polg. Ind. Portalada II C/ La Nevera, nº 18. 26006 Logroño - La Rioja. Spain	50.00%	10,061
UTE Ecoparque V	Ctra. Terrasa - Manresa C-58 Barcelona. Spain	20.00%	10,002
UTE Ecored	C/ Soliraditat 41, Aldaia - Valencia. Spain	100.00%	12,999
UBB (Essex) Construction JV	Unit F Pate Court, St Margarets Road, Cheltenham, GL50 4DY	70.00%	12,562
UTE Moron (Urbaser Argentina, S.A)	Gral. J. M. de Pueyrredón 937 - Morón	100.00%	14,652
UTE Urbasur (Urbaser Argentina, S.A.)	Brandsen 2720 - Caba	70.00%	53,882
UTE Vertresa - FCC (Tenerife)	Pol. Ind. San Isidro - El Rosario. Tenerife. Spain	90.00%	16,135

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Appendix III. Associates

Company	Address	% Effective Ownership	Data on the investee (100%) Assets	Liabilities	Equity*	Revenue	Profit for the year
CONSTRUCTION - DRAGADOS							
ACS Sacyr Chile, S.A.	Avda. Vitacura, 2939, ofic. 1102. Las Condes. Santiago de Chile. Chile	50.00%	1,297	1,183	114	-	(9)
Blue Clean Water, Llc.	150 Meadownlans PKWY, Secaucus. New Jersey 07094. United States of America	76.40%	2,711	5	2,706	501	367
Central Greece Motorway Concession, S.A.	Municipality of Athens, 87 Themistokleous, 10683 Athens. Greece	33.33%	703,873	957,580	(253,707)	8,408	-
Citic Construction Xinlong Contracting Co., Ltd.	Xidaqiao Lu,69. Distrito Miyun. Beijing. China	50.00%	1,814	39	1,775	-	(13)
Cleon, S.A.	Avda. General Perón, 36 1º. 28020 Madrid. Spain	25.00%	131,367	31,132	100,235	-	(370)
Constructora Comsa Dragados, S.A.	Avda. Vitacura, 2939, ofic. 2201. Las Condes. Santiago de Chile. Chile	50.00%	3,433	2,726	707	417	(1,570)
Constructora DCB, S.A.	Avda. Tajamar nº 183 piso 5º.Las Condes. Santiago de Chile. Chile	33.33%	42,774	42,551	223	45,092	209
Corfica 1, S.L.	C/ Los Vergos, 26-5º. 08017 Barcelona. Spain	50.00%	65	1	64	-	-
Draga, S.A.	Crta.de la Comella, 11, Edif.Cierco AD500. Andorra	50.00%	3,079	2,053	1,026	4,578	302
Dragados Besalco, S.A.	Avda. Vitacura, 2939, ofic. 1102. Las Condes. Santiago de Chile. Chile	50.00%	4,569	4.659	(90)	4,211	(1,098)
Dragados Fomento Canada, S.A.L.	Queen Street, 570 Fredericton NB. Canada	50.00%	10,224	12,021	(1,797)	4,093	618
Dravo, S.A	Pz. de Castilla, 3 Piso 21-A. 28046 Madrid. Spain	50.00%	18,234	9,388	8,846	17,341	1,329
Elaboración de Cajones Pretensados, S.L.	Avda. general Peron, 36. 28020 Madrid. Spain	50.00%	100	96	4	-	-
Empresa Mantenimiento y Explotación M-30, S.A.	C/ Méndez Alvaro, 95. 28053 Madrid. Spain	50.00%	228,625	221,731	6,894	28,556	1,201
FPS Brunet Inc.	1625 Monseigneur-Langlois Boulevard. Salaberry de Valleyfield, Quebec, J6S 1C2. Canada	50.00%	881	816	65	559	(3)
Gaviel, S.A.	Avda. Diagonal, 407 bis planta 21. 08008 Barcelona. Spain	50.00%	1,277	3	1,274	-	(17)
Juluna, S.A.	C/ Sorni, 3 bajo. 46004 Valencia. Spain	24.45%	687	10	677	-	1
PKO BP Inwestycje-Sarnia Dolina, Limited Liability Company	00-073 Warszawa ul. Pilsudskiego 3. Poland	29.04%	4,131	6,325	(2,194)	-	(353)
SDD Shanganagh (Water Treatment) Limited	Wilton Works, Naas Road, Clondalkin. Dublin 22. Ireland	50.00%	1,031	1,030	1	-	(5)
Superco Orense, S.A.	C/ Copérnico,7 Edificio Work Center 2ºA ,Polígono la Grela. 15008 La Coruña. Spain	35.00%	3	27	(24)	-	-
Vía Olmedo Pedralba, S.A.	C/ Orense, 11.28020 Madrid. Spain	50.40%	15	-	15	-	-
CONSTRUCTION - IRIDIUM (Concessions)							
Autovía de la Sierra de Arana, S.A.	C/ Sierra Umbría, 10. 18850 Iznalloz. Granada. Spain	40.00%	10,430	5,457	4,973	-	-
Autovía de los Pinares, S.A.	Km 20.200 A-601. 47160 Portillo. Valladolid. Spain	53.33%	106,013	115,483	(9,470)	4,929	(2,779)
Bidelan Guipuzkoako Autobideak, S.A.	Asti Auzoa, 631 B. 20800 Zarauz. San Sebastian. Spain	50.00%	18,162	8,431	9,731	41,571	2,122
Capital City Link General Partnership	12009 Meridian St, Edmonton. Alberta T6S 1B8. Canada	25.00%	412,128	416,119	(3,991)	25,205	(4,055)
Celtic Roads Group (PortLaoise) Limited	Toll Plaza Balgeen Co. Meath Ireland	33.33%	303,904	377,262	(73,358)	19,295	(3,953)
Celtic Roads Group (Waterford), Ltd.	Toll Plaza , Balgeen , Co. Meath Ireland	33.33%	229,480	276,399	(46,919)	13,469	(1,715)
Circunvalación Alicante, S.A.C.E.	Autopista AP 7.pk 703. Area Monforte del Cid. 03670 Monforte del Cid. Alicante. Spain	50.00%	462,224	519,425	(57,201)	5,156	(17,948)
Concesionaria Aparcamiento La Fe, S.A.	Tres Forques, 149 Accesorio.46014 Valencia. Spain	50.00%	10,358	9,386	972	1,294	53

(*) Non-controlling interests not included.

Company	Address	% Effective Ownership	Data on the investee (100%)				
			Assets	Liabilities	Equity*	Revenue	Profit for the year
Concesionaria Atención Primaria, S.A.	Pz. Es Fortí, 4, 1º A. 07011 Palma de Mallorca. Islas Baleares. Spain	49.50%	22,157	17,459	4.698	3,475	905
Concesionaria Hospital Son Dureta, S.A.	Ctra. Valldemosa, 79. 07120 Palma de Mallorca. Islas Baleares. Spain	49.50%	417,922	430,769	(12,847)	39,646	2,982
Desarrollo de Equipamientos Públicos, S.L.	Avda. del Camino de Santiago, 50. 28050 Madrid. Spain	60.00%	64,108	17,647	46,461	25	35
Estacionamientos El Pilar, S.A.	C/ Madre Rafols 2 oficina 1-A. 5004. Zaragoza. Spain	50.00%	13,500	5,298	8,202	3,120	639
FTG Fraser Transportation Group Partnership	1300 - 777 Dunsmuir Street Po Box 10424 Stn Pacific Ctr. Vancouver Bc V7Y 1K2. Canada	50.00%	173,665	169,896	3,769	12,688	2,763
Gran Hospital Can Misses, S.A.	C/ Corona, S/N, (Casetas de Obra). 07800 Ibiza. Islas Baleares. Spain	40.00%	66,287	57,758	8,529	5,396	(356)
Hospital de Majadahonda, S.A.	C/ Joaquín Rodrigo, 2. 28220 Majadahonda. Madrid. Spain	55.00%	264,826	250,132	14,694	38,824	4,435
I 595 Express, LLC	Corporation Trust Company, Corporation Trust Center, 1209 Orange Street.Wilmington New Castle. Delaware 19801. United States of America	50.00%	995,944	979,827	16,117	66,417	5,691
Infraestructuras y Radiales, S.A.	Ctra.M-100 Alcalá de Henares a Daganzo Km 6.300. 28806 Alcalá de Henares. Madrid. Spain	35.00%	841,997	953,911	(111,914)	15,095	(24,175)
Intercambiador de Transportes de Avda. de América, S.A.	Avda. América, 2 -17-B. 28002 Madrid. Spain	60.00%	36,796	22,149	14,647	6,438	2,076
Intercambiador de Transportes de Príncipe Pío, S.A.	Avda. América, 2 -17-B. 28002 Madrid. Spain	42.00%	78,968	67,194	11,774	8,961	2,766
Intercambiador de transportes Plaza de Castilla, S.A.	Avda. de América 2 -17B. Madrid. Spain	22.20%	225,676	184,330	41,346	30,545	11,085
Línea Nou Manteniment, S.L.	Avda. Josep Tarradellas, 34 -36 4º Dcha.08029 Barcelona. Spain.	50.00%	2,186	1,268	918	1,735	916
Línia Nou Tram Dos, S.A.	Avda. Josep Tarradellas, 34 -36 4º Dcha.08029 Barcelona. Spain	50.00%	645,521	726,872	(81,351)	57,948	4,192
Línia Nou Tram Quatre, S.A.	Avda. Josep Tarradellas, 34-36 4º Dcha.08029 Barcelona. Spain	50.00%	608,639	649,659	(41,020)	51,467	8,669
Metro de Sevilla Sdad Conce Junta Andalucia, S.A.	C/ Carmen Vendrell, s/n (Prolongación de Avda. de Hytasa) 41006 Sevilla. Spain	34.01%	418,178	294,609	123,569	47,074	3,544
Nea Odos Concession Societe Anonyme	Municipality of Athens; 87 Themistokleous; 10683 Athens. Greece	33.33%	413,196	361,781	51,415	57,835	-
Nouvelle Autoroute 30, S.E.N.C.	5388 Pierre Danseream. Salaberry-de-Vallefield. Quebec H9R 5B1. Canada	50.00%	1,061,382	1,067,876	(6,494)	82,328	9,674
Operadora Can Misses, S.L.	C/ Corona, s/n.07800 Ibiza. Spain	40.00%	4	3	1	-	(1)
Road Management (A13), Plc.	24 Birch Street, Wolverhampton, WV1 4HY	25.00%	169,879	313,996	(144,117)	32,248	(3,294)
Rotas Do Algarve Litoral, S.A.	Rua Julieta Ferrão, nº 10 – 6º andar 1600-131 Lisboa. Portugal	45.00%	118,358	138,157	(19,799)	-	-
Serranopark, S.A.	Pza. Manuel Gomez Moreno, 2. 28020 Madrid. Spain	50.00%	107,610	101,462	6,148	4,719	(3,677)
Sociedad Concesionaria Ruta del Canal, S.A.	Antonio Varas Nº 216, Oficina 701. Puerto Montt. Chile	51.00%	111,884	86,815	25,069	-	-
Sociedad Hospital de Majadahonda Explotaciones, S.L	C/ Joaquín Rodrigo, 2. 28220 Majadahonda. Madrid. Spain	55,00%	19,742	19,490	252	22,975	239
SPER - Sociedade Portuguesa para a Construção e Exploração Rodoviária, S.A.	Rua Julieta Ferrão, nº 10 – 6º andar 1600-131 Lisboa. Portugal	49.50%	309,817	347,790	(37,973)	-	-
Systelec Quebec, Inc.	3700-1 place Ville-Marie.Montréal (Quebec) H3B3P4. Canada.	50.00%	-	1	(1)	-	(1)
Systelec S.E.C	3700-1 place Ville-Marie.Montréal (Quebec) H3B3P4. Canada	50.00%	7,650	10,084	(2,434)	5,712	1,933
Tag Red, S.A.	Avda. Vitacura nº 2939 piso 8. Las Condes. Santiago de Chile. Chile	25.00%	6	2,389	(2,383)	-	-
TP Ferro Concesionaria, S.A.	Ctra. de Llers a Hostalets GIP-5107 p.k. 1, s/n 17730 Llers (Girona) Spain	50.00%	1,216,867	1,180,380	36,487	3,079	-
Windsor Essex Mobility Group	2187 Huron Church Road, Suite 210, Windsor. Ont N9C 2L8. Canada	33.33%	427,189	461,537	(34,348)	24,970	2,309

(*) Non-controlling interests not included.

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Company	Address	% Effective Ownership	Data on the investee (100%)				
			Assets	Liabilities	Equity*	Revenue	Profit for the year
CONSTRUCTION - HOCHTIEF							
Hochtief Americas							
Columbia-Investment	Holmdel, United States of America	26.62%	15,210	6,024	9,186		4,021
E.E. Cruz/Tully Construction, LLC	Holmdel, United States of America	26.10%	26,000	21,342	4,658		(5,824)
Kiewit/Flatiron	Richmond, United States of America	14.36%	65,342	33,484	31,858		7,742
Perini/Tompkins	District of Columbia, United States of America	20.88%	3,887	219	3,668		(297)
Turner - PCL - Flatiron	New York, United States of America	26.62%	20,701	13,927	6,774		4,055
Turner jointly controlled entities other	-	-	144,988	126,063	18,924		16,331
Flatiron jointly controlled entities in other	-	-	73,847	85,557	(11,710)		(63)
Hochtief Asia Pacific							
Al Habtoor Engineering Enterprises Co. LLC	Dubai,United Arab Emirates	12.55%	993,840	761,250	232,590		(37,838)
City West Property Investment (No.6) Trust	Australia	13.95%	44,120		44,120		609
Kentz E & C Pty Ltd.	Australia	13.95%	16,781		16,781		11,439
Leighton Welspun Contractors Private Ltd.	Kala Ghoda Fort, India	18.13%	228,110	49,729	178,381		5,362
MacMahon Holding Ltd.	Australia	5.30%	163,983	97,225	66,758		(2,537)
Sedgman Pty. Ltd.	Australia	9.20%	102,040	50,735	51,305		8,704
Leighton associates in other	-	-	99,457	88,401	11,056		(22,633)
Leighton jointly controlled entities other	-	-	206,297	119,101	87,196		(21,857)
Hochtief Europe							
Am Opernboulevard GmbH & Co. KG	Hamburg, Germany	24.53%	12,171	4,191	7,980		326
Arbeitsgemeinschaft GÜ Köbis Dreieck KPMG	Berlin, Germany	26.10%	178	38	140		
Aurelis Real Estate GmbH & Co. KG	Eschborn, Germany	26.10%	630,407	487,367	143,040		33,469
Golden Link Concessionaire LLC (Presidio Parkway)	New York, United States of America	26.10%	41,736	23,253	18,483		1,227
Grundstücksgesellschaft Köbis Dreieck GmbH & Co. Development KG	Essen, Germany	26.10%	6,155	2,317	3,838		(205)
HGO InfraSea Solutions GmbH & Co. KG	Bremen, Germany	26.10%	125,408	113,751	11,657		(171)
HKG Holding AG	Risch, Switzerland	18.27%	6,488	1,785	4,703		472
HKP Dahlemer Weg Objekt 1 tertius PE GmbH & Co. KG	Berlin, Germany	26.10%	201	161	40		(15)
HKP Dahlemer Weg Objekt 2 ETW PE GmbH & Co. KG	Berlin, Germany	26.10%	4,139	74	4,065		(183)
HOCHTIEF Offshore Development Solutions S. à r.l.	Luxembourg, Luxembourg	26.10%	13,023	5,683	7,340		(211)
HTP PSP LIMTED	Swindon, Great Britain	26.10%	15,383	15,329	54		34
Le Quartier Central Teilgebiet C GmbH & Co. KG	Essen, Germany	26.10%	31,645	26,024	5,621		4,581
Lusail HOCHTIEF Q.S.C.	Doha, Qatar	25.58%	4,264	3,478	786		764
Olympia Odos Operation Company S.A.	Athens, Greece	8.87%	1,054	884	170		(1,327)
PANSUEVIA Service GmbH & Co. KG	Jettingen-Scheppach, Germany	26.10%	1,745	1,344	401		524
Projektentwicklungsgesellschaft Holbeinviertel mbH & Co. KG	Kriftel, Germany	26.10%	9,892	5,796	4,096		3,861
Raststätten Betriebs GmbH	Großebersdorf, Austria	26.10%	15,336	14,051	1,285		50
S&W TLP (PSP TWO) Limited	Swindon, Great Britain	26.10%	31,089	31,079	10		(7)
Shield Infrastructure Partnership (OPP)	Toronto, Canada	26.10%	50,634	49,847	787		1,141
Sociedad Concesionaria Túnel San Cristóbal S.A.	Santiago de Chile, Chile	26.10%	57,962	57,962			(2,375)
Wohnpark Gießener Straße GmbH & Co. KG	Kriftel, Germany	26.10%	13,264	9,239	4,025		3,131

(*) Non-controlling interests not included.

Company	Address	% Effective Ownership	Data on the investee (100%) Assets	Liabilities	Equity*	Revenue	Profit for the year
HT Europe associates in other	-	-					(1,651)
HT Europe jointly controlled entities other	-	-	1,129,185	1,129,188	(3)		(6,781)
Konzernzentrale							
Airport Holding Kft.	Zalaegerszeg, Hungary	25.93%	1,208,062	1,100,380	107,682		
Athens International Airport S.A.	Athens, Greece	13.92%	342,870	216,994	125,876		28,368
Flughafen Düsseldorf GmbH	Düsseldorf, Germany	10.44%	464,391	377,309	87,082		21,415
Flughafen Hamburg GmbH	Hamburg, Germany	18.16%	723,789	356,186	367,603		23,122
Tirana International Airport SH.P.K.	Tirana, Albania	24.53%	44,240	30,851	13,389		4,471
INDUSTRIAL SERVICES							
Afta, S. A.	Nucleo Central, 100 Tagus Park, 2780. Porto Salvo. Portugal	24.84%	3,852,745	2,545,957	1,306,789	-	(29,231)
Andasol 1, S.A.	Pz. Rodrigo s/n. 18514 Aldeire Granada. Spain	10.00%	292,468	229,307	63,161	46,917	8,023
Andasol 2, S.A.	Pz. Rodrigo s/n. 18514 Aldeire Granada. Spain	10.00%	327,575	270,830	56,745	53,835	9,898
AR Sieniawa sp z. o. o.	Al. Jerozolimskie 56 C, Warsaw. Poland	22.36%	-	-	-	-	-
Brilhante Transmissora de Energias, S.A.	Avda.Marechal Camera, 160 sala 1621.Rio de Janeiro. Brazil	50.00%	103,579	51,582	51,997	12.932	3,093
C.I.E.R. S.L.	Pol Ind. Las Merindades Calle B s/ n09550 Villarcayo. Burgos. Spain	50.00%	-	-	-	-	-
Carreteras Pirenaicas, S.A.	Pz. de Aragón, nº 11 1º Izqda.50004 - Zaragoza. Spain.	47.50%	3,520	18	3,502	-	41
CME Al Arabia, Lda.	PO BOX 42651. 11551Riad. Arabia Saudí	37.27%	-	-	-	-	-
CME Construçao E Manutençao Eletromecania Romania, SARL	Ploiesti, NR. 73-81 Parcul Victoria, Corpul III, Viroul 220 Sector 1, Bucarest. Rumania	74.54%	-	-	-	-	-
Concesionaria Jauru Transmissora de Energia	Rua Marechal Camara,160. Sala 1534 Rio de Janeiro. Brazil	33,00%	70,439	39,443	30,996	21,035	569
Consorcio de Telecomunicaciones Avanzadas, S.A.	Avda. Juan Carlos I, 59-6. Espinardo. Murcia. Spain	10.52%	3,519	911	2,608	1,831	4
Desarrollos Energéticos Asturianos, S.L.	Pol.Industrial Las Merindades calle B, s/n. 09550 Villarcayo. Burgos. Spain	50.00%	551	86	465	-	(2)
Dora 2002, S.L.	C/ Monte Esquinza, 34. 28010 Madrid. Spain	45.39%	47	-	47	-	-
Electra de Montanchez, S.A.	Periodista Sánchez Asensio, 1. Cáceres. Spain	40.00%	284	23	261	-	(2)
Energía de la Loma S.A.	C/ Las Fuentecillas, s/n - Villanueva del Arzobispo.23330 Jaén. Spain.	20.00%	15,538	6,100	9,438	8.879	554
Energías Alternativas Eólicas, S.L.	Gran Vía Juan Carlos I, 9. 26002 Logroño. Spain	37.50%	25,450	16,450	9,000	8,305	1,560
Energías Renovables de Ricobayo, S.A.	Avda. Europa,6 Parque Empresarial La Moraleja. 28108 Alcobendas. Madrid. Spain	50.00%	1,061	800	261	1,475	(100)
Enervouga - Energias do Vouga, Lda.	Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278.Porto Salvo. Portugal	37.50%	2,461,265	2,457,979	3,286	-	(1,190)
Equipamentos Informaticos, Audio e Imagem, S.A.	Rua Helder Neto, 87. Malanga. Luanda. Angola	16.88%	-	-	-	-	-
Escal UGS, S.L.	C/ San Francisco de Sales, Nº 38-1ª Plta. Madrid. Spain	66.67%	1,518,826	1,570,884	(52,058)	-	5
Hospec, S.A.	Tamer Bldg., Sin El Deirut. Líbano	50.00%	59,779	114,253	(54,474)	-	-
Hydrotua - Hidroelectricas do Tua, Lda.	Tagus Sapce - Rua Rui Teles Palhinha, N 4 2740-278.Porto Salvo. Portugal	37.50%	5,451,669	5,450,649	1.020	-	(3,462)
Incro, S.A.	C/ Serrano, 27. 28016 Madrid. Spain	50.00%	16,902	14,270	2,632	8,473	2,455
Interligaçao Elétrica Norte e Nordeste, S.A.	Avda. Marechal Camara 160 sala 1833 y 1834. 20030-020 Rio de Janeiro. Brazil	25.00%	244,284	122,100	122,184	19,312	22,795
Interligação Elétrica Sul ,S.A.	Rua Casa do Ator, 1115, 8º andar Vila Olímplia.São Paulo. Brazil	49.90%	78,121	22,633	55,488	19,131	6,085
JC Deaux Cevasa	Avda. de Aragón 328 28022 Madrid	50.00%	273	40	233	137	16
Operadora OCACSA-SICE, S.A. de C.V.	Montecito n 38, piso 36 oficina 3y4, colonia Napoles.03810 Mexico D.F. Mexico	30.00%	-	-	-	-	-

(*) Non-controlling interests not included.

CONSOLIDATED FINANCIAL STATEMENTS

Company	Address	% Effective Ownership	Data on the investee (100%) Assets	Liabilities	Equity*	Revenue	Profit for the year
Parqa, S. A.	Rua Dr. António Loureiro Borges 9. Portugal	37.27%	2,094,267	1,862,354	231,913	-	187,063
Parque Eólico Región de Murcia, S.A.	Central, 12. 30007 Murcia. Spain	20.00%	101	-	101	-	(4)
Planta de Reserva Fría Eten, S.A.	Avda. Argentina 2415.Lima. Peru	50.00%	-	-	-	-	5
Portwind sp z. o. o.	Warszawa, UL. Aleje, Jerozolimskie, 56 C 00-803. Poland	37.50%	-	-	-	-	-
Red Eléctrica del Sur, S.A.	Juan de la Fuente, 453 miraflores Lima. Peru	23.75%	10,023	6,387	3,636	2,522	1,084
Serrezuela Solar II, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	50.00%	251,800	252,083	(283)	-	-
Sistema Eléctrico de Conexión Hueneja, S.L.	C/ Loja nº 8 - Local 26. Albolote. Granada. Spain	24.35%	26,510	28,037	(1,527)	-	(1,169)
Sociedad Aragonesa de Estaciones Depuradoras, S.A.	Dr. Aznar Molina, 15-17. 50002 Zaragoza. Spain	40.00%	9,488	7,735	1,753	1,212	288
Sociedad de Aguas Residuales Pirineos, S.A.	Doctor Aznar molina, 15-17.50002 Zaragoza. Spain	37.50%	6,272	271	6,001	277	9
Somozas Energías Renovables, S.A.	Lg Iglesia,1. 15565 La Coruña. Spain	25.00%	8,010	6,507	1,503	2,874	563
Tonopah Solar Investments, LLC.	7380 West Sahara, Suite 160.Las Vegas NV 89117. United States of America	50.00%	196,198	152,136	44,062	-	(968)
Torre de Miguel Solar, S.L.	C/ Cardenal Marcelo Spínola, 10. 28016 Madrid. Spain	50.00%	69,113	69.163	(50)	-	41
ENVIRONMENT							
Aguas del Gran Buenos Aires, S.A.	C/ 48 Nº 877, piso 4 oficina 408. La Plata Provincia de Buenos Aires. Argentina	26.34%	2,279	2,896	(617)	-	(68)
Betearte, S.A.	Colón de Larrategui, 26. Bilbao. Spain	33.33%	19,375	17,217	2,157	2,642	(117)
Centre D'Integracio Social Balear Ceo, S.L.	C/ Pescadors, 1.Palma de Mallorca. 07012 Illes Balears. Spain	38.88%	263	248	15	185	10
CITIC Construction Investment Co., Ltd.	69 Xidaqiao Road. Miyun District. Beijing.China	50.00%	5,575	19	5,556	-	127
Clece Seguridad S.A.U.	Avda. de Manoteras, 46, Bis 1ª Pl. Mod. C 28050 Madrid. Spain	76.24%	191	197	(6)	105	(66)
Clece, Inc.	1111 Brickell Avenue 11Th Floor.Florida 33131. Miami. United States of America	76.24%	1	-	1	-	-
Clece, S.A.	Avda. Manoteras, 46 Bis 2ª Planta. 28050 Madrid. Spain	76.24%	360,508	237,839	122,669	978,771	36,331
Demarco, S.A.	Alcalde Guzmán,18. Quilicura. Chile	50.00%	32,935	28,378	4,557	34,682	1,276
Desarrollo y Gestión De Residuos, S.A. (Degersa)	Avda. Barón de Carcer, 37. Valencia. Spain	40.00%	22	(0)	22	-	-
Desorción Térmica, S.A.	C/ Velázquez, 105-5ª Plta. 28006 Madrid. Spain	45.00%	2,843	561	2,282	1	(227)
Ecoparc del Besós, S.A.	Rambla de Catalunya, 91-93, 9º3ª.08080 Barcelona. Spain	28.00%	82,295	76,971	5,324	29,373	1,720
Ecoparc del Mediterrani, S.A.	Avda. Eduard Maristany, s/n. 08930 Sant Adria de Besós. Barcelona. Spain	32.00%	15,205	5,347	9,858	11,215	(192)
Electrorecycling, S.A.	Ctra.BV 1224, Km. 6,750 El Pont de Villomara i Rocafort - Barcelona - Spain	33.33%	5,639	1,262	4,377	5,814	1,348
Empresa Mixta de Aguas del Ferrol, S.A.	C/ Praza da Ilustracion, 5-6 Baixo. Ferrol. La Coruña. Spain	49.00%	16,417	11,050	5,367	5,374	236
Empresa Mixta de Limpieza, S.A.	Avda. Logroño II, 10. 24001 León. Spain	49.00%	4,686	2,065	2,621	4,873	503
Energías y Tierras Fértiles, S.A.	Pascual y Genís, 19. 46002 Valencia. Spain	33.36%	63	-	63	-	-
Entaban Biocombustibles del Pirineo, S.A.	Pso. Independencia, 28. Zaragoza. Spain	37.50%	8,775	15,875	(7,100)	-	(1,596)
Gestión de Marpol Galicia, S.L.	C/ Canovas del Castillo, 10, 1º, oficina 8.Vigo. Spain	50.00%	1	-	1	-	(2)
Gestión Medioambiental de L'Anoia, S.L.	C/ Viriato, 47. 08000 Barcelona. Spain	50.00%	334	440	(106)	-	(4)
GPL Limpiezas, S.L.	C/ Diputación, 180-1ª Planta. 08011 Barcelona. Spain	76.24%	2,336	1,722	614	7,771	341
Huesca Oriental Depura, S.A.	Ctra. de Madrid, km. 315,800 Edif. Expo Zaragoza, 3 Ofic. 14 - 50012 Zaragoza. Spain	60.00%	5,874	1,552	4,322	-	-
Indira Container Terminal Private Limited	Indira Dock, Green Gate, Mumbai Port, Mumbai 400038. India	50.00%	66,819	58,460	8,359	1,024	(2,205)
Integra Formación Laboral y Profesional, S.L.	C/ Resina, 29. Villaverde Alto. 28021 Madrid. Spain	76.24%	2	-	2	-	(1)

(*) Non-controlling interests not included.

Company	Address	% Effective Ownership	Data on the investee (100%) Assets	Liabilities	Equity*	Revenue	Profit for the year
Integra Logística, Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo, S.L.	C/ Resina, 29. Villaverde Alto. 28021 Madrid. Spain	76.24%	1,380	1,229	151	1,999	37
Integra Manteniment, Gestio i Serveis Integrats, Centre Especial de Treball, Catalunya, S.L.	C/ Pamplona, 54 Bajo. 08005 Barcelona.Spain	76.24%	1,000	428	572	2,370	240
Integra Mantenimiento, Gestión Y Servicios Integrados Centro Especial de Empleo Andalucia, S.L.	C/ Industria Edif Metrópoli, 1 Esc 4, Pl MD P20. 41927 Mairena de Aljarafe. Sevilla. Spain	76.24%	825	631	194	1,217	48
Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo Extremadura, S.L.	Avda Santiago Ramón y Cajal, 11, entreplanta 2, Pta 3.06001 Badajoz. Spain	76.24%	3	1	2	-	(1)
Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo Galicia S.L.	Avda. Hispanidad, 75. 36203 Vigo. Pontevedra. Spain	76.24%	52	41	11	107	1
Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo Valencia, S.L.	Avda. Cortes Valencianas, 45B 1º 46015 Valencia.Spain	76.24%	424	287	137	623	39
Integra Mantenimiento, Gestión y Servicios Integrados Centro Especial de Empleo, S.L.	C/ Resina, 29. Villaverde Alto. 28021 Madrid. Spain	76.24%	7,012	6,124	888	9,850	(88)
International City Cleaning Company	Bordi Masser Lel-Siaha, Maydan. Al-Abbasia Aawan. Egypt	30.00%	1,454	1,782	(328)	-	(742)
KDM, S.A.	Alcalde Guzmán,18. Quilicura. Chile	50.00%	137,863	73,021	64,842	64,320	11,163
Limpiezas Deyse, S.L.	C/ Lérida, 1. Manresa. Barcelona. Spain	76.24%	2,333	1,748	585	7,952	424
Limpiezas Lafuente, S.L.	C/ Puerto de Santa María, 8. 46015 Valencia. Spain	76.24%	2,543	1,663	880	8,490	347
Lireba Serveis Integrats, S.L.	Cami de Jesús, s/n edificio Son Valentí Pol Son Valentí 1ª Planta. 07012 Palma de Mallorca. Islas Baleares. Spain	38.88%	6,822	4,472	2,350	12,345	(155)
Mac Insular, S.L.	C/ Julián Álvarez, nº 12-A-1º. Palma de Mallorca. Spain	8.00%	53,988	46,552	7,436	12,726	(1,895)
Montaje de Aparatos Elevadores y Mantenimiento, S.L.	Avda. Manoteras, 46 Bis 2ª Planta. 28050 Madrid. Spain	76.24%	38	163	(125)	354	(21)
Multiservicios Aeroportuarios, S.A.	Avda. Manoteras 46 Bis 2ª Planta. 28050 Madrid. Spain	38.88%	21,481	13,981	7,500	57,951	718
Net Brill, S.L.	Camino Les Vinyes, 15. Mataró. 08302 Barcelona. Spain	76.24%	2,113	1,661	452	7,013	375
Pilagest, S.L.	Ctra.BV 1224, Km. 6,750 El Pont de Villomara i Rocafort - Barcelona-Spain	50.00%	1,227	1	1,225	-	1,300
Publimedia Sistemas Publicitarios, S.L.	Avda. de Manoteras,46 Bis, 2ª Planta 28050 Madrid. Spain	76.24%	23,640	26,870	(3,230)	33,770	(9,933)
Salmedina Tratamiento de Residuos Inertes, S.L.	Cañada Real de las Merinas, s/n. Cº de los Aceiteros, 101. Madrid. Spain	41.98%	11,593	9,142	2,451	6,043	(1,504)
Servicios Urbanos E Medio Ambiente, S.A.	Avda. Julio Dinis, 2. Lisboa. Portugal	38.50%	235,352	151,893	83,459	116,218	11,164
Soluciones para el medioambiente, S.L.	Avda. Manoteras, 46 Bis, 2ª Planta 28050 Madrid. Spain	76.24%	2,853	1,528	1,325	3,707	67
Starco, S.A.	Alcalde Guzmán,18. Quilicura. Chile	50.00%	15,204	14,380	824	10,567	799
Talher, S.A.	Avda. de Manoteras,46 Bis, 2ª Planta 28050 Madrid. Spain	76.24%	31,497	15,284	16,213	42,593	2,372
Técnicas Medioambientales del Golfo, S.A de C.V.	Mier y Teran No. 260 4to piso en Cd Victoria Tamaulipas. Mexico	50.00%	7,738	4,037	3,701	2,108	206
Tirme, S.A.	Ctra. de Soller, Km 8,2. 07120 Son Reus. Palma de Mallorca. Spain	20.00%	566,128	511,025	55,103	89,060	8,561
Tractaments Ecologics, S.A.	P.I. La Valldan C/ Serra Farriols, 137 Berga. Barcelona. Spain	50.00%	3,141	1,731	1,410	3,057	449
Tratamiento Industrial de Residuos Sólidos, S.A.	Rambla Cataluña, 91. 08008 Barcelona. Spain	33.33%	10,089	1,923	8,166	9,059	1,952
Trenmedia, S.A.	Avda. Manoteras, 46 Bis 2ª Pl 28050. Madrid.Spain	38.88%	1	906	(905)	-	(405)
Valdemingomez 2000, S.A.	Avda. de Tenerife, 4-6. 28703 San Sebastian de los Reyes. Madrid. Spain	33.59%	12,661	8,718	3,943	6,050	240
Waste Syclo, S.A.	Katehaki 75 & kifisias Avenue, 115-25. Athens. Greece	51.00%	40	65	(25)	-	(84)
Zenit Traffic Control, S.A.	Avda. de Manoteras, 46 Bis.28050 Madrid. Spain	76.24%	55	1	54	-	(1)
Zoreda Internacional, S.A.	C/ Rodriguez San Pedro, 5. Gijón. Asturias. Spain	40.00%	50	-	50	-	(0)

(*) Non-controlling interests not included.

CONSOLIDATED FINANCIAL STATEMENTS

Appendix IV. Changes in the scope of consolidation

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

Clece Seguridad, S.A.U.	Mosaic Apartments Holdings Pty. Ltd.
Funding Statement, S. L.	Mosaic Apartments Pty. Ltd.
HKG Holding AG	Mosaic Apartments Unit Trust
HOCHTIEF COBRA Grid Solutions GmbH	N.V Besix S.A & Thiess Pty Ltd (Best JV)
Hochtief Offshore Development Solutions S. á r.l.	SA Health Partnership Pty. Ltd.
Clark Builders Partnership Corporation	Thiess Barnard Joint Venture
CB Resources Corporation	Thiess MacDow Joint Venture
CB Finco Corporation	Wallan Project Pty. Ltd.
Turner Canada Holdings, Inc.	Wallan Project Trust
Turner Partnership Holdings, Inc.	Wrap Southbank Unit Trust
White-Turner JV (City of Detroit Public Safety)	Capital City Link General Partnership
White/Turner Joint Venture Team (DPS Mumford High School)	Golden Link Concessionaire LLC (Presidio Parkway)
White/Turner Joint Venture (New Munger PK-8)	Ecoparc del Besós, S.A.
O'Brien Edwards/Turner Joint Venture	Eco Actrins, S.L.U.
Hochtief Engineering International GmbH	Maetel Peru, S.A.C.
HOMEART Sp.z o.o.	Flota Proyectos Singulares UK Ltd.
Turner-Peter Scalamdre & Sons JV	Integra Formación Laboral y Profesional, S.L.
Dragados-Swiber Offshore, S.A.P.I. de C.V.	Integra Mant. Gestión y Serv Integrados CEE Extremadura S.L.
Electronic Trafic de Mexico, S.A. de C.V.	Taxway, S.A.
FPS USA , Llc.	Railways Infraestructures Instalaciones y Servicios, LLC
ACS Neah Partner, Inc.	Moncobra Constructie si Instalare, S.R.L.
Capital City Link General Partnership	New Generation Sistems, S.R.L.
Semi Servicios de Energia Industrial y Comercio, S. L.	Innovtec, S.R.L.U
Semi USA Corporation	ABC Schools Partnership
FPS Encon Precast, Llc.	AVN Chile Erste Holding GmbH
Cobra Georgia, Llc.	AVN Chile Zweite Holding GmbH
Engemisa Engenharia Limitida	Dragados Flatiron Joint Venture
Cobra Group Australia Pty, Ltd.	Formart Frankfurt Eins Grundstücksverwaltungs GmbH
Parque Eólico La Val, S.L.	Hochtief ABC Schools Partner Inc.
Parque Cortado Alto, S.L.	Hochtief Canada Holding 3 Inc.
DoubleOne 3 Pty Ltd	Niteo Sp.z o.o.
DoubleOne 3 Unit Trust	Objekt Hilde und Tom München Verwaltungs-GmbH
Leighton Engineering Joint Venture	SALTA Verwaltungs-GmbH
Leighton Middle East and Africa (Holding) Limited	UKSH Zweite Beteiligungsgesellschaft mbH
Lpwrap Pty Ltd	WTS GmbH
Metronode (NSW) Pty Ltd	Venelin Colombia SAS
Metronode New Zealand Limited	ACS NA30 Holding Inc.
Riverstone Rise Gladstone Pty Ltd	Salam Sice Tech Solutions, Llc.
Riverstone Rise Gladstone Unit Trust	Operadora OCACSA-SICE, S.A. de C.V.
Copernicus B5 Sp.z o.o.	Moncobra Dom
Hochtief B2L Partner Inc.	Instalaciones y Servicios Uribe Cobra, S.A. de C.V.
Hochtief Canada Holding 1 Inc.	EPC Plantas Fotovoltáicas Lesedi y Letsatsi, S.L.
Hochtief Canada Holding 2 Inc.	Hochtief Cobra Grid Solutions GmbH
Hochtief NEAH Partner Inc.	Conyceto Pty Ltd.
Hochtief Presidio Holding LLC	Firefly Investments 261
Hochtief Shield Investment Inc.	Vias y Construcciones UK Limited
Project SP1 Sp. z o.o.	Vía Olmedo Pedralba, S.A.
Flatiron - Dragados - Aecon - LaFarge - Joint Venture	Etrabras Mobilidade e Energia Ltda.
Abigroup Contractors Pty Ltd & Coleman Rail Pty Ltd & John Holland Pty Ltd (Integrate Rail JV)	Cymi USA Inc.
Applemead Pty. Ltd.	Objekt Hilde und Tom München GmbH & Co. KG
Barclay Mowlem Thiess Joint Venture	TERRA CZ s.r.o.
Baulderstone Leighton Joint Venture	Nightgale Property A.S.
EV LNG Australia Pty Ltd & Thiess Pty Ltd (EVT JV)	HT Sol RE formart "Flensburg K" GmbH & Co. KG
Garlanja Joint Venture	HT Sol RE formart "Flensburg P" GmbH & Co. KG
John Holland & Leed Engineering Joint Venture (NIAW)	HT Sol RE Projekt 4 GmbH & Co. KG
Leighton/Ngarda Joint Venture	HT Sol RE Projekt 6 GmbH & Co. KG

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

HT Sol RE Projekt 7 GmbH & Co. KG	Turner-Powers & Sons (Lake Central School Corporation)
HT Sol RE Projekt 8 GmbH & Co. KG	Turner HGR JV (Smith County Jail-Precon/Early Release)
HT Sol RE Projekt 9 GmbH & Co. KG	Turner Lee Lewis (Lubock Hotel)
HT Sol RE Projekt 10 GmbH & Co. KG	Turner Trotter II (IPS Washington School)
HT Sol RE Projekt 11 GmbH & Co. KG	Turner Harmon JV (Clarian Hospital - Fishers)
Hochtief Solutions 3. Beteiligungs GmbH	Mc Kissack & Mc Kissack, Turner, Tompkins, Gilford JV (MLK Jr. Memorial)
Hochtief Solutions Insaat Hizmetleri A.S.	Tompkins/Ballard JV (Richmond City Jail)
Project SP2 sp.z.o.o.	Australia-Singapore Cable (Australia) Pty Limited
Project SP sp.z.o.o.	Devine Springwood No. 3 Pty Ltd.
Copernicus JV B.V.	Leigthon Offshore / Leigthon Engineering & Construction JV
Gravitas Offshore Ltd.	Leigthon Offshore Arabia Co. Ltd.
Wohnentwicklung Theresienstr. GmbH & Co. KG	Wai Ming Contracting Company Limited
Le Quartier Central Teilgebiet C Verwaltungs GmbH	Leighton Investments Mauritius Limited No. 3
Spiegel-Insel Hamburg GmbH & Co. KG	Oz Solar Power Pty. Ltd.
Inversiones PPP Solutions Chile dos Ltd.	Rockstad Flatiron
Constructora Nuevo Maipo S.A.	Turner/New South Joint Venture
Fondshaus Hamburg Gesellschaft für Immobilienbeteiligungen mbH & Co. KG	McKissack & McKissack, Brailsford & Dunlavey and Turner LLC
SA Health Partnership Nominees Pty. Ltd.LCIP-CO_INVESTMENT UNIT TRUST	McKissack/Turner
Turner/White JV (Sinai Grace Hospital)	

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

Recuperación Crom Industrial, S.A. (RECRISA)	Ubique Finance Pty Ltd
Limpieza Guía, Ltd.	Servia Conservación y Mantenimiento S.A.
Agrupación Offshore 60, S.A. de C.V.	Esteritex, S.A.
Le Quartier Central Teilgebiet C Verwaltungs GmbH	Atlántica I Parque Eólico, S.A.
Mc Kissack & Mc Kissack / Brailsford & Dunlavey / Turner LLC	Atlántica II Parque Eólico, S.A.
Turner Smoot	Atlántica IV Parque Eólico, S.A.
Zachry American/ACS 69 Partners, Llc.	Atlántica V Parque Eólico, S.A.
Abertis Infraestructuras, S.A.	DCN, USA Inc.
Trebol International, B.V.	S.P Saint-Petersburg International Airport Holdings Limited
Logitren Ferroviaria, S.A.	Serpentino KH s.r.o.
ACS Colombia, S.A.	Serpentino KH s.r.o.
Semi Polska	Sociedad Concesionaria Vespucio Norte Express S.A.
Parque Eólico Valcaire, S.L.	TINEA s.r.o.
Parque Eólico Bandelera, S.L.	TORTOREX s.r.o.
Parque Eólico Rodera Alta, S.L.	Ruta de los Pantanos, S.A.
Sociedad de Generación Eólica Manchega, S.L.	Drace USA, Inc.
Parque Eólico Marmellar, S.L.	Hullera Oeste de Sabero, S.A.
Parque Eólico La Boga, S.L.	Concesionaria San Rafael, S.A.
Desarrollos Energéticos Riojanos, S.L.	Catxeré Transmissora de Energia, S.A.
Leighton International Mauritius Holdings Limited No. 3	Araraquara Transmissora de Energia, S.A.
Leighton International Mauritius Holdings Limited No. 5	Porto Primavera Ltda.
Leighton International Mauritius Holdings Limited No. 6	Linhas de Transmissao do Itatim, Ltda.
Leighton International Mauritius Holdings Limited No. 7	Iracema Transmissora de Energia, S.A.
Leighton Investments Mauritius Limited No. 5	Medska s.r.o.
Leighton Investments Mauritius Limited No. 6	TAG Stadthaus am Anger GmbH
Leighton Investments Mauritius Limited No. 7	Sana Tgmed GmbH
Leighton Project Management Sdn Bhd3	Dobrovíz a. s.
Leighton Superannuation Pty Ltd	Inversiones de Infraestructura S.A.
Swan Water Services Pty Ltd	Hochtief PPP Solutions Chile Limitada
Victorian Wave Partners Pty Ltd	Hochtief Facility Management Hmaburg GmbH
Macmahon Leighton Joint Venture	Lmach Pty. Ltd.
New PBJV defects project	

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

Consolidated Financial Statements tor the year ended 31 December 2012 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 and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 39). In the event of a discrepancy, the Spanish-language version prevails.

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Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (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 2012 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.

2. In our opinion, the accompanying consolidated financial statements for 2012 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 2012, 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 2012 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 2012. 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. S0692

Javier Parada Pardo
22 March 2013

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

HISTORICAL PERFORMANCE

CONSOLIDATED INCOME STATEMENT EVOLUTION

Million of euros

	2007	2008	2009(1)	2010(2)	2011(3)	2012(3)	GAGR (4) 12/07
Revenues	**15.344,9**	**15.275,6**	**15.387,4**	**14.328,5**	**28.471,9**	**38.396,2**	**20,1%**
Construction	7.388,7	6.691,5	6.151,2	5.703,3	19.801,5	29.682,8	32,1%
Environment	2.834,9	2.413,8	2.469,8	1.510,7	1.685,7	1.690,8	-9,8%
Industrial Services	5.488,7	6.476,7	6.849,6	7.157,8	7.045,0	7.050,0	5,1%
Holding / Adjustments	(368,4)	(306,4)	(83,2)	(43,3)	(60,4)	(27,4)	
EBITDA	**1.379,8**	**1.382,5**	**1.429,3**	**1.431,7**	**2.317,7**	**3.088,4**	**17,5%**
Construction	930,3	517,5	474,5	426,8	1.209,7	1.995,5	16,5%
Environment	381,5	314,8	304,1	237,3	253,3	241,2	-8,8%
Industrial Services	488,4	591,2	686,9	821,4	907,3	904,2	13,1%
Holding / Adjustments	(39,4)	(41,0)	(36,2)	(53,9)	(52,6)	(52,4)	
EBIT	**1.056,7**	**1.042,7**	**1.073,9**	**1.039,2**	**1.333,3**	**1.579,4**	**8,4%**
Construction	455,1	418,7	384,4	343,2	448,9	684,6	8,5%
Environment	232,8	195,3	180,3	124,8	112,0	105,9	-14,6%
Industrial Services	412,5	471,9	547,8	627,7	827,5	849,3	15,5%
Holding / Adjustments	(43,7)	(43,2)	(38,5)	(56,6)	(55,1)	(60,5)	
Net Profit	**1.551,1**	**1.805,0**	**1.946,2**	**1.312,6**	**961,9**	**(1.926,4)**	**n.a.**
Construction	314,0	295,3	219,5	187,5	424,4	249,3	-4,5%
Environment	131,7	144,6	146,2	152,3	128,2	196,4	8,3%
Industrial Services	264,9	316,7	346,7	399,5	491,6	415,7	9,4%
Listed Associates	57,7	17,4	117,2	144,2	35,6	(2.351,0)	n.a.
Holding / Adjustments	782,4	1.031,1	1.116,6	429,1	(117,9)	(436,8)	

(1) 2009 are presented applying IAS 31 and IFRIC 12 in comparable terms using the same criteria that it has been used in 2010.
(2) 2010 data proforma, Clece has been reclassified as"Discontinued Operation", using the same criteria that it has been used in 2011 and Hochtief results has been included in Construction area.
(3) In 2011 and 2012, the financial expenses derived from Hochtief stake´s acquisition were included in Holding/Adjustments.
(4) CAGR: Compound Annual Growth Rate.

CONSOLIDATED BALANCE SHEET AS OF DECEMBER, 31

Million of euros

	2007	2008	2009	2010	2011	2012
Fixed and other non-current assets	**32.265,7**	**37.837,5**	**17.505,7**	**19.422,3**	**25.630,3**	**18.851,7**
Tangible assets: Property, plant and equipment	18.294,2	5.207,6	4.435,9	1.469,1	3.550,4	3.130,8
Intangible assets	1.670,4	503,2	1.272,5	1.545,2	2.856,2	2.489,0
Non-current financial assets	10.299,7	7.081,7	9.888,8	11.007,4	9.053,3	4.163,3
Other non-current assets [1]	2.001,4	25.045,0	1.908,5	5.400,7	10.170,4	9.068,6
Goodwill	**2.950,4**	**1.132,6**	**1.108,4**	**1.149,4**	**2.496,4**	**2.559,8**
Working capital	**(3.441,0)**	**(2.294,9)**	**(2.799,3)**	**(3.386,3)**	**(3.733,7)**	**(2.698,4)**
Total Assets	**31.775,0**	**36.675,1**	**15.814,8**	**17.185,4**	**24.393,0**	**18.713,2**
Equity	**10.441,0**	**9.913,0**	**4.507,9**	**4.442,4**	**6.191,3**	**5.711,5**
Equity attributed to parent	4.653,8	3.402,4	4.219,6	4.178,5	3.319,1	2.656,5
Non controlling interests	5.787,3	6.510,6	288,3	263,8	2.872,2	3.055,0
Other non-current liabilities [2]	**4.759,5**	**17.406,3**	**2.217,6**	**4.739,9**	**8.867,6**	**8.049,7**
Non-current liabilities	**16.804,5**	**9.576,3**	**11.636,8**	**9.621,2**	**9.604,3**	**6.593,9**
Non-recourse project financing	9.278,3	6.245,2	8.591,9	4.860,1	5.888,1	1.103,8
Non-current bank borrowings	7.526,2	3.331,0	3.044,9	4.761,1	3.716,2	5.852,7
Long-term deposits						(362,9)
Current payables/ Current liabilities	**(230,0)**	**(220,5)**	**(2.547,5)**	**(1.618,1)**	**(270,1)**	**(1.641,9)**
Non-recourse project financing	363,2	176,8	278,0	2.186,4	77,4	278,6
Current bank borrowings	3.479,3	3.968,8	2.103,6	2.150,3	6.813,8	4.312,8
Other current financial assets	(1.420,9)	(2.185,1)	(2.757,9)	(3.502,2)	(3.006,2)	(1.705,4)
Cash and cash equivalents	(2.651,6)	(2.181,0)	(2.171,3)	(2.452,6)	(4.155,2)	(4.527,8)
Total Equity and Liabilities	**31.775,0**	**36.675,1**	**15.814,8**	**17.185,4**	**24.393,0**	**18.713,2**

[1] In 2008, there were 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 were included 4,010.7 million of euros related to renewable energy assets, 152.6 million of euros related to Murcia desalinisation plants, 181.2 million of euros related to Brazilian transmission lines and 231.6 million of euros related to SPL assets. In 2011 there were included 3,563.2 million of euros related to renewable energy assets, 371.3 million euros related to desalinisation plants, 852.7 million of euros related to Brazilian transmission lines , 127 million of euros related to SPL assets, 443.6 million of euros related to Clece assets, 1,118.9 million of euros related to Iridium concessional assets, 1,455.8 million of euros related to Hochtief airport assets and 154.5 million of euros related to other assets held for sale. In 2012 there were included " Non-current assets held for sale" accounted for 3,026.8 million of euros related to to renewable energy assets, 357.4 million of euros related to desalination plants, 123.6 million of euros related to Brazilian transmission lines, 114.7 million of eurosrelated to SPL assets, 935.2 million of euros related to Iridium concessional assets, 1,851.9 million of euros related to Hochtief Airport assets and 191.8 million of euros related to other assets held for sale.

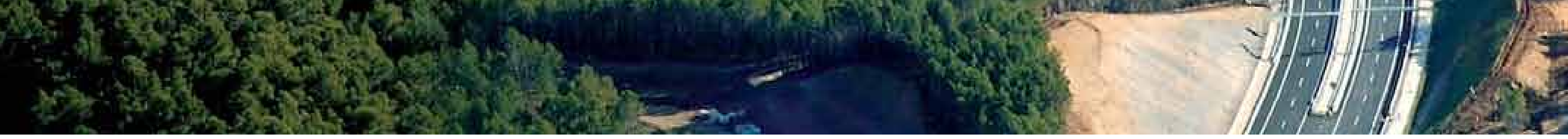
[2] In 2008, there wereincluded "Non-current liabilities held for sale" accounted for 15,931 million of euros derived from the sale of Union's Fenosa stake. In 2009 there is included 845 million of euros related to SPL.In 2010 there were included 3,294.7 million of euros related to renewable energy assets, 147 million of euros related to Murcia desalinisation plan, 83.4 million of euros related to Brazilian transmission lines and 65 million of euros related to SPL assets. In 2011 there were included 3.036,7 million of euros related to renewable energy assets, 274,6 million euros related to desalinisation plants, 343.9 million of euros related to Brazilian transmission lines , 50.6 million of euros related to SPL assets, 326 million of euros related to Clece assets, 928.7 million of euros related to Iridium concessional assets, 19.3 million of euros related to Hochtief airport assets and 15.4 million of euros related to other assets held for sale. In 2012 there were included 2,736.7 million of euros related to renewable energy assets, 266.9 million of euros related to desalination plants, 61.9 million of euros related to Brazilian transmission lines, 43.9 million of euros related to SPL assets, 784.2 million of euros related to Iridium concessional assets, 155.2 million of euros related to Hochtief airport assets and 13.5 million of euros realted to other assets.

CORPORATE RESPONSIBILITY REPORT
OF THE ACS GROUP

2012

www.grupoacs.com

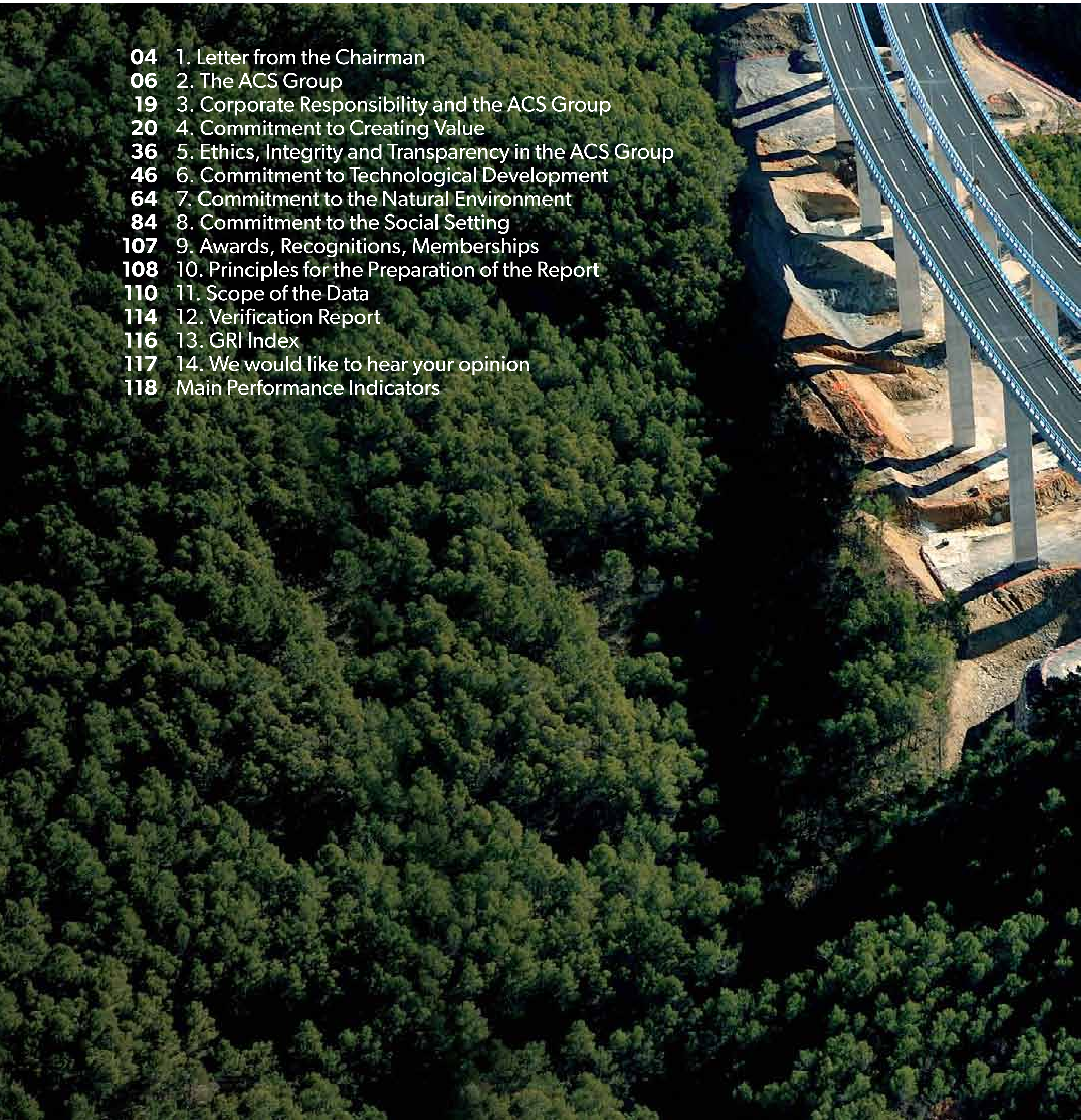
Cover photo: Crescent Dunes Solar Thermal Plant-Tonopah (Nevada, United States).

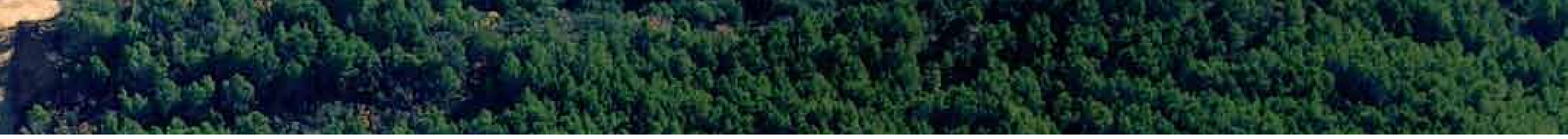


CORPORATE RESPONSIBILITY REPORT OF THE ACS GROUP

"This leadership is present in our Corporate Responsibility strategy, which is shaped around our commitments to creating value, integrity, technological development and the natural and social environment"

Florentino Pérez, Chairman of the ACS Group





1. LETTER FROM THE CHAIRMAN

Dear Shareholder

We present you with the ACS Group's Corporate Responsibility Report for another year. This document summarises the policies and actions for 2012 in the ethical, social and environmental fields for the various companies that make up the Group around the world.

The ACS Group is a world leader in infrastructure development and is involved in the majority of developed markets through companies with high operational, technical and organisational sophistication. With turnover in 2012 of €38,396 million and 162,471 employees in over 60 countries, ACS is a reference company in the infrastructure sector, a key industry for social and economic development of the world economy. This leadership is present in our Corporate Responsibility strategy, which is shaped around our commitments to creating value, integrity, technological development and the natural and social environment.

By virtue of these commitments, the various ACS companies autonomously develop economic, social and environmental initiatives which are aligned with a single strategy guided and coordinated by the Group, but which are at the same time specific to the markets, areas of activity and stakeholders to which they are aimed. We present this common strategic line in this document, based on the Group's corporate values, i.e. the decentralisation, client service, results orientation and strict risk control, which make up our corporate culture.

The ACS Group's main achievements in 2012 related to Sustainability focus on the operation of the Ethical Channel, improvements in environmental efficiency and continuing efforts to reinforce health and safety in the workplace.

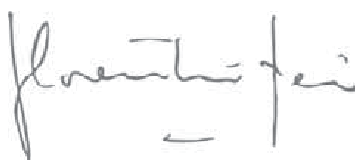
Related to our commitment to ethics and integrity, in 2012, the first full year of operation of our Ethical Channel, 11 communications were reported through the means made available for the purpose. All the proceedings opened as a result of these communications were analysed and resolved satisfactorily.

In terms of our commitment to environmental efficiency, we reinforced our greenhouse gas emission saving and control policy, enabling us to improve our carbon intensity ratio to 41 tonnes CO_2 per million euros of turnover, 33.0% less than in 2011.

Finally, I want to highlight again our firm commitment to health and safety at work, where we have dedicated funds totalling €39 million in all our business areas – 2.5% of Net Operating Profit – aimed at safety-related functions and the promotion of an effective risk prevention culture.

We also developed active policies to expand OSHAS 18001 certification coverage to reach 88.9% of our employees, meaning more effective risk control.

We will continue with the strategy of global leadership over the coming year, without forgetting the Sustainability facet, which results in greater value creation for our shareholders, employees and clients and for all the Stakeholders with whom we relate.



Florentino Pérez
Chairman of the ACS Group

2. THE ACS GROUP

2.1. Company Profile

2.1.1. Corporate Strategy

The ACS Group[1] is a worldwide reference in the infrastructure development industry, participating in sectors which are fundamental to the economy. It defines itself as a company committed to economic and social progress in the countries where it is present.

ACS is positioned as a world leader in the infrastructure development industry, with a clear and defined mission:

TO PURSUE GLOBAL LEADERSHIP, OPTIMISING THE PROFITABILITY OF THE RESOURCES EMPLOYED AND PROMOTING SUSTAINABLE DEVELOPMENT

[1] The parent company of which is ACS, Actividades de Construcción y Servicios S.A., with registered offices in Madrid, Spain.

PROFITABILITY AND INTEGRITY, TOGETHER WITH COMMITMENT TO STAKEHOLDERS, ESPECIALLY COMMITMENT TO CLIENTS, AND OPERATIONAL EXCELLENCE, ARE THE ACS GROUP'S IDENTIFYING FEATURES

Improving society, generating wealth to guarantee the well-being of the citizens it serves, in the final analysis, is a primordial part of the ACS Group's mission.

The ACS Group's commitment to society is summarised in three fields of action:

1. RESPECT FOR THE SOCIAL, ECONOMIC AND ENVIRONMENTAL SETTING

2. PROMOTION OF INNOVATION AND RESEARCH IN ITS APPLICATION TO INFRASTRUCTURE DEVELOPMENT

3. CREATION OF EMPLOYMENT AND WELL-BEING, AS AN ECONOMIC MOTOR FOR ITS STAKEHOLDERS

This performance and all the Group's activities are impregnated with the corporate values ACS has developed over its nearly 30 years of history and form the basis of the actions of all the Group's employees:

2. THE ACS GROUP

2.1.2. Description of the ACS Group's Activities

The ACS Group is a worldwide leader in the infrastructure development industry. The company operates in over 60 countries and employs a total of 162,471 employees. Of these, 49,967 work in Spain and the other 112,504 abroad. The five countries with the highest levels of activity are Spain, Australia, the United States, Germany and Mexico.

In 2012, the year to which this report refers, ACS had turnover of €38,396 million, a sales figure which makes the company one of the largest listed companies in the world[2] by revenue in the construction and infrastructure sector. It recorded a recurring net profit of €705 million and ended the year with an order book of €65,626 million, equivalent to 21 months' activity. At 31 December 2012, the ACS Group recognised equity of €5,712 million and net balance sheet debt of €4,952 million, 46.9% lower than recorded in 2011.

In the construction area, ACS mainly carries out projects in the fields of civil works, residential and non-residential building, development and management of infrastructure concessions and mining operations. The ACS Group's construction activity is based on the provision of services to third parties, both private and public clients, in countries where ACS has a consolidated local presence or where it carries out infrastructure concession projects. The Construction area had turnover of €29,683 million in 2012 and employed 94,392 people, 58.1% of the total workforce.

In turn, the Industrial Services area provides maintenance and support services to industrial clients, electricity, oil, gas and telecommunications companies. In addition, it carries out turnkey energy and industrial projects for its clients worldwide. This area had turnover of €7,050 million in 2012 and employed 39,140 people, 24.1% of the total employees.

The Environment area focuses its activity on the carrying out of municipal solid waste collection, cleaning and gardening services, as well as the management of large infrastructures for waste treatment and recycling, incinerating and biomethanisation plants and also dumps. Additionally, it offers facility management services for buildings and infrastructures. Net sales totalled €1,691 million in 2012. A total of 28,886 employees participated in its activities, 17.8% of the Group total.

[2] According to ENR in its August publication Top Global Contractors 2012.

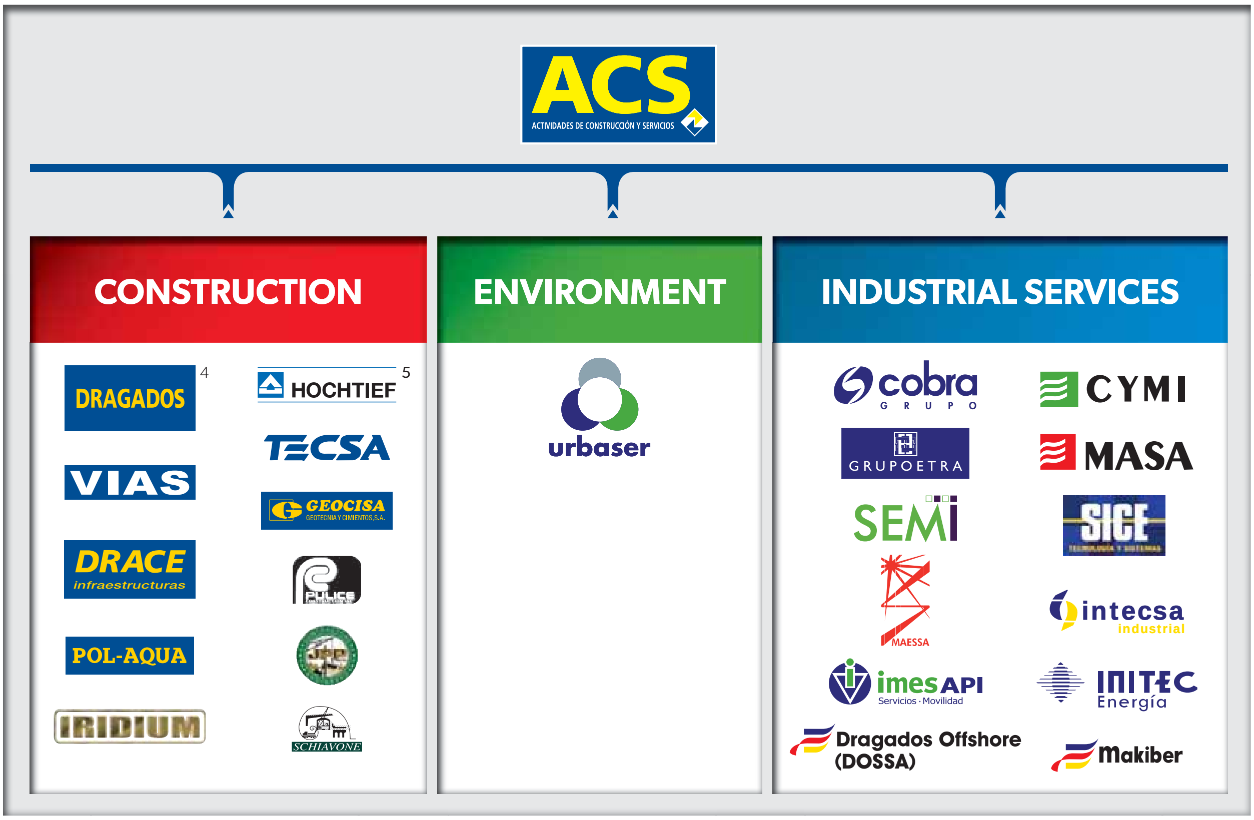
2.2. The ACS Group and Corporate Responsibility

The ACS Group has a decentralised structure[3] based around its three areas:

Construction,
Environment and
Industrial Services,

and it carries out its activities through dozens of different companies. This complex but highly efficient organisation encourages the Group's companies to compete and carry out their work independently, at the same time sharing common guidelines which add value for their clients. Included in this report are the data for the following companies:

THE ACS GROUP IS ONE OF THE LARGEST COMPANIES ON ITS INDUSTRY



[3] It is important to emphasise that:

- Clece, ACS's Integral Maintenance Company, which had turnover of €1,175 million in 2010, with 49,503 employees, was deconsolidated in 2011. Information for it is not included in 2012.
- HOCHTIEF, the German construction company acquired by ACS in 2011, has fully consolidated its accounts in ACS since June 2011.

The effect of this change makes comparison between the years 2009-2010, 2011 and 2012 difficult due to HOCHTIEF's weight in terms of sales, which were much higher than those of Clece, and the change in the number of employees. Furthermore, Clece was included in the Environment section and Hochtief is now a company in the Construction area.

[4] Dragados, Dragados USA & Canada & Dragados Poland.

[5] HOCHTIEF Americas, HOCHTIEF Europe & Leighton.

2. THE ACS GROUP

Each of the ACS Group's companies is managed autonomously, with independent functional managements and flexible and sovereign executive bodies. The aim of this type of organisation is to promote:

- **Profitability.**
- **Decentralisation.**
- **Reduced bureaucracy.**
- **Entrepreneurship.**
- **Competitiveness.**
- **Flexibility and ability to adapt.**
- **Diversity.**
- **Subcontracting of activities.**

The objective is for all the ACS Group's companies to share the Group's values and culture, at the same time as each operates in a standalone manner, individually contributing numerous valid and profitable management formulas, thanks to the multiple factors involved in their decision making and generating know-how and good practices which are also independent.

Therefore, contributions from a multitude of companies come together in the ACS Group's Sustainability effort, defining its policies for action autonomously and managing their resources in the most efficient manner possible, always covered by a common objective.

To tackle the immense challenge presented by the coordination of the ACS Group's sustainability, the company's Corporate Responsibility area carries out thorough data collection, with contributions from over one hundred functional directors from key areas for sustainability: Environment, Human Resources, Quality, R&D+i, Clients, Suppliers and Health and Safety.

From the analysis of the information a series of strategies and good practices become clear, resulting from the Group's strategic vision and in line with the aforementioned company values.

This process is supported by independent external consultants who incorporate improvements periodically, both at the functional and procedural levels. Furthermore, the ACS Group's Corporate Responsibility Report is prepared according to the GRI's A+ standard and is verified annually. The ACS Group was selected in the Dow Jones Sustainability Europe Index in 2012.

2.3. ACS Group Governance

2.3.1. Ownership Structure

ACS, Actividades de Construcción y Servicios, S.A., (ACS), the ACS Group's parent company, is a Spanish quoted limited company, the share capital of which totalled €157,332,297 at 31 December 2012, represented by 314,664,594 shares, with a face value of €0.50 per share, fully subscribed and paid up, all of a single class and with the same rights.

ACS's shares are represented by means of book entries and admitted to trading in all Spain's Stock Exchanges (Madrid, Barcelona, Bilbao and Valencia). You can access the main data relating to the company's ownership structure in real time through the company's corporate website, www.grupoacs.com, and that of the Spanish Stock Market Commission (C.N.M.V.), www.cnmv.es, as reflected in the following table as at 31 December 2012:

Shareholder's name or corporate name	Number of shares	Percentage of the total number of shares
Corporación Financiera Alba, S.A.	57,599,232	18.305%
Inversiones Vesán, S.A	39,397,625	12.521%
Southeastern Asset Mananagement, Inc	29,027.35	9.225%
Sayglo Holding, S.L.	17,741,012	5.638%
Mr. Alberto Cortina Alcocer	13,858,091	4.404%
Mr. Alberto Alcocer Torra	13,803,134	4.387%

The information obtained from IBERCLEAR, the Spanish Central Securities Depository, for the call to the company's most recent General Shareholders' Meeting, held on 31 May 2012, showed a total of 48,280 shareholders. There were 43,789 resident minority shareholders who held 46,971,879 million shares between them. There were 4,491 non-resident shareholders and domestic institutional shareholders with a stake of 268,612,770 million shares.

According to the stated data and bearing in mind those shareholders who, with a share of over 4% of the capital, also have representation on the board of directors, the distribution of capital ownership is as follows:

CAPITAL OWNERSHIP DISTRIBUTION

%

* Share of over 4% and representation on the board.

2. THE ACS GROUP

2.3.2. Company Administration

2.3.2.1. ACS Governance Structure

It is laid down in the Company' Articles of Association and the Rules of the Board of Directors that ACS will be governed by a Board of Directors made up of a minimum of eleven (11) and a maximum of twenty-one members (21). ACS's Board Members are named according to a procedure to assess their competences, knowledge, experience and dedication to proper fulfilment of their task, carried out by the Board of Directors' Appointments and Remuneration Committee.

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

The composition of the Board of Directors is based on a proportional principle, by means of which the interests of all ACS's groups of shareholders are represented on the Board. In this way, at 31 December 2012, ACS's Board of Directors was made up of 17 Board Members[6]: 4 executive members, 8 members representing major shareholders, 4 independent members and 1 external member. There is one woman board member representing major shareholders, Sabina Fluxá Thienemann . The mission of these independent and external board members is to represent the interests of the free-float capital on the Board of Directors. The Chairman of the Board of Directors, Florentino Pérez, is also the CEO of ACS.

Board Member	Year of birth
Florentino Pérez Rodríguez	1947
Antonio García Ferrer	1945
Pablo Vallbona Vadell	1942
Agustín Batuecas Torrego	1949
José Álvaro Cuervo García	1942
Manuel Delgado Solís	1948
Javier Echenique Landiribar	1951
Sabina Fluxà Thienemann	1980
Joan-David Grimà i Terré	1953
José María Loizaga Viguri	1936
Pedro López Jiménez	1942
Juan March de la Lastra	1973
Santos Martínez-Conde Gutiérrez-Barquín	1955
Javier Monzón de Cáceres	1956
Miquel Roca i Junyent	1940
Julio Sacristán Fidalgo	1940
José Luis del Valle Pérez	1950

2.3.2.2. Governance Procedures in ACS

As regards the function of the Board of Directors, this acts jointly and is granted the broadest of powers to represent and govern the company as the body supervising and controlling its activity, but also with the capacity to assume the responsibilities and decision-making powers directly on the management of the businesses.

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

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

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

The Executive Committee is a delegated committee which can exercise all the Board of Directors' powers except those which cannot be delegated or which the Board reserves as its competence.

[6] Personal information on ACS's board members can be found on the ACS Group's website: http://www.grupoacs.com/index.php/es/c/gobiernocorporativo_consejodeadministracion.

The Audit Committee has 11 main functions, which are detailed in the ACS Group's Corporate Governance Report (Section B.2.4), outstanding among which are the accounting control functions, supervision of compliance with the ACS Group Code of Conduct and risk management.

Finally, the Appointments and Remuneration Committee has eight main functions, which are detailed in the ACS Group's Corporate Governance Report (Section B.2.4), outstanding among which are control of board member and senior management remuneration and performance, proposals for their appointments and matters relating to gender diversity on the Board of Directors.

The Board Members' remuneration is defined by a general policy approved by the full Board, heeding the recommendations of the Appointments and Remuneration Committee. The total remuneration of the ACS Group's Board Members in 2012 was €10,482 million, 1.48% of the company's ordinary net profit. Within the ACS Group's transparency and information policy, the remuneration received by both the members of the Board of Directors and the Senior Executives during the financial year is shown in the Annual Corporate Governance Report (Section B.1.11).

Assessment of the Board of Directors quality and efficiency of performance is a task which falls to the Board itself and cannot be delegated. It is carried out after receiving a report from the Appointments and Remuneration Committee. Furthermore, the General Shareholders' Meeting submits approval of the Board of Directors' management to a vote every year.

Finally, the ACS Group, through the Rules of the ACS Board of Directors, has detailed rules on the mechanisms laid down for detecting, determining and resolving possible conflicts of interest between the company and/or its group and its board members, managers or significant shareholders, as detailed in point C.6 of the ACS Group's Corporate Governance Report.

2.3.2.3. Shareholders Rights and the General Shareholders' Meeting

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

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

In addition, shareholders' attendance and voting rights are laid down in these Rules, by means of which egalitarian treatment is guaranteed for all and a series of measures aimed at encouraging shareholders' participation in the General Meeting are included. As such, not only is delegation or representation of votes permitted during the Meeting, but the possibility of shareholders casting their vote remotely is also expressly established. Furthermore, since the Ordinary General Shareholders' Meeting of 19 May 2005, the necessary procedures have been articulated for exercising the right to vote in advance remotely. The measures adopted by the Group to encourage attendance of the Meeting are positively reflected in their attendance percentages.

Attendance at Shareholders' Meetings	2009 Ordinary	2010 Ordinary	2010 Extraordinary	2011 Ordinary	2012 Ordinary
Shareholders Present	208	213	115	179	216
Quorum Shareholders Present	7.66%	19.44%	19.93%	20.55%	20.05%
Shareholders Represented	2,763	2,776	2,183	2,792	2,368
Quorum Shareholders Represented	70.88%	58.22%	57.11%	54.41%	51.40%
Quorum Total	78.54%	77.66%	77.04%	74.96%	71.45%

2. THE ACS GROUP

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

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

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

2.3.3. Risk Control Systems

The ACS Group's risk control system is based on a range of strategic and operational actions which seek to mitigate risks in addition to fulfilling the objectives set by the Board of Directors.

The diversity and complexity of the sectors in which the Group carries out its activities involve a great variety of risks and the Corporation is responsible for defining the basic guidelines to homogenise operating criteria in each of the divisions and so guarantee an appropriate level of internal control. The companies and divisions of which ACS is made up are responsible for developing the necessary internal regulations so as to implement appropriate internal control according to the particular nature of their activity.

In order to be able to respond in the face of global and homogeneous risk, the Corporation has established a risk management model which includes the identification, assessment, classification, valuation, management and monitoring of risks at the Group and Operating Area levels. Once risks have been located, a risk map is prepared which is systematically updated periodically.

In accordance with that explained above, the following risks have been identified:

- Operational risks, stemming from the Group's different businesses and which vary depending on the area of activity, but which, in short, are related to entering into contracts, planning and control of the execution of the works and projects, quality-related risks, environmental impact and risks related to international activities.

- Non-operational risks, which also stem from the different activities the Group carries out, but which in this case relate to image, human resources, legal or regulatory matters, tax, financial matters and insurance coverage.

As indicated previously, the Group's risk control systems are common to all the Group's areas of activity, but organised according to a decentralised model, which enables each business unit to exercise its risk control and assessment policies in accordance with certain basic principles. These basic principles are the following:

- Definition of the maximum risk limits that may be assumed by each business in accordance with its characteristics and its profitability expectations and which are implemented at the time contracts are entered into.

- Establishment of procedures to identify, approve, analyse, control and report the different risks for each business area.

- Coordination and communication to ensure that each business area's risk policies are consistent with the Group's overall risk strategy.

The systems provide the necessary information to supervise and evaluate the risk exposure of each business area and develop the corresponding management reports for decision making with monitoring of the appropriate indicators.

The control systems developed in each business area may be classified into the following categories:

- Management systems for entering into contracts and bidding processes for works and projects.
- Management systems for planning and execution of works and projects.
- Quality management systems.
- Human resources management systems.
- Financial risk control systems.
- Environmental management systems.
    - Incorporation of the most advanced technologies as regards environmental matters, such as:
        - Conservation of energy and raw materials.
        - Using recyclable and biodegradable materials.
    - Minimising waste production and environmentally-friendly treatment.
    - Promoting the reforestation and landscaping of construction sites.
    - Carrying out specific actions for activities that require them, depending on the effect of the impact and the setting.
    - Informing the client continuously on the environmental risks and possible preventive measures.
- Other systems: For risks of a legal or fiscal type, ACS has appropriate departments in each company, division or at a corporate level and with prestigious external support in each specific field of action. Additionally, the signing of contracts is supervised by each company's legal adviser and, depending on its relevance, by the legal counsel of the different divisions or of the Group.

The Group has a strategy for covering accidental risks which could affect Group assets and activities that involves the underwriting of various insurance policies for any coverable risks. The characteristics of these policies are reviewed periodically to adapt them to the current and specific status of the risk covered.

2. THE ACS GROUP

2.4. The ACS Group and its Stakeholders

2.4.1. Stakeholders

The ACS Group defines stakeholders as groups with the capacity to have an influence on the achievement of the organisation's objectives. Outstanding among them are shareholders, employees, clients, suppliers, infrastructure users and society in general, who benefit from its policies in quality, R&D+i, philanthropy and the environment.

To generate trust and identify these groups, a priority is to keep channels open for honest, plural and transparent dialogue in the ACS Group's various companies, as well as in its fields of action and functional areas, something the ACS Group carries out regularly and in a sustained manner and has done for years.

- Shareholders relate to the company daily through the communications channels established, such as the permanently open website, the shareholder services forum, the Investor Relations Department and the Shareholders' Meeting itself, which is held at least once per year. This relationship is detailed in the Creating Value for Shareholders section.

- The employees are key to carrying out the ACS Group's activities, as a company mainly intensive in human resources. The employees' relationship with the company is continuous, but it is especially intense over the performance assessment period, which usually takes place annually. Personnel policies and management are detailed in the corresponding section of this report. They also have the ACS Group's Ethical Channel available, as detailed in the Ethics and Professionalism section of the Corporate Responsibility Report.

- The relationship with clients and suppliers and how ACS deals with their management is part of the section on Creating Value for clients and suppliers. However, the frequency of the ACS Group's relationships with its clients is practically daily, meaning that there are numerous meetings each year. The relationship with suppliers is also fluid as the Group's purchasing directors and works managers hold frequent meetings, even having weekly contact in large accounts. As with the employees, suppliers have the ACS Group's Ethical Channel available to them.

- The ACS Group's relationship with society in general and in particular with infrastructure users is detailed in the chapters on quality, philanthropy and the respect the Group holds for the Environment. It should be emphasised that the ACS Foundation holds several meetings each month with organisations in the civil field with the aim of defining its philanthropic activities. Furthermore, the ACS Group's various Environment departments analyse the environmental needs and risks affecting society several times each year and, especially, every time that general plans are dealt with in this subject within the company or Environmental Impact Studies are undertaken.

ACS has defined its form of committing itself to its stakeholders through its five commitments to sustainability.

- **Commitment to creating value:** Laying out ACS's efforts to **distribute the wealth created** among its shareholders, clients, employees, suppliers and among society as a whole.

- **Commitment to integrity:** In order to demonstrate the **ACS Group's ethical and professional conduct with complete transparency**, as well as the self-imposed demands in this field through its employees and the relationship with its clients and suppliers.

- **Commitment to technological development:** Detailing the ACS Group's contributions to **technical and technological development** as a means to promote the sustainability of the ACS Group's activities and hence improve its contribution to society.

- **Commitment to the natural environment:** As a set of programmes contributing to minimising the impact of the ACS Group's activities and promoting a commitment around the fight against climate change, respect for biodiversity and efficient use of energy and water resources.

- **Commitment to the social setting:** Embodied in ACS's efforts to **generate well-paid, high-quality work based on equal opportunities**. Work which contributes to **creating wealth** and **contributing to the well-being** and prosperity of the societies in which it operates.

The ACS Group sets its Corporate Responsibility activities and its relationship with its Stakeholders in context in accordance with these commitments which the company adopts voluntarily and responsibly.

2. THE ACS GROUP

2.4.2. Transparency in Institutional Relationships

The ACS Group is an organisation with a very significant impact on social, labour, economic and political fields in those countries in which it operates. This impact is managed directly by ACS's Chairman, Florentino Pérez, and his team. In this respect, it is important to highlight the influence that ACS has on the decision making or behaviour of those levels and clients with whom it habitually relates.

ACS incorporates responsibility into its whole organisation and its daily practices, sharing knowledge, information and experience. It also carries out projects in collaboration, promotes fair practices, builds alliances with organisations, associations and other sector members, working in a responsible manner and open to dialogue and attending to calls from Government and from the industrial institutions representing its sector.

In short, through its businesses, ACS intervenes in its environment with the intention of contributing voluntarily and actively to social improvement, complying with the law and additionally developing policies and initiatives which boost the excellence and quality of its activities. The ACS Group Chairman is the leading exponent of this policy.

The nature of ACS's political and institutional relationships is augmented by the presence of its Chairman in the most important political and business meetings[7], as well as in various public functions, always guided by the ethical principles of social responsibility and the intention to improve competitiveness and general and added value.

[7] The ACS Group made no financial or in-kind contributions to political parties during 2012.

The Subsidies received by the ACS Group in 2012, as shown in the Group's Consolidated Balance Sheet, included in the Economic/Financial Report published together with this Report, totalled €54 million.

3. CORPORATE RESPONSIBILITY AND THE ACS GROUP

3.1. The ACS Group's Main Indicators in CR

	2011[8]	2012	2015 forecast
Recurring earnings per share (euros)	2.49	2.24	2015e>2012
Gross dividend per share (euros)[9]	2.05	1.97	2015e≥2012
Clients satisfied or very satisfied	84.5%	86.1%	2015e≥88%
Production certified under ISO 9001	77.14%	72.47%	2015e≥75%
Production certified under ISO 14001	72.56%	67.96%	2015e≥70%
Economic value generated (millions of euros)[10]	55,940	73,744	2015e≥75,000
Investment in training (euros/employee)	114.71	163.43	2015e≥170€
Rate of construction and demolition waste recovery	61.55%	63.87%	2015e≥65%
Investment in R&D+i / recurring net profit	5.87%	6.96%	2015e≥7%
CO_2 emissions (t) / Production (millions of euros)	61	41	2015e≤35
Water Consumption / Production (m^3/million euros)	196	174	2015e<180
Frequency Rate[11]	24.43	27.84	2015e≤30
Investment in social initiatives / recurring net profit	0.40%	0.55%	2015e≥0,5%

The development of these indicators between 2011 and 2012 is based to a great extent on the increased scope of the data, as a result of the inclusion of HOCHTIEF Europe, Americas and Leighton. These companies have different sustainability policies, which are still in the process of converging with the ACS Group's traditional policies.

[8] Includes information for Hochtief in 2011 and 2012, but not for 2010 and 2009. Clece is not included in 2011 and 2012, as it was reclassified as an asset available for sale. For further information on the scope of the data, see section 11 of this document.

[9] Referring to the dividend paid in the year.

[10] The target has been reformulated to make it coincide with the datum for the economic value generated defined as relevant for the ACS Group.

[11] See point 8.2.3

4. COMMITMENT TO CREATING VALUE

4.1. The Value of our Businesses

ACS is committed to creating value for all its stakeholders. Providing growing and sustained profitability is one of the company's main objectives.

	2011	2012
Net revenue (millions of euros)	28,472	38,396
Gross operating profit. EBITDA (millions of euros)	2,318	3,088
Total gross investments (millions of euros)	4,755	2,496
Recurring net profit (millions of euros)	782	705
Net debt (millions of euros)	9,334	4,952

ECONOMIC VALUE GENERATED
€ MILLION

	2011	2012
Net revenue	28,472	38,396
Operating costs	20,355	27,031
Staff costs	6,319	8,681
Payments of direct remuneration to shareholders (Dividends)	614	639
Taxes	181	-1,003

4.2. Shareholders

Milestones 2012

Servicing of 364 shareholder questions and/or problems, of which the shareholders declared themselves unsatisfied in only 5 cases.

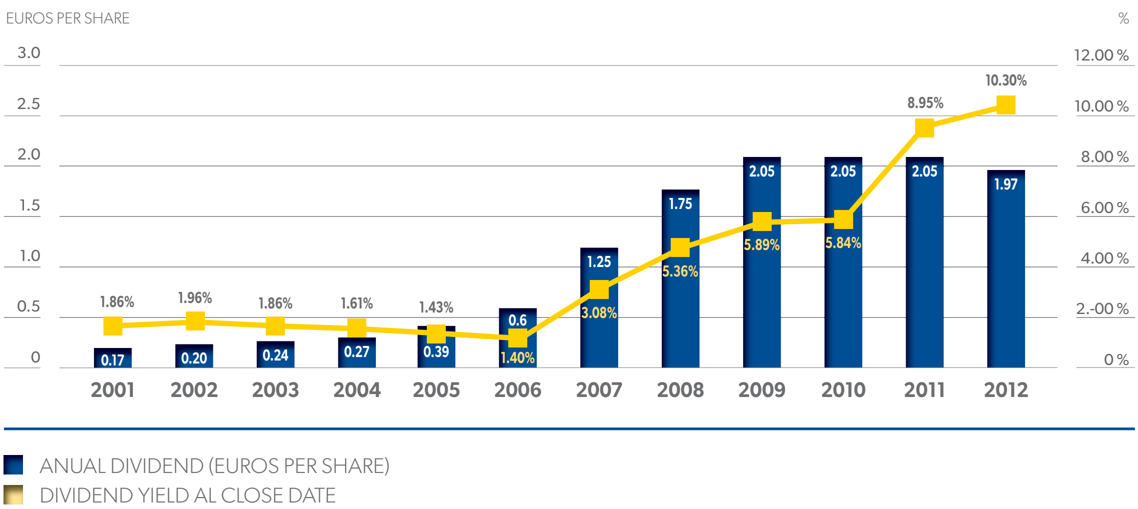
Approval of a remuneration system using optional dividends in cash or shares, which came into effect in July 2012 and complemented the February 2012 interim dividend.

Challenges for 2013

To develop the ACS Group's business strategy based on three main objectives: promoting the global growth of the company, increasing profitability and reducing net debt.

ACS stock	2010	2011	2012
Closing Price	**€ 35.08**	**€ 22.90**	**€ 19.04**
Appreciation of ACS shares	0.76%	-34.71%	-16.86%
Appreciation of the IBEX35	-17.43%	-13.11%	-4.66%
Maximum closing price	**€ 38.38**	**€ 37.94**	**€ 25.10**
Minimum closing price	**€ 28.91**	**€ 21.75**	**€ 10.38**
Average price over the period	**€ 33.58**	**€ 29.67**	**€ 16.77**
Total volume (thousands)	**193,764**	**220,147**	**227,383**
Average daily volume of shares (thousands)	757	857	888
Turnover (€ million)	**6,507**	**6,531**	**3,812**
Average daily turnover (€ million)	25.42	25.41	14.89
Number of shares (millions)	314.66	314.66	314.66
Capitalisation at the end of the period (million)	11,037	7,206	5,991

ACS as a company is highly committed to shareholder returns and dedicates a significant amount of funds to the annual payment of dividends.



Likewise, considering the concept of total return for shareholders, an investor who purchased an ACS share on 31 December 2000 would have obtained an annual yield of 14.30% at the end of 2012. If the shareholder had invested €100 on that day, he or she would have had €497.17 at the end of 2012, hence his or her investment would have appreciated 4.97 times. Total shareholder return includes market appreciation and the dividends paid by the ACS Group.

4. COMMITMENT TO CREATING VALUE

4.2.1. Communication with Shareholders

The Group's commitment to the markets, shareholders and investors is upheld in its information transparency. As such, and in order to offer them the best service, the company has specific communications procedures, as detailed in the section on transparency in this document. As a summary, the following stand out among these:

- **Relationship with investors.**
  A total of 116 meetings were held in different places worldwide. These meetings enable the Group to pass information on its prospects and on relevant events which may affect the company or its sector. Specific events are also held regularly, of which 7 took place in 2012.

- **Shareholder service.**
  Service is provided from the Investor Relations Department to numerous minority shareholders seeking to resolve doubts and obtain detailed information on their investment. In 2012, 364 problems raised by the shareholders were dealt with, of which 98.6% received a satisfactory solution to the problem (as stated by the shareholders) and only 1.4% expressed dissatisfaction.

- **Communications with financial analysts and institutional investors.**
  Regular sending of information of interest to those analysts and investors who follow the Group most closely.

- **Participation in conferences and seminars of interest.**

- **Corporate Website and start-up of the Shareholder Services Web Forum.**

4.3. Clients

2012 Milestones

DRAGADOS: Obtaining of Approvals and Classifications as regular Suppliers for executing civil works for large Energy companies (Spanish grid operator - REE, Endesa, Repsol, Enagás, Gas Natural, etc.) corresponding to its strategic Generating, Supply and Distribution activities.

cobra GRUPO: Collection of over 90% of the debt contracted with Public Bodies up to December 2011, thanks to the Supplier Payment Plan established by the Government in early 2012.

urbaser: Formalising of the filtering of "A" clients based on the economic/financial criteria of the contracts signed and linking to the high-end client satisfaction analysis. Follow up with "A" clients to improve loyalty.

VIAS: Consolidation of VÍAS' entry into the international market with the awarding of two works in Poland. Outstanding among these is the project for "Modernisation of Siedlce, Łuków and Międzyrzecz stations on the E20/CE20 line, Phase II", awarded with a budget of €127.5 million.

INITEC Energía: Successful completion and delivery of the Navoi 478 MW combined cycle power plant, the first combined cycle facility to go into operation in Uzbekistan.

Dragados Offshore: Contracting for the Mariner Project in Spain to design and build the largest steel jacket built by the company.

GEOCISA: Consolidation and expansion of the implemented Document Management System. Updating of this system with client financial risk data and operations with these clients.

Challenges for 2013

DRAGADOS: Increased market penetration in Restoration of Institutional Buildings, Shopping Centres, Office Buildings and Hotels by contributing technical Sustainable architecture and Energy efficiency solutions in Project preparation.

cobra GRUPO: Thorough analysis of cash flows, with the aim of continuing to improve the company's Working Capital. Its exhaustiveness will involve analysis at work order level, examining the evolution of net margins for each of them.

urbaser: Review of "B" client contractual conditions. Analysis of improvements in "Perceived quality" by "A" clients. Portfolio consolidation according to economic/ financial variables and sector situation.

TECSA: Classification renewal with ADIF.

POL-AQUA: Consolidation of the Dragados brand in the market and support to Polaqua.

DRAGADOS POLAND: Strengthening of relations with two of the company's main clients; GDDKiA (Roads Department) and the PKP (Railways Department).

GRUPOETRA: Implementation, through the Quality Management System, of a new procedure to measure client satisfaction by avoiding surveys and focusing on certificates of good execution of works.

Makiber: Adaptation of the methodology for measuring client satisfaction.

4.3.1. Strategy

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

This commitment to its clients is tackled from a clear strategy based around the following points:

- Problem-solving orientation.
- Client relationship feedback.
- Information on the ACS Group's capabilities.
- Identification of future needs and opportunities for collaboration.

In addition, the ACS Group seeks appropriate solutions to improve its approach to the client, particularly in technological matters of importance. This leads to the search for collaboration with detail engineering companies, specialised in the specific field required for each project. The most suitable alliances are created for each case in this way and, as such, the final client can be offered the best technical and economic solution.

Another important value for the Group's businesses is confidentiality. ACS Group companies' contracting and client relationship departments carry out periodic initiatives to promote responsible use of information, so guaranteeing client confidentiality.

4. COMMITMENT TO CREATING VALUE

4.3.2. Management Principles

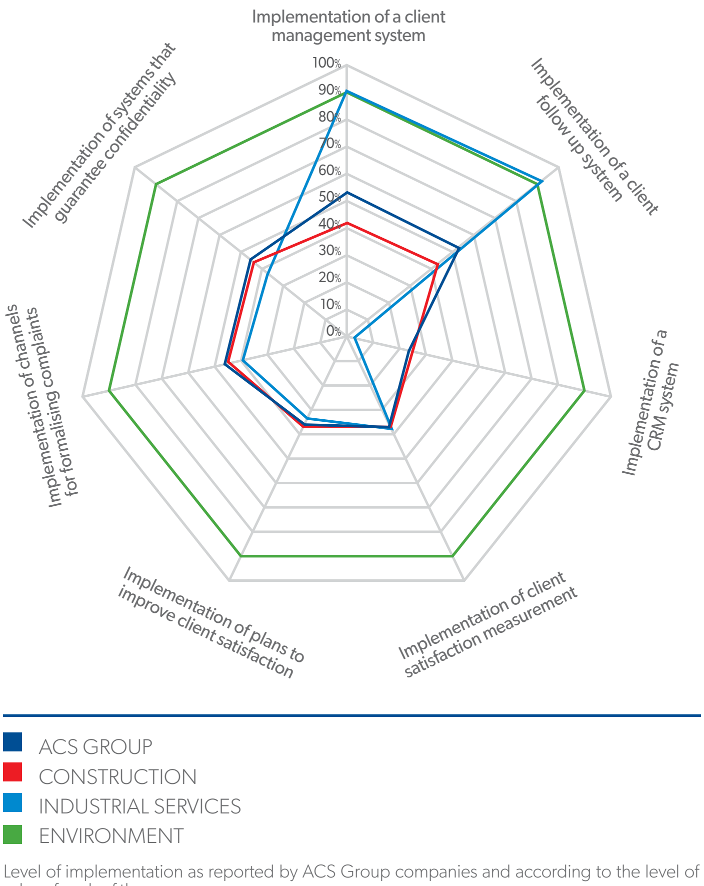
Given the characteristics of ACS's business, where large infrastructure projects are carried out or general agreements are entered into for the provision of services (such as the cleaning of a city or maintenance of an electricity grid), the number of clients with whom ACS deals is very limited or they are large corporations or public institutions from around the world.

In 2012, companies representing 52.8% of ACS Group[12] sales reported the existence of a client management system, managed by each company's contracting department. The management aspects common to the whole ACS Group are as follows:

- Monitoring of client needs.
- Periodic measurement of client satisfaction.
- Guarantee of confidentiality.

[12] The data referring to the ACS Group included in this section were calculated by analysing the information supplied by the Group's different companies, weighted by level of turnover. The data are expressed in terms of percentage of total Group sales in 2012.

THE ADOPTION LEVEL OF THE MAIN MANAGEMENT PRINCIPLES IN THE GROUP IS SUMMARIZED IN THAT CHART:



Level of implementation as reported by ACS Group companies and according to the level of sales of each of them.

4.3.2.1. Monitoring and Communication

Formally, companies representing 55.6% of ACS Group sales hold regular meetings with clients, through those responsible for each project, or continuously if, as occurs in exceptional projects, the client dedicates resources to production control.

This is how objectives, monitoring systems and client information plans are defined for each project and in line with the specific aspects of each company. Control points for important phases of production are established in these plans, along with certification meetings to manage the partial payments for the work and partial monitoring points which may come to mean daily contact between the supervisor and the client in order to reinforce the latter's confidence.

Similarly, computerised CRM systems are being implemented to collect information relating to clients, in order to facilitate analysis and the carrying out of actions to improve satisfaction. In 2012, companies representing 24.3% of ACS Group sales had a system of this type in operation.

4. COMMITMENT TO CREATING VALUE

4.3.2.2. Client Satisfaction

ACS's second key client relationship management policy is the measurement of their satisfaction. Companies representing 37.2% of ACS Group sales carry out this type of process, either in a standalone form or within the framework of quality management systems. These vary according to the characteristics of the services provided by each company, but they share some common elements:

- Companies representing 17.5% of ACS Group sales identify the worst and best rated aspects of the service provided.
- Similarly, Group companies representing 36.3% of sales implement measures and plans to improve client satisfaction.
- The great majority of the Group's companies, those representing 45.0% of sales, include a system for managing complaints and penalties in contracts.

A reflection of the quality of client service is shown in the fact that no fines were received for failure to comply with the standards the ACS Group received in 2012.

A study was carried out on the aspects rated best and worst by the clients. Worthy of highlighting among the best rated are:

- The proactivity shown by Group companies to resolve problems and unforeseen events.
- The qualifications, experience and technical quality of the Group's teams.
- The existence of a detailed, structured and exhaustive client needs monitoring process.

Outstanding among the worst rated are:

- The works delivery periods and the delays which occur on occasions.
- The difficulty in controlling the agents involved in the project, such as subcontractors and suppliers.
- The perception of price against the quality of the products.

Client Satisfaction	2010	2011	2012
Number of satisfaction surveys carried out	1,211.0	1,042.0	997.0
Percentage of "satisfied" or "highly satisfied" responses	85.6%	84.5%	86.1%

Complaints	2010	2011	2012
Number of complaints received	1,491.0	2,683.0	2,815.0
Percentage of complaints dealt with	88.3%	97.5%	98.8%
Porcentaje de reclamaciones solventadas satisfactoriamente	75.7%	74.1%	84.9%

4.3.2.3. Guarantee of confidentiality

A key aspect in the ACS Group's relationship with its clients is the guarantee of confidentiality in the Group's management system. From the analysis carried out, it was found that companies representing 39.8% of ACS Group sales have implemented systems guaranteeing client confidentiality.

In this regard, a study was carried out on the percentage of complaints received in 2012 of the total related to confidentiality problems and it was determined that none came from this cause.

4.4. Quality

2012 Milestones

DRAGADOS Development of a guide for improving the installation, commissioning and start up process for auxiliary installations on site.

cobra GRUPO Expansion of certification scope in order to be more competitive in the bid presentation phase. (Obtaining certification under DIN 18800, EN 1090, EN ISO 3834, among others).

HOCHTIEF EUROPE HOCHTIEF Europe obtained numerous "Sustainable building" certifications in 2012.

urbaser Expansion of ISO 9001 certification scope to sports facility management, hydrocarbonated water treatment and out of service tyre storage activities.

DRACE infraestructuras Certification of all company activities after the merger process between DRACE Medio Ambiente and Flota Proyectos Singulares.

POL-AQUA Obtaining quality certifications and introduction of a new quality control system.

SICE Improvement in percentage of project delivery on schedule by the company.

Challenges for 2013

DRAGADOS Implementation of the computer tools for optimising works activity monitoring and control processes.

urbaser ISO 9001 certification:
- The Urbaser-Interjardín joint venture (Santa Cruz de Tenerife gardens),
- For integral water management activity in SOCAMEX, S.A.
- KDM Energía (Chile).
- For Urbaser Environnement (France) street cleaning activity.

cobra GRUPO Expansion of certification scope in order to be more competitive in the bid presentation phase.

SCHIAVONE Development of a common procedure for generating tender proposals in the company.

GEOCISA Improvements in the client satisfaction survey monitoring and control process.

GRUPOETRA Implementation of the MANTIS tool for managing non-conformities and incidents in all ETRA GROUP companies

MAESSA Preparation of a balanced scorecard.

4.4.1. Strategy

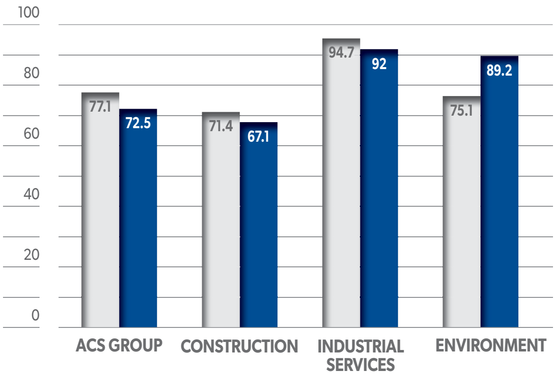
Quality is a determining factor for the ACS Group, as it represents the factor distinguishing it from the competition in the infrastructure and services industry, with high technical sophistication.

The Quality Department in the Group's different companies is the entity responsible for implementing their own Quality Management Systems. Companies representing 76.1% of ACS Group sales[13] had some form of quality management system in 2012. In this period and as a consequence of these systems, the ACS Group invested a total of €13.37 million in promoting quality.

These quality systems are audited regularly in order to certify Group activities, mainly according to the ISO 9001 standard, held by companies representing 72.5% of the Group's sales. In 2012, companies representing 36.2% of the Group's sales carried out independent audits. A total of 1,556 quality audits were carried out in the year.

PERCENTAGE OF PRODUCTION CERTIFIED UNDER ISO 9001

%



2012
2011

[13] The data referring to the ACS Group included in this section were calculated by analysing the information supplied by the Group's different companies, weighted by level of turnover. The data are expressed in terms of percentage of total Group sales in 2012.

4. COMMITMENT TO CREATING VALUE

4.4.2. Management Principles

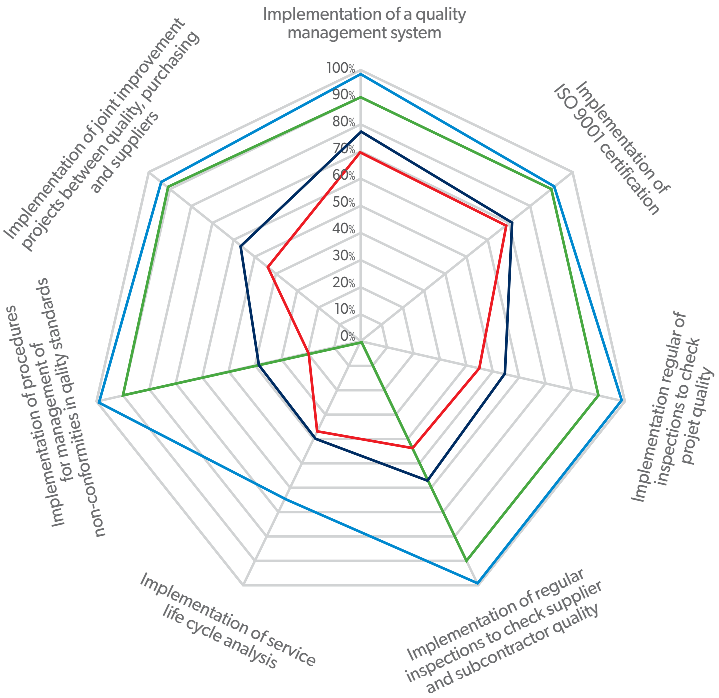
Each company in the group adapts its needs to the specific characteristics of its type of production, but a series of common lines of action have been identified within their Quality Management Systems:

- **Objectives** are set periodically as regards quality and their fulfilment is assessed.
- **Initiatives and actions** are carried out aimed at improving the quality of the services provided.
- Specific actions are carried out in **collaboration with suppliers and subcontractors** to improve quality.
- Systems are implemented for analysis of **Product and Service Life Cycle** when necessary.

Deriving from continuous improvement of processes is the control and management of non-compliances as regards quality, an important characteristic of the ACS Group companies' management system, present in companies representing 36.8% of total turnover in 2012.

Adoption of the main Quality Management parameters in the ACS Group is summarised in the following graph:

THE ADOPTION LEVEL OF THE MAIN MANAGEMENT PRINCIPLES IN THE GROUP IS SUMMARIZED IN THAT CHART:



ACS GROUP
CONSTRUCTION
INDUSTRIAL SERVICES
ENVIRONMENT

Level of implementation as reported by ACS Group companies and according to the level of sales of each of them.

4.4.2.1. Objectives

The quality management for the ACS Group's various companies sets general quality objectives for the following financial year. In 2012, companies representing 36.4% of ACS Group sales defined formal objectives in this respect.

According to its characteristics, each project or work adopts the general objectives applicable to it, which generally focus on obtaining, renewing or expanding quality certifications, especially when a Group company develops a new technique or expands its activity into a new geographical area.

At the same time, another common aspiration is to minimise incidents through quantifiable improvement activities, as well as to obtain information relating to clients.

In this aspect, the processes in this area are improved as a consequence of management of non-compliances as regards quality, an important characteristic present in companies representing 36.8% of total turnover in 2012.

The most important objectives reported by the ACS Group's companies can be summarised in the following overall framework:

- Obtaining and expanding the scope of certifications.
- Implementation of tools to improve quality.
- Improvement of specific performance indicators.
- Improving the process of installation, start-up and operation of on-site manufacturing plants in Dragados.
- Improving the training of supervisors, operators and works managers.
- Increasing client satisfaction indices, reducing complaints due to problems in execution.
- Meeting delivery schedules globally and with maximum quality.
- Increasing the number and capacity of internal quality auditors.

4. COMMITMENT TO CREATING VALUE

4.4.2.2. Improvement Initiatives and Actions

The concern with quality in all the group's companies reflects not only the effort to achieve the objectives set, but also the specific actions by the companies. A significant percentage of the Group's companies carry out quality improvement actions. According to the reported data, companies representing 42.5% of ACS Group sales carried out at least one initiative of this type in 2012.

4.4.2.3. Collaboration with Contractors and Suppliers

To a great extent, ACS Group companies carry out a large part of their activities by means of the use of services from suppliers and subcontractors, who collaborate to a significant degree in project execution. In order to guarantee an appropriate level of quality in the provision of services from suppliers and contractors, companies representing 56.1% of ACS Group sales include clauses in contracts demanding a guarantee of a minimum level of quality, which generally depends on the supplier or subcontractor having certification to ISO 9001, among other measures.

Furthermore, as will be seen later in the section on suppliers, the purchasing and supplier contracting departments, together with quality departments, carry out monitoring and audits of performance in terms of supplier quality once the works or contracts for service provision are complete. This permits the proposal of corrective measures if areas for improvement are found or may even lead to cessation of collaboration with the supplier or subcontractor in future projects. In 2012, companies representing 56.1% of ACS Group sales reported making such checks. Some of these include reviews of various environmental criteria in projects.

In line with this control initiative, corrective measures have been implemented in the supplier quality processes in companies representing 33.0% of ACS's sales, and it was seen that in the case of a clear breach in relation to supplier performance, companies representing 33.0% of Group sales have mechanisms for cancelling contracts or rescinding relationship agreements.

In Group companies where collaboration with third parties is relevant, joint procedures are promoted between the quality department and its equivalent in the suppliers and the purchasing department and those of the suppliers to identify projects for collaboration to improve quality. In 2012, companies representing 54.7% of ACS Group sales carried out such joint improvement processes, among which traditionally were included the integration of optimisation and improvement processes, inspections and various collaborations with companies and universities. Corrective measures were implemented in supplier's quality processes in companies representing 33.0% of ACS Group sales.

4.4.2.4. Life Cycle Analysis

Life cycle analysis is an innovative tool which permits improvement opportunities to be identified in industrial processes, in harmony with the reduction in the impact of the services on the environment and on health and safety.

Various Group companies are making progress with the adoption of this approach. In 2012, companies representing 38.5% of sales reported these types of practices.

From the start of the project itself, periodic inspections are carried out to check compliance with quality standards, as shown by the fact that companies representing 56.1% of the ACS Group sales carry out regular inspections to check quality. In such inspections, 36.3% of the total projects accounted for in the 2012 study were audited. Last year 124 incidents of non-compliance with the regulations as regards quality resulting in a warning or fine were recorded.

Likewise, the life cycle analysis of products and services to improve quality extends to supplier's and subcontractor's activities, a procedure implemented in 19.7% of the ACS Group.

4.5. Suppliers[14]

2012 Milestones

DRAGADOS Purchases made from suppliers with ISO 9001 certification increased to 20% and those from suppliers with ISO 14001 to 15% and the clause on monitoring human rights was included as a general clause.

cobra GRUPO Change to the subcontractor and material supplier payment system. These payments started to be made from the central offices, whereas they were previously made from the local offices. Improved control over Working Capital is sought with this for each works order.

HOCHTIEF EUROPE Renewal and improvement of agreements with local suppliers in Germany, among others with Arcelor Mittal

Leighton Holdings The purchasing and provisioning function was centralised at Leighton Group level for the first time in 2012. To this end, a central department head was designated and a purchasing and provisioning plan developed, which was published in August 2012.

Turner Start up of the new subcontractor prequalification system Renewal and improvement of agreements with local suppliers in the US.

urbaser The application for comprehensive machinery management (GIM) was partially developed to provide a solution for managing the Urbaser group's fixed machinery (basically considering fixed machinery in treatment plants).

VIAS Included in the automatic data collection process are data corresponding to PVC consumption and to the percentage of recycled materials used in works.

IRIDIUM An initial and continuous general assessment of all suppliers has been carried out, with satisfactory results.

SEMI Implementation of the purchasing management process through the NAVISION tool in all local offices in Spain.

Challenges for 2013

DRAGADOS To increase purchase from suppliers with ISO 9001 certification to 25% of the total, to 15 - 20% from suppliers with ISO 14001 certification and implementation of purchasing application in 100% of joint ventures.

cobra GRUPO Implementation of a digital payment approval system, consisting of accepting all orders for payment and purchasing from those in charge by computer, abandoning paper and handwritten signatures. This system will enable a purchase to be made from anywhere in the world.

HOCHTIEF EUROPE Development of the computerised system for supplier management, with the aim of improving processes such as supplier prequalification, their assessment and developing relationships To improve the relationships with critical partners and suppliers in the industry.

Leighton Holdings To improve the relationships with critical partners and suppliers in the industry. Making cost savings by aggregation of orders and costs. Development of a training programme in purchasing and provisioning for works managers to improve their capabilities in this regard

Turner Development of training programmes for the new computer system.To adapt company policy to the new computer system and the procedures related to it.

urbaser Development of a spares purchasing portal for the group's mobile machinery.

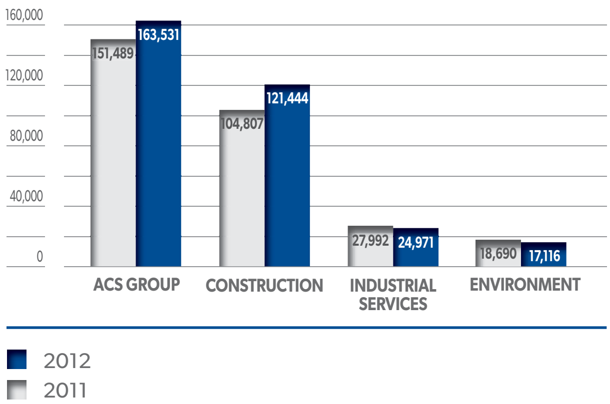
POL-AQUA Centralisation of Polaqua's purchasing service.

MASA CYMI Process for reviewing all local contracts and integrating Corporate Policy into those contracts. Project to maximise synergies with main suppliers

imesAPI Reduction of the timescales for checking supplies and compliance of invoices by the local offices.

NUMBER OF SUPPLIERS BROKEN DOWN BY BUSINESS LINE

NUMBER



[14] The data referring to the ACS Group included in this section were calculated by analysing the information supplied by the Group's different companies, weighted by level of turnover. The data are expressed in terms of percentage of total Group sales in 2012.

4. COMMITMENT TO CREATING VALUE

4.5.1. Strategy

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

In carrying out this activity, ACS manages three types of suppliers:

- Suppliers of materials and/or services defined by the client.
- Suppliers of services or subcontractors contracted by the ACS Group.
- Materials suppliers contracted by the ACS Group.

In the first case, in which an ACS Group company carries out a project in which the client defines the type of suppliers contractually, as well as the quantity and characteristics of the materials to be used, the Group companies, in general, obey these requirements. Even so, the ACS Group's purchasing and suppliers departments have a control procedure established to verify the efficiency of the supplier designated by the client.

This contracting format, in which ACS has very little capability for managing the suppliers, is not watertight as, as mentioned in the section on clients in this report, the Company carries out feedback actions with the client. This means that, in cases in which the suppliers defined by the client have given problems or presented areas

for improvement, the client will be notified of these and corrective measures will be promoted.

It is worth highlighting that, once the special features of the different markets in which the ACS Group is present have been considered, specific purchasing procedures are developed when necessary to increase competitiveness.

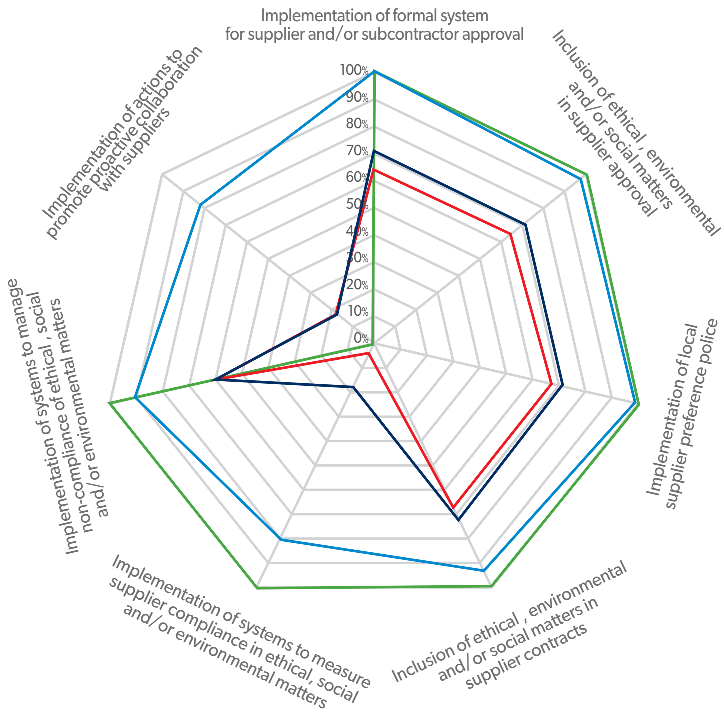
For the suppliers of services and materials which the ACS Group contracts, detailed management and control processes are defined. These have the following points in common in all the Group's companies:

- There are specific standards and a system for management, classification and approval of suppliers and subcontractors.
- The level of compliance with these systems is assessed.
- Collaboration with suppliers and transparency in contractual relationships are promoted.

4.5.2. Management Principles

The adoption of the main Supplier Management parameters in the ACS Group is summarised in the following graph:

THE ADOPTION OF THE MAIN SUPPLIER MANAGEMENT PARAMETERS IN THE ACS GROUP



- ACS GROUP
- CONSTRUCTION
- INDUSTRIAL SERVICES
- ENVIRONMENT

Level of implementation as reported by ACS Group companies and according to the level of sales of each of them.

4. COMMITMENT TO CREATING VALUE

4.5.2.1. Contract Approval and Management

According to the data analysed, companies representing 72.9% of ACS Group sales have a formal system for approving suppliers and subcontractors. In these processes, ACS Group companies classify suppliers as critical (or essential) or circumstantial, according to the following concepts:

- Experience, professional prestige and technical capability.
- History of fulfilment of contractual clauses in their prior relationship with ACS.
- Proximity to the work centre, giving preference to local suppliers (89.2% of suppliers were from the local community in 2012, these being suppliers which do not receive international payment).
- Additional financial criteria or labour, ethics, health and safety and environmental matters.

With respect to the latter criterion, companies representing 73.2% of ACS Group sales formally include matters of an ethical, environmental and/or social type in their approval processes.

Likewise, there are procedures, policies or regulations which formalise and standardise commitments in matters of a social, environmental and/or ethical nature with suppliers, in companies representing 72.2% of ACS Group sales.

Furthermore, companies representing 73.0% of ACS Group sales give preference in their supplier and subcontractor selection processes to local companies. This is an initiative which also promotes the development of new enterprises.

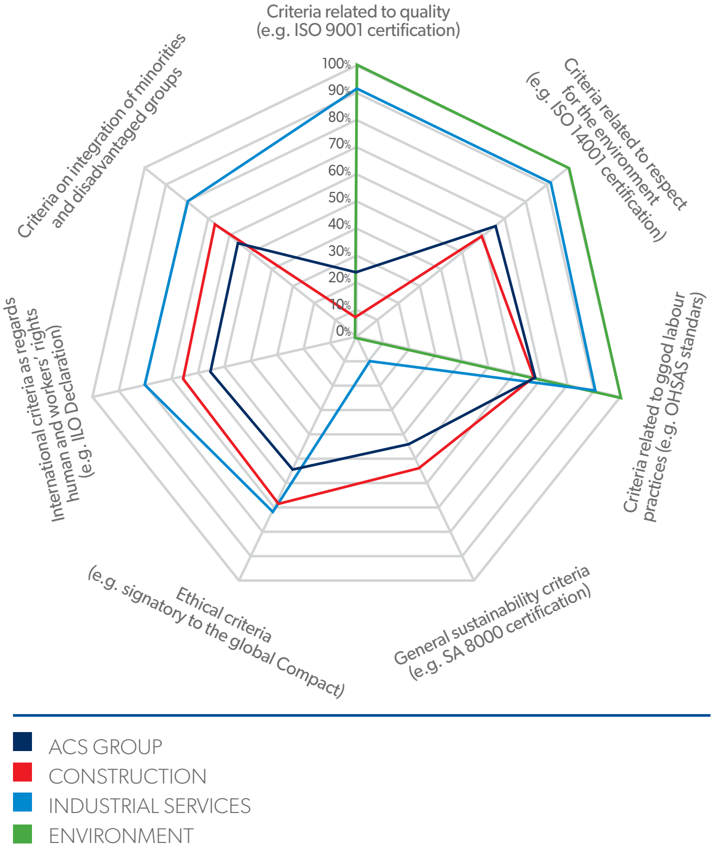
Additionally, there is solid implementation of good practices in the ACS Group when drawing up contracts with non-financial/economic clauses, as shown by the fact that companies representing 73.1% of ACS Group sales already include some type of clause of an ethical, social or environmental nature.

Specifically, the most widely used clauses are environmental ones, which are included in 100.0% of contracts with these characteristics, followed by social clauses, present in 84.6% of contracts with these characteristics and lastly ethical clauses, included in 19.8% of all contracts with these characteristics.

In 2012, likewise, 40.0% of contracts signed included clauses or criteria on human rights.

En concreto, y en relación con cuestiones no económicas, se han detectado los siguientes grados de implantación de buenas prácticas en la homologación de proveedores y subcontratistas:

SPECIFICALLY, AND IN RELATION TO NON-ECONOMIC MATTERS, THE FOLLOWING LEVELS OF IMPLEMENTATION OF GOOD PRACTICES IN SUPPLIER AND SUBCONTRACTOR APPROVAL WERE DETECTED



4.5.2.2. Compliance

The system for guaranteeing compliance with contractual clauses and agreements with suppliers to the Group's companies is based fundamentally on detection and on corrective measures or management of non-compliance.

In the case of the initiatives for detection and control, the policy is based on regular audits, both internal and independent. In this case, companies representing 18.8% of ACS Group sales report that they carry out internal supplier audits and those representing 17.8% report that they carry out independent audits.

Furthermore, it was reported that there are self-assessment systems for suppliers in companies representing 20.0% of sales for 2012. The intention with these processes is to update and optimise the supplier selection systems.

The corrective measures taken in cases of poor performance are adapted taking the following circumstances into account:

- If it is a critical supplier for the company, the reasons for the negative assessment are analysed and initiatives proposed to strengthen the identified areas for improvement including, among others, training and collaboration activities.
- If the company is not critical for the company, it is deleted from the database.

In addition, companies representing 59.4% of ACS Group sales reported the existence of procedures for managing non-compliances in relation to contractual commitments of an ethical, social and/or environmental nature. Only 0.9% of contracts rejected or modified in 2012 failed to comply with environmental, quality and/or human rights matters and/or the ACS Group's ethical standards.

In these cases, collaboration initiatives are also promoted and the cancellation of the contracts can result.

4.5.2.3. Collaboration and Transparency

Companies representing 15.9% of Group sales report proactive collaboration initiatives with suppliers.

The main activities for collaboration are based on training which, generally, is made up of courses in various subjects such as quality, the environment, safety and the execution of works.

Another central aspect in the Group's supplier management is transparency. Along these lines, various Group companies are standardising general contracting and purchasing terms and conditions for all services, equipment and materials contracted. These are used in all processes, hence the same high standards and determining factors are maintained for all the company's suppliers and also within each tendering process.

4.5.2.4. Analysis of Critical Suppliers

The ACS Group carries out detailed analysis of its critical suppliers in order to quantify the risk related to provisioning and to analyse reciprocal importance between supplier and client, without forgetting aspects related to sustainability in the process. Fifty-seven per cent of costs in the last three years, including 2012, have been subject to this analysis.

The ACS Group carries out detailed analysis of its critical suppliers in order to quantify the risk related to provisioning and to analyse reciprocal importance between supplier and client, without forgetting aspects related to sustainability in the process. Fifty-seven per cent of costs in the last three years, including 2012, have been subject to this analysis.

For 15% of these, ACS Group companies are preferential clients as they represent 30% or more of their annual turnover.

The following results derive from the detailed analysis of the risks related to these critical suppliers:

Analysis of Critical Supplier Risks

Critical suppliers included in the risk analysis carried out	28%
Suppliers with a high level of risk for the company	7%
Percentage of high-risk suppliers audited in 2012	25%

5. ETHICS, INTEGRITY AND TRANSPARENCY IN THE ACS GROUP

5.1. Ethics and Integrity: Summary, Objectives and General Principles

The ACS Group and the companies which make it up are fully committed to promotion, reinforcement and control in matters related to ethics and integrity, through measures which enable them to prevent, detect and eradicate bad practices.

The ACS Group promotes knowledge of the general principles of conduct, ethics and integrity by all employees, clients, suppliers and contractors.

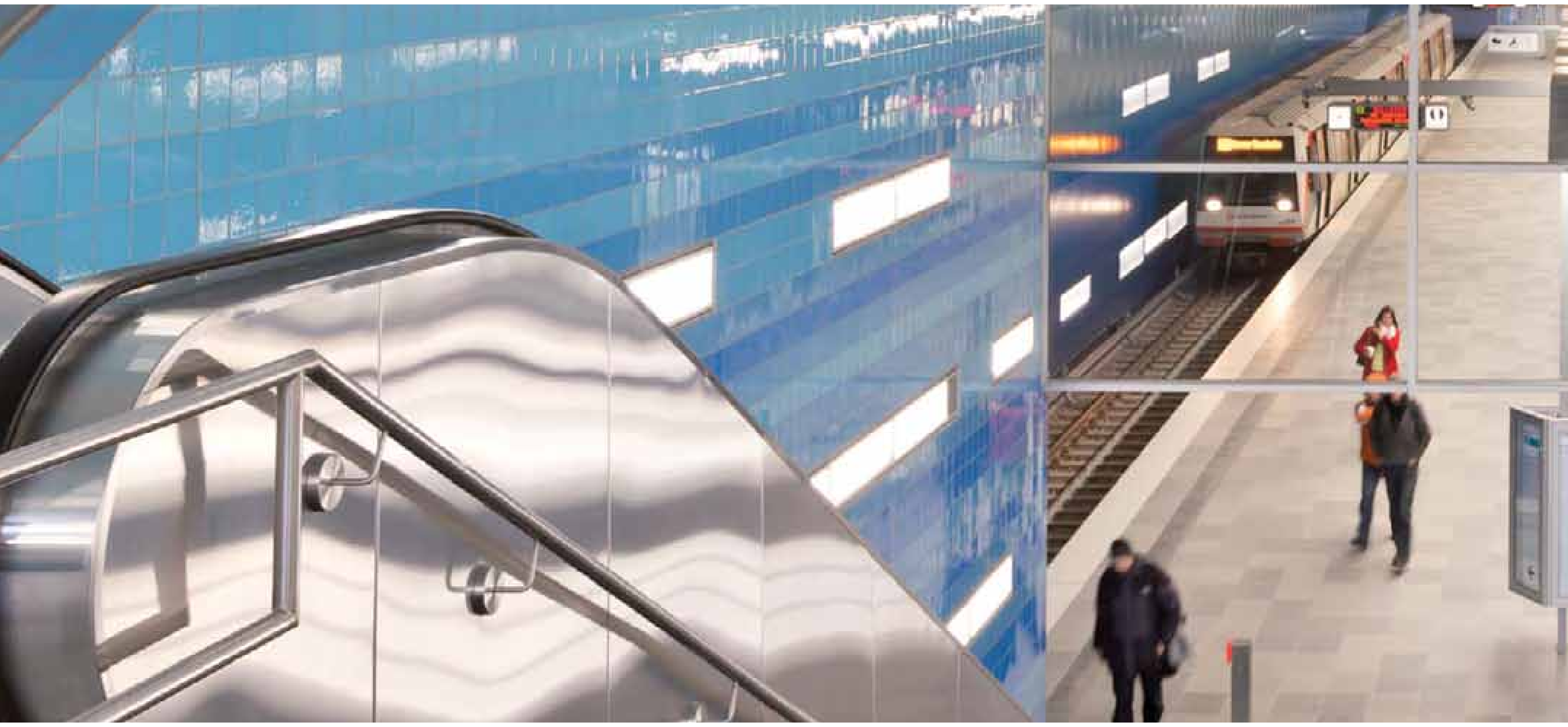
Integrity is a very important aspect in the ACS Group. In 2011, important measures were promoted from the Board of Directors' Executive Committee to advance these values included in the ACS Group's Code of Conduct. Among these were the development of the Ethical Channel and the powers of a Monitoring Committee for the Code of Conduct. The members of this Monitoring Committee were named in 2012 by the ACS Group's Board of Directors. A priority objective for the Group is the complete dissemination of the current ethical rules and proper and efficient management of the ethical incidents which may occur in the company.

5.2. Ethics and Integrity: Code of Conduct

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

ACS's General Code of Conduct[15] constitutes a guide for the professional performance of all the Group's employees and managers in relation to their daily work, the resources used and the business environment, as well as for all the investee companies in which the ACS Group has control of management.

[15] The ACS Group's Code of Conduct can be seen at http://www.grupoacs.com/index.php/es/c/responsabilidadcorporativ_eticayprofesionalidad



The basic performance principles of the General Code of Conduct are as follows:

- **Integrity:**
  the ACS Group promotes recognition of behaviour in accordance with loyalty and good faith, and against corruption and bribery, among its employees.

- **Professionalism:**
  the ACS Group's employees and management should be recognised for their high professionalism based on proactive and efficient performance focused on excellence, quality and willingness to provide service.

- **Respect for Others and the Environment:**
  ACS undertakes the commitment to act at all times in accordance with the United Nations Global Compact, to which it has been a signatory since its foundation, the objective of which is the adoption of universal principles in the areas of human and labour rights and the protection of the environment.

All actions taken by the ACS Group and its employees shall maintain scrupulous respect for the Human Rights and Civil Liberties included in the Universal Declaration of Human Rights. The relationship of the Group with its employees, as well as the relationship among employees, therefore, shall be based on the following commitments:

- Equal opportunities.
- Non-discrimination.
- Promotion of training and professional and personal development.
- Occupational health and safety.
- Eradication of child labour.
- Reduction of negative impacts on local and indigenous communities.

The General Code of Conduct was approved by the ACS Group's Board of Directors in its meeting of 15 March 2007 and modified by agreement of the Board of Directors' Executive Committee of 30 August 2011.

5. ETHICS, INTEGRITY AND TRANSPARENCY IN THE ACS GROUP

5.2.1. Due Diligence in Ethics and Integrity

The ACS Group understands due diligence as the set of activities carried out and aimed at minimising the possibility of bad practices arising in the Group as regards ethics and integrity. The ACS Group understands that the following are necessary for this:

- Analysis of the main risks as regards ethics and integrity.
- Establishing commitments which make clear the behaviour expected of the people who make up the company.
- Allocation of responsibilities as regards supervision of the company's performance in this field.
- The knowledge and understanding by the company's people of what is expected of them in relation to ethics and integrity.
- Supervision and monitoring of practices.
- Establishing procedures which enable the prevention, detection and eradication of bad practices in this field.

The final aim of ACS's actions with regards to ethics and integrity is the establishment of a framework for action which stimulates everyone to execute their responsibilities in an upright, responsible and transparent manner.

The ultimate responsibility for transmitting and overseeing the Group's commitment to integrity falls to its governing bodies, which are charged with driving the development of rules and procedures and the implementation of good practices.

The General Code of Conduct and the procedures laid down for disseminating and safeguarding it are basic elements in the Group's integrity framework. In this respect, the General Code of Conduct has been extended to the whole organisation:

- The Code applies to all members of management bodies and to all employees of Group companies, regardless of the contractual form determining their labour relationship, the post they occupy or the place in which they carry out their work. They are all obliged to know and comply with the General Code of Conduct and collaborate in its implementation in the Group.
- The scope of application of the Code may be extended contractually to any other individual or legal entity with commercial or business relations with the ACS Group when, due to the nature of that relationship, its activities could affect the ACS Group's image and reputation. Details on these policies have been included in this document in the section on suppliers and clients.
- The scopes of application contained in this Code affect all companies which form a part of the ACS Group due to the latter having control over their management.
- Additionally, the ACS Group's management team shall make the necessary means available to such companies to fulfil the regulations contained in the General Code of Conduct.

5.2.2. The ACS Group's Code of Conduct in Day-to-Day Work

The Code applies to all investee companies in which the ACS Group has control over management.

Although the Hochtief Group became fully consolidated in the ACS Group as of 1 June 2011, both the Hochtief Group's parent company, Hochtief AG, and the parent company of its Leighton subgroup, Leighton Holdings Limited, are companies quoted on the German and Sydney stock exchanges, respectively, hence they are subject to their own regulatory bodies' rules and have both their own Codes of Conduct and their own internal channels for complaints and control, under similar terms to those of the ACS Group . For this reason, the ACS Group's General Code of Conduct does not apply to investee companies belonging to the Hochtief Group and the Leighton Group[16].

[16] For further information:
HOCHTIEF: http://www.hochtief.com/hochtief_en/4300.jhtml
Leighton: http://www.leighton.com.au/__data/assets/pdf_file/0018/3429/Leighton-Group-Code-of-Business-Conduct.pdf

On 5 September 2011, the ACS Group's General Secretary sent a communication to all the heads of the Group's various divisions notifying them both of the creation of a new internal system for denouncing breaches called the Ethical Channel, canaletico@grupoacs.com, and of modifications to the General Code of Conduct approved by the Board of Directors at its meeting on 30 August 2011, by reason of which the new Reworded Text of this General Code of Conduct was sent to the Spanish Stock Market Commission (CNMV). This General Code of Conduct has appeared since that date on the company's website, in both Spanish and English[17].

Since 5 September 2011 and throughout 2012, the Group's various divisions have proceeded to set up the necessary channels and means to enable delivery of the new reworded text of the General Code of Conduct to all ACS Group employees and executives who provide their services in companies which are within their area of responsibility.

In accordance with Article 6 of the General Code of Conduct, the Company's Board of Directors, at the proposal of the Appointments and Remuneration Committee, created the Monitoring Committee for the Code of Conduct, the purpose of which is to ensure compliance and settle incidents or doubts on its interpretation by adopting all the necessary measures for this. In accordance with the aforementioned ACS Group General Code of Conduct, the Monitoring Committee is responsible for the following functions:

- Promoting the dissemination, knowledge of and compliance with the code in each and every Group company.
- Establishing the appropriate communications channels to ensure that any employee can seek or provide information regarding compliance with this code, ensuring the confidentiality of complaints processed at all times.
- Interpreting the regulations derived from the Code and supervising their implementation.
- Ensuring the accuracy and fairness of any proceedings commenced, as well as the rights of persons allegedly involved in possible breaches.
- Defining the cases in which the scope of the Code should be extended to third parties that are to have business or trade relations or with the ACS Group.
- Gathering data on levels of compliance with the Code and disclosing the specific related indicators.
- Preparing an annual report on its actions, making the recommendations it deems appropriate to the Board of Directors through the Audit Committee.

The main tool available to the Monitoring Committee is the Ethical Channel, created in September 2011, enabling notification of irregular conduct in any of the companies making up the ACS Group or any non-compliance with the standards included in the General Code of Conduct, through:

- the e-mail address: canaletico@grupoacs.com
- or the postal address: Canal Ético, Grupo ACS, Avenida Pío XII, 102. 28036 Madrid, Spain.

The Ethical Channel is both a route for denouncing breaches of the rules in the ACS Group's General Code of Conduct and a means for resolving doubts which may be raised on applying the General Code of Conduct.

Based on Opinion 1/2006 issued by the Working Party created by Article 29 of Directive 95/46/EC – on the application of EU data protection rules to internal whistleblowing schemes in the fields of accounting, internal accounting controls, auditing matters, fight against bribery, banking and financial crime – the Spanish Data Protection Agency (AEPD) laid down, by means of Legal Report 0128/2007, the characteristics with which all internal whistleblowing systems must comply in accordance with that set forth in Spanish Organic Law 15/1999, of 13 December, concerning the Protection of Data of a Personal Nature and the regulations which develop it.

[17] http://www.grupoacs.com/index.php/es/c/gobiernocorporativo_codigodeconducta

5. ETHICS, INTEGRITY AND TRANSPARENCY IN THE ACS GROUP

Following the AEPD guidelines, the Monitoring Committee laid down the regulation for the internal system for denouncing breaches, implemented by the ACS Group through the Ethical Channel:

- Accusations will only be accepted in which the whistle blower is identified, so preventing the existence of anonymous accusations.
- The whistle blowers and accused parties who use the internal whistleblowing system shall be people with a link to the company under employment, civil or commercial law, thus the internal whistleblowing system cannot be made available to third parties, even if they have a legitimate interest.
- Users - potential whistle blowers and accused parties - shall be expressly informed of the existence and operation of an internal whistleblowing system and its existence shall be incorporated in the contractual relationship.
- The accusations shall refer to internal or external matters or standards which involve non-compliance with the employment or contractual duties of the accused party or events which could result in criminal liability for the accused party or the company, based on regulations on money laundering and the reform to the criminal code which establishes criminal liability for legal entities.
- The accusation system will guarantee that the identity of the whistle blower remains confidential throughout all the stages of processing, making it impossible for it to be revealed to the accused party, and the whistle blower must be informed of the following circumstances:
  - His or her identity will be kept confidential throughout all the stages of the process.
  - His or her identity will not be disclosed to third parties, nor the accused person, nor the employee's managers, except if its disclosure to the relevant people involved is necessary in any subsequent investigation or legal proceedings initiated as a result of the investigation carried out by the internal whistleblowing system.
- The internal whistleblowing system must set a maximum period for holding the data related to the accusations, this being limited to that needed for the processing of the necessary internal auditing measures and, as a maximum, to the processing of the legal procedures resulting from the investigation carried out.
- The accused party shall be notified, as soon as possible, of the following circumstances:
  - The body responsible for the whistleblowing system.
  - Of what he or she is accused.
  - The departments and offices which may receive the report within the company.
  - How the accused party can exercise his or her rights of access and correction.

  Only in cases where the company's capacity may be put at risk may the duty of informing the accused party be delayed. This delay may not, under any circumstances, exceed three months to be counted from the time that the accusation was made.
- The high level file shall be registered in the General Data Protection Register.
- The high level security measures laid down in Spanish Royal Decree 1720/2007, of 21 December, approving the Regulations developing the Organic Law on Data Protection must be implemented.

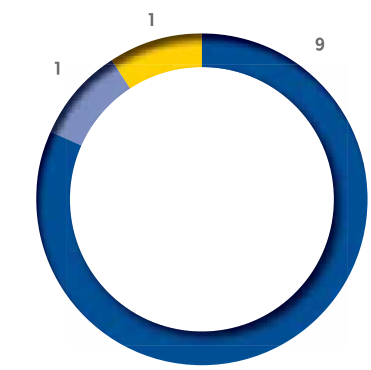
In adherence to all the above, the appropriate registration in the Spanish Data Protection Agency was requested and the latter registered the handling in the General Data Protection Register on 16 February 2012.

In turn, a total of 11 communications were received via the Ethical Channel in 2012, leading to the opening of 10 proceedings. In all except one of the communications, the means used was the digital channel.[18]

All but one of the processed accusations corresponded to the Industrial Area. However, the only accusation which led the Committee to initiate an investigation process, which ended with the discovery of irregularities as regards ethics and integrity and the issuing of a report with Recommendations, was in the Construction Area.

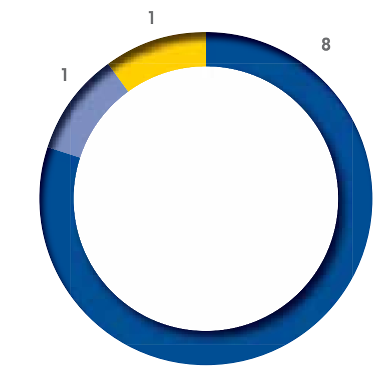
[18] Eleven communications were received, generating 10 proceedings. One of the communications was anonymous and therefore, obeying the criteria set by the Spanish Data Protection Agency, this was not processed.

SOURCE OF COMMUNICATIONS



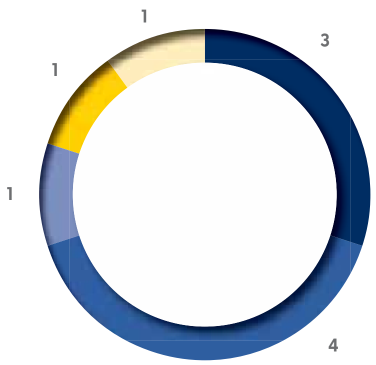
- WORKER
- THIRD PARTY
- ANONYMOUS

COUNTRY OF ORIGIN



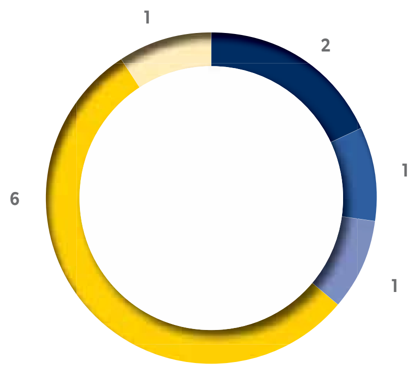
- SPAIN
- MÉXICO
- ARGENTINA

REASON FOR COMMUNICATION



- LABOUR DISPUTE
- DISCRIMINATION
- REQUEST OF INFORMATION
- HARASSMENT
- IRREGULARITIES IN MANAGEMENT

METHOD OF RESOLUTION



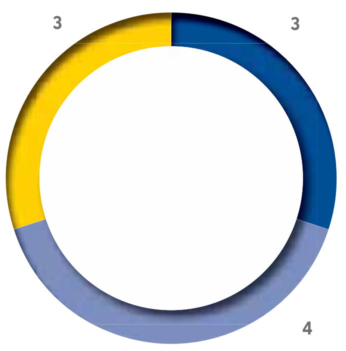
- REFERRED COMPETENT JURISDICTION
- SUB JUDICE
- REPORTED
- INADMISSIBLE
- RECOMMENDATION TO THE PARENT COM

5. ETHICS, INTEGRITY AND TRANSPARENCY IN THE ACS GROUP

Worthy of note among the communications received is one that occurred with the purpose of denouncing irregularities in management by the Group's executives. This accusation was considered relevant and led to a procedure investigating the facts that ended with a report with conclusions and recommendations which was submitted to the management of the corresponding area of business's parent company.

The average period for resolving the communications was 45.4 days, although this average was strongly affected by one of the communications, which required a much longer period for resolution than the average. The communications were resolved according to the following distribution:

PROCESSING PERIOD



LESS THAN 15 DAYS
BETWEEN 15 AND 30 DAYS
OVER 30 DAYS

The Monitoring Committee for the Code of Conduct indicated, in the conclusions to its annual report presented to ACS, Actividades de Construcción y Servicios S.A.'s Board of Directors, that the Group's companies had made noteworthy efforts in 2012 to disseminate the tools as regards ethics and integrity and in complying with the rules of the General Code of Conduct.

The above is shown both in the activity of the Ethical Channel and the high level of compliance, at Group level, with a series of fundamental obligations, noteworthy among which are:

- Disseminating among its employees what is expected of them as regards ethics and integrity and in supervising and monitoring compliance with the practices laid down as regards ethics and integrity.
- Prevention, detection and eradication of bad practices.
- Spreading among its employees and executives of the prohibition of bribes to public authorities and officials and the prohibition of its employees giving to third parties or receiving from third parties undue payments of any type.
- Promotion among the employees of the duty to make responsible, efficient and appropriate use of company resources, in accordance with the environment corresponding to their professional activities.
- Training of Group employees who participate in the selection processes for suppliers, subcontractors and external collaborators so that they act impartially, transparently and objectively, applying quality and price criteria to obtain the most appropriate offer for the ACS Group.
- Heeding of the UN Global Compact as regards the adoption of universal principles in the fields of human and labour rights and the protection of the environment. As indicated later in this report, companies representing 81.3% of

ACS Group sales formally apply these good practices.

- The promotion of professional and personal development for all employees, so ensuring both equality of opportunity and the setting of objective criteria of merit and capability in selecting and promoting Group employees and in eradicating discrimination or any other behaviour which involves personal harassment.

- Fulfilment of the obligation to eradicate child labour and complying with the provisions set forth by the International Labour Organisation (ILO) with respect to under age workers.

- Compliance with regulations as regards donations, sponsorship and patronage through the ACS Foundation.

Over the next few financial years and as continuous improvement in order to continue to fulfil the obligations deriving from the General Code of Conduct, the following initiatives will be carried out:

- Continuous identification of risks as regards ethics and integrity and allocation of responsibilities for supervision.

- Dissemination of the duty to permanent confidentiality with respect to any information they know of in the course of their work, which if disclosed or publicised, could affect the Group's interests.

- Adoption of measures so that the company's actions are socially responsible, with special emphasis on respect for cultural diversity and the principles and customs of the communities where it carries out its activities.

5.3. Commitment to Information Transparency

An essential requirement for the ACS Group to be able to fulfil its mission of generating profitability for its shareholders and the society in which it operates is information transparency. The objective of this strategy is to ensure that its activity is as open as possible and that the interests of its clients and the company's other stakeholders are respected. The ACS Group is committed to total rigour in the information transmitted, especially with respect to the media.

5.3.1. The Value of Information Transparency

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

- Transmitting the Company's overall corporate strategies, as well as those specific to each of the Company's business areas, to the outside world.

- Projecting the Group's business reality so that the Group's different stakeholders recognise it as being sound and well-managed in Spain and abroad.

- Contributing to the make-up of a positive corporate image which aids in the achievement of business objectives and in commercial activity.

- Maintaining a fluent relationship with external agents, particularly with representatives of the media.

- All of the above leads to an increase in the value of the ACS brand and of its different companies and businesses.

The ACS Group manages its commitment to transparency towards its stakeholders by three main means:

- The ACS Group's Communications Department.

- The ACS Group Website.

- Shareholder and investor information activities.

5. ETHICS, INTEGRITY AND TRANSPARENCY IN THE ACS GROUP

The ACS Group's relationship with all forms of media is fluently and transparently led by the **Group's Communications Department** and involves interviews, press releases and contact on the corporate website, as well as meetings with journalists.

Numerous communications took place with journalists in 2012: 8 press releases were published, several press conferences were held and many individual interviews were given by the Chairman and Corporate General Manager.

The website, www.grupoacs.com, is a commitment from the Group to clarity, accessibility and information. Its objectives are specified below:

- To open a "window" to society through which the company may by analysed with greater transparency and ease.
- To maintain a permanently open communication channel both with the Group's priority stakeholders and with any individual or company needing any type of information on the Group.
- To offer, completely transparently, the company's economic and financial information, information on its systems of governance and management and the activities it undertakes.
- To enable searches for historical information on the company for more in-depth analysis of trends and performance.
- To maintain up-to-date information on the performance of the company and the criteria behind its management at all times.

www.grupoacs.com	2009	2010	2011	2012	2012 daily average	Change 11/12
Website visits	890,441	1,028,874	1,131,448	1,141,147	3,126	+0.86%
Pages viewed	8,677,863	10,598,226	14,583,027	13,607,471	37,281	-6.69%

Similarly, to aid in their commercial and informational activity, the ACS Group's lead companies and large subsidiaries own and promote a large number of complementary websites and information portals, intranets, on-line tools and remote reporting and training systems.

On the other hand, the shareholders' right to information is detailed in several rules in the regulations of the Shareholders' Meeting. Hence, in order for the Company Shareholders' Meeting to properly serve the function for which it was designed, prior to each Shareholders' Meeting, the Board of Directors makes all the information which is legally required to be provided to shareholders available to them all, in addition to information that is not legally required to be provided, but that reasonably should be made available, given the interests of the company and of the shareholders, for them to form their opinion. In this regard, the Group makes every effort to respond duly to requests formulated by shareholders for the purpose of the General Shareholders' Meeting, regardless of whether these requests are formulated before or after Shareholders' Meetings, provided that the Company's interests are not jeopardised.

The ACS Group uses various channels to fulfil this commitment to communication and transparency. Its objective is to promote flexibility, fairness and immediacy and to achieve greater reach with the published information by means of:

1. The Group's website.
2. The shareholder service office (+34 91 343 9200).
3. The shareholder information e-mail address (irgrupoacs@grupoacs.com).
4 The shareholder service web forum.
5. Fluid communication with the Spanish Stock Market Commission (CNMV).
6. The information offered by the Investor Relations Department.

Furthermore, a Shareholder Service Web Forum has been operating since October 2010 to attend to requests for information resulting from the General Shareholders' Meetings. This tool acts as a support in each period leading up to the General Shareholders' Meeting and will be available to all the Group's shareholders.

In addition, the Spanish Stock Market Commission (CNMV) is the main means through which the ACS Group communicates and announces its development and its main actions. Forty-two "Relevant Facts" were communicated through the Commission during 2012.

The ACS Group publishes standardised financial information and information on the development of its businesses annually and quarterly. Similarly, the company attends to requests for information from other market agents through meetings. These meetings are intended to complement the Group's reporting efforts and the objective thereof is to clarify information already published in accordance with investors' and shareholders' needs.

During 2012, the Group gave 4 corporate presentations, held 1 General Shareholders' Meeting, attended 7 seminars and events in specialised forums in Europe and the US and organised 116 planned meetings with institutional investors.

The measures aimed at promoting information transparency affect the Company's reputation and the dissemination of its corporate values, its technical capacities and its business successes.

Activity with institutional investors	2008	2009	2010	2011	2012
Investors attended	174	180	167	191	116
Events	7	10	8	9	7

6. COMMITMENT TO TECHNOLOGICAL DEVELOPMENT

6.1. R&D+i in the ACS Group

2012 Milestones

Dragados leadership in the ECTP's reFINE initiative (research for Future Infrastructure Networks in Europe) to promote European R&D in transport infrastructures. Inclusion of reFINE in the Joint Task Force promoted by the EC to prepare the road map in this field together with the ERRAC, ERTRAC, ACARE and Waterborne technological platforms. Increase in the portfolio of R&D projects, especially in the civil works area. Participation in FP7.

Carrying out of various projects in the energy and transport fields:

- new thermal storage systems,
- equipment optimisation,
- new heat collection fluids,
- new hybrid BioSolar systems,
- improvements in direct current electricity transmission systems,
- development of electric vehicle charging infrastructure; and
- development of means of magnetic levitation transport.

Bolstering the initiatives to identify innovation activities in projects.

Setting up of an R&D+i management system.

Implementation of the R&D+i platform and the knowledge management tool in Urbaser. Increased investments in R&D+i activities. Excellence in research in the "Alfonso Maíllo" Waste Technology Centre, enabling the position of leadership in the environmental sector to be maintained. Implementation of energy saving and efficiency measures in several group facilities.

Creation of the post of Innovation Coordinator to boost the application of innovative solutions to production problems. Organisation of an International Workshop, in collaboration with CEDEX and Delft University, on the SKIDSAFE R&D project.

Development of working systems and methods for improved work quality, as well as effectiveness and efficiency. Nearly 3,000 hours were invested in this work in 2012 at a cost of over €73,000, representing 0.9% of profit after tax.

Carrying out of several significant projects, outstanding among which are:

- EfiSAE: Equipment for optimising energy consumption and reduction of emissions from public transport buses.
- MOLECULES: Development of services which promote the use of electric vehicles in cities.
- SIRCI: Implementation of the Integrated Fare Collection, Control and Information System for public transport in the city of Bogotá.
- PRECYSE: Protection of critical infrastructure management systems - e.g. those related to mobility, power, etc. - against cyber attacks.

Challenges for 2013

Internationalisation of R&D+i with the launch of R&D+i projects in growing countries, maintenance of the portfolio of European FP7 projects and consolidation of reFINE projects in the JTF road map on transport infrastructures and inclusion in Horizon 2020 work programmes for 2014.

To complete the implementation of the R&D+i Management system being developed in accordance with the UNE 166000:2006 standard. Obtaining finance for the 5 European projects proposed to the European Commission and continuing with the lines of development and innovation in renewable energies, HVDC, electric vehicles and transport systems.

Reinforcing and executing projects for offshore and onshore wind power.

Continue with the internationalisation of VÍAS' R&D+i by participating in at least one international project apart from OPTIRAIL.

Development of communications policies to reinforce the perceived importance of R&D+i among employees .
Development of a system for identifying viable projects and what the scale of their impact may be if carried out.

Support to Dragados España and Polaqua in the IBDIM and FEHRL (Forum of European National Highway Research Laboratories) programmes started in 2012.

Carrying out of R&D+i projects in order to increase company know-how and hence entry to other markets (particularly the renewable energy market).

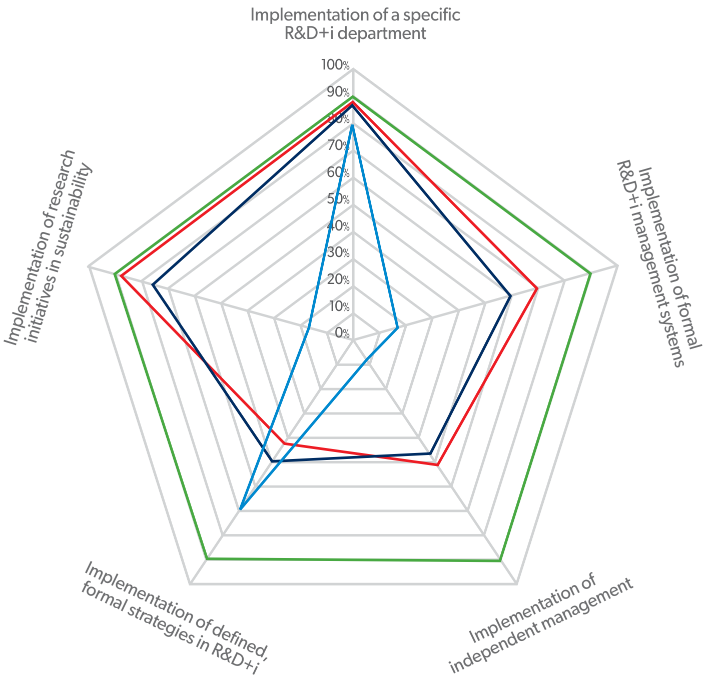
Obtaining of support funds to boost the line of research related to the Cloud Computing paradigm, Smart Cities, LTE (4G) over SICE Tecnología y Sistemas' business lines (automatic water information - SAIH - and water quality - SAICA - systems, ITS systems for urban, inter-urban, railway and inter-modal traffic).

6.1.1. Strategic Priorities

The ACS Group is an organisation which is continually evolving, adapting to the needs of its clients and demands from society. The diversification process through which the ACS Group is passing during these years has led it to undertake a wide range of activities which approach innovation and development differently, but resolutely. Through this commitment to technological development, the ACS Group responds to the growing demand for improvements in processes, technological progress and quality of service from its clients and from society.

Its involvement in research, development and innovation are clear in its increased investment and the R&D+i efforts the ACS Group makes year after year. This effort leads to tangible improvements in productivity, quality, client satisfaction, occupational safety, the obtaining of new and better materials and products and the design of more efficient production processes and systems, among others.

THE ADOPTION OF THE MAIN R&D+I PARAMETERS IN THE ACS GROUP IS SUMMARISED IN THE FOLLOWING GRAPH[19]



ACS GROUP
CONSTRUCTION
INDUSTRIAL SERVICES
ENVIRONMENT

Level of implementation as reported by ACS Group companies and according to the level of sales of each of them.

[19] The data referring to the ACS Group included in this section were calculated by analysing the information supplied by the Group's different companies, weighted by level of turnover. The data are expressed in terms of percentage of total Group sales in 2012.

6. COMMITMENT TO TECHNOLOGICAL DEVELOPMENT

The ACS Group's largest companies have governing bodies for technology, which are usually the Technological Development Committee, which leads the development of research activities in each company. The existence of this governing body or committee was reported by companies representing 87.0% of ACS Group sales in 2012.

R&D management takes place through a system which, in the largest companies and in general, follows the guidelines in the UNE 166002:2006 standard and is audited by independent specialists. There is a formal management system in companies representing 60.4% of Group sales. Furthermore, independent audits are carried out in companies representing 46.8% of sales.

This management system serves the general research strategy of each of the companies which, whatever their specific features, share the following lines of action:

- Development of strategic lines of research individualised by company.
- Strategic collaboration with external organisations.
- Growing and responsible investment in order to promote research and generate patents and operational techniques constantly and efficiently.

There is a defined and formal strategy for R&D+i in companies representing 49.6% of ACS Group sales.

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

technological progress. The companies have analysis and discrimination procedures to decide which projects to undertake

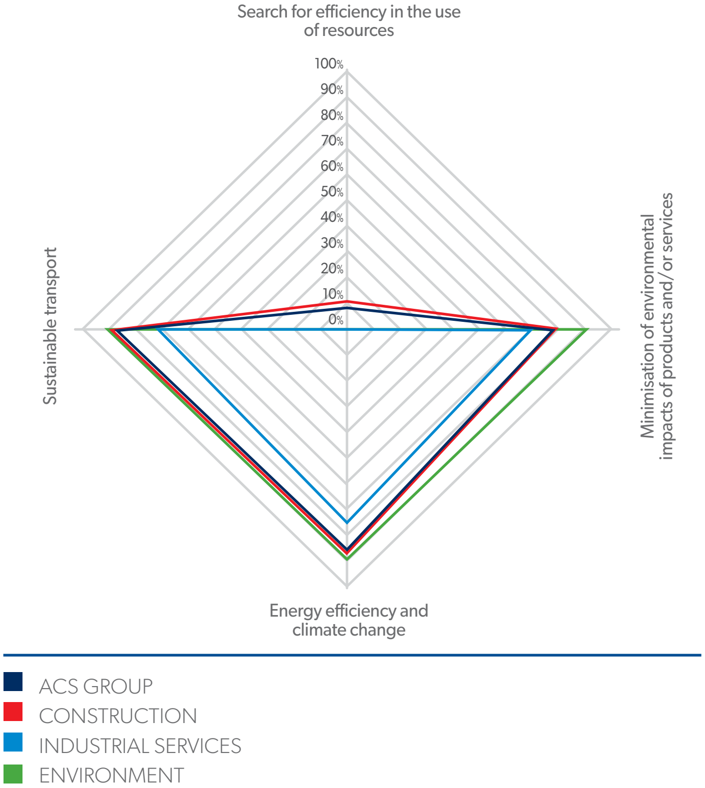
In December 2012, the ACS Group had 337 projects in progress and had registered 12 patents in the year.

Furthermore, collaboration with external organisations is crucial for the success of the projects tackled. Hence, during 2012, ACS Group companies collaborated with 158 research and technological centres and with 151 universities, as well as will 145 other diverse centres, institutes or institutions related to R&D+i. These prestigious research institutions, both domestic and international, complement the ACS Group's own research capabilities.

The ACS Group invested a total of €49.04 million in research, development and innovation in 2012, which represents a reduction of around 12.3% relative to 2011. In 2012, the Group received €7.00 million in subsidies for R&D+i, 8.5% more than in 2010.

The ACS Group's activities as regards R&D+i also represent substantial support to the promotion of sustainability. The large number of projects which have the aim of increasing efficiency in the use of resources, minimising the impact of the services provided to clients and carrying out eco-design activities is noteworthy. At least one of these activities is carried out in companies representing 76.0% of ACS Group sales.

MAIN AREAS FOR DEVELOPMENT OF RESEARCH IN SUSTAINABILITY



Level of implementation as reported by ACS Group companies and according to the level of sales of each of them.

6. COMMITMENT TO TECHNOLOGICAL DEVELOPMENT

6.2. Construction

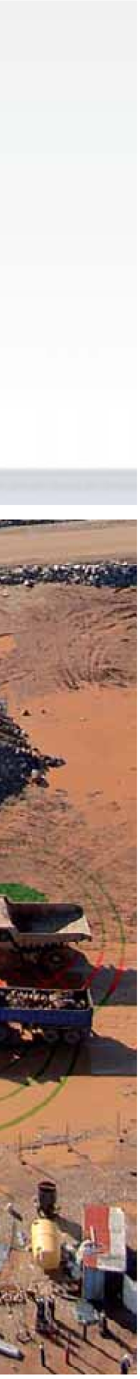
The majority of the ACS Group's Construction companies[20] have a system for management of research, development and innovation, specifically eight of them, representing 68.9% of ACS Group sales in this area. Generally, these management systems are implemented around the UNE 166002:2006 standard.

Although decentralised, management is coordinated by Dragados' departments and, on the other hand, independently in HOCHTIEF's companies. To meet the objectives set by their respective lead companies, the ACS Group's construction companies had 205 projects in progress at the end of 2012, managed by the various R&D+i governing bodies. ACS's Construction companies invested €24.95 million in R&D+i during the financial year, nearly 22.9% less than that spent in 2011.

[20] The data referring to the ACS Group's Construction companies included in this section were calculated by analysing the information supplied by the different companies in this area of activity, weighted by level of turnover. The data is expressed in terms of percentage of total Construction area sales.

In their R&D+i activities, the ACS Group's construction companies collaborated with a total of 302 research institutions, including 98 research and technological centres, 96 universities and another 108 institutions promoting innovation or research of differing natures.

THE OBJECTIVE OF THE LINEO PROJECT IS TO ASSESS AND DEVELOP A FULLY FUNCTIONING SYSTEM FOR LOCATING PERSONNEL IN REAL TIME IN UNCONTROLLED SETTINGS, SUCH AS CONSTRUCTION ENVIRONMENTS



LINEO PROJECT

(Locating System based on Interactive Technologies for application in Construction Environments)

DRAGADOS

One of DRAGADOS' objectives in carrying out its activities is the continuing reduction of workplace accident rates in its works. After analysing accident rate case studies, the decision was taken to tackle a specific type of accident which has particularly serious consequences due to its nature. This type is collisions and operators being knocked down by heavy machinery.

The LINEO (Locating System based on Interactive Technologies for application in Construction Environments) R&D project, which is currently in progress, originated with the aim of reducing these types of accidents by developing a location system that provides knowledge, in real time, at certain times and in certain works areas, of the exact position of both the operators and the possible objects in the environment that are critical to their safety.

Of the various technological solutions analysed, taking the characteristics of the works environments into account, priority is being given to developing a centralised location system in which the objects identified as critical, in this case machines, are equipped with a series of detection devices which enable the detection and location of anything that moves around them (operators, machines, etc.), without the need for the latter to carry a specific device (passive subject model). There is no technological solution currently available that can resolve this particular problem in a works environment.

In spite of the difficulties the environment where it will be used presents, very ambitious operating requirements have been set to ensure the system's robustness (high percentage of corrective measures in any situation) and reliability (minimisation of false positives and negatives). As such, the target set is for the system to offer measurements in real time (updating times of less than one second) and high precision (around 1 metre).

The LINEO project is divided into three main areas of work:

- The construction of a series of standalone modules which include sensors of different types and technologies with the capability to detect and locate moving objects and to transmit this information in real time.
- The development of a response protocol based on processing and learning which enables continuous improvement in differentiating sensitive information from what is not.
- The design and construction of a unobtrusive driver warning device meeting ergonomic, usability and self-installation criteria, which shows the information clearly and efficiently and offers various options for interacting with it.

Finally, the three developments will be integrated into a single system to be packaged for use in the works environment.

To carry out this project, which is due to be complete in December 2013, a consortium was formed made up of DRAGADOS (project leader), SICE as the technological industrial partner and the ARTEC Group from the University of Valencia and the Polytechnic University of Madrid's Higher Technical School of Telecommunications Engineering as hardware and software developer partners.

The LINEO project, approved under the INNPACTO 2011 call, is co-financed by the Spanish Ministry of Economy and Competitiveness within the National Scientific Research and Technological Development and Innovation Plan 2008-11.

6. COMMITMENT TO TECHNOLOGICAL DEVELOPMENT

SICURA PROJECT

DRAGADOS

The SICURA Project is co-financed by the Spanish Ministry of Industry, Tourism and Trade and led by DRAGADOS with the collaboration of the University of Valencia. The objective of SICURA is to apply Augmented Reality (AR) to construction activities. Among the numerous possibilities this technology offers, the two applications developed within the project focus on offering the company's technical team support in two specific processes: monitoring and control of works execution and maintenance of the machinery operating in it.

From a general perspective, AR enables real information (e.g. images captured by a camera) to be merged with computer-generated information to offer additional information to the user in text, audio or image format. The devices that can be used to take advantage of this technology range from a smartphone, PDA or Tablet (for use on site) to a conventional PC (desktop application for remote use).

APPLICATION OF AUGMENTED REALITY TO ASSIST IN CONTROLLING WORKS EXECUTION

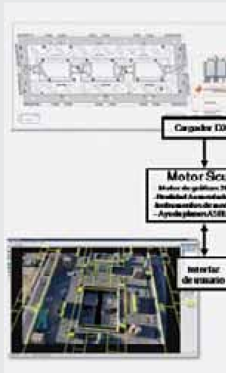
The first software application developed in the SICURA project offers support to the works technical team in tasks such as checking setting out or execution, rebar placement, assistance on generating As Built drawings, making measurements, etc.

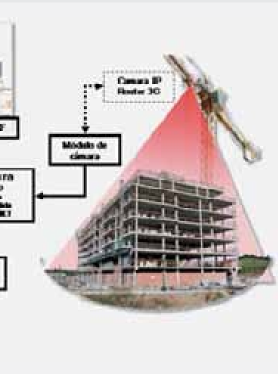
The application uses superimposition of works drawings (architecture, structure, installations, etc.) onto an image of the works in question, creating what is known as an Augmented Image or View. This augmented view enables immediate visual checking of the differences between what was planned and what has been executed or is expected to be executed. Superimposition is possible through a simple process of calibration of the drawing and image so that the software adapts the arrangement of the drawing to fit the real works image.

Some aspects of the software features are detailed below:

- **Operation with drawings:** the application enables various drawings to be loaded, the changing of units of measurement, movement of drawings and the modification of drawing layers (activation, deactivation, change of line colours and thicknesses, etc.).
- **Image capture modes:** to configure different augmented views, the image sources can be still images (loading the image from a file on the PC), from a webcam (real time images obtained from a webcam or cameras built into laptops, tablets or UMPCs) or from an IP camera (real time images from an IP camera using the MJPEG format). Currently, the IP camera enables changes to orientation and zoom in real time with precision of a few centimetres.
- **Calibration:** is a necessary process to find the correct relationship between drawings and images.
- **Measurement:** several tools have been implemented to make linear and area measurements both on the 2D plans and on the augmented view.

The application also allows photographs of the works from any device (camera, smartphone, etc.) to be stored and indexed automatically to their position on the drawings (once these places have been defined). Comments, such as incidents related to what has been photographed, actions to be carried out, etc. can also be linked to the photographs. Photographs with outstanding incidents appear marked with a red bar for ease of identification. The application also permits a historical progression of photos taken of a certain place in the works or a given incident to be viewed.

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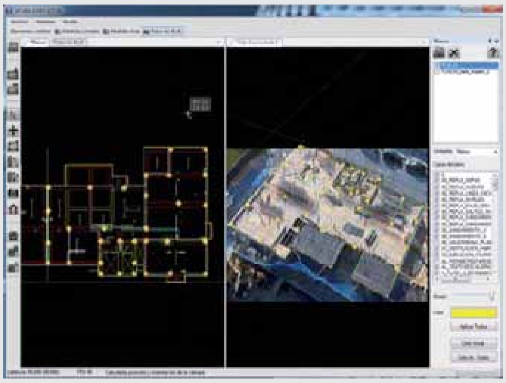
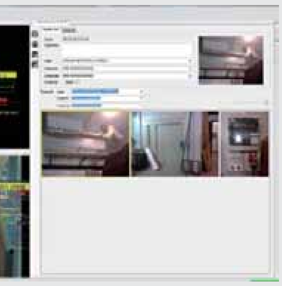



DRAGADOS



6. COMMITMENT TO TECHNOLOGICAL DEVELOPMENT

CUTTING-EDGE DEEP-SEA ENERGY STORAGE FACILITIES

HOCHTIEF

DEVELOPING INNOVATIONS, SETTING TECHNOLOGICAL BENCHMARKS, QUESTIONING AS WELL AS OPTIMIZING AVAILABLE TECHNOLOGIES AND PROCESSES. THESE ARE THE EXCITING CHALLENGES IN RESEARCH AND DEVELOPMENT OF HOCHTIEF

HOCHTIEF'S INNOVATION MANAGERS ARE CURRENTLY WORKING WITH PARTNERS ON A CUTTING-EDGE CONCEPT FOR DEEP-SEA ENERGY STORAGE FACILITIES BASED ON HOLLOW SPHERES

Energy from renewable sources like wind turbines and photovoltaic systems is not permanently available. When it comes to fluctuating energy sources like these, storage technologies play a key role. Efficient storage of large amounts of energy is of vital strategic importance for future energy supply. Worldwide storage capacity for renewable energies is projected to treble by 2030.

That's why HOCHTIEF is working with the Fraunhofer Institute for Wind Energy and Energy System Technology and other partners to develop a new concept for storing energy.* The development and research project "STENSEA" (Stored Energy in the Sea) is investigating the installation of large storage facilities on the sea floor, in combination with offshore wind farms.

The physical principle on which the energy storage facility operates is similar to that of conventional pumped storage power plants, but based not on two reservoirs, but a hollow sphere. When electricity is needed, the sphere is opened. The inflowing water drives a turbine to generate electricity. When there is a surplus of electricity in the grid, part or all of the water is pumped out of the sphere. The energy is stored and only re-released when water streams in again during the next filling cycle.

The STENSEA pumped storage facility can be used worldwide in suitable waters and water depths. The energy potential depends on the depth of the water and the size of the sphere. For example, a sphere with a diameter of roughly 30 meters and a capacity of 12,000 cubic meters located in 700-meter deep water will store 20 megawatt hours of energy. The capacity calculations are based on a charge/discharge efficiency of 85%. The construction of deep-sea storage facilities is subject to fewer geographical restrictions than pumped storage power plants on land. The new concept could therefore provide relatively large additional storage capacities with little environmental impact and without the need for massive further grid expansion.

The new technology for storing energy on the ocean floor would supplement HOCHTIEF's capabilities in offshore energy production. In addition, HOCHTIEF could handle the construction, logistics, and operation of the hollow spheres.

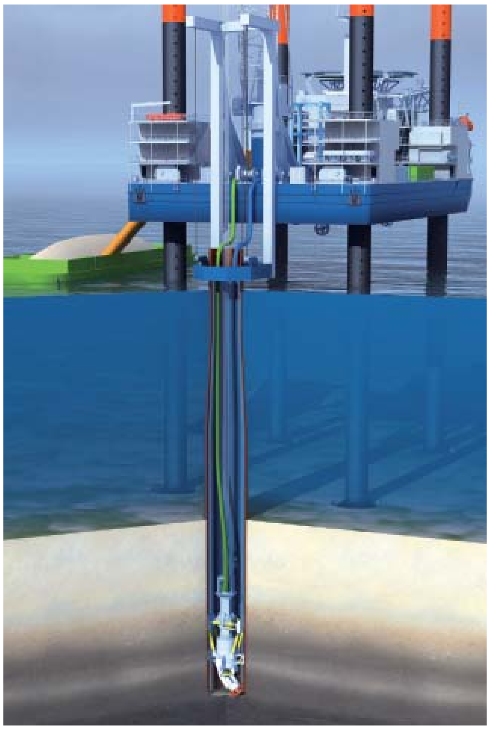
INNOVATIVE FOUNDATION DRILLING METHOD

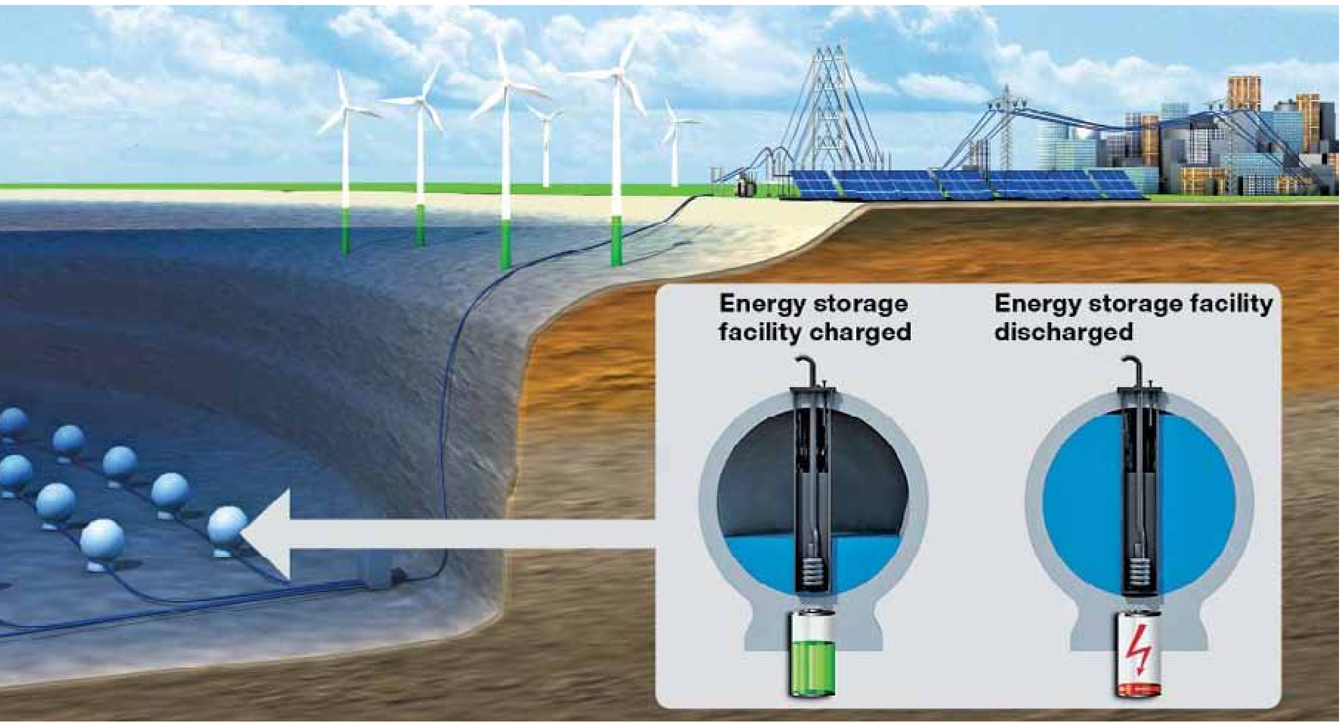
HOCHTIEF

Offshore wind power projects call for the use of highly specialized techniques to seat the supporting piles for turbines in the sea floor. Not least among the challenges is the need to significantly reduce noise from foundation work to protect fauna and flora. Marine mammals particularly are affected by the noise produced.

HOCHTIEF's answer, developed together with a partner, is the offshore foundation drilling (OFD®) technique. Instead of ramming, this approach for erecting offshore wind farms uses quieter vertical drilling to insert piles into the sea floor. In addition, OFD can be used in almost any underground location and enables piles with a larger diameter than previously to be erected.

OCHTIEF has also joined with partners in developing a mortar that will further simplify the installation of piles. We plan to carry out final tests on the procedure in the fourth quarter of 2013 and to offer it to customers, who have already shown strong interest, in 2014.





6. COMMITMENT TO TECHNOLOGICAL DEVELOPMENT

6.3. Environment

In the ACS Group's Environment business[21], innovation constitutes a basic principle both in management and in processes for recovery, reuse and reclamation of wastes. To carry out this task, Urbaser has its own specific R&D+i department with a formal management system certified under the UNE 166002:2006 standard and audited by an independent third party.

A Strategic Plan for R&D+i is determined annually or biannually, setting the priority lines in R&D+i for the company and framing the projects to be carried out. At 31 December 2012 there were 26 research and development projects in progress, in which €8.07 million were invested, 43.6% more than in 2011.

As a significant part of its activity, Urbaser's R&D+i area collaborated with a total of 64 research institutions, including 14 research and technological centres, 13 universities and another 37 institutions promoting innovation or research of other types.

[21] The data referring to Environment included in this section were calculated by analysing the information provided by Urbaser.

AUTOMATING RECOVERY OF GLASS CONTAINED IN THE MSW REJECT FRACTION (VRESTO) – ECOPARC, BARCELONA – URBASER

urbaser

At Barcelona's Ecoparc facility, the average percentage of glass contained in the reject, "RESTO", fraction is approximately 5%. This led us to raise the question of how to recover not only this material to give it value, but also likewise to increase the percentage of recoverable materials.

The glass fraction, as well as making various production processes more complex and difficult, causes wear in belts and machines, with resulting losses in productivity and additional costs.

Thanks to the application of innovative concepts, significant improvements – for which patentability is being assessed – have been introduced to the process, resulting in increased efficiency and effectiveness in recovering reclaimable materials and giving better quality compost.

1. Project objectives

   The project objective lies in the recovery from the reject fraction firstly of metallic materials (aluminium and iron) and then glass in a second step. Specifically,

   - Recovering glass contained in the "RESTO" fraction.
   - Improving compost quality by minimising the flow of contaminants to composting.
   - Recovering more reclaimable materials (ferrous metals and aluminium).
   - Recovering a good quality Solid Recovered Fuel (SRF).

2. Description

   The project focuses on the "RESTO" or reject fraction from the grey municipal solid waste collection container. In general, the amount of so-called "contaminants" in this fraction is high and a mixture of plastic, paper, cardboard, glass, metal, organic material, etc. fractions are generated in the end.

   Given the ECOPARC plant's unusual configuration, significant synergies have been created between the various waste pre-treatment stages which make it possible to bring this innovative project to fruition.

   Firstly, a biological pre-fermentation of the "RESTO" fraction takes place. The result of this is a fine, sandy material, due mainly to the reduction in size of the organic material and paper by biological break down and the glass content by means of erosion in the equipment.

   The fact that the glass is broken up by the mechanical tumbling action (not grinding) into fractions of a smaller size makes the design of a new automatic recovery process for it possible and lays the foundations for the recovery of a good quality SRF, i.e. all the necessary conditions come together in this type of plant to promote the development of an innovative activity.

   Once the pre-fermentation is complete, the objective is to recover the fine fraction containing the majority of the glass for recycling. However, for proper glass recovery and to increase process efficiency, the material needs to be conditioned by extracting the metals and the light materials from it.

   As such, the process is set out in two stages: the first stage for the recovery of ferrous and non-ferrous metals and the second where the glass is recovered, a good quality SRF prepared and the organic fraction prepared for composting.

   It is important to emphasize that the re-engineering was carried out with the plant operating and without causing alterations to the facility's normal production.

   The critical points in the process are defined by the nature of the material (very heterogeneous), proper separation of the fractions to optimise reclaimable material recovery and the moisture in the flow.

3. Results

   After implementation of the first stage, aluminium recovery has been doubled and ferrous metal recovery increased.

   With the second phase, the objectives set are being optimised to achieve the following recovery amounts:

   - Glass: 4,700 tonnes/year.
   - High quality SRF: 7,500 tonnes/year.
   - Potential SRF: 2,500 tonnes/year.

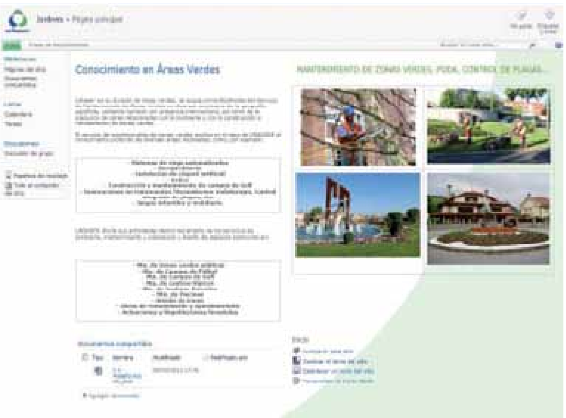
6. COMMITMENT TO TECHNOLOGICAL DEVELOPMENT

RDI PLATFORM

urbaser

Monitoring of R&D projects is currently being carried out through the RDi platform, developed in house using the SharePoint 2010 environment and consisting of a shared working environment through which all the R&D+i projects are managed, involving both the R&D+i coordinators and the projects' technical heads.

This is a powerful document manager with calendar and task allocation (which can be synchronised with Outlook) and timetable, as well as discussion forums inherent in each project.



Knowledge Management

With the fundamental aim of transforming implicit knowledge in the organisation into explicit knowledge, the knowledge management platform is set out as follows:

- Establishing a "Panel of experts" who can be identified by areas of knowledge from among the organisation's experts, available to the whole company.
- Creating "Knowledge communities" consisting of private areas for experts and expert FORUMS. The basic aim is to tackle operational problems and find solutions.
- Creating a "Library", which will be a public part, open to the whole company.
- Creating a space for events, through which you can find out about the timetable of the most significant events in which you wish to take part.
- Creating a space dedicated to Technological Vigilance, containing the regular technological vigilance bulletins.
- Creating spaces where workers join in.

Basically, this is a powerful document management system which makes the information in it available to the organisation. It is completed by discussion tools which enable the structuring of the most suitable environment for experts to be able to tackle day-to-day operational problems, eliminating company relocation difficulties.

In parallel, and always as part of knowledge management, an INNOMARKET will be created, presenting the results of the R&D+i projects currently being developed and in turn enabling them to contact different stakeholders.

6.4. Industrial Services

The ACS Group's Industrial Services area[22] carries out significant work in promoting research, development and innovation through the various R&D+i departments in several of the companies in this line of business. Companies representing 78.9% of Industrial Services' sales reported the existence of an R&D+i department or management in their structure.

Total investment of €16.02 million was allocated to the execution of the more than 106 projects managed by the different departments, 10.7% less than in 2011. These projects are carried out by virtue of a formal research and development management system, which is implemented in companies representing 15.7% of Industrial Services' sales.

The R&D+i areas in the various companies collaborated with a total of 88 research institutions, of which 46 were research and technology centres and 42 universities.

The R&D+i strategy of many of the companies in this area is based on an external focus, aimed at its stakeholders, and an internal focus, aimed at process modernisation and improvement.

[22] The data referring to the ACS Group's Industrial Services companies included in this section were calculated by analysing the information supplied by the different companies in this area of activity, weighted by level of turnover. The data are expressed in terms of percentage of total Industrial Services area sales.

6. COMMITMENT TO TECHNOLOGICAL DEVELOPMENT

TONOPAH

The Crescent Dunes project at Tonopah, Nevada is a clear example of technological innovation with a commercial purpose. ACS's industrial arm, the COBRA group, set out on an adventure innovating in the thermal solar power field around 2008 when it commissioned the first parabolic trough power plant in the world with storage. Since that time, the group has carried out a number of projects at the leading edge of technology, making us leaders in the sector. In 2011, as the leader of the construction joint venture, the group helped develop Gemasolar, the first tower thermal solar power plant with storage, a small scale (less than 20 MWe) commercial demonstration project. Thanks to the know-how developed on that project, the industrial group considered itself qualified to tackle the Tonopah project, which will be the world's largest tower solar plant.

This project has the support of the US Department of Energy and consists of a 200-m high central concrete tower with a receiver at the top. Over 10,000 flat mirrors, each of 120 m^2, are being installed in a circle around the tower. These will reflect and concentrate the sunlight onto the receiver at the top of the tower. Molten salt flows through the receiver and this is heated by the solar radiation concentrated on it. This heat is then used to produce steam and generate electricity. The plant also has 10 hours of thermal storage to be able to produce electricity after the sun goes down.

The plant has a 125 MWe steam turbine which will generate 500 GWe per year; enough power to supply 75,000 homes and avoid the emission of 350,000 tonnes of CO_2 per year. There will be peaks of up to 800 workers during construction and the project will generate around 4,300 jobs, among direct and indirect jobs and those generated throughout the supply chain, with 50 permanent workers once the plant is in operation.

This project combines the efforts of ACS's Services, Communication and Energy industrial group in innovation and cost reduction, enabling us to achieve the following technological milestones: building the biggest power plant of this type ever, to develop a thermal system for 10 hours of storage, thanks to the experience acquired in its previous projects, to implement operating and maintenance experience in the project, to develop the first plant with a hybrid cooling system to reduce water consumption and to eliminate the use of natural gas as a fuel in case of emergency. All these factors make the project the most innovative to date in the thermal solar industry and in the field of renewable energy.

HNPS PROJECT

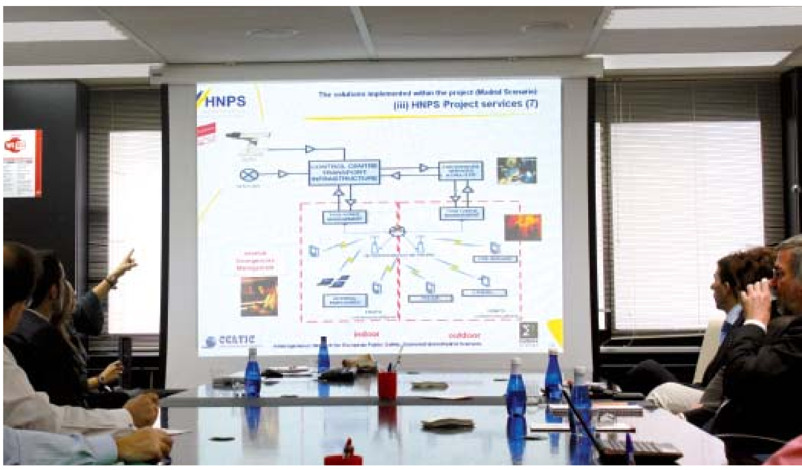
"HNPS - Heterogeneous network for European public safety" is a EUREKA project co-financed from the Spanish Ministry of de Industry, Tourism and Trade's AVANZA I+D programme.

The project develops the concept of a heterogeneous network to establish communications that help to manage a safety crisis. This concept is based on the integration of various communications networks, including ad hoc rapid deployment systems. The project focuses on the integration of existing communication systems, including private mobile radio systems such as TETRA and TETRAPOL, and the latest developments in the area of next generation network architectures and management are considered.

The heterogeneous network concept enables rapid integration of available communication resources in case of crisis or disaster and allows optimisation of resource allocation to support the daily operations of emergency services. Furthermore, it will provide these agencies with a series of advanced digital services to facilitate their daily operations. The heterogeneous network concept enables the authorities responsible for public safety to use public communications networks for more efficient and reliable emergency management.

SICE has been the technical coordinator for the pilot installed at the Moncloa, Madrid transport interchange, which consists of the following applications:

- An analytical video application: used on the video surveillance system for automatic recognition of "possible risk situations" inside one of the toilets (suspicious package left, risk of mugging, head count).
- An Emergency Resource Management application which makes semi-automatic allocation of the available resources closest to the incident depending on their closeness to the incident, professional profile, time and the incident to be resolved. The resources are notified in real time by receiving an e-mail to their roaming telephones.
- A Wireless Communications application which locates the resources and enables rapid deployment in the case of lack of coverage.
- The HNPS, "Heterogeneous Networks for Public Safety" project was awarded the Bronze CELTIC Excellence Award 2012 at an event held in Stockholm on 22 February last year. This recognises teamwork and the results obtained.



6. COMMITMENT TO TECHNOLOGICAL DEVELOPMENT

FOTSIS PROJECT

To improve road safety associated with a motorway, ITS systems have been implemented for traffic control and management, also allowing optimisation of levels of comfort and service. The current systems are designed so that those responsible for traffic management have appropriate information enabling them to manage it efficiently. Interaction with drivers on their route, though, is minimal and is managed, basically, through Variable Message Signs.

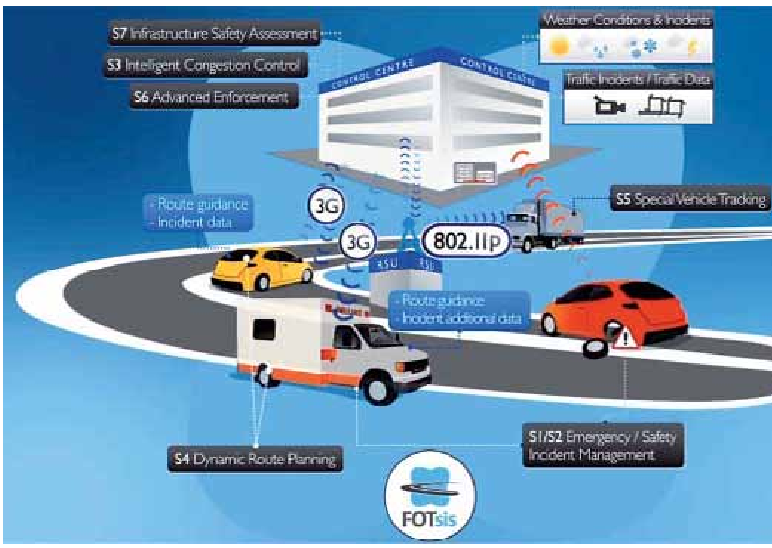
However, through the deployment of I2V - V2I (Infrastructure - Vehicle, Vehicle - Infrastructure) cooperative services, the aim is to manage to connect the vehicle to the infrastructure so that the different drivers can be better informed and make safer, better coordinated and "smarter" use of motorways on their journeys.

The potential of this technology is being shown to be effective thanks to the "controlled deployment" of projects known as FOTs (Field Operational Tests) in real scenarios. This is being made possible as a result of the technological development supported by ambitious research programmes.

As such, FOTsis is one of the two Integrated Projects (IPs) co-financed by the European Commission through the Framework Programme (FP7) and, therefore is a European reference "technological showcase" in the field of cooperative systems. The project is led by Iridium Concesiones de Infraestructuras and SICE plays a technological role in it as the leader of the cooperative services to be deployed in the field of road safety. This deployment is planned for 2013 on controlled motorway stretches.

One of the services consists of being able to supply information en route to drivers through smartphones and tablets. As such, there is a module in the control centre which transforms the information collected by the ITSs into useful information for drivers.

This information is structured by means of pre-configured templates for each type of information event, in a similar way to the information which appears on Variable Message Signs (VMSs). That is, pictograms representing the incident are shown with colours indicating the hazard level and a short message (text to speech) which can be read in the language of the user's device.



Furthermore, the user can configure the level of criticality or the route he or she is to take in order to be able to customise the information he or she wishes to receive. This information can also be broadcast through channels such as Twitter.

The other service developed is intended to offer useful information in real time to Emergency Centres (112) when a traffic accident occurs. This information is collected by the infrastructure's own ITS equipment or the traffic control centre's operators with the intention of offering additional useful information which is not currently supplied to the emergency services.

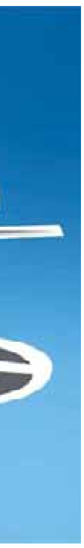
So, for example, if the concession holder has captured the accident with a camera, the emergency centre operator will have the chance to display an image of the accident, giving the possibility of getting a real, objective idea of the situation (and avoiding relying on a subjective oral description from the operator by phone).

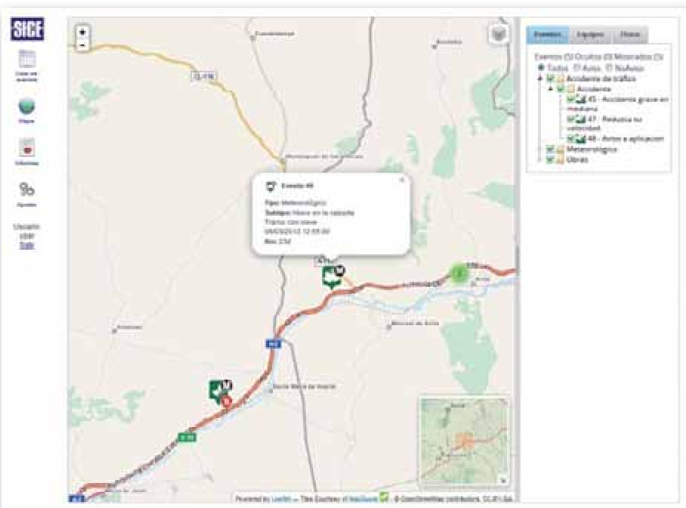
On the other hand, an application has been developed which allows information to be collected in situ using tablets so that this information can also be provided to the control centres and the emergency services.

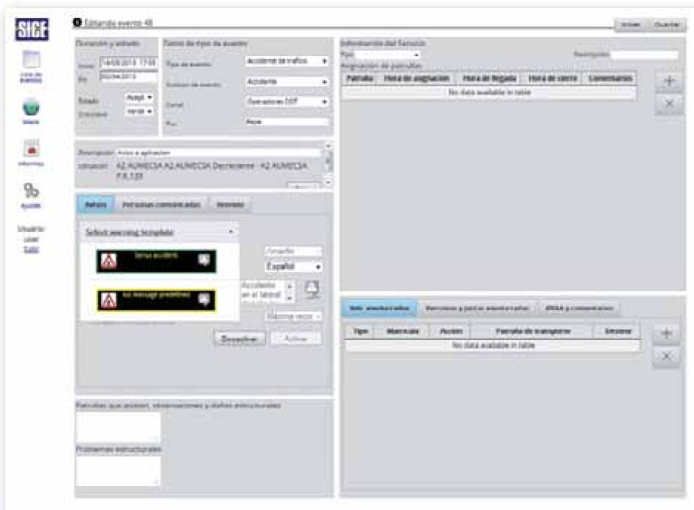
This application would be carried by the concession operator's or civil guard's fleets of vehicles which travel to help and/or signal the accident.

Finally, critical factors such as the appropriate dimensioning of the communications networks used (3G and Mobile WiFi) and establishing and developing mechanisms to ensure broadcasting, service continuity and the quality and expiry of the information will be analysed. It is also fundamental to make progress in standardisation and in defining interoperability requirements, which means working with technical standardising committees such as ISO TC 204 to achieve standardisation of the CALM (Communications, Air Interface, Long and Medium Range) wireless communications framework.

The future impact that widespread deployment of these services could have is such that in the ITS Directive itself, approved in July 2010, connection of the vehicle to the transport infrastructures was indicated as a priority field and this recommended free provision of road safety related information services to all users.







7. COMMITMENT TO THE NATURAL ENVIRONMENT

7.1. The Protection of the Environment in the ACS Group

2012 Milestones

DRAGADOS: Recovery of construction and demolition waste (CDW) reached 75.5%, surpassing the annual target set. BREEAM Certification was obtained for the head office building, becoming the first BREEAM ES "In Use" sustainability certificate for offices awarded in Spain. Production certified under ISO 14001 reached 100%.

cobra: Implementation of the Energy Management System in Cobra Instalaciones y Servicios, S.A.'s head office building, in accordance with the ISO 50001:2011 standard.

urbaser: ISO 14001 certification for Eyrega, Trecisa, Rinza, Axil 3 Ingenieros and Urbaser Environnement's Marseilles incinerator plant.
UNE-EN-ISO 50001 energy management standard certification for the Southern Zone Municipal Waste Treatment joint venture and adaptation of URBASER's certification to this.
Expansion of Urbaser's ISO 14001 scope to sports facility management.
Expansion of Sertego's ISO 14001 certification to treatment of hydrocarbonated water and out of service tyre storage.

FLATIRON: Carrying out of two projects with great environmental impacts; the Calaveras Dam and the ILM high voltage line.

Leighton Holdings: Leighton has worked closely with the Australian government. In the "Analyses of diesel use for mine haul and transport operations", for example, there was close cooperation with the Department of Resources, Energy and Tourism. Leighton Contractors' contribution consisted of developing a reference ratio for evaluating the energy consumption of all the trucks operating in a mine.

TECSA: Review and updating of the company's Management Manual and the Environmental Management Plan for Works. Increase in the percentage of works visited to monitor implementation of the Management System for Environmental aspects in relation to the amount of work executed.

GEOCISA: Environmental management (waste management, materials purchasing, supplier distances, slope controls, etc.) according to LEED criteria in the year's most emblematic works.

SCHIAVONE: Start of numerous programmes in the equipment purchasing area, including emissions control systems installation, preventive maintenance and alternative fuel sources.

GRUPOETRA: Reduction of fuel consumption in the maintenance vehicle fleet and hence also CO_2 emissions. Awarding of the @asLAN Prize for Public Authorities and Bodies to Madrid's EMT with ETRA's EfiSAE System, recognising it as an outstanding success story due to the cost reductions and efficiency improvements generated.

Challenges for 2013

cobra: Gradual incorporation of the IFC (International Finance Corporation) performance standards.
Approval of some processes affecting Cobra Instalaciones México's Comprehensive Management System, with the Occupational Risk Prevention System from Spain and Cobra Proyectos Integrados México's Quality Management System.

DRAGADOS: To achieve a construction and demolition waste (CDW) recovery ratio of over 78%.

urbaser: ISO 14001 certification for the Urbaser-Interjardín joint venture (Santa Cruz de Tenerife gardens).
ISO 14001 certification for KDM Energía (Chile).

Leighton Holdings: Development of CO_2 emission saving policies.

POL-AQUA: To increase waste management supervision by increasing the frequency of the internal audits carried out, based on an environmental management system.
Developing methods for monitoring the impact of construction processes on the environment.

imesAPI: Implementation and certification of an Energy Management System.

Dragados Offshore

Reduction of Wastes (Hazardous and Non-Hazardous) by 20%.
Putting the environmental auditing tool into service.
Replacement of the current hazardous waste store.

SICE: Receipt of the "Socially Responsible Company 2013 Logo" in SICE Mexico; including implementation of processes, improvements and achievements in environmental protection matters, quality of working life, ethics and links to the community.

intecsa industrial: To maintain the target of zero environmental incidents in projects being executed.

7.1.1. Strategic Priorities

The ACS Group[23] combines its business objectives with protection of the environment and appropriate management of its stakeholders' expectations in this regard. ACS's environmental policy is intended to be a framework in which, on the one hand, it defines the general lines (principles) to be followed and, on the other hand, it collects the particular features of each business line and each project (articulation).

The principles are the ACS Group's general environmental commitments. These are sufficiently flexible as to accommodate the elements of policy and planning developed by the companies in the different business areas. In addition, these commitments need to keep within the requirements of the ISO 14001 Standard:

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

To be able articulate and deploy a policy on these environmental commitments, the most significant are identified at corporate level and are compared with each company's management system and the environmental priorities for each business. For each of these common priorities, which later become common to the majority of the ACS Group, objectives are set and improvement programmes are established individually from company to company.

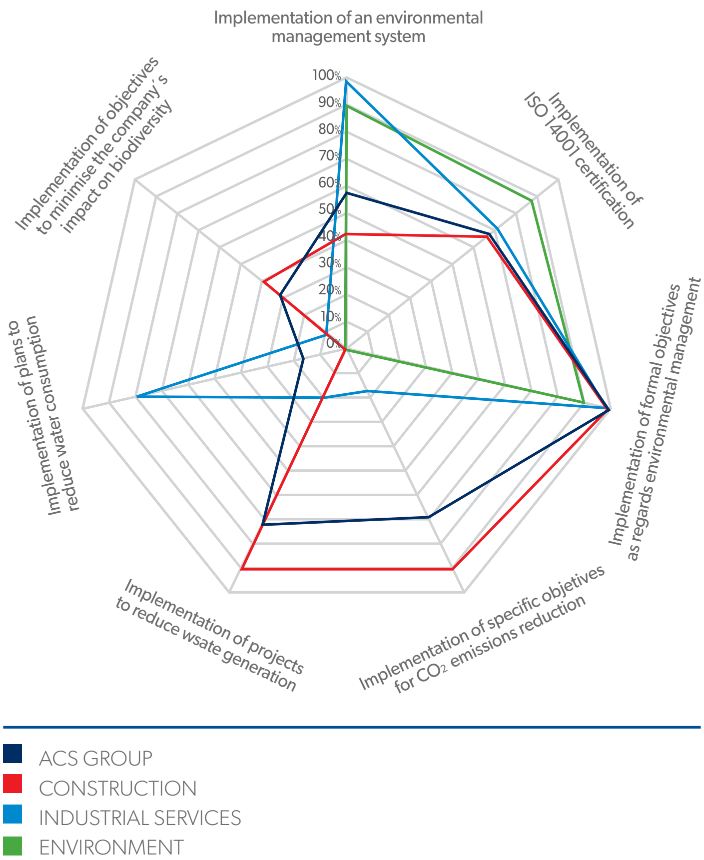
[23] The data referring to the ACS Group included in this section were calculated by analysing the information supplied by the Group's different companies, weighted by level of turnover. The data are expressed in terms of percentage of total Group sales in 2012.

THE ENVIRONMENTAL COMMITMENT FROM THE ACS GROUP IS GUIDED BY THE ISO 14001 AND IS ADAPTED TO THE MANAGEMENT SYSTEMS OF THE DIFFERENT BUSINESSES TO FACE THE SPECIFIC NEEDS OF EACH COMPANY

7.1.2. Management Model

The following is a map outlining the main common features of ACS Group company management models and summarising their initiatives and degree of implementation:

POLICY MAP AND IMPLEMENTATION LEVEL



Level of implementation as reported by ACS Group companies and according to the level of sales of each of them.

7. COMMITMENT TO THE NATURAL ENVIRONMENT

The significant level of implementation of an environmental management system, present in companies representing 55.8% of Group sales, is based on the objective of seeking adoption of the ISO 14001 standard in the majority of the Group's activities, which is already implemented in 68.0% of ACS Group sales[24].

The responsibility of overseeing the ACS Group's environmental performance falls to the Environmental Department in each company. In general, the following common, general and most significant characteristics were found in ACS Group companies' management of environmental impacts:

- They themselves, in a decentralised and autonomous manner, develop their own policies and action plans (in ACS, companies representing 96.0% of its sales define formal environmental objectives periodically and, furthermore, 25.0% reward their workers according to fulfilment of these objectives).
- They also implement certification schemes and external independent audits (55.8% of the ACS Group's production was audited in 2012).
- They carry out environmental audits (724 in 2012).
- Companies representing 71.6% of ACS Group sales have some kind of centralised database to collect environmental data.
- Companies representing 33.0% of ACS Group sales have an incident reporting system for detailing near misses relating to environmental matters. A total of 967 environmental incidents occurred in 2012, which involved the origination of a total of 20 sanctioning administrative proceedings.

SPECIFICALLY AND OPERATIONALLY, THE MAIN ENVIRONMENTAL MEASURES REVOLVE AROUND FOUR KEY AREAS, ON WHICH THE ACS GROUP'S COMPANIES POSITION THEMSELVES EXPLICITLY:

- ***THE FIGHT AGAINST CLIMATE CHANGE,***
- ***PROMOTION OF ECO-EFFICIENCY,***
- ***WATER SAVING AND***
- ***RESPECT FOR BIODIVERSITY***

[24] Although this is not the only certification, as companies representing 78.13% of ACS Group sales reported having obtained another type of certification, many of them in addition to ISO 14001.

Sanctions due to breaches of environmental regulations	2010	2011	2012
Number of environmental incidents	1,219	1,601	967
Number of environmental incidents with sanctioning administrative proceedings	32	33	20
Cost of fines due to sanctioning administrative proceedings (€)	196,469.7	154,600.0	38,847.6

7.1.3. Main Environmental Indicators

The ACS Group's main environmental indicators	2010	2011	2012
Water consumption (m^3)	6,772,361.0	5,577,931.0	10,067,651.8
Production certified under ISO 14001 (%)	71.7%	72.6%	68.0%
Direct emissions (Scope 1) (tCO_2eq)	1,998,929.4	1,742,344.1	1,569,460.3
Indirect emissions (Scope 2) (tCO_2eq)	108,948.8	151,738.3	246,757.7
Indirect emissions (Scope 3)* (tCO_2eq)	4,391.8	13,620.2	93,781.8
Non-hazardous waste sent for management (t)	824,735.0	1,168,706.0	1,274,105.8
Hazardous waste sent for management (t)	200,949.0	186,989.5	88,182.4

* Due to employee travel.

- The increase in water consumption is to a great extent due to the inclusion of water for industrial use, data on which was not collected in previous years. Detail on these data is given later in this report.
- The change in CO_2 emissions occurred as a result of the reduction experienced in Urbaser, the Group's main emissions generator.
- Indirect Scope 3 emissions increased significantly given that the scope of measurement has increased to a larger number of ACS Group companies.

7. COMMITMENT TO THE NATURAL ENVIRONMENT

7.1.4. Climate Change

The ACS Group shares with society the growing concern over climate change, hence it has an active policy for reducing its greenhouse gas emissions in companies representing 71.3% of ACS Group sales.

According to data obtained from ACS Group companies and turnover accounted for in 2012, total Scope 1 emissions over sales (Carbon Intensity) was 41 tonnes of CO_2 per million euros of turnover, 33.0% less than in 2011 as a result of the reduction of Urbaser's emissions and the increase in turnover resulting from the integration of HOCHTIEF, with its activities having low CO_2 emission intensity. In comparable terms, including all of HOCHTIEF's sales for 2011 and not just those recorded since June, the reduction seen in the ratio is 13.5%.

The main challenge is to understand and quantify all the ACS Group's emissions. Each company is responsible for maintaining an inventory of emissions, in which the main sources of these are identified. This enables custom action plans to be developed for each company. Companies representing 73.3% of ACS Group sales have already defined a method for measuring the carbon footprint of their activities[25].

The ACS Group's strategy in the fight against climate change is based on proper management of fossil fuels, on renewable energies, on energy efficiency and saving and on sustainable travel. The results expected as a consequence of active policies for containing climate change are:

- Reduction of direct emissions by means, for example, of the implementation of new production processes.
- Reduction of indirect emissions by moderating fuel consumption, for example, and promoting energy efficiency.
- Analysis of the possibility of implementing Energy Management Systems (in accordance with UNE-EN ISO 16001 certification, where appropriate).
- Training of employees, raising client awareness and monitoring of suppliers.
- The financial consequences of climate change for each company's business has begun to be measured. Indeed, companies representing 19.3% of Group sales already carry out this type of analysis.

Another key aspect lies in the promotion of the use of renewable energy or sources less intensive in carbon, as well as the use of the best technologies in the combustion of fossil fuels as two fundamental aspects to reduce CO_2 emissions.

The ACS Group has extensive experience in the development of and participation in renewable energy projects. The ACS Group participates in the operation of renewable energy plants (mainly wind and thermal solar), specifically:

- At 31/12/2012, the total wind power installed in Spain was 936 MW. These farms produced a total of 1,335 GWh during 2012[26].
- Outside Spain at 31/12/2012, there were 128 MW in Portugal that generated 296 GWh and 102 MW in Mexico which produced 146.3 GWh.
- In turn, at 31/12/2012 the ACS Group had an installed power in Spain in thermal solar plants of 249.5 MW, which produced a total of 671.7 GWh in 2012[27].

This represents a total of 2,449.1 GWh.

[25] Emissions inventories will not be limited solely to the ACS Group's operational scope, but will also cover the activities associated with the life cycle of its services and products. ACS is developing a database to measure the emissions from its supply chain. Once this database is sufficiently extensive, the results will be published.

[26] This figure is made up of electricity production which obtained the guarantee of renewable origin from the Spanish National Energy Commission (CNE), totalling 845.9 GWh, and another 489.1 GWh which did not obtain the CNE's guarantee of renewable origin.

[27] This figure is made up of electricity production which obtained the guarantee of renewable origin from the Spanish National Energy Commission (CNE), totalling 531.8 GWh, and another 139.9 GWh which did not obtain the CNE's guarantee of renewable origin.

PROTECTION AGAINST CLIMATE CHANGE IN LEIGHTON

As the reality of climate change continues to drive global transformation toward a more resource-efficient and lowcarbon economy, many governments and regulators around the world have sought to address these issues through mechanisms such as usage restrictions, taxes and other market-based pricing mechanisms, adding pressure to business to act.

The Leighton Group, as large energy users and operating in some tight regulatory environments, such as Australia where a price on carbon was introduced July 1, 2012, recognize the need to develop and implement cleantech and sustainability strategies to mitigate the risks and seize the opportunities of climate change and associated regulations.

One area where the Leighton Group, HOCHTIEF's Australian majority shareholding, is focused is optimizing fuel consumption and emissions released by mining vehicles and equipment fleets. To this end, the Leighton Group works closely with the Australian government. In the case of the "Analyses of Diesel Use for Mine Haul and Transport Operations" study, for instance, this cooperation was with the Department of Resources, Energy and Tourism. Leighton Contractors' contribution was to develop the "Best Truck Ratio" model, which serves as a benchmark for assessing the energy consumption of all trucks in operation on a mine site. Actual energy use is then compared with the theoretical best performance for those machines. As a result, this tool serves as a yardstick not only for a fleet's efficiency but also the remaining margin for improvement. Since the model relies on a ratio, a single benchmark can be applied to different mining projects.

With a view to achieving a better energy balance, Leighton Group subsidiary Thiess has, among other things, introduced to its projects trucks with an optimized load bed shape and size so as to reduce the quantity of vehicles required and the number of trips undertaken. As part of the "Hunter Expressway Alliance" road building project in the Australian state of New South Wales, Thiess tested hybrid excavators for the first time. The aim was to ascertain whether hybrids were in fact lighter on fuel by directly comparing them and conventional high-performance excavators when performing the same work.

The outcome? While keeping pace with the standard excavators' productivity rates, the hybrids burned on average eleven liters of gasoline per hour–30 percent less than their counterparts. During the trial phase of the project alone, the hybrids saved roughly 4,500 liters of fuel and ten metric tons of CO_2.

7. COMMITMENT TO THE NATURAL ENVIRONMENT

7.1.4.1. Direct GHG Emissions (tCO_2eqv.)[28]

Direct (Scope 1) greenhouse gas emissions (tCO_2 equivalent)	2010	2011	2012
Construction	57,597.6	80,737.0	143,868.2
Industrial Services	125,578.0	43,173.6	43,153.5
Environment	1,815,753.8	1,618,433.4	1,382,438.7
Group Total	**1,998,929.3**	**1,742,344.1**	**1,569,460.3**

7.1.4.2. Indirect GHG Emissions. Group Total (tCO_2eqv.)

Indirect greenhouse gas emissions (tCO_2eqv.)	2010	2011	2012
Emissions derived from electricity consumption (Scope 2)	108,948.8	151,738.3	246,757.7
Emissions derived from employees' travel (Scope 3)	4,391.8	13,620.2	93,781.8

7.1.5. Eco-Efficiency

The ACS Group attaches a priority to efficiency in resource consumption and reduction of waste generation, as an effective strategy in these aspects implies benefits from two angles. On the one hand, it reduces the environmental impacts on the surroundings and, on the other, it cuts the costs needed for their purchase or treatment.

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

- The implementation of projects to reduce waste generation, an exercise which takes place in companies representing 73.2% of ACS's sales.
- The carrying out of projects to reduce material and/or raw material consumption, which takes place already in companies representing 75.5% of ACS Group sales.

In addition, there is notable implementation of policies in relation to the application of sustainable building standards[29]. These are applied in those cases in which the client accepts them, given that the ACS Group in the great majority of cases works for third parties in building development. These sustainable construction policies apply to the companies' main activities, representing 40.5% of ACS's sales.

[28] For the preparation of this report, Urbaser, the company with the greatest impact on this aspect in the ACS Group, adopted a method for calculating emissions in which the emission factors were obtained from calculations carried out by Urbaser's personnel based on a pre-established mass balance and on the emission factors and formulas which appear in the E-PRTR methodology (European Pollutant Release and Transfer Register) and on the 3rd edition of Solid Waste Management and Greenhouse Gases: A Life-Cycle Assessment of Emissions and Sinks, published by the US EPA.

The data on emissions to dumps refers to the emissions equivalent to CO_2 which the wastes deposited in the corresponding financial year will produce over a period of 26 years.

To calculate the emissions for the rest of ACS's areas, the IPCC's emission factors were used, which were applied to the data for activity obtained using the GHG Protocol guidelines.

[29] For example, systems for sustainable building certification LEED – Leadership in Energy & Environmental Design, BREEAM – BRE Environmental Assessment Method, LCC – Life Cycle Cost Results, etc.

SUSTAINABLE BUILDING STANDARDS

HOCHTIEF, through Turner in the United States and Leighton in Australia, carries out building activities in accordance with sustainable building standards.

- Since the year 2000, over 500 Turner projects have been registered and certified under LEED. In addition, Turner has adopted many of the sustainable practices which are characteristic of these types of certification in the carrying out of its normal business.
- Leighton Properties, Leighton's company specialised in property development, uses the GBCA's –Green Building Council of Australia– Australian Green Star Methodology in carrying out its building activities.

7. COMMITMENT TO THE NATURAL ENVIRONMENT

7.1.5.1. Waste Treatment

Special importance is attached to the wastes section, as the provisioning part depends predominantly on the client's needs and requests. Hence, more resources, efforts and policies are dedicated to the handling of wastes than to any other discipline in eco-efficiency.

In this respect, the ACS Group segregates, stores and appropriately manages its wastes . Its management is always aimed at minimising the wastes generated, both in terms of quantity and of their hazards, on giving priority to recycling and reuse above other management options and in energy recovery as the preferred choice as against dumping.

Waste is managed in accordance with the regulations in force in each country. The facilities have the corresponding authorisations for producers of hazardous waste, which allow for their recording, inventory taking, storage and management. The non-hazardous wastes generated or managed are sent to dumps, collected by an authorised handling company, reused, recycled or recovered.

The ACS Group also generates other hazardous wastes or wastes with specific regulation which need to be treated respectively by an authorised hazardous waste handling company or Integrated Waste Management System. Hazardous waste is, in general, delivered to authorised handling companies in accordance with the legislation in force.

[30] Up to 2010, the ACS Group only measured the tonnage of wastes treated in its CSR report. Since 2011, we have presented the total waste generated and, of these, those reclaimed (sent for management: composting, reuse, recycling or recovery). The figure for the ACS Group's Total Generated Waste does not include soil from excavations in the Construction activity, the data for which can be found in section 7.2.3 of this document.

ACS Group's Total Generated Waste	2011	2012
Total non-hazardous waste generated (t)	1,168,706.0	1,274,105.8
Total hazardous waste generated (t)	186,989.5	88,182.4

Waste treatment	2010	2011	2012
Total non-hazardous waste sent for management (t)	824,735.0	858,738.7	1,274,105.8
Total hazardous waste sent for management (t)	200,949.0	186,989.5	88,182.4

7.1.5.2. Rationalisation of Energy and Material Resource Consumption

A large portion of the natural resources consumed by ACS Group companies is used efficiently. To achieve this, the best available technologies are used as regards efficiency and reduction of material and energy resource consumption.

According to reports from Group companies, 4,246.2 MWh of energy were saved in 2012 thanks to conservation and improvements in energy efficiency.

The main use of petrol and diesel in ACS Group companies is transport of materials, personnel, earth movement and the use of certain machinery necessary for the company's operational activities.

ACS Group provisioning. Main items	2011	2012
Total wood purchased (t)	19,551.0	11,111.0
Certified wood (%)	*20.3%*	*33.4%*
Total steel purchased (t)	388,560.0	663,781.1
Steel manufactured with recycled materials (%)	*29.7%*	*46.7%*
Total cement / concrete purchased (t)	3,048,316.0	4,977,600.8
Cement / concrete which includes recycled aggregates (%)	*0.1%*	*0.0%*
Total aggregates purchased (t)	7,905,170.0	6,878,754.4
Recycled aggregates (%)	*23.6%*	*0.8%*
Total glass purchased (t)	1,408.0	159.0
Recycled glass (%)	*0.0%*	*0.0%*
Total pipes / insulation (generally PVC) purchased (t)	779.0	4,137.0
Recycled pipes / insulation (generally PVC) purchased (%)	*0.0%*	*0.1%*

Direct and indirect energy consumption, by source	2010	2011	2012
Petrol + diesel consumed (million litres)	94.6	114.2	104.2
Natural gas consumption (m3)	897,866.0	1,184,488.3	2,136,012.7
Natural gas consumption (kWh)	n.d.	n.d.	35,137,353.7
Electricity consumption (MWh)	390,497.6	466,720.3	811,970.1

7.1.5.3. Other Emissions

Ozone-depleting substances have disappeared from almost all areas, except for a very small amount in Industrial Services. Specifically, these are leaks of refrigerant gases which can no longer be commercialised and have progressively disappeared from the facilities. The most important change in this indicator comes from Environment, where they report the use of other gases with no impact on the ozone layer, but which do have a greenhouse gas effect, and which are included in Scope 1 emissions.

Other emissions, Group total (t)	2010	2011	2012
Emissions of Oxides of Nitrogen (NOx)	2,115.0	1,077.2	5,224.9
Emissions of Oxides of Sulphur (SOx)	447.0	193.0	274.0
Emissions of solid particles	153.0	9.9	31.2
Emissions of substances that deplete the ozone layer	n.d.	5,105.5	0.0

7. COMMITMENT TO THE NATURAL ENVIRONMENT

7.1.6. Water

The activities carried out by the ACS Group involve considerable water consumption, especially in the construction field. As such, the company recognises the need to reduce consumption of this natural resource, especially in zones where there is water stress. As far as possible, and whenever the projects' characteristics so permit, recycled water which is unfit for human use is employed.

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

- Implementing appropriate measurement systems (at project, company and corporate level), permitting detailed knowledge of the main sources for consumption. Companies representing 55.6% of ACS Group sales reported these data in a detailed form.
- Carrying out actions which promote reduction of water consumption or which encourage the consumption of recycled water. Companies representing 15.1% of ACS Group sales have established plans for reducing water consumption in their activities.
- Driving and developing operational policies for water management and desalination. The ACS Group currently builds and operates desalinating plants in Spain and Algeria.

The ACS Group has numerous measures aimed at reducing water consumption, such as raising employee awareness, reuse of cleaning water and the use of rainwater.

The ACS Group pays attention to improving its management and use of water, with special consideration for those works located in geographical zones with water stress. As such, ACS has been making efforts for many years in the south-east part of the Iberian Peninsula and on the Canary Islands, these being locations which have frequent water deficits. The Environmental Management System considers water stress as an additional variable in the evaluation criteria for the "water consumption" parameter, which leads to the initiation of preventive measures to optimise water consumption and the monitoring of the effectiveness of these measures.

Lastly it is worth emphasising that the ACS Group carries out exhaustive monitoring of the quality of water discharged to the natural environment. In this regard, all monitoring carried out meets legal demands, such that significant effects do not occur in the natural environment[31].

Water consumption (m^3)	2010	2011	2012
Obtained from the public mains	2,744,035.1	2,873,426.8	3,766,705.6
Obtained from other sources	4,028,325.9	2,704,504.2	2,911,139.7
Unfit for human consumption (obtained from purifiers, recycled water, etc.)	n.d.	n.d.	3,389,806.4
Total	6,772,361.0	5,577,931.0	10,067,651.8

Total waste water discharges (m^3)	2010	2011	2012
To the public network	1,490,209.5	2,706,544.7	2,221,489.7
Discharges to the sea or rivers/lakes	6,524,886.8	1,429,681.0	1,080,671.4
Waste water discharges to specific water receiving facilities	n.d	n.d	986,324.9
Total	8,015,096.2	4,136,225.7	4,288,486.0

[31] Accidental water spills totalling 92.37 m^3 occurred in 2012.

7.1.7. Biodiversity

The ACS Group's activities generate impacts on the natural environment where the works are executed. The implementation of measures to conserve the flora and fauna is one of the environmental principles applied in planning operations. These measures are based on physical protection, transplanting or transfer, as well as on respect for the life cycles of the plant and animal species affected.

The ACS Group tries to minimise the environmental effect of its activities, especially when these take place in areas of high ecological value. Companies representing 32.8% of sales have set targets for minimising the impact of their activities on biodiversity. Projects are planned with the objective of minimising their environmental impact and, as far as possible, are carried out under the methodology which causes least damage in the setting.

The ACS Group prepares environmental impact studies, which attempt to minimise the possible adverse effects of projects on the natural environment. Public participation in procedures to approve these projects is guaranteed by the national and regional legislation in each of the countries where they are carried out.

At the end of 2012, a large number of Group companies, representing 39.4% of sales, were carrying out projects located in areas of high biological value, or in their vicinity.

The company also has supervision plans which guarantee the fulfilment of the preventive measures and reduce the impact of projects and processes not subject to environmental impact assessments. Furthermore, various initiatives or specific activities for restoration of habitats affected by the activities of various of the Group's companies were carried out during 2012.[32]

- In all its civil engineering works, Dragados develops a Restoration Plan for the areas affected after completion of the works.
- Replanting on completing projects in Vías.
- Restoration activities in various animal species habitats.
- Leighton is one of the world's most important mining contractors and, after completing its activity in the mines, it restores the land affected to recover the conditions of the local ecosystems.
- Urbaser carries out projects to seal and replant dumps, when necessary.

For example, control and monitoring was reported of Group companies' impact on 21 species threatened with extinction in areas influenced by Group companies' projects or activities.

In short, the ACS Group includes the commitment to conservation of biodiversity in its environmental management systems, to meet the following objectives:

- To assess the impacts of the activities on the environment.
- To research, develop and offer its clients innovations which improve environmental conditions.
- To manage the impact and minimise its consequences.

[32] The existence of these activities was reported by companies representing 33.4% of ACS Group sales.

7. COMMITMENT TO THE NATURAL ENVIRONMENT

7.2. Construction

Construction activity can, on occasions, have a powerful impact on the environment. Although this effect is usually temporary, the ACS Group's Construction companies[33] attempt in various ways to identify these impacts beforehand in order to minimise or completely avoid their effects on the environment.

One of the Group's most active companies is Dragados, which positions itself as the reference company in developing environmentally friendly initiatives and policies.

The main environmental impacts of construction projects are related to consumption of water and materials and their origin, waste generation, earth movements and with effects on biodiversity.

[33] The data referring to the ACS Group's Construction companies included in this section were calculated by analysing the information supplied by the different companies in this area of activity, weighted by level of turnover. The data is expressed in terms of percentage of total Construction area sales.

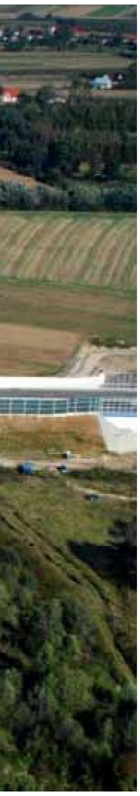
Level of implementation of good environmental practices as percentage of sales in the CONSTRUCTION area	2012
Implementation of an environmental management system	44.1%
Implementation of ISO 14001 certification	66.3%
Implementation of formal objectives in environmental management matters	95.9%
Implementation of specific targets for reducing CO_2 emissions	88.0%
Implementation of projects for reducing waste generation	89.5%
Implementation of plans to reduce water consumption	1.6%
Implementation of objectives to minimise the company's impact on biodiversity	40.7%

A4 MOTORWAY: WIERZCHOSŁAWICE-KRZYŻ STRETCH

The A4 motorway runs through the Małopolska region, in the provinces of Wieliczka, Bochnia, Brzesko and Tarnów. Specifically, the works start before the Wierzchosławice junction and end after the Krzyż interchange.

Fundamental environmental aspects had already been considered in the motorway project. Noteworthy among these are:

- The construction of 15 km of acoustic panels in order to protect houses close to the highway from excessive noise.
- The construction of preliminary purification facilities for water from precipitation.
- The construction of waste water purification plant in the MOP II Rudka and MOP III Komorów rest areas.
- Landscaping plantations to perform protective and aesthetic functions, as well as forming biotic communities in their own right, in the form of strips, rows or groups of trees and shrubs, as well as to fill the edge of forest groupings separated by the road (strip 8 - 15 m wide).
- The construction of passes for fauna allowing them to migrate through significant ecological routes and ensuring ecological connection of lands separated by the motorway.
- The execution of a fence on both sides of the road and together with openings and passes for animals (approx. 100 m each side).
- The maintenance areas are located outside the defined exclusion zones:
  - Natura 2000 European Ecological Network.
  - Zones of particular environmental value, such as the floodable lands of the river Dunajec.
  - Nature reserves: Dębina and Debrza.
  - Forest areas or neighbouring inhabited areas.



During construction, both in planning the works and their execution, particular attention was paid to the environment, with various preventive measures adopted.

The amount and type of fuel used (ecodiesel) was taken into consideration and monitoring carried out to detect possible peaks in consumption. Similarly, monitoring was carried out on equipment technical condition, combustion gas emission composition measurements and measurements of the noise and vibration levels caused. The aim of all the above was to reduce the works' impact on the environment and surroundings as far as possible.

The storage and maintenance areas, as well as the works roads, were organised so as to make possible economic use of the land and minimal surface alteration.

- To achieve this, the roads from the borrow pits to the works execution area were laid out based on the network of service roads to be executed in the project.
- Restoration plans were implemented in the exploited borrow pits to result in artificial lakes, which were profiled, recovered and finished in excellent condition after exploitation to obtain approval from the mining authority.

To optimise natural resource consumption, the possibility of reusing by-products from the works or from other industrial processes in the area was considered.

- Due to the characteristics of the materials in the area, the embankment was made by stabilising local material, extracted almost entirely from below the water table. Among other materials, blast furnace slag and ash were used in this stabilisation, so reusing waste from the local thermal power station and considerably reducing the dumps of this sort of waste located around the city of Tarnów.
- Similarly, the filler resulting from the manufacture of the asphalt mixtures was used as a binder to stabilise the embankments, so reducing the external consumption of binder and eliminating the need to remove this waste for dumping.

Additionally, the product resulting from the milling carried out during execution was used to make the access routes from the service roads to private plots or houses.

The waste it was not possible to use was sorted and stored in appropriate containers, located in an area set aside for the purpose and was then collected and transported to recycling facilities.

The trees and shrubs located within the site or nearby, which were at risk of damage and which it was not planned to remove, were protected against mechanical damage and soil pollution.

All vegetation losses were compensated for by introducing new plantations, taking the requirements of their habitat into account.

Alterations or limitations to the flows of surface streams and underground waters were reduced as far as possible, as were alterations to the directions of water flows.

The earth works in water courses were carried out outside the period of mass migration of amphibians and special care was taken not to cover oxbow lakes and ponds with material during execution and if this was necessary, the pond or stream was checked first, before covering it, to check for the possible presence of amphibians. The specimens found were recovered and transported to another place, far enough away to prevent them returning to the covered pond.

- In order to protect and ensure the safety of the animals along the highway, fences were placed on either side of the execution area, which prevented the entry of animals to the area.

The A4 motorway works were a priority stretch on the road network planned for building in the light of the organising of the Euro 2012 football championships in Poland. However, care and protection of the environment was ever present in this race against time.

7. COMMITMENT TO THE NATURAL ENVIRONMENT

7.2.1. Initiatives to Reduce Water Consumption

- Good environmental practices are applied to minimise consumption, especially of water.
- Reuse of water from machinery cleaning in works.
- Awareness campaigns were organised with guidelines to reduce water consumption.
- Use of rainwater.

Water consumption (m^3). CONSTRUCTION	2010	2011	2012
Obtained from the public mains	1,088,140.3	1,384,831.4	1,355,908.8
Obtained from other sources	1,461,023.0	1,264,255.3	1,670,810.3
Unfit for human consumption (obtained from purifiers, recycled water, etc.)	n.d.	n.d.	1,125,737.0
Total	2,549,163.3	2,649,086.7	4,152,456.1

7.2.2. Material Consumption

CONSTRUCTION provisioning. Main items	2011	2012
Total wood purchased (t)	18,579.0	10,473.0
Certified wood (%)	*22.5%*	*36.3%*
Total steel purchased (t)	248,683.0	635,987.1
Steel manufactured with recycled materials (%)	*46.4%*	*48.7%*
Total cement / concrete purchased (t)	2,991,658.0	4,945,677.8
Cement / concrete which includes recycled aggregates (%)	*0.1%*	*0.0%*
Total aggregates purchased (t)	7,890,311.0	6,809,315.4
Recycled aggregates (%)	*23.7%*	*0.8%*
Total glass purchased (t)	351.0	155.0
Recycled glass (%)	*0.0%*	*0.0%*
Total pipes / insulation (generally PVC) purchased (t)	706.0	1,082.0
Recycled pipes / insulation (generally PVC) purchased (%)	*0.0%*	*0.0%*
Bitumen and asphalt (t)	546,708.0	357,911.0
Chemical products (€ million)	n.d.	3,199.4

7.2.3. Waste Treatment

The main waste treatment methods for the Construction area's different companies are reclamation (including reuse, recycling and/or recovery) and incineration. The great majority of the remaining waste is sent to dumps. Construction wastes are analysed to separate out hazardous substances. This process results in part of the hazardous waste reported in this document, which in turn is reclaimed in accordance with the percentages reported.

Other treatment methods are not detailed as they are not considered material by the ACS Group.

CONSTRUCTION wastes. Main items	2012	Reclaimed (%)	Incineration (%)
Surplus soil from excavation (t)	16,650,447.6	63.9%	n.a.
Rubble (t)	490,006.2	82.3%	n.a.
Wood (t)	57,015.7	95.3%	0.0%
Plastics (t)	973.5	82.4%	0.0%
Paper and Card (t)	8,027.6	96.2%	0.0%
Metals (t)	218,061.6	100.0%	n.a.
Others (t)	369,808.5	89.0%	0.2%

The remainder to total 100% is sent to dumps or other destinations.

7.2.4. Initiatives for Reducing Impacts on Biodiversity

- Annual targets are set for identifying sensitive areas and species and adopting prevention and protection measures.
- Protection plans are developed for native species.
- The possibility of incorporating or replacing polluting chemical products with other biodegradable products is being studied.
- Strict and rigorous compliance with environmental law.
- Carrying out of some activities with lightweight machinery.
- Activities for replanting and relocating species in similar habitats.

Impact on Biodiversity. CONSTRUCTION	
Implementation of objectives to minimise the company's impact on biodiversity	40.7%
Companies with projects located in areas of high biological value; % of sales	42.6%
Companies which have carried out specific restoration activities; % of sales	40.7%
Number of species threatened by the activities of Construction companies	19

7. COMMITMENT TO THE NATURAL ENVIRONMENT

7.3. Environmental Services

Urbaser, the lead company in the ACS Group's Environmental Services area, applies strict environmental criteria and sets both corporate objectives and objectives by contract or project.

The main impacts on the environment generated by the ACS Group's Environmental Services area are related to emissions of greenhouse gases produced by waste transport vehicles and the gases generated in the company's dumps and treatment plants themselves. Other significant impacts on the environment result from the lixiviates produced in the dumps and from the management of the wastes generated.

Level of implementation of good environmental practices in the ENVIRONMENTAL SERVICES area

Implementation of an environmental management system	90.1%
Implementation of ISO 14001 certification	85.3%
Implementation of formal objectives in environmental management matters	90.1%
Implementation of specific targets for reducing CO_2 emissions	0.0%
Implementation of projects for reducing waste generation	0.0%
Implementation of plans to reduce water consumption	0.0%
Implementation of objectives to minimise the company's impact on biodiversity	0.0%

7.3.1. Emission of Greenhouse Gases[34]

Greenhouse gas emissions. ($tCO_2eqv.$) ENVIRONMENTAL SERVICES	2010	2011	2012
Scope 1	1,815,753.8	1,618,433.4	1,382,438.7
Scope 2	76,916.9	81,856.9	28,546.9
Scope 3	2,488.9	2,162.5	926.7

7.3.2. Total Waste Water Discharges

Total waste water discharges (m^3) ENVIRONMENTAL SERVICES	2010	2011	2012
To the public network	1,063,835.0	2,057,846.9	1,362,303.6
Discharges to the sea or rivers/lakes	6,605,013.0	55,153.0	47,402.0
Waste water discharges to specific water receiving facilities	N/A	N/A	939,962.3
Total	7,668,848.0	2,112,999.9	2,349,667.8

[34] In relation to Scope 1 emissions, 1,244,789 tonnes of these emissions were generated in waste treatment and waste water purification centres belonging to the Authorities and operated by Urbaser. Given that the company has no control over the design of these centres and, therefore, over the volume of the emissions associated with their operation, they need to be considered separately, although in this report, to maintain consistency with earlier years, they continue to be considered as Scope 1.

These emissions originate in processes associated with waste treatment (composting, biomethanisation, incineration and anaerobic decomposition in dumps) and waste water treatment (denitrification during purification). Methane emissions are not included in waste water treatment, as these are plants with aerobic treatment with an appropriate level of operation.

7. COMMITMENT TO THE NATURAL ENVIRONMENT

7.4. Industrial Services

Industrial Services' activity mainly affects the environment through the use of materials and the generation of wastes. In this respect, the concern of managers in the environmental management departments of each of the ACS Group companies is not only focused on reducing waste, but also the appropriate treatment and recycling of that inevitably produced.

Each company in the Industrial Services area develops its own plans to improve its energy efficiency and minimise its consumption of materials and its generation of wastes.

Level of implementation of good environmental practices in the INDUSTRIAL SERVICES area

Implementation of an environmental management system	98.1%
Implementation of ISO 14001 certification	71.5%
Implementation of formal objectives in environmental management matters	98.1%
Implementation of specific targets for reducing CO_2 emissions	16.4%
Implementation of projects for reducing waste generation	20.3%
Implementation of plans to reduce water consumption	77.4%
Implementation of objectives to minimise the company's impact on biodiversity	6.7%

7.4.1. Material Consumption

INDUSTRIAL SERVICES' provisioning. Main items	2011	2012
Total wood purchased (t)	972.0	638.0
Certified wood (%)	*0.0%*	*9.3%*
Total steel purchased (t)	139,877.0	27,794.0
Steel manufactured with recycled materials (%)	*0.0%*	*0.1%*
Total cement / concrete purchased (t)	56,658.0	31,923.0
Cement / concrete which includes recycled aggregates (%)	*0.0%*	*0.0%*
Total aggregates purchased (t)	14,859.0	69,439.0
Recycled aggregates (%)	*0.0%*	*0.0%*
Total glass purchased (t)	1,057.0	4.0
Recycled glass (%)	*0.0%*	*0.0%*
Total pipes / insulation (generally PVC) purchased (t)	73.0	3,055.0
Recycled pipes / insulation (generally PVC) purchased (%)	*0.0%*	*0.2%*
Cables (t)	5,849.0	2,507.0
Iron (t)	4,313.0	3,960.0
Gases (t)	1,361.0	3,114.0
Lights (t)	563.0	418.0
Bitumen and asphalt (t)	776.0	380.0
Aluminium (t)	218.0	320.0
Copper (t)	857.0	839.0
Electronic and electrical items (t)	376.0	270.0
Plastics (t)	24.0	11.0

7.4.2. Generation of waste

INDUSTRIAL SERVICES' wastes. Main items	2012	Reclaimed (%)	Incineration (%)
Paper and Card (t)	706.9	84.3%	0.1%
Wood (t)	4,047.1	80.8%	0.0%
Electronic Waste (t)	2,168.7	99.7%	n.a.
Scrap (t)	3,254.2	79.5%	17.7%
Urban Waste (t)	5,071.3	19.5%	0.0%
Others (t)	53,217.4	67.8%	0.0%
Total (t)	68,465.5	66.8%	0.8%

The remainder to total 100% is sent to dumps or other destinations.

8. COMMITMENT TO THE SOCIAL SETTING

8.1. The ACS Group's People

2012 Milestones

DRAGADOS

Carrying out of custom training actions on line, adapting the contents to the sector and the company's real needs.

Training, development and culture programme for the sector and company to unify HR procedures internationally.

Inclusion of new training actions in skills aimed at tackling the changes which have occurred in the social and employment environment and in the sector.

Dissemination of a culture of values and behaviours in equal opportunities, training plan and harassment protocol through training in the Equality Law for all the company's workers.

cobra GRUPO

Action plan for local offices in Cobra's international business.

Turner

Installation of a human resources database which is currently used in all HR departments. Hiring of 278 people.

FLATIRON

Focusing on developing talented employees.

HOCHTIEF EUROPE

Development of programmes to promote employee satisfaction.

Development of programmes to improve training for middle managers.

Development of policies for retaining talent.

Leighton Holdings

Actions for implementation and for training employees on Leighton's Code of Conduct.

urbaser

Promotion of collaboration with the Integra Foundation for work placement of workers at risk of social exclusion, which managed to pass 500 hires of people from this group included in the workforces since collaboration began, which has been recognised by the Foundation.

VIAS

Giving specific training on-line on railways through the training action: "Railways course. Superstructure Planning and Construction".

Collaboration with the IAESTE Organisation: Call for scholars (countries of origin: Poland and the USA).

SEMI

Adaptation of workforces to new working systems and production levels.

Preparation of a talent map for the Local Offices group.

Specific Training Plan for the Works Managers group.

MASA CYMI

Implementation of a balanced scorecard based on management of indicators relating to HR management, both domestically and internationally.

Challenges for 2013

HOCHTIEF EUROPE

Reduction of labour costs.

Increasing the perception in the market as an "attractive employer".

Recruitment of specialised personnel: Works managers, specialists, middle managers.

Implementation of measures related to the "People Index 2012" campaign.

DRAGADOS

Integrating, homogenising and standardising common procedures in the domestic and international HR field.

Turner

Improving working conditions for employees in terms of work post location and mobility.

FLATIRON

Improvement to operational management of employees, reduction of labour cost and increasing the talent retention ratio.

Leighton Holdings

Improving employee capabilities in terms of: Professionalism, diversity and inclusion, health and safety, leadership, performance and remuneration. Increasing training actions for implementation of the Code of Conduc.

urbaser

Implementing and automating the performance assessment process for all Technical/Administrative personnel.

DRAGADOS USA

Inclusion of retirement programmes and continuous reviewing of the risk prevention plan in all companies. Hiring and development of talent in the organisation. Relocating existing talent in other projects. Continuing to build a positive image of the company through recruitment in universities. Gaining the involvement of managers and employees in the new Taleo management systems (Time & Attendance module).

PULICE

Continuing with efforts to maintain the percentage hires of women as laid down by the OFCCP, as well as federal contractors and to reach DBE targets.

MAESSA

Implementation of a Flexible Remuneration Plan.

Preparation of profiles by job post.

Implementation of a training database available to all authorised personnel.

Abiding by the principles of the UN Global Compact for the empowerment of women.

INITEC Energía

Working environment survey and development of an equality plan.

THE CAPACITY OF ACS´S HUMAN CAPITAL IS KEY FOR ITS SUCCESS. THAT IS WHY THE COMPANY PROMOTES THE PROFESSIONAL DEVELOPMENT OF ITS EMPLOYEES AND GUARANTEES EQUALITY OF OPPOTUNITIES AND TREATMENT

8.1.1. Strategic Priorities

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

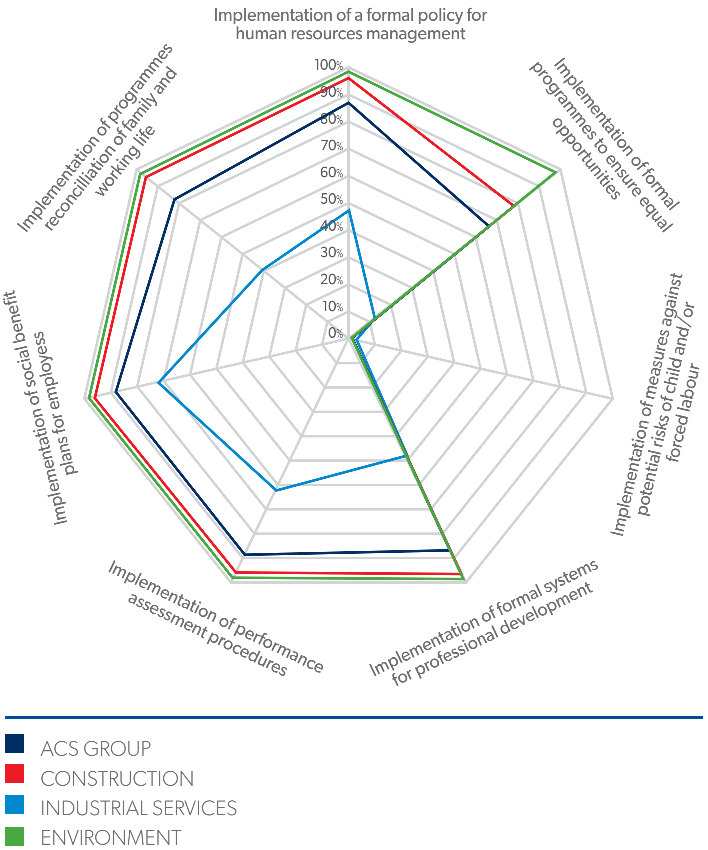
The ACS Group applies modern and efficient human resource management tools with the objective of retaining the best professionals. Companies representing 80.8% of the ACS Group's employees state that they set formal objectives for Human Resource management. Some of the fundamental principles governing the companies' corporate human resources policies are based on the following common actions:

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

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

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

STRATEGIC PRIORITIES



Level of implementation as reported by ACS Group companies and according to the number of employees in each of them.

[35] The data referring to the ACS Group included in this section were calculated by analysing the information supplied by the Group's different companies, weighted by number of employees. The data is expressed in terms of percentage of total Group employees at 31 December 2012.

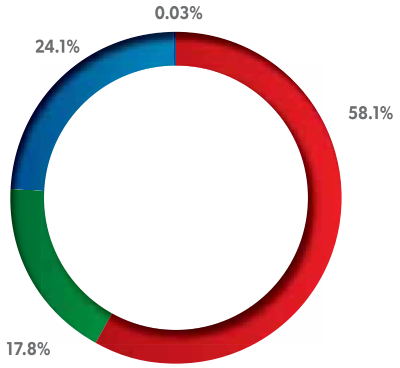
8. COMMITMENT TO THE SOCIAL SETTING

8.1.2. Main Figures

The ACS Group employs a total of 162,471 people, of whom 49,967 work in Spain and 112,504 abroad. Of all the employees, 53,217 people are of a different nationality to that of their company's head office. The ACS Group has employees in more than 54 countries, in which it promotes its workers' economic and social development.

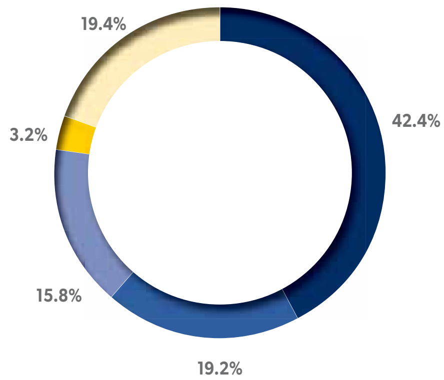
PERSONNEL BY AREA OF ACTIVITY

%



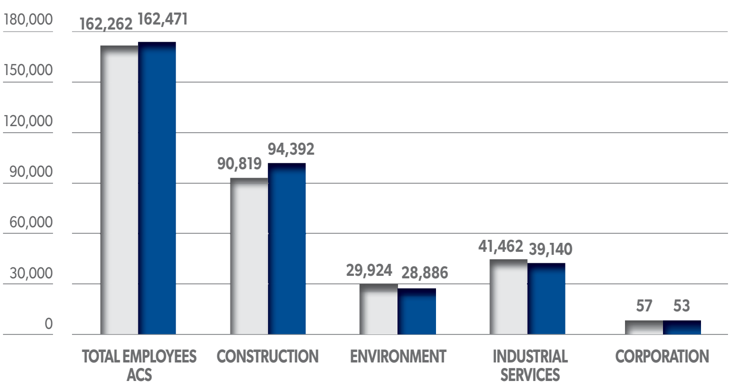
PERSONNEL BY GEOGRAPHICAL AREA

%

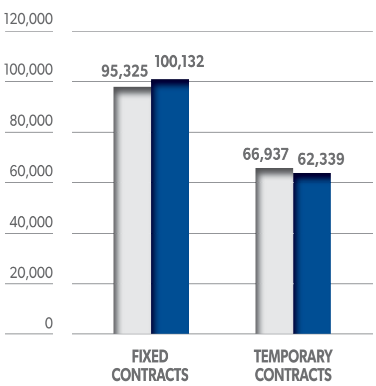


NUMBER OF EMPLOYEES BY LINE OF BUSINESS

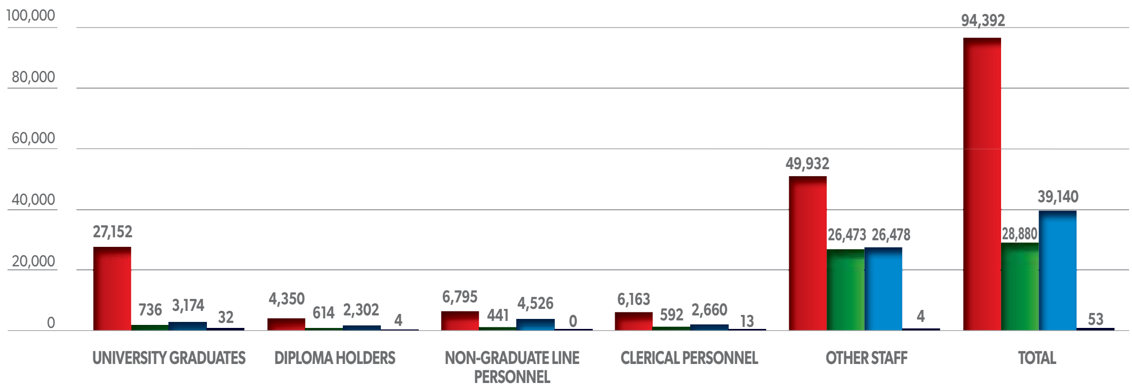
NUMBER OF EMPLOYEES



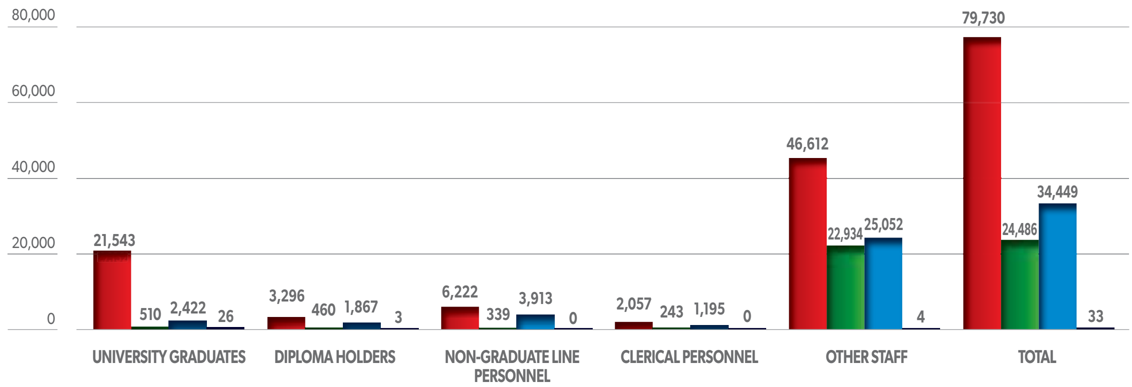
TYPES OF CONTRACT



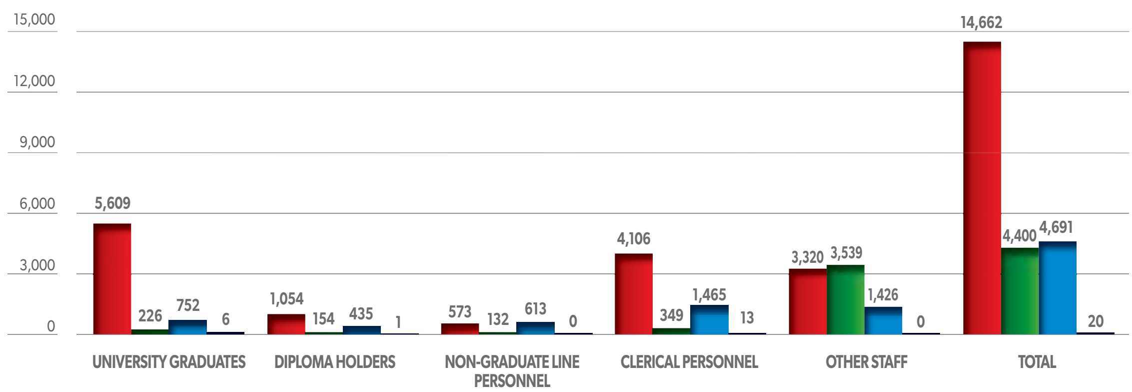
PERSONNEL BY PROFESSIONAL CATEGORY AND AREA OF ACTIVITY



MEN BY PROFESSIONAL CATEGORY AND AREA OF ACTIVITY



WOMEN BY PROFESSIONAL CATEGORY AND AREA OF ACTIVITY



CONSTRUCTION
ENVIRONMENT
INDUSTRIAL SERVICES
CORPORATION

8. COMMITMENT TO THE SOCIAL SETTING

8.1.3. Sustainable Management of the ACS Group's People

8.1.3.1. Equality, Diversity, Integration, Rights

Equality of opportunity, lack of discrimination and respect for human rights, which are basic principles included in the Group's Code of Conduct, are also determining factors when advancing the professional and personal development of all the ACS Group's employees.

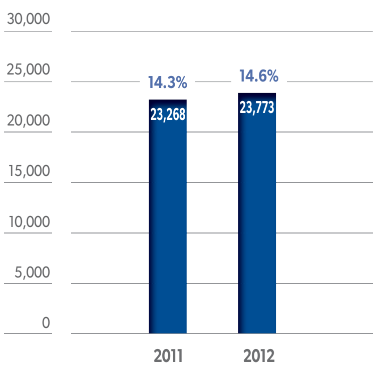
The ACS Group rejects any type of discrimination, in particular that due to age, sex, religion, race, sexual orientation, nationality or disability. This commitment extends to selection and promotion processes, which are based on assessment of the person's capabilities, on the analysis of the requirements of the job post and on individual performance.

Currently, companies representing 66.6% of ACS Group employees have formal programmes to ensure equality of opportunities. These Equality Plans have adopted specific actions in companies representing 79.1% of ACS's employees, as regards selection and hiring of personnel, salary, training, working days, professional promotion, assistance, bonuses and social, health and occupational risk prevention policies, as well as in matters of gender violence.

Good practices in sustainable HR management.
(SCOPE EXPRESSED IN PERCENTAGE OF ACS GROUP EMPLOYEES)

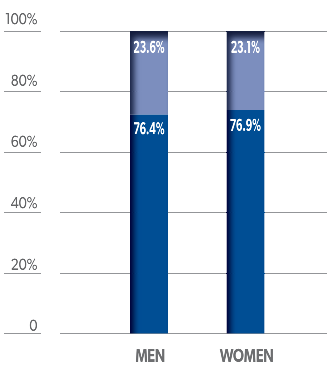
	2012
Formal commitment to the Universal Declaration of Human Rights	81.3%
Formal commitment to the OECD guidelines for multinational enterprises	76.0%
Implementation of formal programmes to ensure equal opportunities	66.6%
Potential risks of child and/or forced labour	0.8%
Potential threats to rights of association	0.1%

NUMBER OF WOMEN IN THE ACS GROUP

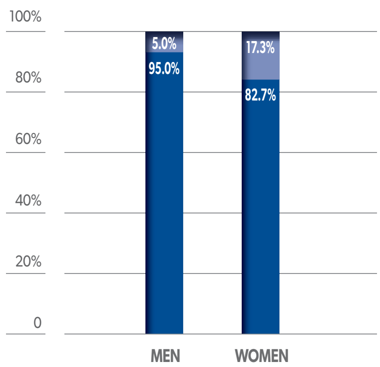


WOMEN
% OF TOTAL WORKFORCE

TYPES OF CONTRACT BY GENDER
%



OPEN-ENDED CONTRACT
PARTIAL CONTRACT



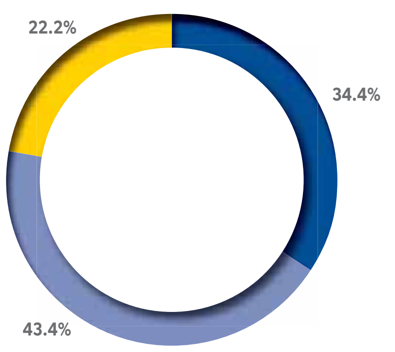
FULL TIME WORKING
PART TIME WORKING

The ACS Group also promotes the hiring of people with disabilities and offers them a working environment which enables them to develop under conditions of equality. In this regard, 1,362 disabled people were working in the ACS Group at 31 December 2012.

The ACS Group also understands the relevance that having local roots and being sensitive to each place's particular nature has in the company's success. For that reason, it promotes direct hiring of local employees and managers. The number of executives from the local community totalled 1,169 in 2012.

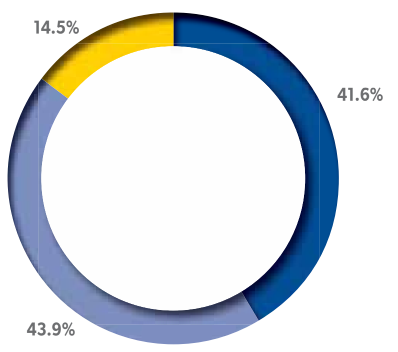
Through the channels available to the company, three incidents related to discrimination were reported, of which two were rejected in court and the other is in progress.

PERSONNEL BY AGE - MEN



35 OR UNDER
BETWEEN 36 AND 50
51 OR OVER

PERSONNEL BY AGE - WOMEN



35 OR UNDER
BETWEEN 36 AND 50
51 OR OVER

8. COMMITMENT TO THE SOCIAL SETTING

8.1.3.2. Labour Relations

All the ACS Group's employees, including expatriate Spanish workers, are subject to the collective agreements in force applicable to the sector in which they work, as well as the regulations relating to management personnel and, in all cases, the labour legislation in the countries where they work. For example, collective agreements on matters of notice period(s) regarding organisational changes are rigorously respected.

In the field of labour relations, the ACS Group considers dialogue to be an essential element. For this reason, it holds regular meetings with union representatives for all its companies. Of Group employees, 21.0% are members of trade unions or union organisations.

Furthermore, only in companies representing 0.1% of ACS Group employees were activities detected in countries where rights of association and union representation are threatened, it being ACS Group policy to promote good labour practices and respect for the legislation in force.

8.1.3.3. Turnover and Absenteeism Rate

According to that reported in 2012, average employee turnover rate in the ACS Group was 15.1%, at 15.7% for men and 14.8% for women.

The absenteeism rate[36] for Group employees in 2012 was 8,223.

[36] Absenteeism rate: Total number of days lost (due to absence) during the period over the total number of days worked by the group of workers during the same period, times 200,000.

8.1.4. Employee Remuneration and Benefits

8.1.4.1. Services for Employees

Companies representing 90.3% of ACS Group employees offer their employees social benefits of a variety of natures. Worthy of note among these services, going under various names, with differing content and scope of application, are the following:

- Life and accident, travel and health insurance.
- Salary advances.
- Annual medical checks and medical care.
- Assistance for those with children with disabilities.
- Help with schooling for children and workers taking courses in official centres.
- Economic assistance for food or company canteens.
- Company bus service.
- Company Welfare programmes.
- Agreements with banks.
- Commercial discounts in affiliated establishments.
- Cultural and social activities.

With respect to retirement plans, companies representing 72.1% of employees reported the existence of retirement plans. The rest of the companies located in Spain rely on the public pension systems. In addition, some of them promote partial retirement.

Some companies located outside Spain, such as Schiavone, Pulice, Picone and HOCHTIEF in Europe, offer retirement plans to their employees.

HOCHTIEF AMERICAS

The companies belonging to the HOCHTIEF Americas division are attractive and popular employers in the USA and Canada, as indicated by numerous studies conducted among various stakeholder groups.

Turner was ranked among the top 100 most popular US employers in the reporting period in the "Ideal Employer" study conducted by Universum Communications. The study surveyed more than 60,000 students nearing graduation.

Turner was also recognized in the area of diversity in 2012. For the fourth year in a row, business owners named the HOCHTIEF subsidiary one of the top 50 organizations for multicultural business opportunities.

According to a survey, employees at Turner have a strong sense of loyalty to the company, and gave high favorability ratings for a range of topics including career development and benefit programs.

In 2012, Flatiron was voted one of the 50 best large employers in the country by the "Great Place to Work Institute Canada." The ranking was based on a survey of Flatiron's own employees and included some 60 factors as well as a detailed examination of corporate culture, personnel policy, and human resources operations. Eighty-two percent of employees said Flatiron was a "great place to work." A total of 49,000 employees from more than 230 companies in Canada took part in the study.

8. COMMITMENT TO THE SOCIAL SETTING

8.1.4.2. Flexibility and Reconciliation

Companies representing 84.5% of Group employees have programmes promoting balance between family life and work available to them.

The following are noteworthy among the different initiatives applied by ACS Group companies to promote balance between family life and work:

- Flexible working time: the workforce can take up the offer of flexible working time schemes, with a margin of one hour, to accommodate their periods for entering or leaving work to their personal needs.
- Reduction of the working day: there are people in ACS who have a working day without a break or who have a reduced day.
- Accumulation of breast-feeding periods.
- Time off or part-time working for fathers and mothers after childbirth.
- Change of work centre due to change of residence.
- Management of shift changes between workers in services.

8.1.4.3. Remuneration

The remuneration model of ACS Group companies includes numerous specific details and characteristics which, in many cases, even convey competitive and operational advantages in sectors such as engineering and works management.

From among these disparate remuneration systems, in the section on commitment to people it is important to analyse whether the use of variable remuneration is common and what the main factors are which influence such remuneration, especially whether these factors are related to sustainability.

In 2012, companies representing 90.4% of Group employees reported the existence of variable remuneration in their payment plans. These remunerations are calculated in all cases based on operational and economic factors. A small part of the remuneration also depends on targets set as regards sustainability (four Group companies, representing 47.4% of its employees, state that they include sustainability targets in the calculation of variable remuneration).

8.1.5. Professional Development

Companies representing 84.7% of ACS Group employees offer their employees some form of professional development system.

8.1.5.1. Competences

Each ACS Group company manages its professionals' development independently, adapting this to its needs and the specific nature of its activities. Companies representing 75.5% of ACS Group employees adopt competence management models to improve personal knowledge and skills and use training as a tool to achieve ideal performance of the work.

Competence maps, prepared in ACS Group companies, are aligned with the strategy and particular features of each one. These maps, which are reviewed regularly, define the basic and specific competences of each work post which are essential for its effective performance.

8.1.5.2. Assessment and Development

The performance assessment models in ACS companies are based on the competences and parameters for each work post, as described in the management systems.

Although the companies manage the professional development of their workforces independently, they all share some common elements, namely:

- They allow the worker to talk about their job situation, express their interests and motivations, both personal and professional, their geographic flexibility, their training interests and their idea of their professional future in the company.
- They enable the company to show a receptive attitude to the information obtained from its workers, in order to be able to deal with their concerns, as far as possible, by implementing corrective actions.
- They allow decision making to be accelerated when selecting appropriate personnel for specific posts, as well as in determining professional promotion or increasing worker employability.
- They enable fair and equitable metrics to be established for setting variable remuneration.

These methodologies are consolidated and functioning fully in various ACS Group companies. In fact, companies representing 87.4% of Group employees reported their use. Of these, the number of employees involved in performance assessment processes was 63,482 in 2012, reaching 39.1% of the total workforce.

One of the most significant employee motivation and satisfaction initiatives is the possibility of promotion. The turnover of the ACS Group and its continuous growth generate a significant number of annual promotions among employees who, due to their efforts and effectiveness, are nominated for positions of greater responsibility. A total of 1,503 employees were promoted in 2012.

8.1.5.3. Employee Satisfaction

Companies representing 76.0% of Group workers stated that they have formal processes for measuring employee satisfaction. Of these, those which had carried out satisfaction surveys in 2012 reported that, on average, 77.2% of employees responded that they were “satisfied” or “very satisfied”[37].

Additionally, other types of tools have been used to assess this aspect:

- Exit interviews carried out when employees leave voluntarily. Frequent in many ACS companies, their aim is to go into the reasons for the worker leaving the company in greater depth and into those aspects they would highlight as negative and as positive.
- Regular interviews with the employee’s supervisor, enabling the employee’s situation to be known.
- Suggestions box. Collecting workers’ ideas, initiatives and complaints.

[37] Surveys were carried out in 2012 in companies representing 82.0%of ACS Group employees.

8. COMMITMENT TO THE SOCIAL SETTING

8.1.6. Training Plans

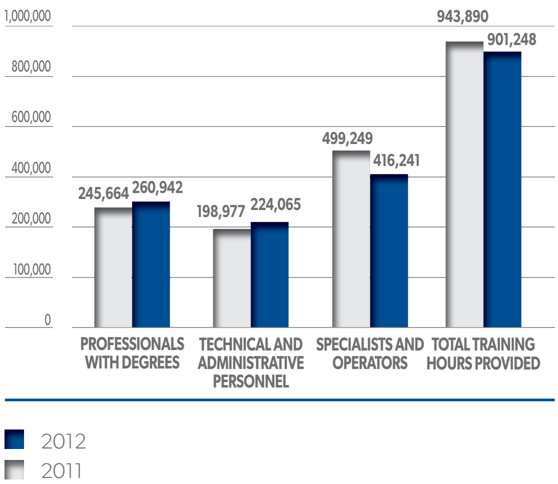
The ACS Group has programmes for continuous training and skills development, aimed at covering the employees' training wants and needs, as identified during the year and in line with the competences established in the management models. The aim of the training plans is to meet the employees' training needs for correct execution of their work and for their personal and professional development.

The training plans for the different companies are updated regularly to adapt them to the needs of each business and, in the end, of each person. Companies representing 84.7% of Group employees report the existence of tools for managing development of human resources such as training platforms, on-line training (77.8% of courses given were non- attendance) or even agreements with training centres. Indeed, tools are available which are adapted to the different competence profiles to analyse training needs. Specifically, in ACS Group companies, courses are given in areas related to the following aspects, among others:

- Management training.
- Technological specialisation in management and production systems.
- Knowledge of products and services provided.
- Policies on quality and the environment.
- Job safety.

TRAINING GIVEN BY PROFESSIONAL CATEGORY

Hours



Average number of training hours by professional category (*)	2010	2011	2012
Management, professionals with degrees	17.38	6.71	6.80
Technical and administrative personnel	6.00	7.02	10.56
Specialists and operators	4.2	5.1	4.0

(*) Average number of training hours = (Total hours of training per professional category) / (Total employees per professional category)

Participants in training courses	2010	2011	2012
Number of participants	72,152	55,613	63,450

Investment in training	2010	2011	2012
Investment in training (€ million)	11.50	18.61	26.55
Training per employee (€/employee)	87.66	114.57	163.43

8.2. Safety in the Workplace in the ACS Group

2012 Milestones

DRAGADOS

Reduction in the serious accident rate by 56.4% in the company's own workers. Reduction of the serious/fatal accident rate in subcontractor company employees by 47.37%.

Zero fatal accidents among own and subcontracted personnel.

Implementation of the 2012 "Distraction is a risk" campaign (focused on carrying out the necessary actions to prevent distractions as a psycho-social risk).

First Asepeyo Prize for "Best Risk Prevention Practices" in the field of "Best prevention action for risk control" for the action: "Innovations in the design of tunnelling machines for cutting wheel maintenance work".

cobra GRUPO

Attainment of good results in terms of accident indices, with 80.1% of local offices with zero accidents.

urbaser

Carrying out of numerous occupational risk prevention programmes, above all in countries such as Venezuela, Mexico, Chile, Argentina and Morocco.

HOCHTIEF EUROPE

Extension of OSHAS18001 certification coverage.

FLATIRON

OSHAS18001 certification and achievement of highly satisfactory results in Health and Safety terms, with a greatly reduced number of incidents.

Turner

Integration of Health and Safety and sustainable construction policies into the company's policies.

Leighton Holdings

Carrying out of various initiatives in the company, noteworthy among which are the inclusion of factors related to health and safety in executives' remuneration, increasing the number of management indicators in the balanced scorecard for health and safety and the increase in the information provided to managers and the Board of Directors.

DRAGADOS POLAND

Carrying out of actions to increase health and safety in works by promoting training, safe access systems, coordination in safety management and defining processes in Dragados Poland.

SEMI

Continuation of the information campaign on prevention of musculo-skeletal disorders in works and offices and improvement of functions and identification of Risk Prevention Resources for works.

Challenges for 2013

cobra GRUPO

Plan for risk prevention service standardisation in the international area.

Plan for integration of Occupational Risk Prevention at all hierarchical levels through field safety inspections.

Special campaign for prevention of electrical accidents: "5 golden rules".

DRAGADOS

2013 campaign "This is your equipment too, protect it".

Definition and Preparation of a Global Policy and Guide in Health and Safety; and Implementation of improvements in risk prevention systems in the international area.

urbaser

Carrying out of a general inspection of equipment in treatment plants in Spain.

HOCHTIEF EUROPE

Development of policies which promote an occupational risk prevention-oriented culture.

DRAGADOS USA

Carrying out of specific actions in relation to machinery safety, especially cranes, noteworthy among which are audits carried out throughout the year.

VIAS

Completing the OSHAS18001 certification processes in several companies, with Vías (International), Dragados Canada, Schiavone and Picone being worthy of note in the construction area.

MASA CYMI

Review of the whole Risk Prevention Management System and its specific procedures by integrating them with the Quality and Environment Management System.

Certification of Safety Management Systems in Spain, Mexico and Brazil.

Development of a management control application.

intecsa industrial

Maintenance of indicators of unsafe conditions/acts reported associated with particularly hazardous activities at below 15% of the total: Work at Height and Use of Equipment and Tools.

8. COMMITMENT TO THE SOCIAL SETTING

8.2.1. Strategic Priorities

The prevention of occupational risks[38] is one of the strategic pillars of all ACS Group companies. Each of these companies and the Group in general maintain the commitment to reach the most demanding standards in this area and so become a reference in health and safety protection, not only for its own employees, but also for its suppliers, contractors and collaborating companies.

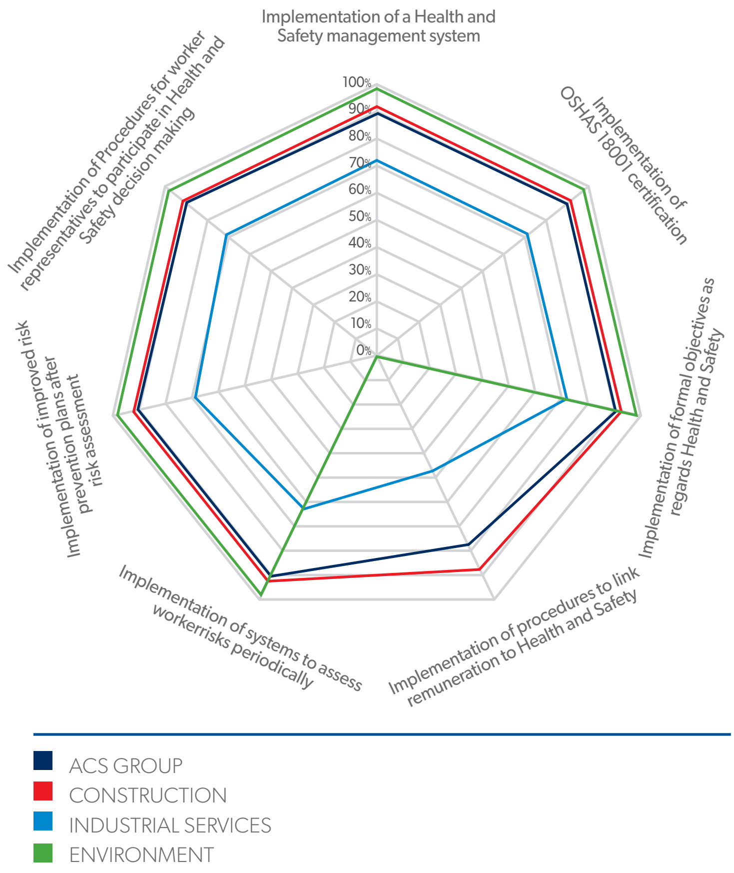
The main challenge lies in designing and implementing, in all its operating fields, a risk prevention service which meets expectations. Furthermore, the company considers it fundamental to reinforce its commitment to a risk prevention culture and to optimising resources.

Thanks to the individual commitment of all its employees and the involvement of suppliers, contractors and collaborating companies, the ACS Group continues to advance in building the desired risk prevention culture, approaching its ultimate objective of achieving an accident rate of zero.

[38] The data referring to the ACS Group included in this section were calculated by analysing the information supplied by the Group's different companies, weighted by number of employees. The data is expressed in terms of percentage of total Group employees at 31 December 2012.

The concepts of occupational risk prevention and health and safety at work are used indistinctly.

STRATEGIC PRIORITIES OF ACS GROUP COMPANIES



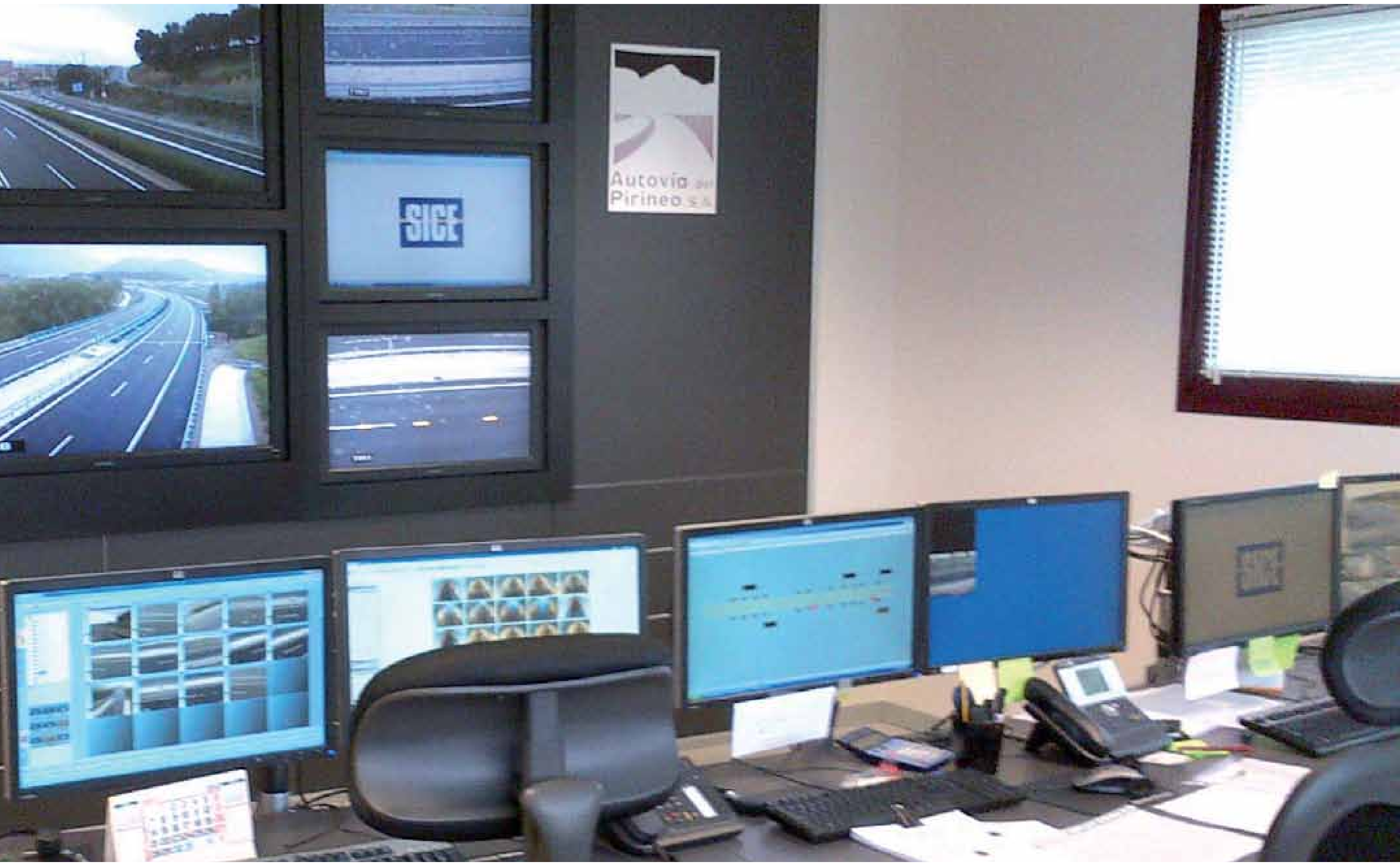
Level of implementation as reported by ACS Group companies and according to the number of employees in each of them.

8.2.2. Management Model

The ACS Group's risk prevention policy complies with the various Occupational Health and Safety regulations which govern the area in the countries where it is operates, at the same time as promoting integration of occupational risks into the company strategy by means of advanced practices, training and information.

Despite the fact that they operate independently, the great majority of the Group's companies share common principles in the management of their employees' health and safety. These principles are the following:

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



8. COMMITMENT TO THE SOCIAL SETTING

8.2.2.1. Systems

Group companies representing 88.9% of its employees report that they have a health and safety system which deals with the implementation of the policy and of the action plans developed in accordance with the priorities identified. In general, all ACS Group companies share a series of characteristics in risk prevention management:

- Implementation of systems for management of health and safety risk prevention, developed according to the OHSAS 18001 reference standard. This policy was reported by companies representing 88.9% of Group employees.
- The existence of internally and/or externally audited systems (81.1% of Group employees).
- Definition of objectives and planning of preventive actions in the framework of the policy and particular nature of each company, an aspect which affects 88.9% of the Group's employees.
- There are systems for regular assessment of the risks to which workers are exposed in companies representing 88.9% of ACS Group employees.
- Risk prevention plans are defined which take in the improvements detected in these assessment procedures (88.1% of Group employees).
- Systems which could have resulted in an incident are identified and recorded (analysis of near misses) in companies representing 86.9% of ACS's employees.
- Workers' and managers' remuneration are referenced to fulfilment of formal targets as regards health and safety in 75.0% of the ACS Group.
- There are integrated computerised systems in companies representing 72.8% of Group employees, which are used to monitor data related to employee and subcontractor health and safety.

8.2.2.2. Health and Safety Policies

In line with the risk prevention policy, and within these Group companies' management systems, these are the main common characteristics:

The supervision and optimisation of these systems involves setting and monitoring objectives, which are generally annual, approved by senior management and transferred to the company's various levels to be fulfilled.

8.2.2.3. Investment

INVESTMENT AND COSTS FOR HEALTH AND SAFETY IN THE WORKPLACE MILLION EURO	2010	2011	2012
Construction	11.2	8.3	21.6
Environment	5.8	6.1	5.1
Industrial Services	17.4	12.2	12.5
Total	34.4	26.6	39.2

INVESTMENT AND COSTS PER EMPLOYEE FOR HEALTH AND SAFETY IN THE WORKPLACE EURO PER EMPLOYEE	2010	2011	2012
Construction	621.5	522.0	732.6
Environment	72.5	210.8	176.4
Industrial Services	416.8	311.4	319.5
Total	244.0	163.7	241.7

8.2.2.4. Risk Prevention Plans

The Risk Prevention Plans prepared in the Group companies include the conclusions from the regular risk assessments and guidelines for action are laid down for achieving the objectives set. Likewise, in many of the Group's companies, specific assessments are carried out for activities and centres, leading to Specific Risk Prevention Plans.

Along these lines, certain groups of workers, who, due to their occupation, are at high risk of contracting specific diseases, are given special consideration.

EMPLOYEES WITH OCCUPATIONS WITH RISKS OF CONTRACTING SPECIFIC DISEASES NUMBER OF EMPLOYES	2010	2011	2012
Construction	60	558	358
Environment	1,568	1,789	1,921
Industrial Services	816	666	839
Total	2,444	3,013	3,118

8. COMMITMENT TO THE SOCIAL SETTING

8.2.2.5. Participation of Workers' Representatives

The consolidation of a risk prevention culture in the Group requires the participation of all the employees and, especially, of the workers' representatives, given that they are the communication channel between the workers and the company management. Representatives of 88.9% of the Group's workers take decisions in the health and safety field.

In Spain, this participation takes place, basically, through risk prevention representatives and, where applicable, the occupational risk prevention committees. Companies or work centres with 50 workers or more have a Health and Safety Committee set up. These Committees are the peer and professional body for participation dedicated to regular and periodic consultation on company actions as regards risk prevention.

The committees are made up of risk prevention representatives, on the one hand and, on the other hand by the employer and/or his or her representatives in an equal number to the prevention representatives. These committees hold quarterly meetings, for which minutes are taken on the matters discussed and the decisions taken. These minutes must be written within the period of one month after the meeting and be presented to the parties for their consultation and comments.

8.2.2.6. Training and Information

Training and information are fundamental to the development of the ACS Group's risk prevention policy and are the most effective medium for sensitising the company's people to health and safety. Companies representing 88.9% of ACS Group workers offer safety training.

NUMBER OF HOURS TRAINING GIVEN AS REGARDS HEALTH AND SAFETY

NUMBER OF HOURS	2011	2012
Construction	202,392	221,934
Environment	153,433	203,502
Industrial Services	277,001	206,166
Total	632,826	631,602

8.2.2.7. Other Initiatives Related to Health and Safety

Several common characteristics which are worthy of highlighting were found in the study of the Group's different companies:

- Companies representing 89.7% of the workers have developed measures to guarantee the safety of third parties when they visit the companies' facilities.
- It should be highlighted that, as a general guideline and for companies which contract safety personnel, it is the contracted company which is responsible for providing the corresponding training to ensure the appropriate actions of its employees. In some cases, this training includes specific content on human rights. If any Group company contracts a company which does not meet this requirement, the inclusion is suggested of this human rights training in the recycling courses they carry out with their personnel periodically.
- Companies representing 87.5% of the workers offer programmes and benefits related to health to their employees.

The ACS Group collaborates with organisations specialised in matters of health, safety and risk prevention and actively participates in the main conferences, congresses and forums organised domestically and internationally. This is a way of offering its experience and updating itself on the latest trends and best practices.

The main organisations of which ACS Group companies are part, either as members of their health and safety commissions or committees or by participating through some kind of collaboration are:

COUNTRY	ORGANISATION
SPA	CNC
SPA	AESPLA
SPA	SEOPAN
CAN	Infrastructure Health & Safety Association
US	Associated General Contractors
US	ASSE
US	National Safety Council
US	General Contractor Association
US	NY Safety Committee
UK	NISO
POR	IEFP
SPA	Fundacion Laboral de la Construcción
SPA	PESI
POL	Polish Labour Inspectorate
US	Construction Users Roundtable
US	American National Standards Committee
EU	ENCORD
AUS	Australian Constructors Association
AUS	Safety Institute of Australia
AUS	National Safety Council of Australia
AUS	Federal Safety Commission Accreditation

8. COMMITMENT TO THE SOCIAL SETTING

8.2.3. Accident Rate

The ACS Group carries out detailed measurement of the main accident rate indices.

Faithful to its commitment to achieve its final objective of an accident rate of zero, ACS will continue to prepare specific plans for activities with the greatest risk and worst accident rates, which consider improvement actions in the management of this area, not only internally, but also among its business partners.

8.2.3.1. Employee Accident Rate Indices[39]

[39] The information from Leighton is not included in the Frequency or Absenteeism rates in 2011 or 2012.

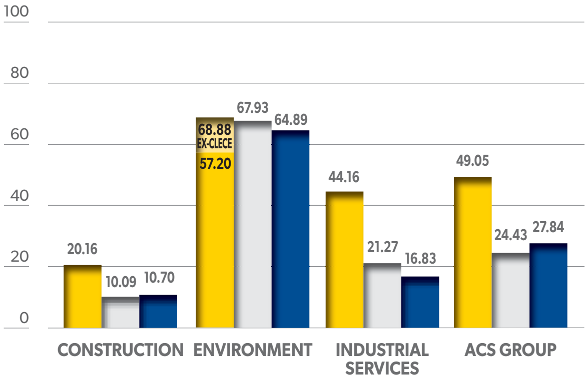
The indices for Environment in 2011 have been recalculated to make them homogeneous with the rest of the areas of activity, which only include in the calculations those accidents which involve the person involved in the accident being off work.

In the graphs for this section, data is included in Environment for Clece for 2010, but not for 2011 or 2012, as the company was consolidated as an asset prepared for sale. If Clece is discounted for 2010, the Environment accident rate indices would be:

Frequency rate: 2010 = 68.88
Severity rate: 2010 = 1.87
Incident rate: 2010 = 98.67
TEP: 2010 = 0.05

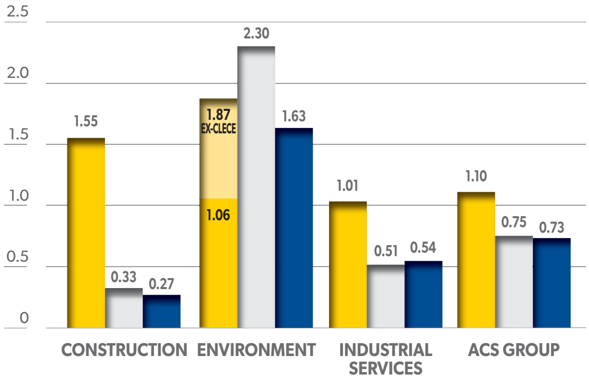
FREQUENCY RATE

NUMBER OF ACCIDENTS THAT OCURRED DURING THE WORKING DAY FOR EVERY MILLION HOURS WORKED



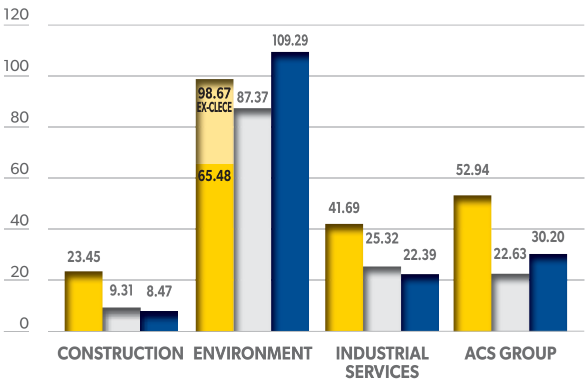
SEVERITY RATE

NUMBER OF WORKING DAYS LOST DUE TO ACCIDENTS PER THOUSAND HOUR WORKED



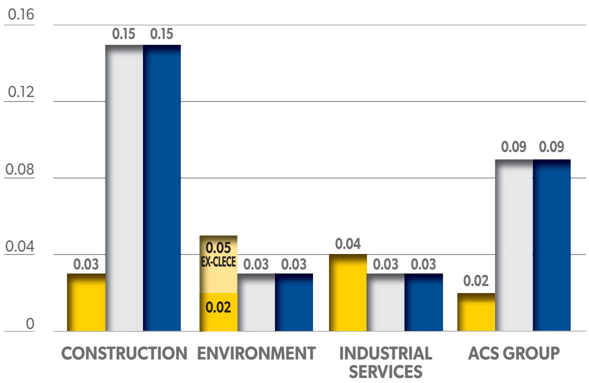
INCIDENT RATE

NUMBER OF ACCIDENTS WITH SICK LEAVE PER THOUSAND WORKERS



PROFESSIONAL DISEASE RATE

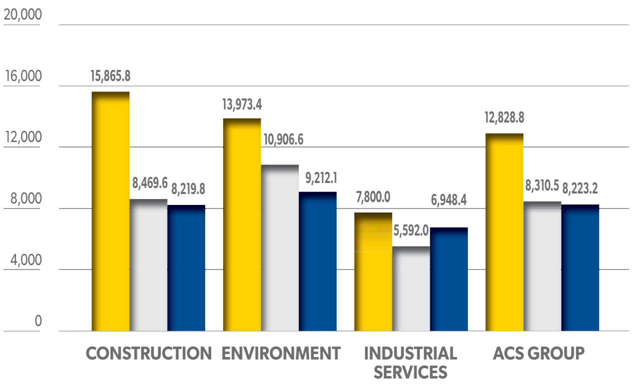
TOTAL NUMBER OF CASES OF OCCUPATIONAL DISEASES OVER THE TOTAL HOURS WORKED TIMES 200,000



2012
2011
2010

ABSENTEEISM RATE

TOTAL NUMBER OF DAYS LOST (DUE TO ABSENCE) DURING THE PERIOD OVER THE TOTAL NUMBER OF DAYS WORKED BY THE GROUP OF WORKERS DURING THE SAME PERIOD.



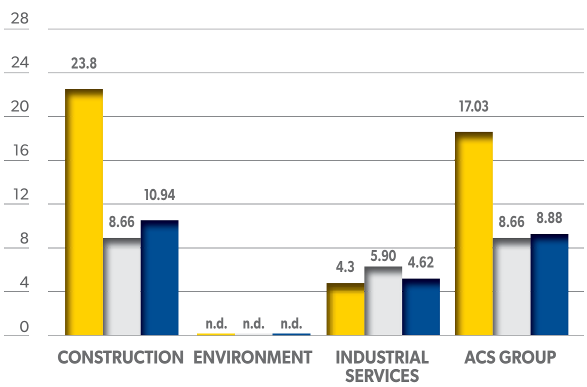
- 2012
- 2011
- 2010

8.2.3.2. Accident Indicators for Subcontractors

The spreading of the risk prevention culture among suppliers, contractors and collaborating companies is another of the Group's basic lines of action in this subject. Details on the control and management efforts in this area are included in this document in the Suppliers section.

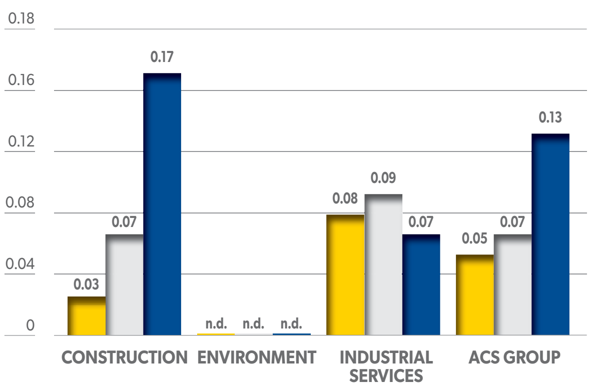
FREQUENCY RATE

NUMBER OF ACCIDENTS THAT OCCURRED DURING THE WORKING DAY FOR EVERY MILLION HOURS WORKED



SEVERITY RATE

NUMBER OF WORKING DAYS LOST DUE TO ACCIDENTS PER THOUSAND HOURS WORKED



- 2012
- 2011
- 2010

8. COMMITMENT TO THE SOCIAL SETTING

FUNDACION ACS

8.3. Social Action in the ACS Group

2012 Milestones

Outstanding among the ACS Foundation's actions executed this year are:

- The completion of the accessible opening of the Convent of Santa Clara in Tordesillas and the Las Huelgas Monastery in Burgos and execution of the accessibility project for the Yuste Monastery.
- Active participation in the Spanish National Environment Conference, CONAMA 12, held under the slogan "Let's reinvent ourselves".

Challenges for 2013

Carrying out of the accessibility project for the Royal Palace of La Almudaina and completion of the accessibility for the Yuste Monastery, jointly with Spanish National Heritage and the Spanish Royal Board on Disability.

Environmental Education Programme to instil values of respect for the environment.

Publishing of the book on the restoration of the Colegio de Infantes, to be converted into the Permanent Museum of Tapestries of Toledo.

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

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

Annually, the ACS Foundation prepares its Action Plan, in which it explains in detail the activities planned for the following year. This report shows the most significant projects with the investment allocated for each area of action.

In 2012, the ACS Foundation spent €3,898 million, equivalent to 92.84% of its budget and similar to the amount in the previous year.

A budget of €4.201 million has been approved for 2013, slightly higher than the previous year.

8.3.1. Impact and Monitoring of Social Actions

Before each philanthropic project is carried out, the ACS Foundation identifies the social impact it may have. For example, before carrying out the accessibility project for the El Escorial Monastery in 2010, or the projects at Las Huelgas and Tordesillas in 2011 and the Yuste Monastery in 2012, and as a preliminary measure to gauge their benefit to society, the number of complaints recorded due to problems with accessibility to the monument was analysed, as well as the number of visits annually people with disabilities have been able to make on guided visits after the ACS Foundation's action, and their level of satisfaction.

Once the projects have been completed, the ACS Foundation carries out monitoring of the social benefit generated and continuance of investment actions is defined for the most successful initiatives.[40]

[40] An investment of €400,000 has been to improve the specified monuments: €200,000 in the case of the 2010 El Escorial Monastery project, €200,000 on the two projects in 2011 (Las Huelgas and Tordesillas) and €165,000 on the Yuste Monastery in 2012.

8.3.2. Activities in 2012

During 2012, the ACS Foundation carried out activities in the framework of its action plans, with growth in all fields, especially in scientific, technological and social research.

The programmes carried out by the ACS Foundation relate to:

- Elimination of barriers and full accessibility in favour of people with disabilities and reduced mobility.
- Education on and defence of the environment.
- Restoration of monumental historical heritage.
- Scientific and technical research.
- Sponsorship of other foundations and institutions.
- Support for cultural activities.
- Support for sporting activities.
- Cooperation for development.
- Various support actions and donations.

In 2012, on the initiative of the ACS Foundation and in the framework of the collaboration agreement with Spanish National Heritage and the Spanish Royal Board on Disability, the Convent of Santa Clara in Tordesillas and the Las Huelgas Monastery in Burgos were made accessible, achieving 100% accessibility for people with reduced mobility, and the latter was opened by Her Majesty Queen Sofia in September of last year. The accessibility project for the Yuste Monastery was prepared, the works for which will be complete in June 2013. From that time, the Monastery will be fully accessible to people with reduced mobility.

With regards to the programme to eliminate barriers for people with disabilities, the actions carried out in previous years have been expanded, relating to training professionals who head technical projects for building, town planning and transport, "universal design", as well as the holding of seminars on accessibility in Spanish monumental architectural heritage and on research relating to accessible sports facility design, with the Spanish Paralympic Committee, publication of which will take place in the coming months. The Accessibility Manual for Municipal Specialists, as written together with the ONCE Foundation, with widespread effects in Spain and internationally, was published.

8. COMMITMENT TO THE SOCIAL SETTING

Collaboration continued in the Queen Sofia Prizes 2012 for Universal Accessibility to Spanish and Latin American Municipalities, jointly with the Spanish Royal Board on Disability and the Spanish Cooperation Agency for Development (AECID). In 2012, the prizes went to the Local Councils of Carranque (Toledo), Cáceres and Burgos and Valladolid (ex-aequo) and the Council of Miraflores, Lima (Peru) and Medellín (Colombia).

In the field of dissemination and restoration of national architectural heritage, the ACS Foundation published a book on the restoration of the old Banco de España building in Santiago de Compostela, which has become the Museum of Pilgrimages, and another on the restoration of the Courthouse in Burgos.

Similarly, there was involvement it various publications related to the historical heritage programme, outstanding among which is the publishing of the book "Spanish Architecture 1975-2010. 35+ Building in Democracy", for which the ACS Foundation received the prize from the Official Architects' Association of Madrid.

Se ha incrementado notablemente el apoyo a Support increased notably to research activities, especially in the field of medicine, to accessibility to architectural heritage and in the socio-economic area, through sponsorship of institutions with these purposes.

Particularly significant within the environment programme was the support to the "CONAMA 12" SPANISH NATIONAL ENVIRONMENT CONFERENCE, which, under the slogan "Let's reinvent ourselves" called professionals, businesspeople, heads of departments of various authorities, researchers and teaching staff and representatives of social institutions involved with the environment in one way or another, from Spain and abroad, to a meeting.

The ACS Group's different areas – Construction, Industrial Services and Services and Concessions – took part actively in the Conference.

Activities related to International Technical Cooperation were consolidated through the actions carried out in the framework of the public-private strategic alliance, made with the Secretary of State for International Cooperation, anticipating that the ACS Foundation, with support from the Founder, will be able to carry out technical support and training activities in various subjects and co-sponsor the programmes deriving from it. In 2012, the Foundation collaborated in the Ibero-American Meeting on Universal Accessibility, attended by representatives from 16 Ibero-American countries and in the Queen Sofia Prizes to Latin American local councils.

The ACS Foundation and the United Nation's specialised agency, the World Tourism Organization (UNWTO), made up of 202 countries, signed a Memorandum of Understanding setting a framework for cooperation for preparing the UNWTO's first report on good public-private practices to promote universal accessibility to the benefit of all.

A result of this cooperation was the preparation of a report inspired by and gathering together the experience accumulated over years by the ACS Foundation in good practices in restoring historical and natural heritage in significant tourist destinations, in the training of specialists and in technical cooperation in the area of universal accessibility, as well as in research and development of products to make Universal Accessibility (UA) a reality.

This report will be released at the next General Assembly of the World Tourism Organization, to the 202 countries it comprises.

9. AWARDS, RECOGNITIONS, MEMBERSHIPS

- The ACS Group has been recognised for its work in the field of sustainability by being included in the Dow Jones Sustainability Index for 2012 and 2013.
- The ACS Group is a signatory to the United Nations Global Compact.
- ACS is a world leader in the development of infrastructure concessions, according to Public Works Financing magazine.
- ACS is the sixth largest company in the world by sales figures, according to the ENR magazine ranking published in August 2012.
  - The second largest quoted company in that list.
  - The company with the greatest amount of international activity in the world.
- ACS is the 240th largest company in the world by turnover, according to the ranking in the magazine Fortune for 2012.
- The ACS Group is one of Spain's most reputable companies according to the monitor Merco.

10. PRINCIPLES FOR THE PREPARATION OF THE REPORT

FOR THE ACS GROUP, THE PREPARATION OF THIS CORPORATE RESPONSIBILITY REPORT IMPLIES THE FORMALISATION OF A POLICY FOCUSED ON UNDERSTANDING THE MAIN DILEMMAS AND CHALLENGES FACED BY THE INFRASTRUCTURE DEVELOPMENT AND ENERGY SECTOR AND SOCIETY AS A WHOLE

The report considers all the ACS Group's activities as a global operator, in all the countries where it is present. To this effect, the information published includes the operations carried out in the Environment, Construction, Industrial Services and Concessions areas.

The ACS Group has developed tools for the collection and consolidation of both quantitative and qualitative information on sustainability to align the management of all the companies with the ACS Group's strategic priorities. This tool has increased its scope considerably.

The information gathered in this report refers, basically, to the 2012 financial year. It also includes information from previous years, depending on its relevance and availability, to enable the readers to be able to form a more complete opinion on the company's development. The quantitative indicators present the ACS Group's evolution in 2012 and, generally, the two previous years

The report was prepared following the G3 guidelines from the Global Reporting Initiative (GRI). In this manner, all issues of relevance to the Company's stakeholders were taken into account. The data and headings explained in this report apply to the Group's companies in accordance with that reported in terms of percentage of total sales. Those cases where the scope is other than 100% are specified clearly in the text and tables.

With respect to the levels of application defined by the GRI, the ACS Group has given this report an A+ rating. Accordingly, the principles and recommendations of the G3 guidelines were applied and each chapter details both the organisation's profile and its management approach. Additionally, all performance indicators considered to be of principal importance are contained in this report.

The ACS Group has applied the following GRI G3 principles for defining the contents and guaranteeing the quality of the information included in this report:

Principle of Materiality

The ACS Group has developed management tools to facilitate operational control of sustainability management and its integration into the businesses. The contents of this tool are aligned with GRI requirements, to the request for information from the selective sustainability stock market indices and by institutional investors and ratings agencies which take matters related to sustainability into account.

Context of Sustainability

The objective of this report is to express the actions of the ACS Group in each of the three sustainability areas: economic, social and environmental. Throughout this report, information is supplied in relation to the context of each of these.

Exhaustiveness

In the preparation process, the coverage and scope of this report was clearly defined, giving priority to information considered to be material and including all significant events that took place in 2012, without omitting information of relevance to our stakeholders. The coverage of the Report was determined in parallel with its content.

In the case that there were changes in the chapters with respect to coverage, these have been indicated.

Additionally, the relevant issues, the indicators included herein and the matters covered by the 2012 Corporate Responsibility Report offer a complete view of the significant impacts in the economic, social and environmental fields.

Comparability

As far as possible, the information included in this report has been organised in such a manner that the stakeholders may interpret the changes undergone by the ACS Group with respect to previous years.

Balance

This report includes both positive and negative aspects, in order to present an unbiased image and to enable stakeholders to reasonably assess the Company's actions.

Accuracy and Clarity

This report contains numerous tables, graphs and outlines, the purpose of which is to make the report easier to understand. The information included in the report is meant to be clear and accurate in order to be able to assess the ACS Group's actions. Additionally, as far as possible, the use of technical terms whose meaning may be unknown to stakeholders has been avoided.

Reporting Frequency

The ACS Group has the commitment to report its corporate responsibility actions annually. This Report relates to the Group's actions in 2012 in the economic, social and environmental fields.

Reliability

The reliability of the information included in this 2012 Corporate Responsibility Report was checked by KPMG, the firm responsible for its verification.

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11. SCOPE OF THE DATA

CLIENTS	Scope (over total ACS Group Sales)
Number of client satisfaction surveys carried out	44.16%
Percentage of client responses of "satisfied" or "very satisfied" over the total number of surveys carried out (%)	17.26%
Number of complaints received from clients	17.26%
Number of complaints dealt with	16.96%
Number of complaints resolved satisfactorily	16.54%
Make an estimate of the percentage of client claims / complaints referring to problems related to confidentiality	17.13%
Total value of significant fines resulting from breaches of rules relating to the organisations supply of services (€ million)	36.53%

QUALITY	Scope (over total ACS Group Sales)
Percentage of sales from activities certified under the ISO 9001 standard (%)	76.48%
Investments made in quality improvements (€ million)	48.63%
Number of quality audits carried out	36.83%
Make an estimate of the percentage of your company's projects which have been audited for quality in the last year	48.63%
Total number of incidents involving failure to comply with regulations in terms of quality which have resulted in warnings or fines	48.63%

SUPPLIERS	Scope (over total ACS Group Sales)
Number of suppliers and subcontractors contracted in the indicated period	95.11%
Estimate of the percentage of contracts which include criteria on human rights or which are subject to analysis in this respect (%)	92.03%
Estimate of the percentage of contracts rejected or those on which conditions have been imposed as a consequence of failures to comply in environmental, quality, human rights or ethics and professionalism areas	41.77%
Number of suppliers from the local community	95.11%
Percentage of certified wood purchased (t)	10.95%
Total wood purchased (t)	18.41%
Steel manufactured with recycled materials (t)	50.61%
Total steel purchased (t)	58.63%
Cement / concrete including recycled aggregates purchased (t)	10.95%
Total cement / concrete purchased (t)	58.63%
Recycled aggregates purchased (t)	10.95%
Total aggregates purchased (t)	10.42%
Recycled glass purchased (t)	10.95%
Total glass purchased (t)	10.95%
Recycled pipes / insulation (generally PVC) purchased (t)	10.95%
Total pipes / insulation (generally PVC) purchased (t)	11.51%

R&D+I	Scope (over total ACS Group Sales)
Investment in R&D+i (€ million)	34.26%
Number of R&D+i projects in progress at 31 December	93.18%
Estimate the number of patents registered in the year	93.04%
Number of awards received	93.04%
Number of research/technology centres with which your company collaborates	46.10%
Number of universities with which your company collaborates	46.10%
Others	11.97%

ENVIRONMENT	Scope (over total ACS Group Sales)
Group production under environmental certification (ISO 14001) (%)	95.74%
Number of environmental audits carried out in your company	69.02%
Number of environmental incidents which occurred in the year	95.74%
Number of environmental incidents with sanctioning administrative proceedings in the year	36.83%
Total value of fines due to sanctioning administrative proceedings (€ million)	27.75%
Number of significant accidental spills	29.37%
Significant accidental spills (m3)	25.12%
Total water consumption (m3)	55.60%
Consumption of water from the public mains (m3)	55.60%
Consumption of water from other sources (m3)	28.26%
Total waste water discharged (m3)	27.39%
Discharges of waste water to the public sewers (m3)	28.73%
Discharges of waste water to the sea/rivers/lakes (m3)	28.13%
Discharges of waste water to specific water receiving facilities (m3)	28.13%
Hazardous waste generated (t)	35.91%
Composting, reuse, recycling, recovery (exploitation) (%)	34.57%
Dumping or other destinations (%)	35.91%
Non-hazardous waste generated (t)	54.89%
Composting, reuse, recycling, recovery (exploitation) (%)	54.25%
Dumping or other destinations (%)	55.60%
Petrol consumed (million litres)	35.37%
Diesel consumed (million litres)	35.37%
Petrol + diesel consumed (million litres)	6.76%
Natural gas consumption (m3)	28.76%
Electricity consumption (MWh)	19.78%
Energy savings due to conservation and efficiency improvements (MWh)	24.59%
Direct emissions of greenhouse gases not associated with the use of fuels (Scope 1 process emissions) (tCO2e)	76.85%
Indirect emissions (Scope 3): Business Travel Air: total km travelled on short-haul flights (< 500 km)	74.40%
Indirect emissions (Scope 3): Business Travel Air: total km travelled on medium-haul flights (500 km < X < 1,600 km)	27.29%
Indirect emissions (Scope 3): Business Travel Air: total km travelled on long-haul flights (> 1,600 km)	25.92%

11. SCOPE OF THE DATA

ENVIRONMENT	Scope (over total ACS Group Sales)
Other indirect emissions (Scope 3): Business Travel Total km travelled in private vehicles for business purposes	33.01%
Other indirect emissions (Scope 3): Business Travel Total km travelled by train	34.86%
Other indirect emissions (Scope 3): Business Travel Total km travelled by boat	23.21%
Other indirect greenhouse gas emissions (Scope 3). Others (tCO2e)	24.88%
Emissions of Oxides of Nitrogen (NOx) (t)	10.19%
Emissions of Oxides of Sulphur (SOx) (t)	10.19%
Emissions of solid particles (t)	20.80%
Other gases (t)	20.80%
Emissions of substances that deplete the ozone layer (t)	11.26%

HUMAN RESOURCES	Scope (over total no. of employees)
Number of employees with part-time working days	52.63%
Number of employees of nationality different to that of your company's head office	92.29%
Number of senior managers from the local community	92.29%
Number of incidents which occurred due to discrimination	45.17%
Number of employees affiliated to a trade union organisation	92.29%
Training given by professional category (hours): University graduates	33.37%
Training given by professional category (hours): Diploma holders	33.37%
Training given by professional category (hours): Non-graduate line personnel	33.37%
Training given by professional category (hours): Clerical personnel	33.37%
Training given by professional category (hours): Other staff	33.37%
Training given: Total number of teaching hours	33.37%
Total number of courses given	52.63%
Number of attendance courses	52.63%
Number of non-attendance courses	52.63%
Number of courses given with Production content	52.63%
Number of courses given with Safety in the Workplace content	92.29%
Number of courses given with Environmental content	52.63%
Number of courses given with Human Rights, Ethics, Integrity or Conduct content	92.29%
Total number of participants in training activities in the year	52.63%
Investment in training (€ million)	52.63%
Number of employees subject to performance assessment processes	92.29%
Number of employees promoted during the year	51.94%
Make an estimate of the percentage of university graduates affected by a formal competence management system in your company	90.94%
Make an estimate of the percentage of diploma holders affected by a formal competence management system in your company	90.94%
Number of people hired during the year	92.29%
Total staff turnover (%)	92.29%
Turnover of men (%)	92.29%
Turnover of women (%)	92.29%

HUMAN RESOURCES	Scope (over total no. of employees)
Total number of days lost (due to absenteeism) (employees)	52.63%
Total number of days worked by employees of your company	52.52%
Total number of days lost (due to absenteeism) (contractors)	27.66%
Total number of days worked by subcontractors contracted by your company	69.79%
If a working environment survey has been carried out in your company during the current year, report the percentage of "satisfied" or "very satisfied" responses from employees over the total number of surveys (%)	82.02%
Number of disabled people	52.33%
Percentage of MEN in the company	92.29%
Percentage of MEN of 35 or younger	92.29%
Percentage of MEN with ages between 36 and 50 years	92.29%
Percentage of MEN of 51 or older	92.29%
Percentage of MEN with an open-ended contract	92.29%
Percentage of MEN with a partial contract	92.29%
Percentage of MEN with full-time working days	52.63%
Percentage of MEN with part-time working days	52.63%
Percentage of WOMEN in the company	92.29%
Percentage of WOMEN of 35 or younger	92.29%
Percentage of WOMEN with ages between 36 and 50 years	92.29%
Percentage of WOMEN of 51 or older	92.29%
Percentage of WOMEN with an open-ended contract	92.29%
Percentage of WOMEN with a partial contract	92.29%
Percentage of WOMEN with full-time working days	52.63%
Percentage of WOMEN with part-time working days	52.63%

HEALTH AND SAFETY	Scope (over total no. of employees)
Investment in health and safety in the workplace (€ million)	33.60%
Total number of hours worked by employees of your company	52.86%
Total number of hours worked by contractors	50.84%
Total number of accidents suffered by the company's own employees	52.86%
Total number of accidents suffered (by contractors)	45.90%
Total number of working days lost by own employees	52.86%
Total number of working days lost (by contractors)	45.90%
Total number of accidents with employee time off	52.86%
Total number of accidents with time off (contractors)	45.90%
Total number of cases of occupational diseases (own employees)	33.60%
Total number of cases of occupational diseases (contractors)	24.23%
Number of hours of training in occupational health and safety received by your company's employees during the year	52.38%
Total number of employees with occupations with risks of contracting specific diseases	24.79%

12. VERIFICATION REPORT

KPMG Asesores S.L.
Edificio Torre Europa
Paseo de la Castellana, 95
28046 Madrid

Independent Assurance Report to the Management of
Actividades de Construcción y Servicios, S.A.

(Free translation from the original in Spanish.
In case of discrepancy, the Spanish language version prevails.)

We performed a limited assurance review on the non-financial information contained in the Corporate Responsibility Report of Actividades de Construcción y Servicios, S.A. (hereinafter ACS) for the year ended 31 December 2012 (hereinafter "the Report").

ACS management is responsible for the preparation and presentation of the Report in accordance with the Sustainability Reporting Guidelines version 3.1 (G3.1) of the Global Reporting Initiative as described in section 10 of the Report, entitled Principles for the Preparation of the Report. This section details the self-declared application level, which has been confirmed by Global Reporting Initiative. Management is also responsible for the information and assertions contained within the Report; for determining its objectives in respect of the selection and presentation of sustainable development performance; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibility is to carry out a limited assurance engagement and, based on the work performed, to issue a report. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Performance Guide on the revision of Corporate Responsibility Reports of the Instituto de Censores Jurados de Cuentas de España (ICJCE). These standards require that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement and that we comply with ethical requirements, including those of independence that form part of the International Ethics Standards Board for Accountants Code of Ethics.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore also the level of assurance provided. This report should by no means be considered as an audit report.

Our limited assurance engagement work has consisted of making inquiries to Management, primarily to the persons responsible for the preparation of information presented in the Report, and applying the following analytical and other evidence gathering procedures:

- Interviews with relevant ACS staff concerning the application of sustainability strategy and policies.
- Interviews with relevant ACS staff responsible for providing the information contained in the Report.
- Visit to a waste treatment plant (La Paloma recycling, composting and biomethanisation plant), selected based on a risk analysis considering quantitative and qualitative criteria.
- Analysing the processes of compiling and internal control over quantitative data reflected in the Report, regarding the reliability of the information, by using analytical procedures and review testing based on sampling.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of ACS.
- Verifying that the financial information reflected in the Report was taken from the annual accounts of ACS, which were audited by independent third parties.

KPMG Asesores S.L., a limited liability Spanish company, is a subsidiary of KPMG Europe LLP and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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2

Our multidisciplinary team included specialists in social, environmental and economic business performance.

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the data included in the Corporate Responsibility Report of Actividades de Construcción y Servicios, S.A for the year ended 31 December 2012 have not been reliably obtained, that the information has not been fairly presented, or that significant discrepancies or omissions exist, nor that the Report is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines (G3.1) of the Global Reporting Initiative as described in the section 10 of the Report, entitled Principles for the Preparation of the Report.

Under separate cover, we will provide ACS management with an internal report outlining our complete findings and areas for improvement.

KPMG Asesores, S.L.

(Signed on original in Spanish)

José Luis Blasco Vázquez

11 April 2013

13. GRI INDEX

Global Reporting Initiative™

Statement
GRI Application Level Check

GRI hereby states that **Grupo ACS** has presented its report "Corporate Social Responsibility Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 20 February 2013

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative

A+ GRI REPORT GRI CHECKED

The "+" has been added to this Application Level because Grupo ACS has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

***Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 15 February 2013. GRI explicitly excludes the statement being applied to any later changes to such material.*

14. WE WOULD LIKE TO HEAR YOUR OPINION

As you have been able to read from the previous pages of this report, at the ACS Group we understand corporate responsibility as a commitment which determines the Company's relationship with the environment and with each of our stakeholders. This Corporate Responsibility Report aims to include the main milestones and programmes carried out by the ACS Group aimed at improving relationships with its different stakeholders.

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

ACS Group
Avda. Pío XII, 102
Madrid 28036, Spain
Phone: +34 91 343 92 39
E-mail: info@grupoacs.com

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

MAIN PERFOMANCE INDICATORS

PROFILE

STRATEDY AND ANALYSIS		Cross-reference/Direct answer
1.1	Statement from the most senior decision-maker of the organization.	Paragraph 1. Letter from the Chairman
1.2	Description of key impacts. risks. and opportunities.	1; 2.3.2: 3.1

ORGANIZATIONAL PROFILE		Cross-reference/Direct answer
2.1	Name of the organization.	2.1.1
2.2	Primary brands. products. and/or services.	2.2
2.3	Operational structure of the organization. including main divisions. operating companies. subsidiaries. and joint ventures.	2.2
2.4	Location of organization's headquarters.	2.1.1
2.5	Number of countries where the organization operates. and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	2.1.2
2.6	Nature of ownership and legal form.	2.3.1
2.7	Markets served (including geographic breakdown. sectors served. and types of customers/beneficiaries).	2.1.2; 4.3.2
2.8	Scale of the reporting organization.	2.1.2
2.9	Significant changes during the reporting period regarding size. structure. or ownership.	2.2; 2.3.1
2.10	Awards received in the reporting period.	Paragraph 9

REPORT PARAMETERS		Cross-reference/Direct answer
3.1	Reporting period (e.g.. fiscal/calendar year) for information provided.	2.1.2
3.2	Date of most recent previous report (if any).	Año 2011
3.3	Reporting cycle (annual. biennial. etc.)	Anual
3.4	Contact point for questions regarding the report or its contents.	infogrupoacs@grupoacs.com
3.5	Process for defining report content.	2.2; 2.4.1; 10 The company has not developed a specific materiality study, but has made an internal exercise involving all business considering the priority issues for ACS that are aligned to GRI requirements. It has improved and increased the request for information not only to meet GRI questions but also for selective sustainability indexes, institutional investors and rating agencies that consider sustainability issues.
3.6	Boundary of the report (e.g.. countries. divisions. subsidiaries. leased facilities. joint ventures. suppliers). See GRI Boundary Protocol for further guidance.	Paragraph 11
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Paragraph 11
3.8	Basis for reporting on joint ventures. subsidiaries. leased facilities. outsourced operations. and other entities that can significantly affect comparability from period to period and/or between organizations.	Paragraph 11
3.9	Data measurement techniques and the bases of calculations. including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply. or to substantially diverge from. the GRI Indicator Protocols.	2.2
3.10	Explanation of the effect of any re-statements of information provided in earlier reports. and the reasons for such re-statement (e.g..mergers/acquisitions. change of base years/periods. nature of business. measurement methods).	3.1
3.11	Significant changes from previous reporting periods in the scope. boundary. or measurement methods applied in the report.	No changes
3.12	Table identifying the location of the Standard Disclosures in the report.	Paragraph 12
3.13	Policy and current practice with regard to seeking external assurance for the report.	Paragraph 12

GOVERNANCE. COMMITMENTS. AND ENGAGEMENT		Cross-reference/Direct answer
4.1	Governance structure of the organization. including committees under the highest governance body responsible for specific tasks. such as setting strategy or organizational oversight.	2.3.2
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	2.3.2.1
4.3	For organizations that have a unitary board structure. state the number and gender of members of the highest governance body that are independent and/or non-executive members.	2.3.2.1
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	5.2.2; 5.3.1
4.5	Linkage between compensation for members of the highest governance body. senior managers. and executives (including departure arrangements). and the organization's performance (including social and environmental performance).	2.3.2.2
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	2.3.2.2; 2.3.3
4.7	Process for determining the composition. qualifications. and expertise of the members of the highest governance body and its committees. including any consideration of gender and other indicators of diversity.	2.3.2.2
4.8	Internally developed statements of mission or values. codes of conduct. and principles relevant to economic. environmental. and social performance and the status of their implementation.	2.1; 5.2
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic. environmental. and social performance. including relevant risks and opportunities. and adherence or compliance with internationally agreed standards. codes of conduct. and principles.	2.3.2.2; 2.3.3; 5.2
4.10	Processes for evaluating the highest governance body's own performance. particularly with respect to economic. environmental. and social performance.	2.3.2.2
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	2.3.3
4.12	Externally developed economic. environmental. and social charters. principles. or other initiatives to which the organization subscribes or endorses.	5.2
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	8.2.2.7
4.14	List of stakeholder groups engaged by the organization.	2.4.1
4.15	Basis for identification and selection of stakeholders with whom to engage.	2.4.1
4.16	Approaches to stakeholder engagement. including frequency of engagement by type and by stakeholder group.	2.4.1
4.17	Key topics and concerns that have been raised through stakeholder engagement. and how the organization has responded to those key topics and concerns. including through its reporting.	2.4.1

MAIN PERFOMANCE INDICATORS

DISCLOSURES ON MANAGEMENT APPROACH (DMAs)

DISCLOSURE ON MANAGEMENT APPROACH EC	Cross-reference/Direct answer
Economic Performance.	4.1
Market presence.	2.1.2
Indirect Economic Impacts.	4.1

DISCLOUSE ON MANAGEMENT APPROACH EN	Cross-reference/Direct answer
Materials.	7.1.5.2
Energy.	7.1.5.2
Water.	7.1.6
Biodiversity.	7.1.7
Emissions. effluents and waste.	7.1.5.1
Land Degradation. Contamination and Remediation.	Current ACS systems do not measure this indicator. A procedure to start measuring this data will be developed in the future.
Products and Services.	4.4
Compliance.	7.1.2
Transport.	7.1.3
Overall.	7.1.1

DISCLOSURE ON MANAGEMENT APPROACH LA	Cross-reference/Direct answer
Employment.	8.1.1; 8.1.2
Labor/management relations.	8.1.1; 8.1.2
Occupational Health and Safety.	8.2.1; 8.2.2; 8.2.3
Training and Education.	8.1.6
Diversity and equal opportunity.	8.1.3
Equal remuneration for women and men.	All the information related to salaries is considered confidential. The salaries in contracting activities are an operating key aspect and are treated as a competitive advantage.

DISCLOSURE ON MANAGEMENT APPROACH HR	Cross-reference/Direct answer
Investment and procurement practices.	4.5.2
Non-discrimination.	8.1.3.1
Freedom of association and collective bargaining.	4.5.2.2; 8.1.1
Child labor.	4.5.2.2; 8.1.1
Prevention of forced and compulsory labor.	4.5.2.2; 8.1.1
Security Practices.	8.2.2.7
Indigenous rights.	5.2; 5.2.2
Assessment.	4.4.2.3; 4.5.2.1
Remediation.	4.5.2.2; 5.2.2

DISCLOSURE ON MANAGEMENT APPROACH SO	Cross-reference/Direct answer
Local communities.	7.1.7; 8.3.1
Corruption.	5.2.2
Public policy.	2.4.2
Anti-competitive behavior.	2.4.2
Compliance.	4.3.2.2; 4.3.2.3; 7.1.2

DISCLOSURE ON MANAGEMENT APPROACH PR	Cross-reference/Direct answer
Customer health and safety.	4.4.2.4
Product and service labelling.	n/a
Marketing communications.	n/a
Customer privacy.	4.3.2.3
Compliance.	4.3.2.3

PERFORMANCE INDICATORS

ECONOMIC

Economic performance

		Cross-reference/Direct answer
EC1	Direct economic value generated and distributed. including revenues. operating costs. employee compensation. donations and other community investments. retained earnings. and payments to capital providers and governments.	4.1; 8.3
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change and other sustainability issues.	7.1.4
EC3	Coverage of the organization's defined benefit plan obligations.	8.1.4.1
EC4	Significant financial assistance received from government.	2.4.2

Market presence

EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	n/a
EC6	Policy. practices. and proportion of spending on locally-based suppliers at significant locations of operation.	4.5.2.1
EC7	Procedures for local hiring and proportion of senior management and all direct employees. contractors and sub-contractors hired from the local community at significant locations of operation.	8.1.2; 8.1.3.1

Indirect economic impacts

EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial. in-kind. or pro bono engagement.	2.4.2; 8.3
EC9	Understanding and describing significant indirect economic impacts. including the extent of impacts.	n/a

ENVIRONMENTAL

Materials

		Cross-reference/Direct answer
EN1	Materials used by weight. value or volume.	7.1.5.2; 7.2.2; 7.4.1
EN2	Percentage of materials used that are recycled and reused input materials.	7.1.5.2; 7.2.2; 7.4.1

Energy

EN3	Direct energy consumption by primary energy source.	7.1.4; 7.1.5.2
EN4	Indirect energy consumption by primary source..	7.1.5.2
CRE1	Building energy intensity.	Current ACS systems do not measure this indicator. A procedure to start measuring this data will be developed in the future.
EN5	Energy saved due to conservation and efficiency improvements.	7.1.5.2
EN6	Initiatives to provide energy-efficient or renewable energy based products and services. and reductions in energy requirements as a result of these initiatives.	7.1.4; 7.1.5.2
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	n/a

Water

EN8	Total water withdrawal by source.	7.1.6; 7.2.1
EN9	Water sources significantly affected by withdrawal of water.	n/a
EN10	Percentage and total volume of water recycled and reused.	n/a
CRE2	Building water intensity.	Current ACS systems do not measure this indicator. A procedure to start measuring this data will be developed in the future.

MAIN PERFOMANCE INDICATORS

PERFORMANCE INDICATORS

ENVIRONMENTAL		Cross-reference/Direct answer
Biodiversity		
EN11	Location and size of land owned. leased. managed in. or adjacent to. protected areas and areas of high biodiversity value outside protected areas.	7.1.7; 7.2.4
EN12	Description of significant impacts of activities. products. and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	7.1.7; 7.2.4
EN13	Habitats protected or restored.	7.1.7
EN14	Strategies. current actions. and future plans for managing impacts on biodiversity.	7.1.7
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations. by level of extinction risk.	7.1.7
Emissions. Effluents and waste		
EN16	Total direct and indirect greenhouse gas emissions by weight.	7.1.4.1; 7.1.4.2
EN17	Other relevant indirect greenhouse gas emissions by weight.	7.1.4.2
CRE3	Greenhouse gas emissions intensity from buildings.	Current ACS systems do not measure this indicator. A procedure to start measuring this data will be developed in the future.
CRE4	Greenhouse gas emissions intensity from new construction and redevelopment activity.	7.1.4.1
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	7.1.4
EN19	Emissions of ozone-depleting substances by weight.	7.1.5.3
EN20	NOx. SOx. and other significant air emissions by type and weight	7.1.5.3
EN21	Total water discharge by quality and destination.	7.1.6; 7.3.2
EN22	Total weight of waste by type and disposal method.	7.1.5.1; 7.2.3
EN23	Total number and volume of significant spills.	7.1.6
EN24	Weight of transported. imported. exported. or treated waste deemed hazardous under the terms of the Basel Convention Annex I. II. III. and VIII. and percentage of transported waste shipped internationally.	n/a
EN25	Identity. size. protected status. and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	n/a
Land Degradation. Contamination and Remediation		
CRE5	Land and other assets remediated and in need of remediation for the existing or intended land use according to applicable legal designations.	Current ACS systems do not measure this indicator. A procedure to start measuring this data will be developed in the future.
Products and services		
EN26	Initiatives to enhance efficiency and mitigate environmental impacts of products and services. and extent of impact mitigation.	7.1.5; 7.1.6; 7.2.3
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	n/a
Compliance		
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	7.1.2
Transport		
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations. and transporting members of the workforce.	7.1.4.2; 7.1.5.2
Overall		
EN30	Total environmental protection expenditures and investments by type.	n/a

PERFORMANCE INDICATORS

SOCIAL: LABOR PRACTICES AND DECENT WORK

	SOCIAL: LABOR PRACTICES AND DECENT WORK	Cross-reference/Direct answer
Employment		
LA1	Total workforce by employment type. employment contract. and region. broken down by gender.	8.1.2
LA2	Total number and rate of new employee hires and employee turnover by age group. gender. and region.	8.1.3.3
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees. by major operations.	8.1.4.1; 8.1.4.2
LA15	Return to work and retention rates after parental leave. by gender.	Current ACS systems do not measure this indicator. A procedure to start measuring this data will be developed in the future.
Labor/management relations		
LA4	Percentage of employees covered by collective bargaining agreements.	8.1.3.2
LA5	Minimum notice period(s) regarding significant operational changes. including whether it is specified in collective agreements.	8.1.3.2
Occupational health and safety		
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	8.2.2.5
LA7	Rates of injury. occupational diseases. lost days. and absenteeism. and number of work-related fatalities by region and by gender.	8.2.3
CRE6	Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system.	8.2.2.1
LA8	Education. training. counseling. prevention. and risk-control programs in place to assist workforce members. their families. or community members regarding serious diseases.	8.2.2.7
LA9	Health and safety topics covered in formal agreements with trade unions.	8.2.2.5
Training and education		
LA10	Average hours of training per year per employee by gender. and by employee category.	8.1.6
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	n/a
LA12	Percentage of employees receiving regular performance and career development reviews. by gender.	8.1.5.2
Diversity and equal opportunity		
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender. age group. minority group membership. and other indicators of diversity.	2.3.2.1; 8.1.3.1
Equal remuneration for women and men		
LA14	Ratio of basic salary and remuneration of women to men by employee category. by significant locations of operation.	All the information related to salaries is considered confidential. The salaries in contracting activities are an operating key aspect and are treated as a competitive advantage.

MAIN PERFOMANCE INDICATORS

PERFORMANCE INDICATORS

SOCIAL: HUMAN RIGHTS		Cross-reference/Direct answer
Investment and procurement practices		
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns. or that have undergone human rights screening.	4.5.2.1
HR2	Percentage of significant suppliers. contractors and other business partners that have undergone human rights screening. and actions taken.	4.5.2
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations. including the percentage of employees trained.	8.1.6
Non-discrimination		
HR4	Total number of incidents of discrimination and corrective actions taken	8.1.3.1
Freedom of association and collective bargaining		
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk. and actions taken to support these rights.	4.5.2.2; 8.1.1
Child labor		
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor. and measures taken to contribute to the effective abolition of child labor.	4.5.2.2; 8.1.1
Forced and compulsory labor		
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor. and measures to contribute to the elimination of all forms of forced or compulsory labor.	4.5.2.2; 8.1.1
Security practices		
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	8.2.2.7
Indigenous rights		
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	n/a
Assessment		
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	4.4.2.3; 4.5.2.1
Remediation		
HR11	Number of grievances related to human rights filed. addressed and resolved through formal grievance mechanisms.	4.5.2.2; 5.2.2

PERFORMANCE INDICATORS

SOCIAL: SOCIETY

		Cross-reference/Direct answer
Local communities		
SO1	Percentage of operations with implemented local community engagement. impact assessments. and development programs.	7.1.7; 8.3.1
SO9	Operations with significant potential or actual negative and positive impacts on local communities.	7.1.7; 8.3.1
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	7.1.7; 8.3.1
CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development. broken down by project.	Current ACS systems do not measure this indicator. A procedure to start measuring this data will be developed in the future.
Corruption		
SO2	Percentage and total number of business units analyzed for risks related to corruption.	100%
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	5.2.2; 8.1.6
SO4	Actions taken in response to incidents of corruption.	5.2.2
Public policy		
SO5	Public policy positions and participation in public policy development and lobbying.	2.4.2
SO6	Total value of financial and in-kind contributions to political parties. politicians. and related institutions by country.	2.4.2
Anti-competitive behavior		
SO7	Total number of legal actions for anti-competitive behavior. anti-trust. and monopoly practices and their outcomes.	2.4.2
Compliance		
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	4.3.2.2; 7.1.2

MAIN PERFOMANCE INDICATORS

PERFORMANCE INDICATORS

SOCIAL: PRODUCT RESPONSIBILITY

		Cross-reference/Direct answer
Customer health and safety		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement. and percentage of significant products and services categories subject to such procedures.	4.4.2.4
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle. by type of outcomes.	n/a
Product and service labelling		
PR3	Type of product and service information required by procedures. and percentage of significant products and services subject to such information requirements.	n/a
CRE8	Type and number of sustainability certification. rating and labeling schemes for new construction. management. occupation and redevelopment.	4.4.1; 7.1.2; 7.2
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling. by type of outcomes.	n/a
PR5	Practices related to customer satisfaction. including results of surveys measuring customer satisfaction.	4.3.2.2
Marketing communications		
PR6	Programs for adherence to laws. standards. and voluntary codes related to marketing communications. including advertising. promotion. and sponsorship.	n/a
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications. including advertising. promotion. and sponsorship by type of outcomes	n/a
Customer privacy		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	4.3.2.3
Compliance		
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	4.3.2.2

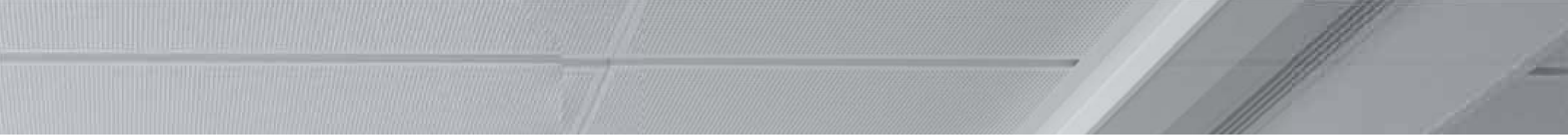
CORPORATE GOVERNANCE REPORT OF ACS GROUP
2012

www.grupoacs.com

Cover photo: Viaduct over Ulla river, Madrid-Galicia high- speed railway line (Spain).

CORPORATE GOVERNANCE REPORT OF ACS GROUP

The Annual Corporate Governance Report forms part of the Directors' Report, in accordance with the provisions of the Spanish Limited Liability Companies Law. The aforementioned Directors' Report is included in the ACS Group's Economic and Financial Report for 2012.



A. OWNERSHIP STRUCTURE

A.1. Complete the following table on the company's share capital:

Date of last change	Share capital (euros)	Number of shares	Number of voting rights
01/07/2009	157,332,297.00	314,664,594	314,664,594

Indicate whether there are different classes of shares carrying different rights:

Yes	No
	X

A.2. List the direct and indirect holders of significant ownership interests in the company at year-end, excluding Board Members:

Name or company name of the shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
Corporación Financiera Alba, S.A.	0	57,599,232	18.305
Inversiones Vesán, S.A.	39,397,625	0	12.521
Southeastern Asset Management, Inc	0	29,027,635	9.225
Sayglo Holding, S.L.	0	17,741,012	5.638
Mr. Alberto Cortina Alcocer	4,875	13,853,216	4.404
Mr. Alberto Alcocer Torra	0	13,803,34	4.387

Name or company name of the indirect shareholder	Through: name or company name of the direct shareholder	Number of direct voting rights	% of total voting rights
Corporación Financiera Alba, S.A.	Alba Participaciones, S.A.	56,050,975	17.813
Corporación Financiera Alba, S.A.	Balboa Participaciones	1,548,257	0.492
Sayglo Holding, S.L.	Gloysa Trust, B.V.	97,355	0.031
Sayglo Holding, S.L.	Iberostar Hoteles y Apartamentos, S.L.	17,643,657	5.607
Mr. Alberto Cortina Alcocer	Corporación Financiera Alcor, S.L.	466,440	0.148
Mr. Alberto Cortina Alcocer	Imvernelin Patrimonio, S.L.	6,279,456	1.996
Mr. Alberto Cortina Alcocer	Percacer, S.L.	7,107,320	2.259
Mr. Alberto Alcocer Torra	Comercio y Finanzas, S.L.	7,057,237	2.243
Mr. Alberto Alcocer Torra	Corporación Financiera Alcor, S.L.	466,440	0.148
Mr. Alberto Alcocer Torra	Imvernelin Patrimonio, S.L.	6,279,457	1.996

Indicate the most significant changes in the shareholding structure occurring the year:

Name or company name of the shareholder	Transaction date	Description of the transaction
Imvernelin Patrimonio, S.L.	23/08/2012	Ownership interest has fallen below 10% of share capital

A.3. Complete the following tables on the members of the company's Board of Directors who hold voting rights through company shares:

Name or company name of the Board Member	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
Mr. Florentino Pérez Rodríguez	0	39,397,625	12.521
Mr. Antonio García Ferrer	100,572	0	0.032
Mr. Pablo Vallbona Vadell	28,457	0	0.009
Mr. Agustín Batuecas Torrego	952,000	1,500,000	0.779
Mr. Javier Echenique Landiribar	27,715	0	0.009
Mr. Javier Monzón de Cáceres	4,200	0	0.001
Mr. José Álvaro Cuervo García	0	42,000	0.013
Mr. José María Loizaga Viguri	128,313	0	0.041
Mr. Juan David Grimà Terré	0	0	0.000
Mr. Juan March de la Lastra	100	0	0.000
Mr. Julio Sacristán Fidalgo	4,666	0	0.001
Mr. Manuel Delgado Solís	0	0	0,000
Mr. Miguel Roca Junyent	12	0	0.000
Mr. Pedro José López Jiménez	0	903,787	0.287
Ms. Sabina Fluxà Thienemann	0	0	0.000
Mr. Santos Martínez-Conde Gutiérrez- Barquín	8,208	0	0.003
Mr. José Luis del Valle Pérez	278,902	0	0.089

Name or company name of the indirect shareholder	Through: name or company name of the direct shareholder	Number of direct voting rights	% of total voting rights
Mr. Florentino Pérez Rodríguez	Inversiones Vesán, S.A.	39,397,625	12.521
Mr. Agustín Batuecas Torrego	Inversiones Batuecas Torrego, S.L.	1,400,000	0.445
Mr. Pedro José López Jiménez	Fidalser, S.L.	610,713	0.194
Mr. Pedro José López Jiménez	Lynx Capital, S.A.	293,074	0.093
Mr. Agustín Batuecas Torrego	Inversiones Ceda, S.L.	100,000	0.032
Mr. José Álvaro Cuervo García	Sociedad de Estudios de Estrategia Empresarial, S.A.	42,000	0.013
% of total voting rights held by the Board of Board Members			13.785

Complete the following table on the members of the company's Board of Directors who hold rights over shares in the company:

Name or company name of the Board Member	Number of direct options	Number of indirect options	Equivalent number of shares	% of total voting rights
Mr. Florentino Pérez Rodríguez	936,430	1	936,430	0.298
Mr. José Luis del Valle Pérez	351,160	0	351,160	0.112

A. OWNERSHIP STRUCTURE

A.4. Indicate, as applicable, any relationships of a family, commercial, contractual or corporate nature existing between the holders of significant ownership interests, insofar as they are known to the company, unless they have scant relevance or arise from the ordinary course of business:

—

A.5. Indicate, as applicable, any relationships of a commercial, contractual or corporate nature existing between the holders of significant ownership interests and the company and/or the group, unless they have scant relevance or arise from the ordinary course of business:

Name or company name of related party	Type of relationship	Brief description
Inversiones Vesán, S.A.	Contractual	In 2012 Rosan Inversiones, S.L., with tax identification number B-78962099 and wholly owned by Mr. Florentino Perez Rodríguez, has carried out service billing transactions with certain companies of the ACS Group: with Dragados, S.A. for EUR 97 thousand; with Moncobra, S.A. for EUR 53 thousand; with Humiclima, S.A. for EUR 36 thousand and with Clece, S.A. for EUR 188 thousand.
Inversiones Vesán, S.A.	Contractual	In 2012 Rosan Inversiones, S.L., with tax identification number B-78962099 and wholly owned by Mr. Florentino Perez Rodríguez, has carried out service billing transactions with certain companies of the ACS Group: with Moncobra, S.A. for EUR 53 thousand; with Humiclima, S.A. for EUR 36 thousand and with Clece, S.A. for EUR 188 thousand. In addition, Mr. Florentino Pérez Rodríguez carried out service billing transactions with Dragados, S.A. amounting to EUR 97 thousand.

A.6. Indicate whether the company has been notified of any shareholders agreements that affect it in accordance with Article 112 of the Securities Market Law (LMV). If so, provide a brief description and list the shareholders that are party to the agreement:

Yes	No
	X

Indicate whether the company is aware of any concerted actions between its shareholders. If so, provide a brief description:

Yes	No
	X

Expressly indicate any amendment to or termination of such agreements or concerted actions during the year:

—

A.7. Indicate if there is any individual or legal entity that exercises or could exercise control over the company under the terms of the Securities Market Law. If so, identify them:

Yes	No
	X

A.8. Complete the following tables on the company's treasury shares:

At year-end:

Number of direct shares	Number of indirect shares (*)	% of total share capital
4,135,813	17,232,953	6.791

(*) Through:

Name or company name of the direct shareholder	Number of direct shares
PR PISA, S.A.U.	17,232,953
Total	17,232,953

Give details of any significant changes during the year, in accordance with Royal Decree 1362/2007:

Notification date	Total direct shares acquired	Total indirect shares acquired	% of total share capital
03/04/2012	4,303,498	0	1.367
31/07/2012	3,514,795	0	1.118
20/11/2012	3,466,091	0	1.106
Gains/(Losses) on treasury shares disposed of during the year (thousands of euros)			-51,016

A. OWNERSHIP STRUCTURE

A.9. Give details of the conditions and time periods governing any resolutions of the General Shareholders' Meeting authorising the Board of Board Members to acquire or transfer treasury shares.

The following resolution was adopted at the Ordinary General Shareholders' Meeting held on 31 May 2012:

In rendering the authorisation granted through the resolutions of the Company's General Shareholders' Meeting held on 14 April 2011 null and void and in accordance with the provisions of Articles 146 et seq. and 509 of the Spanish Companies Law, the Board of Directors of the Company and those of its subsidiaries are authorised, during a period of one year from the date of this meeting, which shall be automatically extended for periods of equal duration up to a maximum of five years, unless stipulated otherwise by the shareholders at the General Meeting, and in accordance with the conditions and requirements envisaged in the legal provisions in force at the time, to acquire, at any given time and as many times as deemed advisable and through any of the means admitted by law, with a charge to profit for the year and/or unrestricted reserves, shares of the Company, the nominal value of which when added to those already owned by the Company or by its subsidiaries does not exceed 10% of the share capital issued or, where applicable, the maximum amount authorised by the legislation applicable at any given time. The minimum price and the maximum price, respectively, will be the nominal value and the weighted average price relating to the last trading day prior to the transactions increased by 20%. The Board of Directors of the Company and those of its subsidiaries are also authorised, within the period and in accordance with the conditions established above to the extent that it is possible, to acquire shares of the Company through loans, for a consideration or otherwise, on an arm's-length basis, taking into account market conditions and the characteristics of the transaction.

Express authorisation is given for the treasury shares acquired by the Company or its subsidiaries to be earmarked, in full or in part: (i) for sale or retirement, (ii) for delivery to workers, employees or Board Members of the Company or its Group, when there is a right recognised either directly through or as a result of exercising the options they hold, for the purposes envisaged in the last paragraph of Article 146.1.a) of the Spanish Companies Law, and (iii) for reinvestment plans for dividends or similar instruments.

In order to retire treasury shares and granting the execution of this task to the Board of Directors in accordance with that indicated below, the Board resolved to reduce share capital, with a charge to profit or unrestricted reserves, for an amount equal to the total nominal value of the treasury shares which the Company directly or indirectly holds at the date of this resolution.

In accordance with Article 7 of the Company bylaws, the Board of Directors is empowered (with express powers of substitution) to execute this resolution to reduce share capital, which may be carried out once or several times within the maximum period of five years from the date of this resolution, performing such formalities, taking such steps and providing such authorisations as might be necessary or required by the Spanish Companies Law and other applicable provisions. In particular, the Board of Directors is authorised to, by the deadline and with the aforementioned limits, (i) set the date or dates for the specific share capital reduction or reductions, taking into account market conditions, the share price, the Company's economic-financial position, its cash, reserves, business performance and any other matter that is reasonable to consider; (ii) specify the amount of each share capital reduction; (iii) use of the amount of the reduction, either to restricted reserves or to unrestricted reserves, providing such guarantees as might be required and complying with the related legal requirements; (iv) amend Article 6 of the bylaws to the new share capital figure; (v) apply for the delisting of the retired shares; and, in general, adopt any resolutions as might be necessary to ensure the full effectiveness of the retirement of these shares and the concomitant capital reduction, designating the persons empowered to implement these resolutions.

The execution of these share capital reduction shall be subordinate to the execution of the capital reduction through the retirement of treasury shares proposed to the shareholders at the Ordinary General Shareholders' Meeting under item 9 on the agenda, such that under no circumstances may the execution of this resolution be prevented in accordance therewith.

A.10. Indicate, as applicable, any restrictions imposed by law or the Company's bylaws on exercising voting rights, as well as any legal restrictions on the acquisition or transfer of ownership interests in the share capital. Indicate whether there are any legal restrictions on the exercise of voting rights:

Yes	No
	X

Maximum percentage of voting rights that may be exercised per shareholder due to legal restrictions	0

Indicate whether there are any restrictions included in the bylaws on exercising voting rights.

Yes	No
	X

Maximum percentage of voting rights that may be exercised per shareholder due to bylaw restrictions	0

Indicate whether there are any legal restrictions on the acquisition or transfer of share capital:

Yes	No
	X

A.11. Indicate whether the shareholders at the General Meeting have resolved to take measures to neutralise a takeover bid pursuant to Law 6/2007.

Yes	No
	X

If so, explain the measures adopted and the situations in which the restrictions would be inoperative:

—

B. MANAGEMENT STRUCTURE OF THE COMPANY

B.1. Board of Directors

B.1.1. List the maximum and minimum number of Directors as per the bylaws:

Maximum number of Board Members	21
Minimum number of Board Members	11

B.1.2. Complete the following table with the Board members' details:

Name or company name of the Board Member	Representative	Position on the Board	Date of first appointment	Date of last appointment	Appointment procedure
Mr. Florentino Pérez Rodríguez	--	Chairman and CEO	28/06/1989	03/12/2008	Vote at General Meeting
Mr. Antonio García Ferrer	--	Executive deputy Chairman	14/10/2003	03/12/2008	Vote at General Meeting
Mr. Pablo Vallbona Vadell	--	Deputy Chairman	05/09/1997	03/12/2008	Vote at General Meeting
Mr. Agustín Batuecas Torrego	--	Board Member	29/06/1999	03/12/2008	Vote at General Meeting
Mr. Javier Echenique Landiribar	--	Board Member	20/05/2004	25/05/2009	Vote at General Meeting
Mr. Javier Monzón de Cáceres	--	Board Member	20/05/2004	25/05/2009	Vote at General Meeting
Mr. José Álvaro Cuervo García	--	Board Member	05/09/1997	03/12/2008	Vote at General Meeting
Mr. José María Loizaga Viguri	--	Board Member	28/06/1989	03/12/2008	Vote at General Meeting
Mr. Juan David Grimà Terré	--	Board Member	14/10/2003	03/12/2008	Vote at General Meeting
Mr. Juan March de la Lastra	--	Board Member	30/07/2008	03/12/2008	Vote at General Meeting
Mr. Julio Sacristán Fidalgo	--	Board Member	24/06/1998	03/12/2008	Vote at General Meeting
Mr. Manuel Delgado Solís	--	Board Member	20/05/2004	25/05/2009	Vote at General Meeting
Mr. Miguel Roca Junyent	--	Board Member	14/10/2003	03/12/2008	Vote at General Meeting
Mr. Pedro José López Jiménez	--	Board Member	28/06/1989	03/12/2008	Vote at General Meeting
Ms. Sabina Fluxà Thienemann	--	Board Member	25/05/2009	25/05/2009	Vote at General Meeting
Mr. Santos Martínez-Conde Gutiérrez-Barquín	--	Board Member	19/06/2002	03/12/2008	Vote at General Meeting
Mr. José Luis del Valle Pérez	--	Board Member - Secretary	28/06/1989	03/12/2008	Vote at General Meeting
Total number of Board Members					17

Indicate the resignation from the Board of Directors that occurred during the period:

—

B.1.3. Complete the following tables on the Board members and their positions:

Executive Board Members

Name or company name of the Board Member	Committee proposing the appointment	Position per company organisation chart
Mr. Florentino Pérez Rodríguez	Appointments and Remuneration Committee	Chairman and Ceo
Mr. Antonio García Ferrer	Appointments and Remuneration Committee	Executive Deputy Chairman
Mr. Agustín Batuecas Torrego	Appointments and Remuneration Committee	Board Member
Mr. José Luis del Valle Pérez	Appointments and Remuneration Committee	Secretary -Board Member
Total number of executive Board Members		4
Total % of the Board		23.529

Proprietary and External Board Members

Name or company name of the Board Member	Committee proposing the appointment	Name or company name of significant shareholder represented or proposing appointment
Mr. Pablo Vallbona Vadell	Appointments and Remuneration Committee	Corporación Financiera Alba, S.A.
Mr. Javier Echenique Landiribar	Appointments and Remuneration Committee	Corporación Financiera Alcor, S.A.
Mr. Javier Monzón de Cáceres	Appointments and Remuneration Committee	Corporación Financiera Alcor, S.A.
Mr. Juan March de la Lastra	Appointments and Remuneration Committee	Corporación Financiera Alba, S.A.
Mr. Julio Sacristán Fidalgo	Appointments and Remuneration Committee	Inversiones Vesán, S.A.
Mr. Manuel Delgado Solís	Appointments and Remuneration Committee	Corporación Financiera Alcor, S.A
Ms. Sabina Fluxà Thienemann	Appointments and Remuneration Committee	Sayglo Holding, S.L.
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Appointments and Remuneration Committee	Corporación Financiera Alba, S.A.
Total number of proprietary Board Members		8
Total % of the Board		47.059

B. MANAGEMENT STRUCTURE OF THE COMPANY

Independent External Board Members

Name or company name of the Board Member	Profile
Mr. José Álvaro Cuervo García	Born in 1942 in Carreño (Asturias). Professor of Business Economy at the Universidad Complutense de Madrid. Director of the Centro Universitario de Estudios Financieros (CUNEF - University Centre). Rey Jaime I Economy Award (1992), Economy Award of Castilla Leon "Infanta Cristina" (1999) and Doctor Honoris Causa by the Universities of Oviedo, Leon, Castilla La Mancha, Las Palmas de Gran Canaria and Salamanca. He has worked as a professor at the Universities of Valladolid, Oviedo and CIDE (Mexico), and was a visiting professor at Saloman Center (Stern School of Business) of the University of New York and at the Institute of Management, Innovation and Organization of the University of California, Berkeley. Vice-dean of the Schools of Economic and Business Sciences at the Complutense de Madrid and Oviedo Universities, and Dean of the latter. His lines of research focus on three areas: economy and business management, finance and the financial system and privatisation and public companies.He is currently a member of the Board of Directors of Bolsas y Mercados Espanoles (BME and SONAE SGPS, S.A. (Portugal) and a member of the Advisory Council of Privatisation of the Spanish Government.
Mr. José María Loizaga Viguri	Born in Bilbao (1936). He began his career in Banco Vizcaya and has held various executive positions. In 1968, he was General Manager of Zardoya and played a role in 1972 in the merger with Schneider Otis. Up to 1980, he was the head of Otis Elevator for Southern Europe. In 1980 he founded Banco Hispano Industrial (Grupo BHA) and in 1982 he was appointed Deputy Chairman and CEO of Banco Union which merged with Banco Urquijo where he held a position until 1985. In 1985 he founded Mercapital, S.A. and was Chairman of this group until 2008.He has held, among others, the position of Chairman of Bodegas Barón de Ley, Board Member of Banque Privée Edmond de Rothschild, Suez International, Otis International, Amorim Investment, Lácteas G Baquero, Unión Fenosa, etc.He is currently Chairman of Cartera Industrial Rea, Bodegas Lan and Deputy Chairman of Zardoya Otis, as well as a Board Member of Otis Elevadores Portugal, Mecalux, etc., and he is Commandeur de l'Ordre de Léopold II.
Mr. Juan David Grimà Terré	Born in 1953 in Sabadell (Barcelona). He has a PhD in Economics and Business; and has studied at the Universidad Autónoma de Barcelona, Baylor and Harvard Business School. From 1992 to 2010 he was the general manager of Banco Santander. In January 2002 he was appointed Deputy Chairman and CEO of the Auna Group, a position he held in addition to his responsibilities at the Bank up to November 2005. He is a Board Member of TEKA, S.A.
Mr. Miguel Roca Junyent	Born in 1940 in Cauderan (France). Degree in Law from Universidad de Barcelona. Secretary of the Board of Directors of Accesos de Madrid, Concesionaria Española, since January 2000. Secretary of the Board of Directors of Abertis Infraestructuras, S.A. Board Member of Endesa, S.A. Chairman of the Abertis Foundation Partner - Chairman of Despacho Roca Junyent.

Total number of independent Board Members	4
Total % of the Board	23.529

Other External Board Members

Name or company name of the Board Member	Committee which proposed the appointment
Mr. Pedro José López Jiménez	Appointments and Remuneration Committee

Total number of other external Board Members	1
Total % of the Board	5.882

Indicate the reasons why they cannot be considered proprietary or independent Board Members and their relationships with the company and its executives or shareholders.

Name or company name of the Board Member	Company, executive or shareholder with whom there is a relation	Reasons
Mr. Pedro José López Jiménez		Mr. Pedro López Jiménez currently has an indirect ownership in the company of 0.287 %. However, he has been considered to be a proprietary Board Member ever since he was one of the Company's majority shareholders and owned 10% of the Company's shares. This ownership interest has progressively been diluted as a result mainly of the corresponding corporate mergers. Therefore, he was elected as a external Board Member at the Extraordinary General Shareholders' Meeting held on 3 December 2008.

Indicate any changes in the status of each Board Member that may have occurred during the year:

—

B.1.4. If applicable, explain the reasons for the appointment of any proprietary Board Members at the request of shareholders controlling less than 5% of the share capital.

—

Indicate whether any rejection of a formal request for a place on the Board from shareholders whose ownership interest is equal to or greater than that of others whose nomination of proprietary Board Members was accepted. If so, explain why these requests were rejected.

Yes	No
	X

B.1.5. Indicate whether any Board Members resigned from office before the expiration of their term of office, whether and in what manner the Board Member explained the reasons for resignation to the Board and, in the event that resignation was tendered in writing to the Board in full, detail below the reasons given by the Board Member:

Yes	No
	X

B.1.6. Indicate what powers, if any, have been delegated to the chief executive officer(s):

Name or company name of the Board Member	Brief description
Mr. Florentino Pérez Rodríguez	All powers corresponding to the board except those that cannot be transferred.

B. MANAGEMENT STRUCTURE OF THE COMPANY

B.1.7. Identify, if applicable, the Board members who hold office as Board Members or executives at other companies forming part of the listed company's group:

Name or company name of the Board Member	Company name of the group entity	Position
Mr. Antonio García Ferrer	ACS Servicios y Concesiones, S.L.	Board Member
	ACS Servicios, Comunicaciones y Energía, S.L.	Board Member
	Dragados, S.A.	Board Member
Mr. Agustín Batuecas Torrego	Construrail, S.A.	Board Member
	Continental Rail, S.A.	Individual Representative
	Intercambiador de Transportes Avda. de América, S.A.	Chairman
	Intercambiador de Transportes Plaza de Castilla, S.A.	Individual Representative
	Intercambiador de Transportes Príncipe Pío, S.A.	Individual Representative
	Logitren, S.A.	Joint Director
Mr. Javier Monzón de Cáceres	ACS Servicios y Concesiones, S.L.	Board Member
Mr. Manuel Delgado Solís	Dragados, S.A.	Board Member
Mr. Pedro José López Jiménez	ACS Servicios y Concesiones, S.L.	Acting Chairman and Deputy
	ACS Servicios, Comunicaciones y Energia, S.L.	Deputy Chairman
	Dragados, S.A.	Acting Chairman and Deputy
	HOCHTIEF Aktiengesellschaft	Member of the Supervisory Board
Mr. José Luis del Valle Pérez	ACS Servicios y Concesiones, S.L.	Board Member - Secretary
	ACS Servicios, Comunicaciones y Energía, S.L.	Board Member - Secretary
	Clece, S.A.	Chairman
	Cobra Gestión de Infraestructuras, S.L.	Board Member- Secretary
	Dragados, S.A.	Board Member- Secretary
	HOCHTIEF Aktiengesellschaft	Member of the Supervisory Board

B.1.8. List, if applicable, of any Board Members of the company who are members of the Boards of Directors of other non-group companies that are listed on official securities markets in Spain, as disclosed to the company:

Name or company name of the Board Member	Company name of listed company	Position
Mr. Javier Echenique Landiribar	Repsol YPF, S.A.	Board Member
	Grupo Empresarial Ence, S.A.	Board Member
	Banco Sabadell, S.A.	Deputy Chairman
Mr. Javier Monzón de Cáceres	Indra Sistemas, S.A.	Chairman
Mr. José Álvaro Cuervo García	Bolsas y Mercados Españoles. Sdad Holding de mdos y stmas fin, S.A.	Board Member
Mr. José María Loizaga Viguri	Cartera Industrial Rea, S.A.	Chairman
	Zardoya Otis, S.A.	Deputy Chairman
Mr. Juan March de la Lastra	Indra Sistemas, S.A.	Board Member
	Corporación Financiera Alba, S.A.	Board Member
Mr. Miguel Roca Junyent	Endesa, S.A.	Board Member
Mr. Santos Martínez-Conde Gutiérrez- Barquín	Acerinox, S.A.	Board Member
	Corporación Financiera Alba, S.A.	CEO

B.1.9. Indicate, and if applicable, explain whether the Company has established any rules about the number of Boards on which its Board Members may sit:

	Yes	No
	X	

Explanation of the rules
Article 14 of the Regulations of the Board of Directors provides that directors may not, either directly or indirectly, hold positions in companies or firms that are competitors of the Company or of any of the Group companies or provide representation services on their behalf. Additionally, the Regulations of the Board of Directors, as currently worded, limits the number of Groups which a Board Member of the Company can form part of to five, except in the case of express authorisation on a reasonable basis.

B.1.10. In relation to Recommendation 8 of the Unified Code, indicate the general policies and strategies of the company reserved for approval by the Board in plenary session:

	Yes	No
Investment and financing policy	X	
Definition of the structure of the corporate group	X	
Corporate governance policy	X	
Corporate social responsibility policy	X	
Strategic or business plan and the annual management and budget targets	X	
Remuneration and evaluation of senior executives	X	
Risk control and management policy, and the periodic monitoring of internal information and control systems	X	
Dividend policy and the policy and limits applicable to treasury shares	X	

B.1.11. Complete the following tables on the aggregate remuneration of Board Members paid during the year:

a) At the reporting company:

Remuneration item	Data in thousands of euros
Fixed remuneration	3,414
Variable remuneration	3,885
Expenses	0
Bylaw-stipulated Board Members’ emoluments	2,239
Share options and/or other financial instruments	0
Others	0
Total	**9,538**

B. MANAGEMENT STRUCTURE OF THE COMPANY

Other benefits	Data in thousands of euros
Advances	0
Loans granted	0
Pension funds and plans: contributions	1,811
Pension funds and plans: obligations assumed	1,811
Life insurance premiums	16
Guarantees provided by the company for Board Members	0

b) Due to company Board Members' membership of other boards of directors and/or of the senior management of group companies:

Remuneration item	Data in thousands of euros
Fixed remuneration	448
Variable remuneration	0
Expenses	0
Bylaw-stipulated Board Members' emoluments	495
Share options and/or other financial instruments	0
Others	1
Total	**944**

Other benefits	Data in thousands of euros
Advances	0
Loans	0
Pension funds and plans: contributions	0
Pension funds and plans: obligations assumed	0
Life insurance premiums	0
Guarantees provided by the company for Board Members	0

c) Total remuneration by type of Board Member:

Type of Board Member	By company	By group
Executives	7,904	489
Proprietary and external Board Members	985	271
External independent Board Members	524	0
Other external Board Members	125	184
Total	**9,538**	**944**

d) With respect to profit attributable to the parent

Total Board Members' remuneration (thousands of euros)	10,482
Total Board Members' remuneration/profit attributable to the parent (expressed as %)	0.0

B.1.12. Identify the senior executives who are not executive Board Members and indicate the total remuneration paid to them during the year:

Name or company name	Position
Mr. Ángel Medina Trigo	General Manager of Initec Energía, S.A.
Mr. José María López Piñol	Chairman of Urbaser, S.A.
Mr. Pedro Ascorbe Trian	General Manager of Dragados Off Shore, S.A.
Mr. Alejandro Ganga Bottegheiz	Western US Manager of Dragados, S.A.
Mr. Alejandro Mata Arbide	Administration Manager of ACS Actividades de Construcción y Servicios, S.A.
Mr. Carlos Gerez Pascual	Director of Machinery of Dragados, S.A.
Mr. Luis Nogueira Miguelsanz	General Secretary of Construction, Concessions and Environment.
Mr. Juan Mata Arbide	General Manager of Geotécnica y Cimientos, S.A. (Geocisa).
Mr. Epifanio Lozano Pueyo	Corporate General Manager of ACS, Servicios Comunicaciones y Energía, S. L.
Mr. Ramón Jiménez Serrano	General Manager of Integrated Projects of Cobra Gestión de Infraestructuras, S.A.
Mr. José Antonio Pérez Pérez	General Manager of Mantenimientos y Ayuda a la Explotación, S.A. (Maessa).
Mr. Andrés Sanz Carro	Secretary Generel of Sociedad Española de Montajes Industriales, S.A. (SEMI).
Mr. Juan José Fanjul Pastrana	General Manager of Cobra Instalaciones y Servicios, S.A.
Mr. Ignacio Segura Suriñach	CEO of Dragados, S.A.
Mr. Enrique Pérez Rodríguez	CEO of Cogesa, S.A.
Mr. Gonzalo Gómez-Zamalloa Baraibar	CEO of Vias y Construcciones, S.A.
Mr. Gustavo Tunell Ayuso	Manager of Poland at Dragados, S.A.
Mr. Francisco Javier López Sanchez	Manager of Building at Dragados, S.A.
Mr. Raúl Llamazares de la Puente	CEO of Initec, Intecsa and Makiber.
Mr. José María Castillo Lacabex	General Manager of Imesapi, S.A.
Mr. José Luis López Molinillo	Manager of ACS, Actividades de Construcción y Servicios, S.A.
Mr. Eugenio Llorente Gómez	Chairman and CEO of Industrial Services.
Mr. José Ignacio Legorburo Escobar	European Assistant Manager of Dragados, S.A.
Mr. Alfonso Aguirre Díaz-Guardamino	General Manager of ACS, Servicios Comunicaciones y Energía, S. L.
Mr. José Zornoza Soto	Finance Manager of ACS, Actividades de Construcción y Servicios, S.A.
Mr. José María Aguirre Fernández	General Manager of Tecsa, Empresa Constructora, S.A.
Mr. Ricardo Martín de Bustamante Vega	European Manager of Dragados, S.A.
Ms. Marta Fernández Verdes	Finance Director of Dragados, S.A.
Mr. Ricardo Cuesta Castiñeyra	Head of the Legal Department of Dragados, S.A.
Mr. Eusebio Arnedo Fernández	Head of Human Resources of Dragados, S.A.
Mr. Diego Miguel Zumaquero García	Director of Spanish of Dragados, S.A.
Mr. Ángel Guerra Zalabardo	General Manager of Sice, Tecnología de Sistemas, S.A.
Mr. Bernardo de la Fuente Elvira	General Manager of Control y Montajes Industriales, S.A.
Mr. Román Garrido Sánchez	North American Manager of Dragados, S.A.
Mr. Jesús García Arias	Generel Manager of Sociedad Española de Montajes Industriales, S.A. (SEMI).
Mr. Cristóbal Gónzalez Wiedmaier	Finance Manager of ACS, Servicios Comunicaciones y Energía, S.L.
Mr. Manuel Álvarez Muñoz	Production Manager of Vias y Construcciones, S.A.
Mr. Carlos Abilio Pérez	General Manager of Tratamiento de Residuos Urbanos de Urbaser, S.A.
Mr. José Reis Costa	Chairman of Procme LTD.
Mr. Ángel Manuel García Altozano	Corporate General Manager of ACS, Actividades de Construcción y Servicios, S.A.
Mr. Manuel Andrés Martínez	General Manager of Urban Services at Urbaser, S.A.
Mr. Adolfo Valderas Martínez	General Manager of Iridium, Concesiones de Infraestructuras, S.A.
Mr. José Luis Celorrio García	General Manager of Maessa Telecomunicaciones, S.A. (Maetel).
Mr. José Alfonso Nebrera García	General Manager of ACS, Servicios Comunicaciones y Energía, S.L.
Mr. José Antonio Fernández García	General Manager of the Etra Group.
Ms. Cristina Aldámiz-Echevarría González de Durana	Director of Investments and Management Control of ACS Actividades de Construcción y Servicios, S.A.
Mr. Salvador Myro Cuenco	Development Manager of Iridium, Concesiones de Infraestructuras, S.A.
Mr. Ricardo Franco Barbera	Eastern US Manager of Dragados, S.A.
Total remuneration of senior executives (thousands of euros)	21,025

B. MANAGEMENT STRUCTURE OF THE COMPANY

B.1.13. Identify in aggregate terms whether there are any guarantee or golden parachute clauses for senior executives, including executive Board Members of the company or of its group, in the event of termination or changes in control. Indicate whether these contracts have to be disclosed to and/or approved by the bodies of the company or of its group:

Number of beneficiaries	6

	Board of Directors	General Meeting
Body authorising the clauses	X	

	Yes	No
Is the General Meeting informed of the clauses?		X

B.1.14. Indicate the process for setting Board members' remuneration and the relevant provisions in the company bylaws.

Process for establishing the remuneration of the Board members and the provisions in the bylaws

The remuneration of the various Board members for bylaw-stipulated Board Members' emoluments is proposed by the Appointments and Remuneration Committee and the full amount is submitted at the General Meeting for approval by the shareholders within the resolution relating to the appropriate of profit or loss.

This matter is regulated in the last three paragraphs of Article 34 of the bylaws, which provide the following: In addition to the attendance fees and emoluments agreed on by the General Meeting, with regard to bylaw-stipulated compensation, the Board of Directors will also be entitled to remuneration that does not exceed ten per cent of net profits, which can only be paid once all legal reserves have been attended to and, if applicable, all statutory reserves have been made and the shareholders have been paid a dividend of at least four per cent of paid in capital per share.

Remuneration to all or some of the members of the Board of Directors and to management personnel of the Company and the companies that belong to the Group may take the form of company shares or share options or may be tied to the value of these shares in the form, terms, and conditions established by the General Shareholders' Meeting in accordance with established legal requirements.

The Board of Directors shall decide on the manner in which the remuneration payable under this article, the amounts of which may differ, shall be distributed among its members.

In accordance with Article 16 of the Regulations of the Board of Directors, the Board will determine, after a report from the Appointments and Remuneration Committee, the distribution of the total amount and frequency of the payments in accordance with legislation and Company bylaws in force. Additionally, in accordance with Article 24 of these Regulations, the Appointments and Remuneration Committee is responsible for reporting to the Board of Directors on the following:

1. The remuneration system for the Chairman of the Board of Directors and other senior executives in the Company.
2. The distribution among the members of the Board of Directors of the overall remuneration agreed upon by the shareholders at the General Meeting and, if applicable, the establishment of supplementary remuneration and other payments corresponding to executive Board Members in relation to their functions
3. Board Members' remuneration.
4. Multi-annual plans that may be set up according to the share value such as share option plans.

Indicate whether the plenary Board meeting reserves approval of the following decisions.

	Yes	No
At the proposal of the company's chief executive, the appointment and removal of senior executives and provisions relating to termination benefits.	X	
Board Members' remuneration and, in the case of executive Board Members, the additional consideration for their management duties and other contract conditions.	X	

B.1.15. Indicate whether the Board of Directors approves a detailed remuneration policy and specify the matters addressed thereby:

Yes	No
X	

	Yes	No
Amount of the fixed components with a breakdown, if applicable, of fees for attending Board and committee meetings and an estimate of the annual fixed remuneration arising therefrom.	X	
Variable remuneration.	X	
Main features of welfare systems and the estimated amount or equivalent annual cost.	X	
Conditions to be met in the contracts of executive Board Members who discharge senior management functions.	X	

B.1.16. Indicate whether the Board submits a report on the Board Members' remuneration policy to the advisory vote of the General Shareholders' Meeting, as a separate item on the agenda. If so, explain the remuneration policy matters approved by the Board for future years, the most significant changes in the policy with respect to that applied in the year and a summary of the application of the remuneration policy in the year. Detail the role played by the Remuneration Committee and, if external advisors were used, the identity of the external consultants:

Yes	No
X	

Matters addressed in the remuneration policy
The report on the Board Members' remuneration policy shall be submitted to an advisory vote of the shareholders as a separate item on the agenda at the next General Meeting to be held on 9 and 10 May 2013, on the first and second call, respectively. Articles 4 and 16 of the Board Regulations stipulate that the Board shall approve an annual report on the remuneration policy explaining the criteria and foundations used to determine the Board Members' remuneration, which shall be submitted to the shareholders at the Ordinary General Meeting. The 2012 report on the Board Members' remuneration policy shall be published this year separately from the Group's Annual Report. In addition to an itemised breakdown of the Board Members' remuneration, this report shall include the Board Members' remuneration policy for 2013.

Role played by the Remuneration Committee
In accordance with Article 24 of the Board Regulations, the Appointments and Remuneration Committee has drafted the policy contained in the report on the Board Members' remuneration policy for 2012. It was submitted for the approval by the Board at its meeting held on 21 March 2013.

B. MANAGEMENT STRUCTURE OF THE COMPANY

Were external advisors used?

	Yes	No
		X

Identity of the external consultants

B.1.17. Indicate, as appropriate, which members of the Board are, in turn, members of the Boards of Directors, executives or employees of companies that hold significant ownership interests in the listed company and/or group companies:

Name or company name of the Board Member	Company name of the significant shareholder	Position
Mr. Florentino Pérez Rodríguez	Inversiones Vesán, S.A.	Director
Mr. Juan March de la Lastra	Corporación Financiera Alba, S.A.	Board Member
Ms.Sabina Fluxà Thienemann	Iberostar Hoteles y Apartamentos, S.L.	Board Member
Mr. Santos Martínez-Conde Gutiérrez- Barquín	Corporación Financiera Alba, S.A.	CEO

List, as appropriate, any material relationships, other than those envisaged under the preceding heading, of the members of the Board of Directors with significant shareholders and/or at group companies:

Name or company name of the related Board Member	Name or company name of the related significant shareholder	Description of relationship
Mr. Pablo Vallbona Vadell	Corporación Financiera Alba, S.A.	Deputy chairman of Banca March, S.A., Main shareholder of Corporación Financiera Alba.
Mr. Juan March de la Lastra	Corporación Financiera Alba, S.A.	Deputy chairman of Banca March, S.A., Main shareholder of Corporación Financiera Alba, S.A.
Mr. Julio Sacristán Fidalgo	Inversiones Vesán, S.A.	Brother in law of Mr. Florentino Pérez, director of Inversiones Vesán, S.A.
Mr. Manuel Delgado Solís	Percacer, S.A.	Lawyer
Mr. Manuel Delgado Solís	Imvernelin Patrimonio, S.L.	Lawyer
Mr. Santos Martínez-Conde Gutiérrez- Barquín	Corporación Financiera Alba, S.A.	Board Member of Banca March, S.A., Main shareholder of Corporación Financiera Alba, S.A.

B.1.18. Indicate whether any amendments have been made to the Regulations of the Board of Directors during the year:

	Yes	No
	X	

Description of amendments

Amendment to Articles 5 and 8 of the Regulations of the Board of Directors, which shall be worded as follows:

Article 5. Duty to inform shareholders

In order for the General Shareholders' Meeting to appropriately perform its functions, the Company's Board of Directors must make available to shareholders, prior to each Meeting being held, all information that may be legally required or which, without being so, must reasonably be provided in accordance with the interests of the company and of the shareholders, in order for them to lay down criteria. In this regard, the Board of Directors is obliged to respond to shareholders' requests, regardless of whether these requests are formulated before or after General Shareholders' Meetings, provided that the Company's interests are not jeopardised.

For the purposes transparency and maximum distribution of the corresponding information and to facilitate immediate access to it by shareholders, and investors in general, the Board of Directors shall have a Company web page that includes all those documents that are for general dissemination and, especially, the Company bylaws; the Regulations of the Board of Directors; the reports which, in accordance with legislation in force, must be given to the stock markets; the call notices to the General Shareholders' Meetings and the proposals that are submitted for deliberation and approval as well as the resolutions adopted at recently held General Shareholders' Meetings.

Additionally, the Web Page shall include the composition of the Board of Directors, and the professional profile of each Board Member; the other Board of Directors of which he is a member, whether he is an executive and proprietary Board Member, and the shareholder which he represents; or whether he is an independent or external Board Member; the date on which he was appointed, and if applicable, re-elected; and the company shares or share options which he holds.

Article 8. Meetings and call notices

The Board shall meet whenever required to do so by the Company's interests, prior notice from the Chairman or, in his or her absence, by a Deputy Chairman, either on his or her own initiative or on the request of, at least, two Board Members. In any event, the Board shall meet at least six times a year in order to periodically examine the Group's progress compared to the budgets and previous year. Call notice shall be given by means of letter, telex, telegram, telefax or any other means of written communication that permits verification that it has been received by the various Board Members, including the agenda.

Except in cases of emergency, which shall be freely determined by the Chairman, notice must be given at least three days in advance of the date on which the Board Meeting is expected to be held.

The Board of Directors shall meet at the Company registered office or at any other location determined by the Chairman and specified in the call notice.

Attendance of Board Members at the Board of Directors meetings shall be equally valid by means of remote communication, provided that these means allow the Board Members attending to mutually recognised and identify each other, to be in permanent communication, and to take the floor and vote in real time. Board of Director meetings that are attended by Board Members through means of remote communication, in accordance with that provided in this article, shall be considered unique and held at the location from where the Chairman of the body, or whoever stands in for him, is attending. The meeting minutes and certificates of the resolutions must express the adoption thereof.

The Board of Directors shall empower one of the independent Board Members to:

1. Call a meeting of the Board of Directors.
2. Request that new items be added to the Agenda of the Board of Director's meeting.
3. State and coordinate the voicing of concerns by independent, proprietary and external Board Members.
4. Direct the evaluation by the Board of Directors of its Chairman.

The Board Members that constitute at least one third of the members of the Board may call a meeting, indicating the agenda and as to whether the meeting is to be held at the company's registered office, if the Chairman failed to call the meeting, without just cause, within a period of one month after having submitted the request to do so.

B. MANAGEMENT STRUCTURE OF THE COMPANY

B.1.19. Indicate the procedures for the appointment, re-election, evaluation and removal of Board Members. List the competent bodies, the formalities to be fulfilled and the criteria to be used in each of the procedures.

Appointment of board members

The appointment of Board Members is regulated in the following articles of the Regulations of the Board of Directors, which are worded as follows:

Article 3. Composition and appointments

Within the limits stipulated in Article 13 of the Company bylaws in force and notwithstanding the powers of proposal which, under the legislation in force, may correspond to the shareholders, the Board of Directors shall be responsible for proposing to the General Shareholders' Meeting the number of directors and individuals or legal entities to be appointed. The appointment proposal must specify whether the director is an executive, proprietary, independent or external director.

Furthermore, should any vacancies arise, the Board of Directors may provisionally fill them among the shareholders until the next General Shareholders' Meeting where a definitive appointment shall take place.

Article 4. Functions (...) In particular, the Board of Directors shall have the following responsibilities, which cannot be delegated:

- Accept the resignation of directors.
- Appoint, remove and accept the resignation of the positions of Chairman, Deputy Chairman and Secretary to the Board.
- Appoint, remove and accept the resignation of Board Members who must form part of the Commissions and Committees envisaged in these Regulations.
- Delegate to any of their members, in full or in part, the powers corresponding to the Board, except those which cannot be delegated.
- Prepare the individual and consolidated financial statements and directors' reports and submit them for approval by the General Shareholders' Meeting. Draw up an annual report on the Board Member's remuneration policy, which shall be submitted to an advisory vote at the Company's General Shareholders' Meeting as a separate item on the agenda.
- Draw up reports, including the Annual Corporate Governance Report, and the proposals which, in accordance with the legislation in force and the Company bylaws, the Board of Directors is responsible for adopting.
- Approve the yearly budget.
- Approve the merger, acquisition, spin-off or business combinations involving the Group's main subsidiaries of which the Company is the Parent.
- Approve the block issue of debentures, promissory notes, bonds or similar securities by the Group's main subsidiaries of which the Company is the Parent.
- Approve the transfer of rights regarding the brand name, trademarks and other intellectual and industrial property rights that belong to the Company or the companies of its Group, whenever they are of financial relevance.
- Assess each year the quality and efficiency of its operation; the Chairman and, if appropriate, CEO's performance of their duties, following the issuance of a report by the Appointments and Remuneration Committee; and the operation of the Board of Director's Committees, following the issuance of a report by these Committees.
- Amending these Regulations.
- Carry out, in general, all functions that correspond by law, by regulation or in accordance with these Regulations, and to perform any other functions which have been delegated thereto by the General Shareholders' Meeting. The Board may, in turn, only delegate those that are expressly permitted in the resolution on delegation of the General Shareholders' Meeting.

Article 11. Term of appointment for Board Members

Board Members shall hold their positions during the six-year term for which they were elected. They may be re-elected one or more times for terms of the same maximum duration.

Should a vacancy exist for any reason, the Board may provisionally fill it from among the shareholders until the next General Shareholders' Meeting, where a definitive appointment shall take place.

The appointment of the Board Members shall expire when the term has ended and the next General Meeting has been held, or following the legal period within which the Meeting is to be held to resolve on whether or not to approve the financial statements for the previous year.

Notwithstanding the above, proprietary Board Members must resign when the shareholder they represent fully disposes of his shares by any means.

Article 17. The Chairman

The Board shall elect a Chairman from among its members, who, in addition to the functions that may correspond in accordance with the legislation in force, the Company bylaws and these Regulations, shall perform the tasks corresponding to his or her condition as the Company's maximum executive, within the guidelines laid down by the General Shareholders' Meeting, the Board of Directors and the Executive Committee.

The Chairman shall enjoy the broadest powers for performing his or her tasks and, unless other stipulated by law, may fully or partially delegate such powers to other Board Members and the Company's management personnel and, in general, whoever he or she deems advisable or necessary.

Article 18. The Deputy Chairmen

The Board may also elect from among its Board Members one or two Deputy Chairmen who shall act as the Chairman in cases of delegation, absence or illness and, in general, perform all the tasks that may be entrusted to them by the Chairman, the Executive Committee and the Board of Directors.

Substitution of the Chairman shall take place by chronological order of the Deputy Chairmen's appointment, in the absence of such order, by order of seniority and, lastly by order of greater to lesser age.

Article 19. The Chief Executive Officer

The Board may appoint a Chief Executive Officer, delegating him the powers deemed expedient except those which, by law or Company bylaws, cannot be delegated.

Article 20. The Secretary

Following the issuance of a report by the Appointments and Remuneration Committee, the Board of Directors shall appoint a Secretary, who may be a non-Board Member, and who must be a practising lawyer. Apart from the functions laid down by the legislation in force, the Company bylaws and these Regulations, the Secretary to the Board of Directors is responsible for ensuring that actions arising from the Company bodies he forms part of comply with the requirements of the law, issuing warnings in this respect and registering them in the minutes; and ensuring that the Board of Directors bears in mind in its actions the recommendations of the Unified Code of Good Corporate Governance in force.

B. MANAGEMENT STRUCTURE OF THE COMPANY

Article 24. The Appointments and Remuneration Committee

Likewise, the Board of Directors shall set up an Appointments and Remuneration Committee to be made up of a Chairman and a minimum of two Members who shall be freely elected and moved, from among its members, by the Board of Directors, and who shall perform their functions indefinitely or during the term for which they were elected. The appointment of the Chairman must fall on one of the independent Board Members. The Secretary to the Board of Directors shall attend the Committee's meetings and shall act as its Secretary, with entitlement to participate but not to vote, and shall write up the minutes of the meeting, which shall be forwarded to all members of the Board of Directors following their approval.

The meeting shall only be deemed to be convened when the majority of its members attend and agreements shall be adopted by majority vote of those attending, with the Chairman having the casting vote in the event of a tie. The Committee shall meet, when convened by the Chairman, at least twice a year.

The Appointments and Remuneration Committee has the following tasks:

1. Report on the remuneration system for the Chairman of the Board of Directors and other senior executives in the Company. Where appropriate, make the pertinent recommendations to the Board so that the succession of the Chairman and, if applicable, Chief Executive Officer, proceeds in a planned and orderly manner. Consult with the Chairman, and if appropriate, the Chief Executive Officer, on any matters within its competence affecting the Company's executive Board Members and other senior executives.

2. Report on the distribution among the members of the Board of Directors of the overall remuneration agreed upon by the General Shareholders' Meeting, and if applicable, the establishment of supplementary remuneration and other payments corresponding to executive Board Members in relation to their functions.

3. Report on the remuneration of Board Members.

4. Report on multi-annual plans that may be set up according to share value such as share option plans.

5. Propose the appointment or re-election of independent Board Members and report on the proposals for the appointment of other Board Members and the Secretary to the Board of Directors. For these purposes, the skills, knowledge, experience and dedication to the good performance of their duties of those proposed as Board Members should be assessed. The Committee shall also report on the proposed early resignation of any independent Board Members.

6. Propose appointments of senior executives, especially those who will form part of the Group's Management Committee, and the basic conditions of their contracts.

7. Issues relating to gender diversity on the Board of Directors.

8. Any other matters under its competence pursuant to these Regulations, which may be especially entrusted to it by the Board of Directors.

Insofar as it were deemed necessary, and with the natural adaptations, the operation of the Appointments and Remuneration Committee shall be governed by the provisions of these Regulations regarding the operation of the Board of Directors.

Re-election of board members

Board Members shall hold their positions during the six-year term for which they were elected. They may be re-elected one or more times for terms of the same maximum duration.

Should a vacancy exist for any reason, the Board may provisionally fill it from among the shareholders until the next General Shareholders' Meeting, where a definitive appointment shall take place.

The appointment of the Board Members shall expire when the term has ended and the next General Meeting has been held, or following the legal period within which the Meeting is to be held to resolve on whether or not to approve the financial statements for the previous year.

Notwithstanding the above, proprietary Board Members must resign when the shareholder they represent fully disposes of his shares by any means.

Removal of board members

The removal of Board Members is regulated in the following articles of the Regulations of the Board of Directors, which are worded as follows:

Article 3. Composition and appointments

Within the limits stipulated in Article 13 of the Company bylaws in force and notwithstanding the powers of proposal which, under the legislation in force, may correspond to the shareholders, the Board of Directors shall be responsible for proposing to the General Shareholders' Meeting the number of Board Members and individuals or legal entities to be appointed. The appointment proposal must specify whether the Board Member is an executive, proprietary, independent or external Board Member.

Furthermore, should any vacancies arise, the Board of Directors may provisionally fill them among the shareholders until the next General Shareholders' Meeting where a definitive appointment shall take place.

Article 4. Functions (...) In particular, the Board of Directors shall have the following responsibilities, which cannot be delegated:

Accept the resignation of Board Members.

Appoint, remove and accept the resignation of the positions of Chairman, Deputy Chairman and Secretary to the Board.

Appoint, remove and accept the resignation of Board Members who must form part of the Commissions and Committees envisaged in these Regulations.

Article 11. Term of appointment for Board Members

Board Members shall hold their positions during the six-year term for which they were elected. They may be re-elected one or more times for terms of the same maximum duration.

Should a vacancy exist for any reason, the Board may provisionally fill it from among the shareholders until the next General Shareholders' Meeting, where a definitive appointment shall take place.

The appointment of the Board Members shall expire when the term has ended and the next General Meeting has been held, or following the legal period within which the Meeting is to be held to resolve on whether or not to approve the financial statements for the previous year

B. MANAGEMENT STRUCTURE OF THE COMPANY

B.1.20. Indicate the cases in which the Board Members must resign.

In accordance with Article 11 of the Regulations of the Board of Directors, proprietary Board Members shall resign from the Board of Directors when the shareholder they represent fully disposes of his shares by any means.

B.1.21. State whether the chairman of the Board of Directors also performs the functions of the company's chief executive. If so, describe the measures taken to limit the risks of power being concentrated in the hands of one person:

	Yes	No
	X	

Measures to limit risks
The Chairman of the Board, Mr. Florentino Perez Rodriguez, is also CEO and has been delegated all the powers of the Board except those that cannot be delegated. Therefore, in accordance with the Regulations of the Board of Directors, the Chairman shall undertake the duties that befit the status of the chief executive officer of the Company, within the guidelines laid down by the General Shareholders' Meeting, the Board of Directors and the Executive Committee. His duties are not only delimited by this scope of powers that cannot be delegated, but also by the duties that he carries out as the Chairman of the Executive Committee. Also noteworthy is that any resolution of special relevance to the Company shall be submitted to the approval of the Board of Directors, and an absolute majority shall be required, in which case neither the Chairman nor the corresponding Committee shall have a casting vote.

Indicate and, if applicable, explain whether rules have been established to enable one of the independent Board Members to convene a Board meeting or add items to the agenda, to coordinate and give voice to the concerns of external Board Members and lead the Board's evaluation of the Chairman.

	Yes	No
	X	

Explanation of the rules
In accordance with the Regulations of the Board, an independent Board Member shall have this power, and for these purposes, Mr. Miguel Roca Junyent has been appointed.

B.1.22. Are qualified majorities, other than statutory majorities, required for any type of decision?:

	Yes	No
		X

Indicate how resolutions are adopted by the Board of Directors and specify, at least, the minimum attendance quorum and the type of majority for adopting resolutions:

—

B.1.23. State whether there are any specific requirements, apart from those relating to the Board Members, to be appointed chairman.

	Yes	No
		X

B.1.24. Indicate if the chairman has a casting vote:

	Yes	No
		X

B.1.25. Indicate whether the bylaws or the Board Regulations set any age limit for Board Members:

	Yes	No
		X

Age limit of chairman	Age limit of chief executive officer	Age limit of Board Member
0	0	0

B.1.26. Indicate whether the bylaws or the Board regulations set a limited term of office for independent Board Members:

	Yes	No
		X

Maximum number of years in office	
	0

B.1.27. In the event that there are few or no female Board Members explain the reasons for the situation and the measures taken to correct it.

Explanation of reasons and measures taken
Equal opportunity and non-discrimination, basic principles of ACS included in the Company's Code of Conduct, are determining factors when promoting the professional and personal development of all ACS employees, and the Company assures equal opportunities through its policies. The effectiveness of this equal opportunities policy is guaranteed since it is accompanied by measures aimed at breaking down the traditional barriers on the entrance of females in a sector which is traditionally male and measures to reconcile professional and personal life, which has enabled it to increase the number of women with executive responsibilities in the Group.

In particular, indicate whether the Appointments and Remuneration Committee has established procedures for selection processes to ensure that they do not suffer from any implicit bias against women candidates and that purposely identify candidates with the target profile:

	Yes	No
		X

B.1.28. Indicate whether there are any formal procedures for granting proxies to vote at Board meetings. If so, give brief details.

Without prejudice to attendance obligations, Board Members who are unable to attend a meeting in person may be represented and cast a vote through another Board Member. This proxy must be sent to the Chairman in writing in the form of a letter, telegram, telex or fax or any other written means that allows its reception by this addressee to be verified.

B. MANAGEMENT STRUCTURE OF THE COMPANY

B.1.29. Indicate the number of Board meetings held during the year and how often the Board has met without the chairman's attendance:

Number of Board meetings	6
Number of Board meetings without chairman's attendance	0

Indicate how many meetings of the various Board committees were held during the year:

Number of Executive or Delegated Committee meetings	11
Number of Audit Committee meetings	7
Number of Appointments and Remuneration Committee meetings	2
Number of Appointments Committee meetings	0
Number of Remuneration Committee meetings	0

B.1.30. Indicate the number of Board meetings held during the year that were not attended by all the Board Members. The calculation of absences shall include proxies granted without specific instructions:

Number of Board Member absences during the year	5
Number of absences as a % of the total votes during the year	4.900

B.1.31. Indicate whether the separate and consolidated financial statements submitted for approval by the Board are certified previously:

	Yes	No
	X	

Identify, if applicable, the person(s) who certified the company's separate and consolidated financial statements for authorisation for issue by the Board:

Name	Position
Mr. Ángel Manuel García Altozano	Corporate General Manager

B.1.32. Explain the mechanisms, if any, established by the Board of Directors to prevent qualified auditors' reports on the separate and consolidated financial statements prepared by it from being submitted at the General Meeting.

In this respect, routine meetings are held between the accounts auditor and the Audit Committee to analyse with sufficient notice any differences between the accounting criteria of the Company and its Group and the auditors' interpretation of the accounts. The foregoing is in accordance with Article 20 bis of the Company bylaws. It is considered that the 2012 auditors' reports on ACS Actividades de Construccion y Servicios, S.A. and the ACS Group will be favourable, as they were in 2010 and 2011.

B.1.33. Is the Secretary of the Board a Board Member?

Yes	No
X	

B.1.34. Explain the procedure for appointing and removing the secretary of the Board and indicate whether the appointment and removal are subject to a report of the Appointments Committee and are approved by the Board in plenary session

Procedure for appointment and dismissal
Following the issuance of a report by the Appointments and Remuneration Committee, the Board of Directors shall appoint a Secretary, who may be a non-Board Member, and who must be a practising lawyer. In addition to the duties laid down by current legislation, the Company bylaws and these Regulations, the Secretary of the Board of Directors must also oversee the legality of the acts issued by the company bodies that he forms part of, providing the due warnings and recording them in the minutes. The appointment of the Secretary was not reported to the Appointments and Remuneration Committee since he was appointed years prior to the formation of this Committee.

	Yes	No
Does the Appointments Committee report on the appointment?	X	
Does the Appointments Committee report on the dismissal?	X	
Does the Board in plenary session approve the appointment?	X	
Does the Board in plenary session approve the removal?	X	

Is the secretary of the Board particularly entrusted with ensuring compliance with good governance recommendations?

Yes	No
X	

B.1.35. Indicate the mechanisms, if any, established by the company to preserve the independence of the auditors, of financial analysts, investment banks and of rating agencies.

With regard to the auditor, Article 23 of the Board Regulations expressly stipulates that the duties of the Audit Committee shall be as follows:

- Monitor the effectiveness of the Company's internal control, internal audit and, if applicable, risk management systems, and discuss any significant weaknesses in the internal control system identified during the performance of the audit with the auditors or audit firms.

- Oversee the preparation and presentation of the regulated financial information.

- Propose to the Company's Board of Directors, for submission to the General Shareholders' Meeting, the appointment of auditors or audit firms in accordance with applicable law.

- Establish the appropriate relationships with auditors or audit firms for the purpose of receiving information on any matter which may compromise their independence and any other matter relating to the process of auditing the accounts, in addition to any other communication laid down in Spanish legislation regarding auditing accounts and technical auditing standards. In any case, auditors and audit firms shall annually furnish the committee with written confirmation of their independence from the company or directly

B. MANAGEMENT STRUCTURE OF THE COMPANY

and indirectly related companies, in addition to reporting any additional services of any type presented to these companies by the aforementioned auditors or firms, or related individuals or companies, in accordance with the provisions of current Spanish legislation.

- Annually and prior to issuing the auditors' report, issue a report expressing an opinion on the independence of the auditors or audit firms. In any case, this report shall give an opinion on the provision of the additional services mentioned above.

- Review and report on the estimates made by Company management and of those companies comprised within its Group of companies with respect to possible significant tax and legal contingencies.

- Ascertain the results of inspections conducted by official entities.

B.1.36. ndicate whether the company changed its external auditors during the year. If so, identify the incoming and outgoing auditor:

Yes	No
	X

Outgoing auditor	Incoming auditor

In the event of any disagreement with the outgoing auditors, specify the substance thereof:

Yes	No
	X

B.1.37. Indicate whether the audit firm performs other non-audit work for the company and/or its group, and if so, state the amount of fees received for such work and the percentage they represent of the fees billed to the company and/or its group:

Yes	No
X	

	Company	Group	Total
Amount of other non-audit work (thousands of euros)	736	2,142	2,878
Amount of other non-audit work/total amount billed by audit firm (as a %)	78.220	16.300	20.440

B.1 38. Indicate whether the auditors' report for the previous year included any reservations or qualifications. If so, indicate the reasons given by the chairman of the Audit Committee to explain the content and scope of the reservations or qualifications

Yes	No
	X

B.1.39. Indicate the number of consecutive years during which the current audit firm has been auditing the financial statements of the company and/or its group. Also indicate the number of years audited by the current audit firm as a percentage of the total number of years during which the financial statements have been audited:

	Company	Group
Number of uninterrupted years	11	11

	Company	Group
Number of years audited by current audit firm/number of years the company has been audited (as a %)	47.8	47.8

B.1.40. Indicate any ownership interests, disclosed to the company, held by the members of the company's Board of Directors in the capital of entities engaging in an activity that is identical, similar or complementary to the activity that constitutes the object of the company or of its group. Also indicate the positions they hold or the functions they discharge at these companies:

Name or company name of the Board Member	Name of the company in question	% of ownership interest	Position or functions
Mr. Antonio García Ferrer	FerroviaL, S.A.	0.000	--
Mr. Pablo Vallbona Vadell	Abertis Infraestructuras, S.A.	0.001	Board Member
Mr. Javier Monzón de Cáceres	Indra Sistemas, S.A.	0.094	Chairman
Mr. Juan David Grimà Terré	Cory Environmental MGT LTD UK.	0.000	Board Member
Mr. Juan March de la Lastra	Indra Sistemas, S.A.	0.009	Board Member
Mr. Julio Sacristán Fidalgo	Abertis Infraestructuras, S.A.	0.000	--
Mr. Pedro José López Jiménez	Grupo Terratest.	45.000	Chairman (through Fapindus, S.L.)
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Ferrovial, S.A.	0.001	--
	Iberdrola, S.A.	0.001	--
	Gas NaturaL SDG, S.A.	0.001	--
	Repsol YPF, S.A.	0.001	--
	Abertis Infraestructuras, S.A.	0001	--
	Telefonica, S.A.	0.001	--
	Endesa, S.A.	0.000	--
	Fomento de Construcciones y Contratas, S.A.	0.004	--
	Técnicas Reunidas, S.A.	0.002	--
	Enagás, S.A.	0.002	--
	Indra Sistemas, S.A.	0.004	--
Mr. José Luis del Valle Pérez	Sagital, S.A.	5.100	--
	Del Valle Inversiones, S.A.	33.330	Joint and Several

B.1.41. Indicate whether there is a procedure for Board Members to be able to receive outside advisory services, and if so, give details:

Yes	No
X	

Details of the procedure
Article 15 of the Board Regulations expressly provides that Board Members have the right to request and obtain information and advice required to carry out their functions. This information may be requested through the Chairman or Secretary of the Board and, under special circumstances, may consist of external advice at the Company's expense.

B. MANAGEMENT STRUCTURE OF THE COMPANY

B.1.42. Indicate whether there is a procedure for the Board Members to be able to receive the necessary information to prepare for meetings of the managing bodies sufficiently in advance, and if so, give details:

	Yes	No
	X	

Details of the procedure
Article 15 of the Board Regulations expressly provides that Board Members have the right to request and obtain information and advice required to carry out their functions. This information may be requested through the Chairman or Secretary of the Board.

B.1.43. Indicate, whether the company has established rules obliging Board Members to report and, if applicable, resign, in situations which could harm the company's good name and reputation and if so, give details:

	Yes	No
	X	

Explanation of the rules

Article 13 expressly states that in regard to the duty of loyalty, Board Members shall avoid conflicts of interest among themselves, or their most immediate relatives and the Company. Should any conflict of interest exist and be unavoidable, it must be reported to the Board of Directors and recorded in the minutes of the first Board meeting that takes place. Furthermore, they must notify the Company as soon as possible, and in all cases, within the five following days, of the shares, share options or derivatives referring to the share value which may be directly or indirectly held by either the Board Members themselves and by their most direct relatives.

Board Members must notify the Company of the most significant changes that take place in their professional circumstances, and especially, those affecting the qualities taken into account for appointing them as such. Furthermore, they shall notify the Company of any legal or administrative proceedings which, on account of their importance, may seriously affect the Company's reputation.

The Board Members shall abstain from intervening in the deliberations and casting their vote on those matters in which they have a particular interest, which will be expressly registered in the Minutes.

B.1.44. Indicate whether any of the Board Members have informed the company of any indictments or the commencement of oral proceedings against him/her for any of the offences specified in Article 124 of the Spanish Public Limited Liability Companies Law:

	Yes	No
		X

Indicate whether the Board of Directors has analysed the case. If this response is affirmative, explain the reasons for the decision taken as to whether or not this Board Member shall continue to hold office.

	Yes	No
		X

Decision taken	Detailed explanation

B.2. Committees of the Board of Directors

B.2.1. Give details of all the committees of the Board of Directors and their members:

Executive or Delegated Committee

Name	Position	Type
Mr. Florentino Pérez Rodríguez	Chairman	Executive
Mr. José María Loizaga Viguri	Deputy Chairman	Independent
Mr. Antonio García Ferrer	Member	Executive
Mr. Javier Echenique Landiribar	Member	Proprietary
Mr. Juan March de la Lastra	Member	Proprietary
Mr. Pablo Vallbona Vadell	Member	Proprietary
Mr. Pedro José López Jiménez	Member	Other External

Audit Committee

Name	Position	Type
Mr. José María Loizaga Viguri	Chairman	Independent
Mr. José Álvaro Cuervo García	Member	Independent
Mr. Julio Sacristán Fidalgo	Member	Proprietary
Mr. Manuel Delgado Solís	Member	Proprietary
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Member	Proprietary

Appointments and Remuneration Committee

Name	Position	Type
Mr. José María Loizaga Viguri	Chairman	Independent
Mr. Javier Echenique Landiribar	Member	Proprietary
Mr. Julio Sacristán Fidalgo	Member	Proprietary
Mr. Miguel Roca Junyent	Member	Independent
Mr. Pablo Vallbona Vadell	Member	Proprietary

B. MANAGEMENT STRUCTURE OF THE COMPANY

B.2.2. Indicate whether the Audit Committee is charged with the following duties.

	Yes	No
Supervise the preparation and integrity of the financial information of the Company and, if applicable, of the group, and check compliance with legal provisions, the accurate demarcation of the scope of consolidation and the correct application of accounting standards.	X	
Review internal control and risk management systems on a regular basis, so that the main risks are properly identified, managed and disclosed.	X	
Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, re-appointment and removal of the head of internal audit; propose the internal audit department's budget; receive regular reports on its activities; and verify that senior management acts on the findings and recommendations of its reports.	X	
Establish and monitor a mechanism whereby employees can report, in a confidential or, if appropriate, anonymous manner, any potentially significant irregularities within the Company, particularly of a financial and accounting nature.	X	
Propose to the Board the selection, appointment, re-election and replacement of the external auditors, as well as the terms and conditions of the engagement.	X	
Receive regular information from the external auditors on the progress and findings of the audit plan, and check that senior management is acting on its recommendations.	X	
Ensure the independence of the external auditor.	X	
In the case of groups, the Committee should prevail on the group auditors to take on the auditing of all component companies.	X	

B.2.3. Describe the rules relating to the organisation and functioning of the Board committees, as well as the responsibilities attributed to each of them.

Committee name	Brief description
Executive or Delegated Committee	The Executive Committee shall be made up of the Chairman of the Board of Directors, who shall act as its Chairman, and by the Deputy Chairman or both Deputy Chairmen, in the event that these positions had been appointed, of Board Members appointed by the Board of Directors for such purpose, and of the Secretary to the Board, with the right to speak but not to vote, who shall act as its Secretary. The Executive Committee shall meet as often as it is convened by its Chairman, on his or her own initiative or at the request of, at least, two of its members. It shall be deemed to be set up when the majority of its members attend, present or represented, and unless the legislation in force, the Company bylaws or these Regulations provide otherwise, it shall adopt its agreements by majority vote of those attending, present or represented. The Executive Committee shall exercise all duties delegated thereto by the Board of Directors, except those that cannot be delegated by law or the company bylaws. Nevertheless, the Board of Directors may pass on knowledge of and the decision upon any matter of its competence, and on its part, the Executive Committee may subject the decision on any matter to the Board of Directors, which even though a matter of its competence, deems necessary or expedient for the Board to decide upon. Insofar as deemed necessary, and with the natural adaptations, the operation of the Executive Committee shall be governed by the provisions of the company bylaws or the Board regulations regarding the operation of the Board of Directors.
Audit Committee	In accordance with the provisions of Article 20 bis of the Company bylaws, there shall be an Audit Committee made up of a minimum of three and a maximum of five members who shall be appointed and discharged, from among its members, by the Board of Directors. Under no circumstances may such appointment cannot fall to anyone who currently performs or who has carried out tasks of an executive or labour-related nature in the Company during the three immediately preceding years. At least one of the members of the Audit Committee shall be independent and shall be appointed on the basis of his or her knowledge and experience in accounting or auditing or both. The Chairman's appointment, also to be carried out by the Board of Directors, shall necessarily correspond to one of the Company's external Board Members, who may not remain in such position for a period in excess of four years, although he may, nevertheless, be re-elected after the term of one year has elapsed from the moment of termination. The Secretary to the Board of Directors shall attend the Committee's meetings and shall act as its Secretary, with entitlement to participate but not to vote, and shall write up the minutes of the meeting, which shall be forwarded to all members of the Board of Directors following their approval. The meeting shall only be deemed to be convened when the majority of its members attend and it shall adopt its agreements by majority vote of those attending, with the Chairman having the casting vote in the event of a tie. The Committee shall meet, when convened by the Chairman, at least twice a year, coinciding with the initial and final stages of the audit of the Company's financial statements and of the Group's consolidated financial statements and always prior to issuing the corresponding audit reports. Meetings may be attended, when specially summoned, by the auditor of the Company for the purposes of explaining the most significant aspects in the audits carried out. Insofar as it were deemed necessary, and with the natural adaptations, the operation of the Audit Committee shall be governed by the provisions of these Regulations regarding the operation of the Board of Directors.
Appointments and Remuneration Committee	Likewise, the Board of Directors shall set up an Appointments and Remuneration Committee to be made up of a Chairman and a minimum of two Members who shall be freely elected and moved, from among its members, by the Board of Directors, and who shall perform their functions indefinitely or during the term for which they were elected. The appointment of the Chairman must fall on one of the independent Board Members. The Secretary to the Board of Directors shall attend the Committee's meetings and shall act as its Secretary, with entitlement to participate but not to vote, and shall write up the minutes of the meeting, which shall be forwarded to all members of the Board of Directors following their approval. The meeting shall only be deemed to be convened when the majority of its members attend and agreements shall be adopted by majority vote of those attending, with the Chairman having the casting vote in the event of a tie. The Committee shall meet, when convened by the Chairman, at least twice a year. Insofar as it were deemed necessary, and with the natural adaptations, the operation of the Appointments and Remuneration Committee shall be governed by the provisions of these Regulations regarding the operation of the Board of Directors.

B. MANAGEMENT STRUCTURE OF THE COMPANY

B.2.4. Indicate, where appropriate, the advisory and consultative powers and any delegated authority held by each of the committees:

Committee name	Brief description
Executive or Delegated Committee	The Executive Committee shall exercise all duties delegated thereto by the Board of Directors, except those that cannot be delegated by law or the company bylaws. Nevertheless, the Board of Directors may pass on knowledge of and the decision upon any matter of its competence, and on its part, the Executive Committee may subject the decision on any matter to the Board of Directors, which even though a matter of its competence, deems necessary or expedient for the Board to decide upon.
Audit Committee	The Audit Committee shall have the following functions: 1. Report to the General Shareholders' Meeting on the questions presented therein on matters of their authority. 2. Monitor the effectiveness of the company's internal control, internal audit, and if applicable, risk management systems, and discuss any significant weaknesses in the internal control system identified during the performance of the audit with the auditors or audit firms 3. Oversee the preparation and presentation of the regulated financial information. 4. Propose to the Company's Board of Directors, for submission to the General Shareholders' Meeting, the appointment of auditors or audit firms in accordance with applicable law. 5. Establish the appropriate relationships with auditors or audit firms for the purpose of receiving information on any matter which may compromise their independence and any other matter relating to the process of auditing the accounts, in addition to any other communication laid down in Spanish legislation regarding auditing accounts and technical auditing standards. In any case, auditors and audit firms shall annually furnish the committee with written confirmation of their independence from the company or directly and indirectly related companies, in addition to reporting any additional services of any type presented to these companies by the aforementioned auditors or firms, or related individuals or companies, in accordance with the provisions of current Spanish legislation. 6. Annually and prior to issuing the auditors' report, issue a report expressing an opinion on the independence of the auditors or audit firms. In any case, this report shall give an opinion on the provision of the additional services mentioned above. 7. Review and report on the estimates made by Company management and of those companies comprised within its Group of companies with respect to possible significant tax and legal contingencies. 8. Ascertain the results of inspections conducted by official entities. 9. Ascertain the information periodically provided to the stock markets on the company's accounts. 10. Give the Board of Directors prior notice of any related party transactions to be submitted for its approval. 11. Any other matters for which it is responsible in accordance with the provisions of these Regulations, or which may be especially entrusted to it by the Board of Directors or attributed to it under current Spanish legislation.
Appointments and Remuneration Committee	The Appointments and Remuneration Committee has the following tasks: 1. Report on the remuneration system for the Chairman of the Board of Directors and other senior executives in the Company. Where appropriate, make the pertinent recommendations to the Board so that the succession of the Chairman and, if applicable, Chief Executive Officer, proceeds in a planned and orderly manner. Consult with the Chairman, and if appropriate, the Chief Executive Officer, on any matters within its competence affecting the Company's executive Board Members and other senior executives. 2. Report on the distribution among the members of the Board of Directors of the overall remuneration agreed upon by the General Shareholders' Meeting, and if applicable, the establishment of supplementary remuneration and other payments corresponding to executive Board Members in relation to their functions. 3. Report on the remuneration of Board Members. 4. Report on multi-annual plans that may be set up according to share value such as share option plans. 5. Propose the appointment or re-election of independent Board Members and report on the proposals for the appointment of other Board Members and the Secretary to the Board of Directors. For these purposes, the skills, knowledge, experience and dedication to the good performance of their duties of those proposed as Board Members should be assessed. The Committee shall also report on the proposed early resignation of any independent Board Members. 6. Proposed appointment of senior executives, especially those who will form part of the Group's Management Committee, and the basic conditions of their contracts. 7. Issues relating to gender diversity on the Board of Directors. 8. Any other matters under its competence pursuant to these Regulations, which may be especially entrusted to it by the Board of Directors. Insofar as it were deemed necessary, and with the natural adaptations, the operation of the Appointments and Remuneration Committee shall be governed by the provisions of these Regulations regarding the operation of the Board of Directors.

B.2.5. Indicate, as appropriate, whether there are any regulations for the Board committees; if so, indicate where they can be consulted and whether any amendments have been made during the year. Also indicate whether any annual report on the activities of each committee has been prepared voluntarily.

Committee name	Brief description
Executive or Delegated Committee	The Board Committees are governed by Articles 19, 20 and 20 bis of the bylaws and Articles 21 to 24 of the Regulations of the Board of Directors. Both documents are available on the corporate website www.grupoacs.com. The specific rules relating to the Executive Committee are set forth in Article 22 of the Regulations of the Board of Directors.
Appointments and Remuneration Committee	The Board Committees are governed by Articles 19, 20 and 20 bis of the bylaws and Articles 21 to 24 of the Regulations of the Board of Directors. Both documents are available on the corporate website www.grupoacs.com. The Appointments and Remuneration Committee is governed in accordance with Article 24 of the Board Regulations.
Audit Committee	The Board Committees are governed by Articles 19, 20 and 20 bis of the bylaws and Articles 21 to 24 of the Regulations of the Board of Directors. Both documents are available on the corporate website www.grupoacs.com. The Audit Committee is governed in accordance with Article 23 of the Board Regulations.

B.2.6 Indicate whether the composition of the executive committee reflects the participation of the various Board Members on the Board according to their status:

	Yes	No
	X	

C. RELATED-PARTY TRANSACTIONS

C.1. Indicate whether, subject to a favourable report of the Audit Committee or any other committee entrusted with this function, the Board in plenary session reserves the approval of company transactions with Board Members, significant shareholders or representatives on the Board or with persons related thereto:

Yes	No
X	

C.2. List any material transactions entailing a transfer of funds or obligations between the company or group companies and the significant shareholders of the company:

—

C.3. List any material transactions entailing a transfer of funds or obligations between the company or group companies and the company's Board Members or executives:

—

C.4. List any material transactions by the company with other companies of the same group, where such transactions are not eliminated in the process of preparing the consolidated financial statements and from the standpoint of their subject-matter or terms and conditions are not part of the company's ordinary business:

—

C.5.Indicate any conflicts of interest of the company's Board Members, as provided for in Article 127 ter of the Spanish Companies Law.

Yes	No
	X

C.6. List the mechanisms in place for detecting, identifying and resolving any potential conflicts of interest between the company and/or its group and its Board Members, executives or significant shareholders.

1. There are several standards included in the Board Regulations. Article 13 of the Board Regulations specifically governs conflicts of interest, whereupon by virtue of their loyalty as Company representatives, Board Members shall avoid any conflicts of interest between themselves, or their closest relatives, and the Company. Should any conflict of interest arise that cannot be avoided, it must reported to the Board of Directors, and recorded in the minutes of the next Board Meeting.

Furthermore, they must notify the Company as soon as possible, and in all cases, within the five following days, of the shares, share options or derivatives referring to the share value which may be directly or indirectly held by either the Board Members themselves and by their most direct relatives.

Board Members must notify the Company of the most significant changes that take place in their professional circumstances, and especially, those affecting the qualities taken into account for appointing them as such. Furthermore, they shall notify the Company of any legal or administrative proceedings which, on account of their importance, may seriously affect the Company's reputation.

The Board Members shall abstain from intervening in the deliberations and casting their vote on those matters in which they have a particular interest, which will be expressly registered in the Minutes.

Article 14 on non-competition and use of information stipulates that Board Members may not form part of more than five management bodies of companies other than those in the group of companies in which the company is the parent, without previous express authorization from the Board provided on a reasonable basis. For these purposes, companies in the same group shall be considered as a single company. Board Members may not directly or indirectly hold positions in or represent companies or organisations that are in competition with the Company or with any company of its Group.

Board Members may not use in any manner non-public information of which they have become aware in carrying out their duties as Board Member for private purposes. In particular, Board Members may not take advantage, for their own benefit, of the commercial operations of which they have become aware in carrying out these duties unless expressly authorized by the Board of Directors.

Except in cases of duly authorized benefits in kind, Board Members may not make use of the Company's assets or take advantage of their position to obtain advantages relating to assets without satisfying adequate consideration.

2. There are Rules of Conduct for Securities Markets that include a set of rules designed to detect and regulate any possible conflicts of interest between the company and/or its group, and its Board Members, executives or significant shareholders.

   The Executive Committee of ACS, Actividades de Construcción y Servicios, S.A., through the use of the powers delegated by the Board of Directors, approved the Rules of Conduct for Securities Markets at its meeting held on 17 July 2003. This was reported to the National Securities Market Committee (CNMV) on 31 July 2003. At its meeting held on 1 July 2004, the Board of Directors unanimously agreed to approve a series of amendments to the Rules of Conduct for Securities Markets, which were reported to the CNMV on 2 July 2004.

   In general, the Rules of Conduct apply to the members of the Board of Directors, members of the Group's Management Committee and to those Company representatives and staff who carry out activities that may have an essential bearing on the price of the Company's shares. They also apply to Company representatives or staff and to external advisers who, with respect to a specific operation, are aware of privileged or reserved information regarding the Company's securities.

   The Monitoring Unit envisaged in the Rules of Conduct will provide the stock exchange supervisory authorities with an updated list of all Board Members, Company representatives and personnel, and external consultants subject to the rules in a general or specific manner. Both inclusion in, and exclusion from, such list shall be reported in writing to the affected parties by the Chairman of the Monitoring Unit.

C. RELATED-PARTY TRANSACTIONS

The Rules apply to matters concerning shares, share options and similar agreements involving the right to subscribe or acquire Company shares, or whose underlying asset involves Company shares, convertible or non-convertible bonds, debentures, promissory notes, subordinated debt and, in general, any type of financial instrument issued by the Company or, where appropriate, Group companies. The Rules of Conduct shall also apply to cases of conflicts of interest pursuant to Article 7 thereof.

All persons who are subject to these Regulations must abstain from conducting or preparing to conduct any type of action that distorts the free formation of prices on the stock market, and must abstain from using, whether in their own benefit or in benefit of third parties, any kind of privileged or relevant information relating to the stock market which they may have obtained in the performance of their functions in or for the Company.

All members of the Board of Directors, Company representatives and staff who have information that could be deemed as privileged and which refers to the transferable securities and financial instruments issued by the Company itself or by companies of its group, have the obligation to safeguard it, notwithstanding their obligation to communicate and collaborate with the legal and administrative authorities in the terms provided for by law.

In the stages of study or negotiation of any kind of legal or financial operation that may significantly influence the market price of the securities referred to in these Rules, the Company's managers of such operations shall be obliged to:

a) Limit knowledge of the information strictly to those persons, internal or external to the organisation, whose participation is essential.

b) Maintain a register of documents for each operation including the names of the persons referred to above and the date on which each of them became aware of the information.

c) Expressly warn the persons included in the register on the nature of the information and their duty to confidentiality and the prohibition of its use.

d) Set up security measures for the safe-keeping, filing, access, reproduction and distribution of the information.

e) Monitor the evolution of the market in transferable securities or financial instruments relating to the operation in process in addition to the news broadcast by the media, whether specialized in economic information or not, which may affect them.

f) In the event of an abnormal trend in traded volumes or prices and if there are reasonable grounds to believe that these changes are the result of premature, partial or distorted reporting of the transaction, the individuals responsible for the transaction shall immediately inform the General Secretary and the Board, who shall then report a relevant occurrence, providing clear and precise information on the status of the transaction in progress or containing advanced notice of the information to be made public.

The persons subject to these Rules who carry out any kind of operation on transferable securities or financial instruments issued by the Company must comply with the following:

a) Report in writing to the Company, through the Chairman of the Monitoring Unit, on any type of operation involving the sale, purchase or acquisition of option rights carried out in their own benefit which is related to the securities that constitute the scope of application of these Rules. Operations carried out by spouses shall be deemed equivalent to operations carried out by individuals themselves, unless they only affect their personal or exclusive assets in accordance with the rules governing their matrimonial property, as shall those carried out by children not of legal age or handicapped persons under the parental control of the person under obligation or by companies controlled, directly or indirectly by them or by intermediate persons. Those operations where there has been no participation at all by the person subject to these Rules are exempt from these disclosure requirements since they were ordered by the institutions which the affected party has entrusted to manage his portfolio. In this case, it is sufficient to notify the Chairman of the Monitoring Unit of the existence of the portfolio management contract and the name of the management agency.

b) Report, in full detail, upon request by the Chairman of the Monitoring Unit, on the operations carried out independently and related to the securities that constitute the scope of application of these Rules.

c) Notify the Chairman of the Monitoring Unit in writing, at the moment of accepting the position of Board Member, Company representative or staff member subject to these Rules, of the list of the securities of the Company or of the Group institutions that he or she owns, directly or indirectly through controlled companies or intermediate persons or institutions or which act of a common accord, in addition to those which belong to their children below legal age or to handicapped persons under the parental control of the obligated individual or to his or her spouse, unless in the last of these cases they belong to his or her private and exclusive assets in accordance with the rules governing their matrimonial property. Furthermore, they must report, also in writing, the existence of any established portfolio management contract and the name of the management agency.

d) Submit to the Monitoring Unit, through its Chairman, any doubts regarding the application of these Rules, thereby abstaining from any activity until the corresponding response to the query submitted has been received.

Notwithstanding the foregoing, when transactions involving securities or financial instruments issued by the Company are performed by Board Members, they must also inform the stock markets on which the securities are traded and the National Securities Market Commission (CNMV) in the terms envisaged by Law.

The Secretary to the Monitoring Unit shall conserve, duly filed and ordered, the communications, notifications and any other action relating to these Rules, safeguarding the confidentiality of such file, and at any time may request confirmation from the persons subject to these Rules of the balances of securities and financial instruments arising from their file.

The Monitoring Unit, through its Chairman, is responsible for determining and updating which persons are subject to these Rules of Conduct. The Monitoring Unit shall be made up of the Secretary to the Board of Directors, who shall act as Chairman, by the General Corporate Manager and by the Administration Manager, who shall act as its Secretary.

Failure to comply with these Rules of Conduct, developed in accordance with current standards for order and discipline on the stock markets, could result in the application of the corresponding administrative sanctions and other consequences arising from applicable legislation. Insofar as they affect Company staff, they shall be considered professional misconduct.

C.7. Is more than one Group company listed in Spain?

Yes	No
	X

Identify the listed subsidiaries:

—

D. RISK CONTROL SYSTEMS

D.1. General description of the risk policy of the company and/or its group, giving details of and evaluating the risks covered by the system, together with evidence that the system is appropriate for the profile of each type of risk.

The ACS Group's risk control system is based on a range of strategic and operational actions designed to mitigate risks and fulfil the objectives established by the Board of Directors.

The diversity and complexity of the sectors in which the Group carries out its activities implies a variety of risks; the Corporate Unit is responsible for defining basic guidelines in order to homogenise performance criteria in each of the divisions to guarantee an adequate level of internal control. The companies and divisions of the Group are responsible for developing the required and appropriate internal regulation to govern the implementation of any necessary internal controls, which, in turn, shall guarantee optimum performance of such internal control in accordance with the special circumstances of their activities.

In order to respond to the need for global and homogeneous risk management, the Corporate Unit has established a risk management model which includes the identification, evaluation, classification, valuation, processing and follow-up of risks at the Group and operational business line levels. Once these risks have been identified, a risk map is prepared.

In light of the above, risks have been identified as follows:

- Operating risks, stemming from the different businesses that the Group develops and which vary depending on the area of activity, but which can be summarised in risks relative to entering into contracts, planning and control of the execution of the various works and projects, quality-related risks, environmental risks, and risks related to international activities.

- Non-operating risks, which also vary depending on the different businesses that the Group develops, such as risks relating to image, human resources, legal or regulatory matters, tax, financial matters and insurance coverage. Non-operating risks includes, with particular importance, those related to control and risk management systems related to the disclosure of financial information onto the market.

- The aforementioned systems are detailed in the report supplementing these Annual Corporate Governance Report regard the matters contained in Article 61 bis of the Securities Market Law.

- As indicated previously, the Group's risk control systems are based on a series of strategic and operational actions aimed at complying with risk policies by each area of Group activity. The actions are organised according to a decentralised model that allows each business unit to carry out its risk control and evaluation policies in accordance with certain basic principles. These principles are the following:

- Definition of the maximum risk limits that may be assumed by each business in accordance with the characteristics and expected return of the same, and which are implemented at the time contracts are entered into.

- Establishment of procedures to identify, approve, analyse, control and report the different risks for each business area.

- Coordination and communication to ensure that the risk policies of each business area are consistent with the Group's overall risk strategy.

The systems provide the necessary information to supervise and evaluate the risk exposure of each business area and develop the corresponding management information required for decisions with the monitoring of the appropriate indicators.

The control systems implemented in each business area may be classified into the following categories:

Management systems for the entering into contracts and bidding processes for works and projects

Aimed at evaluating the profitability of projects from a technical and economic point of view, with sufficient guarantees to ensure client solvency.

Management systems for the planning and execution of works and projects

The Group and the various activity areas have several economic and production control systems designed to give reliable knowledge of the economic forecasts and deadlines for projects, from planning phase through execution of the projects, and information on the actual status at all times. These systems are part of a comprehensive economic and budgetary control system for each business area, and are adapted to the characteristics of their activities in order to provide the necessary information to the persons responsible for each area so that they may control the risks deriving from any possible deviation and make the appropriate decisions to optimise the management process. All information is kept in economic information systems which allow the consolidated parameters to be easily monitored and controlled in a dynamic and strict manner. By giving Group Management detailed knowledge of the economic situation and potential and assumed risks, the system has become an essential element in the decision-making process.

Quality management systems

These are the means used to ensure the products manufactured and the services provided are in accordance with the requirements specified in the contract, as well as legal and statutory requirements, for the purpose of ensuring client satisfaction. The systems, which meet the requirements of the ISO 9001 standard, are based on preliminary identification of the relevant processes from the quality management point of view in which the activities developed in different areas are organised in order to plan them and track them accordingly. The periodic review of the systems by the management and the setting of targets allows for on-going improvements to be made to same.

Environmental management systems

The implementation of these systems in the different business areas of the Group allows them to undertake their activities while guaranteeing maximum respect for the environment. The systems, regulated by international standard ISO 14001, are based on the identification and evaluation of environmental aspects on which the business can have an impact, planning the necessary steps in order to eliminate or minimise risks by establishing adequate control measures in accordance with current legal requirements and the environmental code of conduct corresponding to each business unit. The basic criteria are as follows:

- Incorporation of the most advanced technologies in environmental issues, such as:
  - Conservation of energy and raw materials.
  - Using recyclable and biodegradable materials.
  - Minimising waste production and a respectful treatment with the environment.
  - Promoting the reforestation and landscaping of construction sites.
- Development of specific actions for activities that so require, depending on the effect of the impact and the means to provide clients with continuous information regarding environmental risks and possible preventive measures.

D. RISK CONTROL SYSTEMS

Human resources management systems

These systems are designed to establish compensation remuneration and objectives (especially for management personnel), hiring, training, evaluation of performance, motivation, control and follow-up of collective labour agreements and policies on expatriates. Under this heading, the prevention of labour risks is noteworthy. The ACS Group has developed an occupational risk prevention policy in accordance with current legislation on which the specific control systems for each line of business are based. The criteria taken into consideration in this policy follow the basic principles of training, participation, individual responsibility and control of safety conditions. The systems are adapted to the specific characteristics of each business area. Occupational risk prevention plans based on the identification of risks are designed and implemented in order to eliminate them, evaluating potential risks to minimise these and take the necessary protective measures.

Financial risk control systems

The following are financial risks associated with Group activities:

- The liquidity risk is managed by maintaining sufficient amounts available to negotiate the substitution of transactions coming due for different, new transactions under the best terms and to meet short- term cash needs. In loan transactions, periodically a follow-up is performed on the concentration risk by financial entity to avoid an excessive concentration and be able to rely on a number of entities to manage risk situations in case the need should arise. In this area, the Group's objectives in relation to capital management are to maintain an optimum financial and equity structure to reduce the cost of capital, while safeguarding its capacity to continue operating with solid debt ratios.

- Risks arising from changes in foreign exchange currency rates. In this case the Group finances its investments, when possible, in the same currency as the cash flows from said investments. This is not possible in the shallow markets associated with investments fundamentally in Latin America.

- The risk arising from changes in interest rates, in which the impact that this could have on the Group results is evaluated. In this way, to avoid that such risk may give rise to elevated volatilities, the need to reduce said volatility is considered in such a way that the financing expense has a reduced percentage of variation.

- Credit risk, which arises from the incapacity of clients and debtors to fulfil the obligations established under contract. Client analysis is performed in specific cases and by analysing payment capacity through the knowledge existing in the Group on transactions with such client, from the moment at which negotiations with the client are to begin. In the case of foreign transactions, this analysis is performed in a thorough manner. In countries in which there is elevated risk, transactions are only performed if the party paying the job or service is an international entity of acknowledged prestige and solvency, or is sufficiently insured.

- Exposure to equity security risk arises in investments performed in listed companies. Therefore, the market price of the securities of these companies are monitored and impairment tests are performed to verify their appropriateness. In this connection, the performance of investments by means of equity swaps is aimed at hedging possible changes in the disbursements to be made to obtain strategic holdings. Although the uncertainty of the effects of the disbursements to be made and of the obtainment of strategic holdings is eliminated, since the IFRS do not consider these to be hedges, they are subject to positive and negative fluctuations in the event of increases and decreases in value. The monitoring of financial risks is performed through methodological application in accordance with personal income tax and the preparation of a series of reports that allow for the monitoring and control of said risks for decision-making.

Other systems

For legal or tax risks, the appropriate departments in each Company, business area or at the corporate level are relied upon, along with external support of renowned prestige in the area necessary to mitigate regulatory risks, litigation, etc. Additionally, the signing of contracts is supervised by the legal counsel of each company and, depending on its relevance, by the legal counsel of the various business areas or of the Group.

The Group has a strategy for covering accidental risks which could affect Group assets and activities that involves the underwriting of insurance policies for any coverable risks. These policies are reviewed periodically to adapt them to the current and specific status of the risk covered.

The HOCHTIEF Group, which has been fully consolidated by the ACS Group since 2011, has defined a risk control policy that is consistent with its business activity. The detail of these policies and systems is include in the 2012 Annual Report on pages 119 to 127, inclusive, which is available at web www.hochtief.com

D.2. Indicate whether any of the different types of risk (operational, technological, financial, legal, reputational, tax, etc.) affecting the company and/or its group have materialised during the year,

	Yes	No
	X	

If so, indicate the circumstances leading to the risk and whether the control systems in place worked.

Risk materialised during the year

Drop in value of the financial investments in listed companies.

Circumstances responsible for this occurrence

The financial and economic crisis in Spain.

Functioning of the control systems

The ACS Group applied the appropriate protection mechanisms and then restructured its financial investments by refinancing and selling a portion thereof, contracting additional financial coverage mechanisms through derivatives and extending the period for the financing linked to these investments.

Risk materialised during the year

Those risks relating to the HOCHTIEF Group activity explained in its Annual Report.

Circumstances responsible for this occurrence

Those typical in carrying out business activities, especially in projects with its subsidiaries in Europe and Australia (see HOCHTIEF's Annual Report).

Functioning of the control systems

Risk management is an integral part of the HOCHTIEF Group management system which enables it to identify such risk, guaranteeing the continuity of its operations and assuring the Group's development.

D. RISK CONTROL SYSTEMS

Risk materialised during the year
Those inherent to the business activities of Group companies.

Circumstances responsible for this occurrence
Those typical in carrying out business activities, mainly as a result in the drop of activity in the Spanish market.

Functioning of the control systems
All the risk control systems operated correctly enabling them to be managed appropriately, without any relevant effect on the operating and strategic performance of the Group or its equity.

D.3. Indicate whether any committee or other governing body is responsible for establishing and overseeing these control mechanisms.

	Yes	No
	X	

If so, describe their duties.

Name of the committee or body	Description of functions
Audit Committee	The Board of Directors delegates the supervision of compliance with the established procedures to the Audit Committee, with the latter also responsible for the generic monitoring of compliance with the risk levels relevant to each activity.
Management Committee	The Management Committee determines the Group's global risk policy and, if appropriate, sets up the management mechanisms that ensure that the risks are kept within the approved levels.

D.4. Identification and description of the processes for compliance with the regulations that affect the company and/or its group

Direct or indirect reference is made throughout this report to the processes for complying with the various Regulations to which the Company is subject in relation to corporate governance.

Additionally, at an operating level, there is a risk management system under which each management level is responsible for complying with internal rules and procedures applicable to its activity. Its effectiveness is verified by means of periodic assessment by the technical services of the various business areas as well as the Internal Audit services.

The Internal Audit department contributes to managing the risks faced by the Group in relation to the fulfilment of its objectives and to the prevention and control of fraud, by means of the on-going analysis of the procedures and control systems of each of the companies forming part of the Group in the various business areas. The related conclusions and recommendations are reported to Group management and to the heads of the companies assessed. Subsequently, the implementation of the actions contained in the aforementioned recommendations is strictly monitored.

In accordance with the Company bylaws and Regulations of the Board of Directors, the Audit Committee receives periodic information from the internal audit services and assures compliance with the internal codes of conduct and rules of corporate governance.

In relation to this item, on 30 August 2011, the Executive Committee of the Board of Directors approved a new General Code of Conduct, which involves, among other matters, the implementation of an ethics channel enabling any person to report irregularities observed at any of the ACS Group companies (see the attached Supplementary Report to the Annual Corporate Governance Report on matters included in Article 61 bis of the Securities Market Law).

Lastly, at its meeting held on 16 December 2010, the Board of Directors resolved to adhere to the Code of Good Tax Practices.

E. GENERAL SHAREHOLDERS' MEETING

E.1. Indicate the quorum required for constitution of the General Shareholders' Meeting established in the Company's bylaws and how it differs from the system of minimum quorums established in the LSA

	Yes	No
		X

	% quorum differing from that established in Art. 102 LSA for general cases	% quorum differing from that established in Art. 103 LSA for special cases pursuant to Art. 103
Quorum required on first call	0	0
Quorum required on second call	0	0

E.2. Indicate and, if applicable, describe any differences between the rules established in the Spanish Companies Law (LSA) for adopting resolutions and the company's rules.

	Yes	No
		X

Describe the differences with respect to the rules established in the LSA.

—

E.3. List any rights of the shareholders in connection with General Meetings that differ from those established in the LSA.

There are no rights different from those established in the LSA, except that in order to be able to attend the General Shareholders' Meetings, it is necessary to hold 100 shares either alone, or jointly with other shareholders.

E.4. Indicate the measures, if any, adopted to encourage participation by shareholders at General Meetings.

Implementation of measures that make the vote delegation mechanism more transparent and to accentuate communication of the Company with its shareholders.

Provide detailed justification of the voting proposals that are offered in the application, with regard to the adoption of resolutions that involve a certain delegation importance, and reveal the existence of any conflict of interest, whenever appropriate.

The creation of channels or instruments of flexible communication. In addition to the standard information that the Company provides in the form of annual, six-monthly or quarterly reports, to promote meetings with market analysts, in order that these experiences reach the investors. The purpose of these measures is to maintain permanent communication channels with the shareholder that are complementary to the right to question at the General Shareholders' Meeting provided for under current legislation. This will allow shareholders to obtain the information they require at any time. In addition, Article 26 of the Company bylaws expressly includes the possibility of shareholders casting their vote remotely and, since the Ordinary

General Shareholders' Meeting held on 19 May 2005, this method of voting has been disseminated and the necessary rules and procedures for the remote voting via internet or fax are detailed on the Company's website.

E.5. Indicate whether the Chairman of the Board of Directors chairs General Meetings. Give details of what measures, if any, are adopted to ensure the independence and correct functioning of the General Meeting:

Yes	No
X	

Detail of measures
--

E.6. Indicate, if applicable, any amendments introduced in the General Meeting Regulations during the year.

Amendments to Articles 3, 4, 5, 6, 8, 10, 11, 15, 16, 17 and 18 of the General Meeting Regulations, which are to be worded as follows:

Article 3. Ordinary General Shareholders' Meetings.

1. An ordinary general meeting, previously called for this purpose, shall meet within the first six months of each financial year in order to, if applicable, approve the conduct of the company's business and the financial statements for the preceding year, and resolve upon the distribution of profit or allocation of loss.

   An Ordinary General Shareholders' Meeting shall be valid even if it is called or held outside this period.

2. Once the required provisions to the legal reserve and any other reserves established in law have been made and the amount relating to the payment of a minimum dividend of one percent for non-voting shares, where appropriate, has been allocated, in accordance with Article 6 of the Company bylaws, the remaining profit for the year may be allocated to voluntary reserves and any other item permitted in law. The rest, where applicable, will be destined to the distribution of dividends in the quantity that the General Shareholders' Meeting agrees between the ordinary shareholders in proportion to the capital value of each share and the statute remuneration due to the Board as set out in the next paragraph, with prior compliance to all legal requisites.

3. In addition to the attendance fees and emoluments agreed on by the General Meeting, with regard to bylaw-stipulated compensation, the Board of Directors will also be entitled to remuneration that does not exceed ten per cent of net profits, which can only be paid once all legal reserves have been attended to and, if applicable, all statutory reserves have been made and the shareholders have been paid a dividend of at least four per cent of paid in capital per share.

4. Remuneration to all or some of the members of the Board of Directors and to management personnel of the Company and the companies that belong to the Group may take the form of company shares or share options or may be tied to the value of these shares in the form, terms, and conditions established by the General Shareholders' Meeting in accordance with established legal requirements.

E. GENERAL SHAREHOLDERS' MEETING

5. The Board of Directors shall decide on the manner in which the remuneration payable under this article, the amounts of which may differ, shall be distributed among its members.

6. In the case where the shareholders at the General Meeting have approved the payment of dividends, the Administrators will set the location, the period and the manner in which payments are made. The distribution of the amounts to dividend accounts may be agreed by the Board of Directors according to legally established conditions. The shareholders at the General Meeting may resolve to pay the dividend in cash in full or in part, provided that the assets and securities to be distributed are homogeneous, admitted to trading on the stock market when the resolution takes effect or when the company can duly guarantee that liquidity can be obtained with less than one year.

7. The non-reclaimed dividends will be prescribed to the Company within a period of five years from the date of issue.

8. A separate vote shall be taken on each item of the agenda. Additionally, a separate vote shall be taken on the appointments or ratifications of directors, which shall be voted on individually, and on proposed amendments to the Company bylaws, which shall be voted on Article by Article or by substantially independent groups of Articles.

Article 4. Extraordinary General Shareholders' Meetings.

All general meetings other than those provided for in the preceding Article shall be deemed to be extraordinary general meetings.

A separate vote shall be taken on each item of the agenda. Additionally, a separate vote shall be taken on the appointments or ratifications of Board Members, which shall be voted on individually, and on proposed amendments to the Company bylaws, which shall be voted on Article by Article or by substantially independent groups of Articles.

Article 5. Call notice of the General Meeting.

Ordinary or Extraordinary General Shareholders' Meetings shall be convened, following resolution by the Board of Directors, by the Chairman of the Board of Directors or in his absence by a Deputy Chairman, or by the Secretary, by means of notice published in the Official Bulletin of the Mercantile Registry, or in one of the major newspapers in Spain, on the CNMV website and on the Company's website, at least one month before the date stipulated for it to be held, or in any other manner and time period laid down under current Spanish legislation. Extraordinary General Shareholders' Meetings may only be called fifteen days in advance in accordance with the requirements envisaged by law.

The announcement shall stipulate the date of the meeting date at first call and all matters to be discussed, in addition to particulars specified in the legislation in force.

Shareholders representing at least five per cent of the share capital may request that a supplement to the notice of the Ordinary General Shareholders' Meeting be published including one or more additional items on the agenda. This right must be exercised through a notice by duly authenticated means to be received at the company's registered office within five days following publication of the call notice. The additional items shall be published at least fifteen days prior to the date set for the general meeting.

Similarly, shareholders that represent at least five per cent of the share capital may, within the period indicated in the paragraph above, submit supported proposals for resolutions on matters already included or that must be included in the agenda of the meeting called. The Company will ensure that these proposals for resolutions and the documentation attached thereto, as the case may be, is continuously published on its website when received.

If shareholders attend the general meeting by telematic means which duly guarantee the identity of the subject, the call notice shall specify the deadlines, forms and methods to exercise the shareholders' rights stipulated by the Board of Directors to enable the ordered process of the meeting. In particular, the Board of Directors may determine that the speeches and motions which, pursuant to the law are to be made by shareholders attending by telematic means, must be sent to the company prior to the convening of the meeting. The responses of the shareholders exercising the right to information during the meeting shall be given in writing within seven days following termination of the meeting.

Article 6. Second call.

1. The call notice mentioned in the previous article may also include, where applicable, the date for holding the general meeting on second call.

2. A period of at least twenty-four hours must elapse between the first and second call.

3. If a duly called general meeting is not held on first call, and the call notice does not stipulate a date for the meeting on second call, notice of the meeting on second call shall be given, subject to the same disclosure requirements as those for the meeting on first call, within fifteen days of the date originally set for the meeting and ten days prior to the date of the new meeting.

Article 8. Right and obligation to call a meeting.

1. The Board Members may call an Extraordinary General Shareholders' Meeting whenever it deems it to be in the Company's interests to do so.

2. It shall also call an Extraordinary General Shareholders' Meeting whenever requested by shareholders holding at least five per cent of the share capital, and the request shall state the business to be transacted thereat. In such case, the meeting shall be called to be held within two months after the date on which the Board Members were requested by notarial means to call it.

3. The Board Members shall prepare the agenda, and must include the requested business.

Article 10. Right to information.

1. Following the date on which the call notice was published and up until seven days prior to the day on which the meeting is to be held, shareholders may seek information from Board Members on points included on the agenda or any other information or clarification they may require, or formulate any questions they deem pertinent in writing. Shareholders may seek information or clarifications or formulate questions in writing regarding any information accessible to the public that shall have been provided by the company to the National Securities Market Commission since the date of the last general meeting. The Board Members shall be obliged to provide the information in writing regarding the auditors' report until the date set for holding the meeting.

E. GENERAL SHAREHOLDERS' MEETING

2. During the general meeting, the company's shareholders may orally request information or clarifications considered appropriate regarding items on the agenda and, in the event that it is not possible to comply with the right of the shareholder at that time, the Board Members shall be obliged to provide this information in writing within the seven days following the conclusion of the meeting.

3. The Board Members shall be obliged to provide the information set forth above unless, in the view of the Chairman, (i) the publication of the information could have an adverse effect on the Company's interests; or (ii) stipulated otherwise according to laws or regulations.

   The Board Members shall not be obliged to respond to specific questions posed by the shareholders when, prior to being posed, the information requested is clear and directly available for all shareholders on the company's website under the question-response section.

4. The information shall not be refused when the request is supported by shareholders holding at least one quarter of the share capital.

Article 11. Special instruments of disclosure.

1. The company shall comply with the duty of disclosure by any technical, computer or telematic means, without prejudice to the shareholders' right to request printed information.

2. The company shall have a website in order to satisfy the shareholders' right to information and to disseminate the relevant information required under the securities market law, which must include at least the following:

   a) The Company bylaws.

   b) The Regulations of the General Shareholders Meeting.

   c) The Regulations of the Board of Directors and, where applicable, the Regulations of the its Committees.

   d) The Annual Report and the internal rules of conduct.

   e) The Corporate Governance Report.

   f) The documents relating to the call notices of Ordinary and Extraordinary General Shareholders' Meetings that are required or may be required at any given time, with information on the agenda, proposals made by the Board of Directors, as well as any other relevant information that may be required by the shareholders to cast a vote, all within the period set forth under the law in force.

   g) Information will be provided on what occurs during the General Meetings, specifically, the composition of the General Meetings when it is convened and the resolutions adopted, with the number of votes cast in favour and against the proposals included in the agenda, within the period stipulated by current legislation.

   h) The communication channels that exist between the company and the shareholders and, specifically, explanations on how to exercise the shareholder's right to information, indicating the postal and e-mail addresses that may be used.

i) The means and procedures used to grant representation at the General Shareholders' Meeting, according to the specifications established through current legislation.

j) The ways and procedures for the carrying out remote voting according to the rules laid out by this system including, wherever necessary, the forms to accredit the attendance, and the right to vote via telematics means at the General Shareholders' Meetings.

k) The significant events, in accordance with the provisions included in the current legislation.

l) The composition of the Board of Directors, and the professional profile of each Board Member; the other Board of Directors of which he is a member, whether he is a proprietary Board Member, and the shareholder which he represents; or whether he is an independent or executive Board Member; the date on which he was appointed, and if applicable, re-elected; and the company shares or share options which he holds.

3. For the purposes of facilitating communication prior to general meetings, the company website shall set up an Electronic Forum for Shareholders with duly guaranteed access for individual shareholders and any voluntary associations that may be formed. Any supplementary proposals to the agenda announced in the notice of the general meeting may be posted on the Forum, together with requests for support for such proposals, initiatives to reach the percentage required to exercise statutory non-controlling shareholder rights and any offers or requests to act as a voluntary proxy.

   Shareholders may form specific voluntary associations to exercise their rights and to better defend their common interests. The shareholder associations shall be registered in a special register created for this purpose at the National Securities Market Commission.

   The rules of operation of the Electronic Forum for Shareholders approved by the Board of Directors shall be made available on the Company's website, and compliance with these rules shall be mandatory for shareholders.

   In order to access the Forum and use its applications, such shareholders and voluntary associations of shareholders must log on as a "Registered User" evidencing both their identity and their status as a shareholder of the company, under the terms and conditions described on the Company's website using the corresponding registration form.

   Access to the Forum by Registered Users is subject at all times to maintaining status as a shareholder of the Company, or as a voluntary association of shareholders duly established and registered.

4. The Board of Directors shall establish the contents of the information to be provided on the website, in accordance with the indications of the Ministry of Economy and Finance or as expressly authorised by the National Securities Market Commission.

Article 15. Limitations on attendance and voting rights. Representation.

1. Each shareholder is entitled to a number of votes equal to the number of shares owned or represented. Shareholders with attendance rights may be represented at the Meeting by any person. The representation granted to shareholders who only have voting right by grouping themselves together can fall to any of them.

E. GENERAL SHAREHOLDERS' MEETING

2. The proxy must be granted in writing or by any remote means of communication that duly guarantees the identity of the subject to exercise the voting rights. The Company's website includes means and procedures used to grant representation at the General Shareholders' Meeting, according to the specifications established through current legislation. In any case, the proxy must be granted specifically for each Meeting.

3. The restrictions set forth in the previous sections shall not apply where the proxy is the spouse, ascendant or descendant of the person represented or is the holder of a general power of attorney granted in a public document with powers to manage all the assets of the principal in Spain.

4. Proxies may be revoked at any time. The revocation of proxies must be documented and reported to the company through the means described in section 2 above of this article.

   Should the represented shareholder have issued voting instructions, the proxy will vote accordingly and shall keep these instructions for one year from the date of the corresponding General Meeting.

   The proxy may represent more than one shareholder with no limit on the number of shareholders they may represent. When a proxy represents various shareholders, they may issue different votes according to the instructions received from each shareholder.

   In any event, the number of shares represented shall be included in the number required to hold a valid meeting.

   Prior to appointment, the proxy must notify the shareholder as to whether he is affected by any conflict of interests. If the conflict is subsequent to the appointment and the represented shareholder has not been notified of its possible existence, they must be informed immediately. In both cases, if new precise voting instructions are not received for each of the issues on which the proxy should vote on behalf of the shareholder, they must abstain from voting. In particular, the proxy may be affected by a conflict of interest when in any of the following situations:

   a) When he is a controlling shareholder of the company or of a company controlled thereby.

   b) When he is a member of the administrative, managing or supervisory bodies of the company, of the controlling shareholder or of a company controlled thereby.

   c) When he is an employee or auditor of the company, of the controlling shareholder or of a company controlled thereby.

   d) When he is an individual related to the aforementioned persons. Related individuals shall be considered as follows: the spouse or the person who had be the spouse in the two previous years, or domestic partner, or the person who had be the domestic partner in the two previous years, as well as ascendants, descendants, siblings and their respective spouses.

   Personal attendance at the meeting shall have the effect of revoking the proxy.

Article 16. Remote voting and proxy votes.

1. The vote on items included in the agenda of any type of general meeting may be delegated or exercised by the shareholder through postal or electronic vote or by any other means of remote communication, provided that the identity of the person exercising the right to vote is duly guaranteed. The means and procedures for remote voting, in accordance with the rules relating to this system, including, where applicable, the forms for verifying attendance and voting by telematic means are included in the call notice for the general meeting and on the Company's web page.

2. Shareholders voting remotely shall be deemed present for the purpose of convening the meeting.

3. If proxy voting cards, with or without specific instructions and on which the name of the proxy is left blank, are received at corporate headquarters on the days prior to the General Meeting, it will be understood that the shareholder empowers the Chairman of the Board of Directors to appoint a Board Member as proxy from among those who have requested such duty.

4. In the event that several shareholders have appointed the same financial intermediary as proxy, and when requested by this representative, he shall be allowed to divide his vote for the purpose of abiding by the instructions received from each of the shareholders represented.

Article 17. Public request for representation.

1. Should the Board Members or entities acting as depositories of the certificates or responsible for the book-entry register of public limited liability companies request representation for themselves or for another and, in general, provided that a public request is made, the document that places the power of attorney on record shall contain or attach the agenda, the request for instructions to exercise the right to vote and the indication of how the proxy wishes to vote in the event that specific instructions are not provided.

2. As an exception, the proxy may vote contrary to instructions should circumstances arise that were unknown at the time the instructions were sent and the proxy runs the risk of damaging the interests of the person represented. Should the vote cast be contrary to instructions, the proxy must immediately inform the principal in writing and explain the reasons behind the vote.

3. A public request shall be deemed to have been made when the same person represents more than three shareholders.

4. In the even the members of the Board of Directors or another person acting on behalf of or in the interests of the former, publicly request representation, the Board Member that acts as the representative may not exercise the voting rights carried by the represented shares with respect to items on the agenda that give rise to a conflict of interest, unless he received specific voting instructions from the represented shareholder for each of these items. In any case, the Board Member shall be considered to be in a conflict of interest with regard to the following decisions:

E. GENERAL SHAREHOLDERS' MEETING

a) His appointment, re-election or ratification as a Board Member.

b) His dismissal, termination or removal from the position of Board Member.

c) Any corporate liability action against the Board Member in question.

d) The approval or, where applicable, ratification of company transactions with the Board Member in question or with companies controlled by the Board Member or represented by him or by persons acting on his behalf.

5. The proxy may also include items that are not included on the agenda established in the notice of the general meeting but which are dealt with, in accordance with the law, in the general meeting. In this case the provisions of the preceding paragraph shall apply.

Article 18. Meeting venue and time.

1. The general meetings shall be held at the place where the Company has its registered office on the day indicated in the call notice, but may be extended for one or more consecutive days. However, general meetings may be held in any location in Spain or abroad if so stipulated by the Board of Directors in the call notice.

2. An extension may be approved at the instance of the Board Members or at the request of a number of members representing one quarter of the share capital attending the meeting.

3. Regardless of the number of sessions held, the meeting shall be treated as one session and a single set of minutes for all of them shall be drawn up.

4. Attendance of the General Shareholders' Meetings must take place either at the place at which the meeting will be held or, where applicable, at other locations stipulated by the company, as indicated in the call notice, which are connected thereto through any valid means that allow the recognition and identification of those attending, permanent communication between those present regardless of their location, and attendees to take the floor and vote in real time. The main location must be located in the municipality indicated in the call notice as the office of the general meeting, whereby additional locations are not necessary. Those attending at any of the locations shall be considered, for all purposes relating to the General Shareholders' Meeting, as attendees of the one and the same meeting. The meeting shall be considered to be held at the main office.

E.7. Indicate the data on attendance at the General Meetings held in the year to which this report refers:

Attendance information

Date of the General Meeting	% attendance in person	% attendance by proxy	% remote voting		Total
			Electronic voting	Others	
31/05/2012	20.050	51.400	0.000	0.00	71.450

E.8. Briefly indicate the resolutions adopted at the General Meetings held in the year to which this report refers and the percentage of votes with which each resolution was adopted.

Ordinary General Shareholders' Meeting of 31 May 2012

The proposals of the Board relating to

Item 1 on the agenda - The following were approved by majority vote: 1) Approval of the financial statements: 224,823,351 votes in favour (representing 99.9959% of the shares present or represented), 8,475 abstentions (representing 0.0038% of the shares present or represented) and 647 votes against (representing 0.0003% of the shares present or represented); and 2) distribution of profits: 224,827,051 votes in favour (representing 00.9976% of the shares present and represented), 4,775 abstentions (representing 0.0021% of the shares present or represented) and 647 against (representing 0.0003% of the shares present or represented).

Item 2 on the agenda - Recognition of the 2011 Corporate Social Responsibility Report and the Report on amendments to the Regulations of the Board of Directors. Since this was a simple acknowledgement, it was not taken to a vote.

Item 3 on the agenda - Annual report on Board Members' remuneration for 2011 which, in applying the provisions of Article 4 of the Regulations of the Board of Directors and Article 61 ter of the Securities Market Law, was subject to a consultative vote at the Ordinary General Shareholders' Meeting and approved by a majority vote with: 215,544,915 votes in favour (representing 95.8691% of the shares present and represented), 5,778 abstentions (representing 0.0026% of the shares present or represented) and 9,281,780 against (representing 4.1283% of the shares present or represented).

Item 4 on the agenda - Approval of the management of the Board of Directors in 2011, was approved by a majority: 224,807,501 votes in favour (representing 99.9889% of the shares present and represented), 9,809 abstentions (representing 0.0044% of the shares present or represented) and 15,163 against (representing 0.0067% of the shares present or represented).

Item 5 on the agenda - Ratification, retirement and appointment, as the case may be, of Board Members. This was not taken to a vote.

Item 6 on the agenda - Appointment of auditors of both the company and the group, was approved by a majority vote with: 224,643,674 votes in favour (representing 99.9160% of the shares present and represented), 30,267 abstentions (representing 0.0135% of the shares present or represented) and 158,532 against (representing 0.0705% of the shares present or represented).

Item 7 on the agenda - Amendment to Articles 7, 12, 16, 22, 24, 25, 26, 28 and 35 of the Company bylaws, was approved by majority vote with: 224,789,139 votes in favour (representing 99.9807% of the shares present or represented), 34,715 abstentions (representing 0.0154% of the shares present or represented) and 8,619 votes against (representing 0.0038% of the shares present or represented).

E. GENERAL SHAREHOLDERS' MEETING

Item 8 on the agenda - Amendment to Articles 3, 4, 5, 6, 8, 10, 11, 15, 16, 17 and 18 of the Regulations of the General Meeting , was approved by majority vote with: 224,787,639 votes in favour (representing 99.9801% of the shares present and represented), 36,215 abstentions (representing 0.0161% of the shares present or represented) and 8,619 against (representing 0.0038% of the shares present or represented).

Item 9 on the agenda - Share capital increase fully charged to reserves and a capital reduction to retire treasury shares, was approved by majority vote with: 224,820,855 votes in favour (representing 99.9948% of the shares present and represented), 11,498 abstentions (representing 0.0051% of the shares present or represented) and 120 against (representing 0.0001% of the shares present or represented).

Item 10 on the agenda - Authorisation for the derivative acquisition of treasury shares and the share capital reduction in order to retire treasury shares, was approved by majority vote with: 224,454,583 votes in favour (representing 99.8319% of the shares present or represented), 9,705 abstentions (representing 0.0043% of the shares present or represented) and 368,185 votes against (representing 0.1638% of the shares present or represented).

Item 11 on the agenda - Delegation of powers for the execution and formalisation of resolutions, was approved by majority vote with: 224,824,268 votes in favour (representing 99.9964% of the shares present or represented), 4,505 abstentions (representing 0.0020% of the shares present or represented) and 3,700 votes against (representing 0.0016% of the shares present or represented).

E.9. Indicate whether the bylaws contain any restrictions with respect to a minimum number of shares required to attend General Meetings.

	Yes	No
	X	

Number of shares required to attend General Meetings	100

E.10. Indicate and provide support for the policies followed by the company with respect to proxy voting at General Meetings.

The company does not pursue any specific policy with regard to proxy voting at General Meeting.

E.11. Indicate whether the company is aware of the policy of institutional investors on participating or not participating in the company's decisions:

	Yes	No
		X

E.12. Indicate the address and the means of accessing corporate governance content on your website.

The address is http://www.grupoacs.com/index.php/es/c/gobiernocorporativo

It is very easy to access the website: once at the web page, a page appears with several tabs on the edge, one of which is "CORPORATE GOVERNANCE"; if you click on this tab, the following sub-sections appear: Company bylaws, Regulations of the General Meeting, Annual Corporate Governance Report, Board of Directors, Shareholders' Agreements and Rules of Conduct for Securities Markets; each sub-section contains pertinent information. If you click on "Annual Corporate Governance Report" and following a brief introduction, there are specific instructions to click on it to therefore download all annual reports since 2003 as PDFs.

F. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the company's degree of compliance with the Recommendations of the Unified Good Governance Code. In the event of non-compliance with any of the Recommendations, explain the recommendations, rules, practices or criteria applied by the company.

1. The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.
   See sections: A.9, B.1.22, B.1.23 and E.1, E.2

Complies	Explain
X	

2. When a parent and a subsidiary are listed companies, both should provide detailed disclosure on:

   a) The type of activity they engage in, and any business dealings between them, as well as between the listed subsidiary and other group companies;

   b) The mechanisms in place to resolve possible conflicts of interest.
   See sections: C.4 and C.7

Complies	Partially complies	Explain	Not applicable
			X

3. Even when not expressly required under company law, any decisions involving a fundamental corporate change should be submitted to the General Meeting for approval. In particular:

   a) The transformation of listed companies into holding companies through the process of subsidiarisation, i.e. reallocating core activities to subsidiaries that were previously carried out by the originating company, even though the latter retains full control of the former;

   b) Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;

   c) Operations that effectively add up to the company's liquidation.

Complies	Partially complies	Explain
X		

4. Detailed proposals of the resolutions to be adopted at the General Meeting, including the information stated in Recommendation 28, should be made available at the same time as the publication of the Meeting notice.

Complies	Explain
X	

5. Separate votes should be taken at the General Meeting on materially separate items, so shareholders can express their preferences in each case. This rule particularly applies to the following:

   a) The appointment or ratification of Board Members, with separate voting on each candidate;

   b) Amendments to the bylaws, with votes taken on all articles or groups of articles that are materially different.

   See section: E.8

Complies	Partially complies	Explain
X		

6. Companies should allow split votes, so financial intermediaries acting as nominees on behalf of different clients can issue their votes according to instructions.

   See section: E.4

Complies	Explain
X	

7. The Board of Directors should perform its duties with unity of purpose and independent judgement, according all shareholders the same treatment. It should be guided at all times by the company's best interest and, as such, strive to maximise its value over time.

   It should likewise ensure that the company abides by the laws and regulations in its dealings with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the industries and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

Complies	Partially complies	Explain
X		

8. The Board should fulfil the core components of its mission of approving the company's strategy and authorising the organisational resources to carry it forward, and of ensuring that management meets the objectives set while pursuing the company's interests and object. As such, the Board in plenary session should reserve the right to approve:

   a) The company's general policies and strategies, and in particular:
      i) The strategic or business plan, management targets and annual budgets;
      ii) Investment and financing policy;
      iii) Design of the structure of the corporate group;
      iv) Corporate governance policy;
      v) Corporate social responsibility policy;
      vi) Remuneration and evaluation of senior executives;
      vii) Risk control and management, and the periodic monitoring of internal information and control systems.
      viii) Dividend policy, as well as the policies and limits applying to treasury shares.

   See sections: B.1.10, B.1.13, B.1.14 and D.3

F. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

b) The following decisions:

i) At the proposal of the Company's Chief Executive, the appointment and removal of senior officers, and their compensation clauses.

See section: B.1.14

ii) Board Members' remuneration and, in the case of executive Board Members, the additional consideration for their management duties and other contract conditions.

See section: B.1.14

iii) The financial information that all listed companies must periodically disclose.

iv) Investments or operations considered strategic by virtue of their amount or special characteristics, unless their approval corresponds to the General Meeting;

v) The creation or acquisition of ownership interests in special purpose vehicles or entities resident in jurisdictions considered to be tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.

c) Transactions which the company conducts with Board Members, significant shareholders, shareholders with Board representation or other persons related thereto ("related party transactions").

However, Board authorisation shall not be required for related party transactions that simultaneously meet the following three conditions:

1. They are governed by standard form agreements applied on an across-the-board basis to a large number of clients;

2. They are performed at market rates, generally set by the person supplying the goods or services;

3. Their amount is no more than 1% of the company's annual revenue.

It is advisable that related party transactions should only be approved on the basis of a favourable report from the Audit Committee or some other committee charged with the same function; and that the Board Members involved should neither exercise nor delegate their votes, and should withdraw from the meeting room while the Board deliberates and votes.

Ideally, the above powers should not be delegated with the exception of those mentioned in b) and c), which may be delegated to the Executive Committee in urgent cases and later ratified by the Board in plenary session.

See sections: C.1 and C.6

Complies	Partially complies	Explain
X		

9. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer than five and no more than fifteen members.
See section: B.1.1

Complies	Explain
	x

There are currently 17 Board members, which is a number comprised within the 11 to 21 member limit provided in Article 13 of the bylaws, and is in accordance with the Spanish Limited Liability Companies Law. To date, this was considered to be most appropriate number in accordance with the company's needs and characteristics with regard to shareholder structure.

10. External, proprietary and independent Board Members should occupy an ample majority of Board places, while the number of executive Board Members should be the minimum practical, bearing in mind the complexity of the corporate group and the ownership interests held by the executive Board Members.
See sections: A.2, A.3, B.1.3 and B.1.14

Complies	Partially complies	Explain
X		

11. In the event that a external Board Member can be deemed neither proprietary nor independent, the company should disclose this circumstance and the links that person maintains with the company, its senior executives, or its shareholders.
See section: B.1.3

Complies	Partially complies	Explain
X		

12. Among external Board Members, the relation between proprietary members and independents should match the proportion of the capital represented on the Board by proprietary Board Members to the remainder of the company's capital.

This proportional criterion can be relaxed so the weight of proprietary Board Members is greater than would strictly correspond to the total percentage of capital they represent:

1. In large cap companies where few or no ownership interests attain the legal threshold for significant shareholdings, despite the existence of shareholders with considerable investments in absolute terms.

2. In companies with multiple shareholders represented on the Board but not otherwise related.

See sections: B.1.3, A.2 and A.3

Complies	Explain
X	

F. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

13. The number of independent Board Members should represent at least one third of all Board members.
    See section: B.1.3

	Complies	Explain
		X

It is to our understanding that the distribution of the different types of Board Members (executive, proprietary and independent) is appropriate based on the Company's characteristics, i.e., a large cap company with four significant shareholders holding different ownership percentages ranging from 18% to 5%.

14. The nature of each Board Member should be explained by the Board to the General Meeting, which will make or ratify his or her appointment. Such determination should subsequently be confirmed or reviewed in each year's Annual Corporate Governance Report, after verification by the Appointments Committee. The Report should also disclose the reasons for the appointment of proprietary Board Members at the request of shareholders controlling less than 5% of capital and explain any rejection of a formal request for a Board place from shareholders whose ownership interest is equal to or greater than that of others applying successfully for a proprietary Board Membership.
    See sections: B.1.3 and B.1 4

Complies	Partially complies	Explain
X		

15. When women Board Members are few or non-existent, the Board should state the reasons for this situation and the measures taken to correct it; in particular, the Appointments Committee should take steps to ensure that:

    a) The process of filling board vacancies has no implicit bias against women candidates;
    b) The company makes a conscious effort to include women with the target profile among the candidates for Board places.

    See sections: B.1.2, B.1.27 and B.2.3

Complies	Partially complies	Explain	Not applicable
X			

16. The Chairman, as the person responsible for the proper operation of the Board of Directors, should ensure that Board Members are supplied with sufficient information in advance of Board meetings, and work to procure a good level of debate and the active involvement of all members, safeguarding their rights to freely express and adopt positions; he or she should organise and coordinate regular evaluations of the Board and, where appropriate, the company's chief executive, along with the chairmen of the relevant Board committees.
    See section: B.1.42

Complies	Partially complies	Explain
X		

17. When a company's Chairman is also its chief executive, an independent Board Member should be empowered to request the calling of Board meetings or the inclusion of new business on the agenda; to coordinate and give voice to the concerns of external Board Members; and to manage the Board's evaluation of the Chairman.
    See section: B.1.21

Complies	Partially complies	Explain
X		

18. The Secretary should take care to ensure that the Board's actions:
    a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies;

    b) Comply with the company bylaws and the regulations of the General Meeting, the Board of Directors and others;

    c) Are informed by those good governance recommendations of the Unified Code that the company has subscribed to.

    In order to safeguard the independence, impartiality and professionalism of the Secretary, his or her appointment and removal should be proposed by the Appointments Committee and approved by the Board in plenary session; the relevant appointment and removal procedures being stipulated in the Board Regulations.
    See section: B.1.34

Complies	Partially complies	Explain
X		

19. The Board should meet with the necessary frequency to properly perform its functions, in accordance with a calendar and agenda set at the beginning of the year, to which each Board Member may propose the addition of other items.
    See section: B.1.29

Complies	Partially complies	Explain
X		

20. Board Members' absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. When Board Members have no choice but to delegate their vote, they should do so with instructions.
    See sections: B.1.28 y B.1.30

Complies	Partially complies	Explain
X		

F. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

21. When Board Members or the Secretary express concerns about a proposal or, in the case of Board Members, about the company's performance, and such concerns are not resolved at the meeting, the person expressing them can request that they be recorded in the minutes.

Complies	Partially complies	Explain	Not applicable
X			

22. The Board in plenary session should evaluate the following points on a yearly basis:

    a) The quality and efficiency of the Board's operation;

    b) On the basis of a report submitted by the Appointments Committee, the performance of the Chairman of the Board and the company's chief executive;

    c) The performance of its committees on the basis of the reports furnished by them.
    See section: B.1.19

Complies	Explain
X	

23. All Board Members should be able to exercise their right to receive any additional information they require on matters within the Board's competence. Unless the bylaws or Board Regulations indicate otherwise, such requests should be addressed to the Chairman or Secretary.
    See section: B.1.42

Complies	Explain
X	

24. All Board Members should be entitled to call on the company for the advice and guidance they need to carry out their duties. The company should provide suitable channels for the exercise of this right, extending in special circumstances to external assistance at the company's expense.
    See section: B.1.41

Complies	Explain
X	

25. Companies should organise induction programmes for new Board Members to acquaint them rapidly with the workings of the company and its corporate governance rules. Board Members should also be offered refresher programmes when circumstances so advise.

Complies	Partially complies	Explain
X		

26. Companies should require their Board Members to devote sufficient time and effort to perform their duties effectively, and, as such:

a) Board Members should apprise the Appointments Committee of any other professional obligations, in case they might detract from the necessary dedication;

b) Companies should lay down rules about the number of Board Memberships their board members can hold.

See sections: B.1.8, B.1.9 and B.1.17

Complies	Partially complies	Explain
X		

27. The proposal for the appointment or re-election of Board Members which the Board submits to the General Meeting, as well as provisional appointments by the method of co-optation, should be approved by the Board:

a) On the proposal of the Appointments Committee, in the case of independent Board Members.

b) Subject to a report from the Appointments Committee in all other cases.

See section: B.1.2

Complies	Partially complies	Explain
X		

F. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

28. Companies should post the following Board Member particulars on their websites and keep them permanently updated:

    a) Professional experience and background;

    b) Board Memberships held at other companies, listed or otherwise;

    c) An indication of the Board Member's classification as executive, proprietary or independent; in the case of proprietary Board Members, stating the shareholder they represent or have links with;

    d) The date of their first and subsequent appointments as a company Board Member, and;

    e) Shares held in the company and any options thereon.

Complies	Partially complies	Explain
X		

29. Independent Board Members should not hold office as such for a continuous period of more than twelve years.
    See section: B.1.2

Complies	Partially complies	Explain
		X

It is to our understanding that holding office for over a period of 12 years does not comprise the Board Member's independence in any manner, and since there is no limit (legal, statutory or regulatory) regarding age or permanence on the Board, it is not appropriate to specifically lay down a rule for independent Board Members.

30. Proprietary Board Members should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary Board Members, the latter's number should be reduced accordingly.
    See sections: A.2, A.3 y B.1.2

Complies	Partially complies	Explain
X		

31. The Board of Directors should not propose the removal of independent Board Members before the expiry of their tenure as mandated by the bylaws, except where just cause is found by the Board, based on a proposal from the Appointments Committee. In particular, just cause will be presumed when a Board Member is in breach of his or her fiduciary duties or comes under one of the disqualifying grounds enumerated in section III.5 (Definitions) of this Code.

    The removal of independents may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the company's capital structure, in order to meet the proportionality criterion set out in Recommendation 12.
    See sections: B.1.2, B.1.5 and B.1.26

Complies	Explain
X	

32. Companies should establish rules obliging Board Members to inform the Board of any circumstance that might harm the organisation's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.

    When a Board Member is sued or tried for any of the offences stated in Article 124 of the Companies Law the Board should examine the matter and, in view of the particular circumstances, decide whether or not he or she should be called on to resign. The Board should also disclose all such determinations in the Annual Corporate Governance Report.
    See sections: B.1.43 and B.1.44

Complies	Partially complies	Explain
X		

33. All Board Members should express clear opposition when they feel a proposal submitted for the Board's approval might damage the corporate interest. In particular, independents and other Board Members unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking Board representation.

    When the Board makes material or reiterated decisions about which a Board Member has expressed serious reservations, then he or she must draw the pertinent conclusions. Board Members resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

    The terms of this Recommendation should also apply to the Secretary of the Board; Board Member or otherwise.

Complies	Partially complies	Explain	Not applicable
X			

F. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

34. Board Members who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the Board. Irrespective of whether such resignation is filed as a significant event, the motive for it must be explained in the Annual Corporate Governance Report.
 See section: B.1.5

Complies	Partially complies	Explain	Not applicable
			X

35. The company's remuneration policy, as approved by its Board of Board Members, should specify at least the following points:

 a) The company's remuneration policy, as approved by its Board of Board Members, should specify at least the following points;

 b) Variable components, in particular:
 i) The types of Board Members they apply to, with an explanation of the relative weight of variable to fixed remuneration items.
 ii) Performance evaluation criteria used to calculate entitlement to the award of shares or share options or any performance-related remuneration;
 iii) The main parameters and grounds for any system of annual bonuses or other, non-cash benefits; and
 iv) An estimate of the sum total of variable payments arising from the remuneration policy proposed, on the basis of the degree of compliance with pre-set targets or benchmarks.

 c) The main characteristics of welfare systems (for example, supplementary pensions, life insurance and similar arrangements), with an estimate of their amount or annual equivalent cost.

 d) The conditions to apply to the contracts of executive Board Members exercising senior management functions, including the following:
 i) Duration:
 ii) Notice periods; and
 iii) Any other clauses covering joining bonuses, termination benefits or golden parachutes in the event of early termination of the contractual relationship between the company and the executive Board Member.

 See section: B.1.15

Complies	Partially complies	Explain
X		

36. Remuneration comprising the delivery of shares in the company or in other companies in the group, share options or other share-based instruments, payments linked to the company's performance or membership of welfare schemes should be confined to executive Board Members.

 The delivery of shares is excluded from this limitation when Board Members are obliged to retain them until the end of their tenure.
 See sections: A.3 and B.1.3

Complies	Explain
X	

37. External Board Members' remuneration should sufficiently compensate them for the dedication, abilities and responsibilities that the post entails, but should not be so high as to compromise their Independence.

Complies	Explain
X	

38. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditors' report.

Complies	Explain	Not applicable
X		

39. In the case of variable remuneration, remuneration policies should include technical safeguards to ensure they reflect the professional performance of the recipients and not simply the general progress of the markets or the company's industry or circumstances of this kind.

Complies	Explain	Not applicable
X		

40. The Board should submit a report on the directors' remuneration policy to the advisory vote of the General Meeting, as a separate point on the agenda. This report can be supplied to shareholders separately or in the manner each company sees fit.

    The report will focus on the remuneration policy the Board has approved for the current year, with reference, as the case may be, to the policy planned for future years. It will address all the points referred to in Recommendation 35, except those potentially entailing the disclosure of commercially sensitive information. It will also identify and explain the most significant changes in remuneration policy with respect to the previous year referred to the General Shareholders' Meeting. It shall also provide a general summary of how remuneration policy was implemented in the prior year.

    The role of the Remuneration Committee in designing the policy should be reported to the Meeting, along with the identity of any external advisers engaged.
    See section: B.1.16

Complies	Explain	Not applicable
X		

F. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

41. The notes to the financial statements should list individual Board Members' remuneration in the year, including:

    a) A breakdown of the remuneration earned by each Board Member, to include where appropriate:
        i) Attendance fees and other fixed Board Member payments;
        ii) Additional remuneration for acting as chairman or member of a Board committee;
        iii) Any payments made under profit-sharing or bonus schemes, and the reason for their accrual;
        iv) Contributions on the Board Member's behalf to defined-contribution pension plans or any increase in the Board Member's vested rights in the case of contributions to defined-benefit schemes;
        v) Any termination benefits agreed or paid;
        vi) Any remuneration they receive as Board Members of other companies in the group;
        vii) The remuneration Executive Board Members receive in respect of their senior management posts;
        viii) Any kind of remuneration other than those listed above, of whatever nature and provenance within the group, especially when it may be deemed a related party transaction or when its omission would detract from the fair presentation of the total remuneration received by the Board Member.

    b) An individual breakdown of deliveries to Board Members of shares, share options or other share-based instruments, itemised by:
        i) Number of shares or options granted in the year, and the exercise terms;
        ii) Number of options exercised in the year, specifying the number of shares involved and the exercise price;
        iii) Number of share options outstanding at the annual close, specifying their price, date and other exercise conditions;
        iv) Any change in the year in the exercise terms of previously granted options.

    c) Information on the relation in the year between the remuneration obtained by executive Board Members and the company's profits, or some other measure of company performance.

Complies	Partially complies	Explain
X		

42. When the company has an Executive or Delegated Committee ("Executive Committee"), the breakdown of its members by Board Member category should be similar to that of the Board itself. The Secretary of the Board should also act as secretary to the Executive Committee.
    See sections: B.2.1 and B.2.6

Complies	Partially complies	Explain	Not applicable
X			

43. The Board should be kept fully informed of the business transacted and the resolutions adopted by the Executive Committee. To this end, all Board members should receive a copy of the Committee's minutes.

Complies	Partially complies	Explain
X		

44. In addition to the Audit Committee mandatory under the Securities Market Law, the Board of Directors should form a committee, or two separate committees, of Appointments and Remuneration.

The rules governing the composition and operation of the Audit Committee and the Appointments and Remuneration committee or committees should be set forth in the Board Regulations, and include the following:

a) The Board of Directors should appoint the members of such Committees having regard to the knowledge, aptitudes and experience of its Board Members and the remit of each Committee and shall discuss their proposals and reports. The Committees should report the business transacted and account for the work performed at the first plenary session of the Board following each Committee meeting;
b) These Committees should be formed exclusively of external Board Members and have a minimum of three members. Executive Board Members or senior executives may also attend meetings at the Committee's invitation.
c) Committees should be chaired by an independent Board Member.
d) They may engage external advisors, when they feel this is necessary for the discharge of their duties.
e) Meetings should be recorded in minutes and a copy sent to all Board members.

See sections: B.2.1 and B.2.3

Complies	Partially complies	Explain
X		

45. The job of overseeing compliance with internal codes of conduct and corporate governance rules should be entrusted to the Audit Committee, the Appointments Committee or, as the case may be, separate Compliance or Corporate Governance Committees.

Complies	Explain
X	

46. All members of the Audit Committee, particularly its chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management matters.

Complies	Explain
X	

47. Listed companies should have an internal audit function, under the supervision of the Audit Committee, to ensure the proper operation of reporting and internal control systems.

Complies	Explain
X	

F. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

48. The head of internal audit should present an annual work programme to the Audit Committee; report to it directly on any incidents arising during its implementation; and submit an activities report at the end of each year.

Complies	Partially complies	Explain
X		

49. The control and risk management policy should specify at least:

a) The different types of risk (operational, technological, financial, legal, reputational, etc.) the company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks;

b) The determination of the risk level the company sees as acceptable;

c) Measures in place to mitigate the impact of identified risks, should they occur;

d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance sheet risks.

See sections: D

Complies	Partially complies	Explain
X		

50. The Audit Committee's role should be:

1° With respect to internal control and reporting systems:

a) Oversee the preparation and integrity of the financial information of the Company and, if applicable, of the group, and check compliance with legal provisions, the accurate demarcation of the scope of consolidation and the correct application of accounting standards.

b) Review internal control and risk management systems on a regular basis, so that the main risks are properly identified, managed and disclosed.

c) Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, re-appointment and removal of the head of internal audit; propose the internal audit department's budget; receive regular reports on its activities; and verify that senior management acts on the findings and recommendations of its reports.

d) Establish and monitor a mechanism whereby employees can report, in a confidential or, if appropriate, anonymous manner, any potentially significant irregularities within the Company, particularly of a financial and accounting nature.

2° With respect to the external auditors:

a) Propose to the Board the selection, appointment, re-election and replacement of the external auditors, as well as the terms and conditions of the engagement.

b) Receive regular information from the external auditors on the progress and findings of the audit plan, and check that senior management is acting on its recommendations.

c) Monitor the independence of the external auditors, to which end:

i) The company should notify any change of auditors to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditors and the reasons for the same.

ii) The Committee should ensure that the company and the auditors adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditors' business and, in general, other requirements designed to safeguard auditors' independence;

iii) The Committee should investigate the issues giving rise to the resignation of any external auditors.

d) In the case of groups, the Committee should prevail on the group auditors to take on the auditing of all component companies.

See sections: B.1.35, B.2.2, B.2.3 and D.3

Complies	Partially complies	Explain
X		

51. The Audit Committee may call on any company employee or manager to be present at its meeting, even ordering their presence without another manager.

Complies	Explain
X	

52. The Audit Committee should prepare information on the following points from Recommendation 8 for input to Board decision-making:

a) The financial information that all listed companies must periodically disclose. The Committee should ensure that interim statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditors to conduct a limited review.

F. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

b) The creation or acquisition of ownership interests in special purpose vehicles or entities resident in jurisdictions considered to be tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.

c) Related party transactions, except where their scrutiny has been entrusted to some other supervision and control committee.

See sections: B.2.2 and B.2.3

	Complies	Partially complies	Explain
	X		

53. The Board of Directors should seek to present the financial statements to the General Meeting without reservations or qualifications for any matters in the auditors' report. Should such reservations or qualifications exist, both the Chairman of the Audit Committee and the auditors should give a clear account to the shareholders of the related matters and scope limitations.

See section: B.1.38

	Complies	Partially complies	Explain
	X		

54. The majority of Appointments Committee members - or Appointments and Remuneration Committee members as the case may be - should be independent Board Members.

See section: B.2.1

	Complies	Partially complies	Explain
			X

In view of the death of the former Chairman of the Appointments and Remuneration Committee, Mr. José María Aguirre González, it was decided that the most suitable Board Member to replace him was Mr. Julio Sacristán Fidalgo, who is the proprietary Board Member, and the Chairman was the independent Board Member, Mr. José María Loizaga Viguri, whereby this Committee had a majority of proprietary Board Members, three out of a total of five.

55. The Appointments Committee should have the following functions in addition to those stated in earlier Recommendations:

a) Evaluate the skills, knowledge and experience required of the Board, define the roles and capabilities required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties.

b) Examine or organise as the Committee deems fit the succession of the Chairman and the chief executive and, if applicable, submit proposals to the Board in order to ensure a smooth and well-planned handover.

c) Report on the senior executive appointments and removals which the chief executive proposes to the Board.

d) Report to the Board on the gender diversity issues discussed in Recommendation 14 of this Code.
See section: B.2.3

Complies	Partially complies	Explain	Not applicable
X			

56. The Appointments Committee should consult with the company's Chairman and chief executive, especially on matters relating to executive Board Members.

Any Board member may suggest Board Membership candidates to the Appointments Committee for its consideration.

Complies	Partially complies	Explain
X		

57. The Remuneration Committee should have the following functions in addition to those stated in earlier Recommendations:

a) Make proposals to the Board of Directors regarding the following:
i) The remuneration policy for Board Members and senior executives;
ii) The individual remuneration and other contractual conditions of executive Board Members.
iii) The standard conditions for senior executive employment contracts.

b) Oversee compliance with the remuneration policy set by the company.
See sections: B.1.14 and B.2.3

Complies	Partially complies	Explain	Not applicable
X			

58. The Remuneration Committee should consult with the company's Chairman and chief executive, especially on matters relating to executive Board Members and senior executives.

Complies	Partially complies	Explain
X		

G. OTHER INFORMATION OF INTEREST

If you consider that there is any material aspect or principle relating to the Corporate Governance practices followed by your company that has not been addressed in this Report, indicate and explain below.

B.1.11 and B.1.12. The obligations assumed in relation to pension plans are the same as the amounts contributed in this connection, since these obligations have been externalised and transferred to an insurance company. Accordingly, the Group has not assumed any outstanding obligation other than the contribution of the annual premium.

In addition to those mentioned in the above sections, the Board Members with executive functions and the Group's senior management has been granted share options. The cost recognised in relation to these share options granted to executive Board Members, based on the number of options granted in 2012, amounted to EUR 1,808 thousand.

This amount relates to the proportion of the value of the plan at the date on which it was granted.

The cost relating to options granted to senior executives in 2012 amounted to EUR 6,091 thousand. This amount relates to the proportion of the value of the plan at the date on which it was granted.

B.1.21 (2). In accordance with the Board Regulations amended on 25 February 2010, an independent Board Member shall have this power, and for these purposes, Mr. Miguel Roca Junyent has been appointed.

B.1.30. The percentage of absent votes in the Board are not calculated by the number of meetings at which all the Board Members were not present with respect to the total number held, but rather by the number of votes (fourteen) with respect to the total theoretical number (nine meetings by 19 Board Members).

C.2. and C.3. In relation to this section, list any relevant transactions entailing a transfer of funds or obligations between the company or group companies and companies related to the significant shareholders of the company: In relation to this section, the only transactions between executives and Board Members related to the remunerations already detailed in the various sections of the ACGR, and specifically sections B.1.11 and B.1.12.:

Management or collaboration agreements:	Terratest Técnicas Especiales, S.A., amounting to EUR 3,221 thousand
Leases:	Fidalser, S.L., amounting to EUR 182 thousand
Services received:	Fidalser, S.L., amounting to EUR 66 thousand Terratest Técnicas Especiales, S.A., amounting to EUR 1,092 thousand Indra, amounting to EUR 2,756 thousand Zardoya Otis, S.A., amounting to EUR 1,113 thousand
Other expenses:	March Unipsa, JLT, S.A., amounting to EUR 41,806 thousands
Services rendered:	Rosán Inversiones, S.L., amounting to EUR 276 thousand Grupo Iberostar, amounting to EUR 538 thousand Indra, amounting to EUR 2,130 thousand Zardoya Otis, S.A., amounting to EUR 5 thousand
Financing agreements: loans and capital contributions:	Banca March, amounting to EUR 52,120 thousand Banco Sabadell, amounting to EUR 859,603 thousand
Guarantees given:	Banca March, amounting to EUR 42,120 thousand
Dividends and other distributed profit:	Fidwei Inversiones, S.L., amounting to EUR 554 thousand Lynx Capital, S.A., amounting to EUR 674 thousand Fidalser, S.L., amounting to EUR 1,059 thousand
Other transactions:	Banca March, amounting to EUR 30,645 thousand

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

The Iberostar Group is listed because it is a direct shareholder of ACS, Actividades de Construccion y Servicios, S.A. which has provided tourism and travel agency services to the ACS Group companies as part of its normal business operation. The ACS Group has mainly providing air-conditioning services in hotels owned by Iberostar.

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

The transactions with other related parties are listed due to the relationship of certain Board Members of ACS, Actividades de Construcción y Servicios, S.A. with companies in which they are either shareholders or hold a senior management position. In this regard, the transactions with Fidalser, S.L., Terratest Tecnicas Especiales, S.A., Fidwei Inversiones, S.L. and Lynx Capital, S.A. are listed due to the relationship of the Board Member, Pedro Lopez Jimenez, with these companies. Transactions with Indra are listed due to its relationship with the Board Member Javier Monzon. The transactions performed with the Zardoya Otis, S.A. are indicated due to its relationship with the Board Member José María Loizaga. The transactions with Banco Sabadell are listed due the bank's relationship with the Board Member Javier Echenique. The transactions with Unipa, JLT, S.A. are listed due to the company's relationship with Banca March, although in this case the figures listed are intermediate premiums paid by ACS Group companies, rather than considerations for insurance brokerage services.

Other transactions relate exclusively to Banca March. Banca March, as a financial institution, provides various financial services to ACS Group companies in the ordinary course of business amounting to a total EUR 30,645 thousand, which in this case relate in full to the reverse factoring lines of credit for suppliers.

In 2012 transactions of senior management with Group companies amounted to EUR 453 thousand for the purchase of assets.

All these commercial transactions were carried out on an arm's length basis in the ordinary course of business, and related to ordinary Group company transactions.

The transactions performed between ACS consolidated Group companies were eliminated in the consolidation process and form part of the normal business activities of the companies in terms of their company object and conditions. The transactions were carried out on an arm's length basis and they do not have to be disclosed to present fairly the equity, financial position and results of the operations of the Group.

G. OTHER INFORMATION OF INTEREST

F. Degree of compliance with corporate governance recommendations

With regard to Recommendation 42 of Section F, the following structure of ownership interest of the various categories of Board Members on the Board of Directors and Executive Committee is noteworthy:

Executive Board Members on the Board of Directors	23.53%
Executive Board Members on the Executive Committee	28.57%
Proprietary and External Board Members on the Board of Directors	47.05%
Proprietary and External Board Members on the Executive Committee	42.86%
External independent Board Members on the Board of Directors	23.53%
External independent Board Members on the Executive Committee	14.29%
Other external Board Members on the Board of Directors	5.88%
Other external Board Members on the Executive Committee	14.29%

This section can include any other information, clarification or qualification relating to the previous sections of the report, provided that it is material and not repetitive.

In particular, indicate whether the company is subject to any legislation other than the Spanish legislation on corporate governance and, if so, include the information that it is required to furnish, where such information differs from that required in this report.

Binding definition of independent Board Member:

Indicate whether any of the independent Board Members has, or has had, any relationship with the company, its significant shareholders or its executives that, had it been sufficiently significant or material, would have determined that the Board Member concerned could not be considered independent in conformity with the definition set forth in section 5 of the Unified Good Governance Code:

Yes	No
X	

Name of Board Member	Type of relationship	Explanation
Mr.José María Loizaga Viguri	Board Member of Zardoya Otis, S.A.	Zardoya Otis, S.A. is a normal supplier to the construction companies of the ACS Group, without the volume of operations being significant.
Mr. Miguel Roca Junyent	Lawyer	Mr. Roca has served as a lawyer in relation to certain matters which are individually of significance, but not when taken into consideration as a whole.

Date and signature:

This Annual Corporate Governance Report was approved by the Company's Board of Directors at its meeting held on

21/03/2013

Indicate whether any Board Members voted against or abstained in relation to the approval of this Report.

	Yes	No
		X

SUPPLEMENTARY REPORT

SUPPLEMENTARY REPORT TO THE 2012 ANNUAL CORPORATE GOVERNANCE REPORT ADMITTED BY THE BOARD OF DIRECTORS OF ACS, ACTIVIDADES DE CONSTRUCCION Y SERVICIOS, S.A. PURSUANT TO THE PROVISIONS OF ARTICLE 61 BIS 4, H OF THE SECURITIES MARKET LAW.

Securities that are not admitted to trading on a regulated market in a Member State, indicating the different classes of shares, if any, and the rights and obligations conferred for each class of shares.

No securities have been issued by the Company which are traded on a market other than the EU market.

Any restrictions on the transfer of securities and any restrictions on voting rights.
In accordance with Article 8 of the Company's bylaws, shares are represented by means of book entries under the conditions and requirements established by law. There are no statutory restrictions on the transferability of shares representing the company's share capital.

As a listed company, the acquisition of a percentage of ownership of 30% or more of the Company's share capital or voting rights requires that a takeover bid be launched, in the terms provided for in Article 60 of Securities Market Law 24/1988 and Royal Decree 1066/2007, of 27 June.

There are no specific restrictions on voting rights, although, in relation to attendance rights, Article 23 of the bylaws provides that *"The General Meeting comprises all those that hold at least one-hundred shares, either present or represented. The owners or holders of less than one hundred shares may pool their shares in order to reach such number and may be represented either by one of them or by another shareholder who alone possesses the number of shares required to form part of the General Meeting"*.

Rules for amending the Company's bylaws.
The procedure for amending the bylaws is governed by Article 29 and generally, Articles 285 et seq. of the Consolidated Spanish Companies Law, approved by Legislative Royal Degree 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 Law.

Such resolutions will be adopted by simple majority, except where under section 2 of the aforementioned Article 201 of the Consolidated Spanish Companies Law, such resolutions must be adopted by the vote in favour of two thirds of the share capital present or represented when the meeting is attended by shareholders representing less than fifty per cent of the subscribed share capital with voting rights. The simple majority required to adopt a resolution shall consist of the vote in favour of the shareholders owning one-half plus one of the shares with voting rights present or represented at the meeting.

Significant agreements entered into by the Company that will come into force, be modified or terminate in the event of a change in control over the Company resulting from a takeover bid, and the effects thereof.
There are no significant contracts giving rise to the aforementioned circumstance.

Agreements between the Company and its directors, management personnel or employees which provide for termination benefits when the latter resign or are dismissed without justification or if the employment relationship ends as a result of a takeover bid.

As indicated in sections B.1.13 of the 2012 Annual Corporate Governance Report, 6 senior executives of the various ACS Group companies, including executive directors, have contracts providing for cases such as those envisaged in this connection, with termination benefits of up to five years' annual salary.

A description of the main characteristics of the internal control and risk management systems with regard to statutory financial reporting.

1. COMPANY'S CONTROL ENVIRONMENT

1.1. The bodies and/or functions responsible for: (i) the existence and maintenance of an adequate and effective ICFRS, (ii) its implementation, and (iii) its supervision.

The Internal Control over Financial Reporting System (hereinafter, ICFRS) is part of the ACS Group's overall internal control system and is set up to provide reasonable assurance regarding the reliability of the financial information published. As stipulated in the Board Regulations of the ACS Group, the Board of Directors is responsible for this system and has delegated the supervisory function thereof to the Audit Committee in accordance with its regulations.

In accordance with Article 4 of its Regulations, the Board of Directors has the power, among other functions, to approve, *"the financial information to be periodically made public by the Company given that it is listed on the stock exchange"*. In accordance with this article, the functions of the Board that cannot be delegated include *"preparing the individual and consolidated financial statements and directors' reports and submitting them for approval at the General Shareholders' Meeting"* and approving "the risk management and control policy and the periodic monitoring of the internal reporting and control systems".

General Corporate Management of the ACS Group is responsible for the Group's ICFRS. This entails defining, updating and monitoring the system to ensure that it operates correctly.

The head of each business area is responsible for designing, reviewing and updating the system in accordance with its own needs and characteristics. General Corporate Management validates these designs and their operation to guarantee compliance with the objectives set to assure the reliability of the financial information reported.

In relation to the above, Article 23 of the Regulations of the Board of Directors establishes that the Audit Committee is responsible, inter alia, for the following functions:

- *"Monitor the effectiveness of the Company's internal control, internal audit, and if applicable, risk management systems, and discuss any significant weaknesses in the internal control system identified during the performance of the audit with the auditors or audit firms"*.

- *"Oversee the preparation and presentation of the regulated financial information"*.

SUPPLEMENTARY REPORT

Accordingly, HOCHTIEF, which has formed part of the ACS Group as an investee since June 2011, lists its shares on the German stock market and, in turn, has majority ownership interest in Leighton, which in turn lists its shares on the Australian stock market. Both companies have implemented their own risk management and internal control over financial reporting systems in accordance with applicable legislation. Additional information on these systems can be found in their 2012 annual reports and is available at www.hochtief.com and www.leighton.com.au.

1.2. The existence or otherwise of the following components, especially in connection with the financial reporting process: departments and/or mechanisms in charge of (i) the design and review of the organisational structure; (ii) defining clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) implementing procedures so this structure is communicated effectively throughout the company, with particular regard to the financial reporting process.

In accordance with the Regulations of the Board of Directors, the Appointments and Remuneration Committee under this Board is responsible, inter alia, for nominating senior executives, in particular those who are to be a member of the Group's Management Committee, and proposing the basic conditions of their contract.

Corporate General Management, in the case of ACS, Actividades de Construccion y Servicios, S.A., and the CEO or Chairman, in the case of the various business areas, are responsible for determining the organisational structure.

In 2012 the organisational chart of the various business areas was updated and sent to the interested parties.

- **Code of conduct, approving body, dissemination and instruction, principles and values covered (stating whether specific reference is made to record keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary action.**

The ACS Group has a General Code of Conduct which was approved by the Board of Directors on 15 March 2007, which was last updated by agreement of the Executive Committee of the Board of Directors on 30 August 2011. This Code has been disseminated and is accessible to all employees via the Group's web page.

In this regard, paragraph 4.2.5 of the General Code of Conduct emphasises the principle of transparency. The Code stipulates that "specifically, it will ensure the reliability and completeness of the financial information which, in accordance with applicable law, is publicly supplied to the market. In particular, the accounting policies, control systems and monitoring mechanisms defined by the ACS Group in order to identify relevant information shall be identified, prepared and communicated in due time and form".

"Additionally, the Board of Directors and other governing bodies shall periodically ensure the effectiveness of the internal control system over financial information reported to the markets".

To ensure compliance with the General Code of Conduct, resolve incidents or concerns about its interpretation and take the measures required to ensure the best compliance, the above Code provides for the creation of a General Code of Conduct Monitoring Committee to be composed of three members appointed by the Board of Directors of the ACS Group following their nomination by the Appointments and Remuneration Committee.

This Monitoring Committee has been assigned the following functions:

- Promote the dissemination, knowledge of and compliance with the Code in each and every one of the Group companies.
- Establish the appropriate communication channels so that each employee may obtain or provide information regarding compliance of this Code, guaranteeing the confidentiality of the complaints processed at all times.
- Interpret the regulations stemming from the Code and supervise their implementation.
- Ensure the truthfulness and impartiality of any proceedings initiated, as well as the rights of the persons allegedly involved in possible breaches.
- Define the cases in which the scope of application of the Code should be extended to third parties which are to have commercial or business relationships with the ACS Group.
- Prepare information including the level of compliance with the Code and disclose the specific related indicators.
- Prepare an annual report on its actions and make the recommendations it deems appropriate to the Board of Directors through the Audit Committee.

The Annual Report on Actions and Recommendations of the General Code of Conduct Monitoring Committee for 2012 will be submitted by the Audit Committee in March 2013.

- **Whistle-blowing channel, for reporting to the Audit and Control Committee any irregularities of a financial or accounting nature, as well as breaches of the code of conduct and malpractice within the organisation, stating whether reports made through this channel are confidential.**

In accordance with the foregoing, the General Code of Conduct has established an Ethics Channel allowing any person to report irregularities observed in any of the ACS Group companies, or behaviour that fails to comply with the rules provided in the General Code of Conduct.

For this purpose, there are two channels of communication:

- E-mail: canaletico@grupoacs.com
- Postal address: Ethics Channel
Grupo ACS
Avenida de Pío XII, 102
28036 Madrid, Spain

In any case, the General Code of Conduct ensures the confidentiality of all complaints received by the Monitoring Committee through these channels.

In 2012 ten files were processes as a result of complaints already closed during this year as well as one query which was answer during the year.

SUPPLEMENTARY REPORT

- Training and refresher courses for personnel involved in preparing and reviewing financial information or evaluating the ICFRS, which address, at least, accounting rules, auditing, internal control and risk management.

In regard to training and refresher courses, the ACS Group believes that continuous training for its employees and managers both at the corporate level and at the Group company level is important. Relevant and up-to-date training on regulations that affect financial reporting and internal control is considered to be necessary to ensure that the information reported to the markets is reliable and in accordance with the law in force.

Therefore within the Group's scope of consolidation, a group of approximately 900 employees working in the economic-financial area have received approximately 29,750 hours of training in finance, accounting, consolidation, auditing, internal control and risk management in 2012.

2. RISK ASSESSMENT IN FINANCIAL REPORTING

2.1. The main characteristics of the risk identification process, including risks of error or fraud, stating whether:

- The process exists and is documented.

- The process covers all financial reporting objectives, (existence and occurrence; integrity; valuation; presentation, breakdown and comparability; and rights and obligations), if it is updated and how often.

- A specific process is in place for identifying the scope of consolidation, taking into account the possible existence of complex corporate structures, special purpose vehicles, holding companies, etc.

- The process takes into account the effects of other types of risks (operational, technological, financial, legal, reputational, environmental, etc.) to the extent that they affect the financial statements.

- Which of the company's governing bodies monitors the process.

The ACS Group has established a risk management system that supports a range of actions in order to comply with the objectives established by the Board of Directors. The Corporate Risk Map is updated annually and summarises the Group's situation in relation to its main risks, except for those with regard to HOCHTIEF since it has its own risk control systems.

The Risk Map includes the identification, assessment, classification, valuation, management and monitoring of risks at both the Group level and that of the operating units. In light of the above, the risks identified are as follows:

- Corporate risks: which affect the Group as a whole and, in particular, the listed Company.
- Business risks: which specifically affect each of the business areas and change based on the unique characteristics of each business area.

These risks were basically measured qualitatively in order to establish both their importance and probability of occurrence, however an objective or quantitative risk indicator was established as much as possible.

Accordingly, the risks are classified as follows:

- Operational risks.
- Non-operational risks.

This system is explained in section D of the ACGR in the description of the general risk policy of the ACS Group.

In addition to financial risks (liquidity, exchange rate, interest rate, credit and equity), non-operating risks also includes those risks relating to the reliability of the financial information.

As part of ICFRS management, the ACS Group has a procedure that allows its scope to be identified and maintained by identifying all relevant subgroups and divisions, as well as the significant operating and support processes of each of the subgroups or divisions. This identification was carried out based on the materiality and risks factors that are inherent to each business.

The materiality criteria are established, on one hand, from the quantitative point of view in accordance with the most recent consolidated financial statements based on the various parameters, such as revenue, volume of assets or profit before tax and, on the other hand, from the qualitative point of view in accordance with various criteria, such as the complexity of the information systems, the risk of fraud or accounting based on estimates or bases that may have a subjective component. In practice, this means being able to determine which of the accounting headings of the financial statements are material, as well as other relevant financial information. In addition, the processes or business cycles in which this information is generated are identified.

This assessment is performed on an annual basis and based on which companies are included in or excluded from the Group's scope of consolidation. This scope is reviewed quarterly.

Corporate General Management of the ACS Group is responsible for updating the scope of the Internal Control over Financial Reporting System, and informing the various business areas and the auditor.

For each process or business cycle included within the scope, the Group has identified the risks that can specifically affect financial reporting taking into account all of the financial reporting objectives (existence and occurrence; integrity; valuation; rights and obligations; and presentation and disclosure), and taking into account the different risk categories contained in section D of the ACGR to the extent that they affect financial reporting.

The Board of Directors has the power to approve the risk management and control policy and the periodic monitoring of the information and control systems, while the Audit Committee has the power to oversee the risk management systems.

SUPPLEMENTARY REPORT

3. CONTROL ACTIVITIES

3.1. Procedures for reviewing and authorising the financial information and description of the ICFRS to be disclosed to the markets, indicating who is responsible in each case; and documentation and flow charts of activities and controls (including those addressing the risk of fraud) for each type of transaction that may materially affect the financial statements, including procedures for the closing of accounts and for the separate review of critical judgements, estimates, evaluations and projections.

Prior to their approval by the Board of Directors and to their publication, General Corporate Management must submit both the annual and half-yearly condensed financial statements as well as any other periodic public information supplied to the markets to the Audit Committee, taking into consideration the most relevant effects and those matters whose contents or components are based more on accounting opinions or assumptions for the purpose of calculating estimates and provisions.

Prior to the publication of the financial statements, those responsible for each line of business are required to review the information reported for the purposes of consolidation in their respective areas of responsibility.

This report with the description of the ICFRS is prepared by Corporate General Management based on the information supplied by all affected departments and business areas, and is submitted for review and approval by the Audit Committee.

All business areas which are relevant for the purpose of financial reporting have different controls to ensure the reliability of the financial information. These controls are documented for the significant business cycles based on the internal procedures used, as well as the reporting systems which are used as the basis for preparing the financial information of each business area.

The Group documents in a systematic and homogeneous manner the significant processes, risks and control activities implemented in the business areas. This documentation is based on the following:

- Identification of the companies and processes or business cycles that may significantly affect the financial information. Each significant process has a flow chart and a narrative description of key activities.

- Identification of the risks and controls established to mitigate the financial reporting risks and those responsible for this control, under a common methodology.

The processes considered within the scope include the operating business cycles and the accounting close, reporting and consolidation. The possible risks of fraud and the specific review of relevant judgements, estimates, evaluations and projections are taken into account in each of the business cycles.

3.2. Internal control policies and procedures for IT systems (including secure access, control of changes, system operation, continuity and segregation of duties) giving support to key company processes regarding the preparation and publication of financial information.

Following a policy of decentralisation and independence of each of its lines of business, the ACS Group does centrally manage its information systems, but rather each of business areas manages these resources based on the particular features of each line of business. This is not an obstacle that prevents each of the business areas from defining their internal control policies, standards and procedures regarding information systems and security management. In this regard, the Information Systems Coordinator was created in 2012 to provide support to the ACS Group's General Corporate Management to implement the application of the information systems policies approved in each of the Group's divisions.

Access to the information systems is managed in accordance with tasks assigned to each job position, and each company defines its users' profiles for accessing, modifying, validating or consulting information following a criterion of segregation of duties. Management of access, changes in the applications and the flows of approval are defined in the procedures of each business area, as well as the responsibilities of those responsible for monitoring and control.

The control mechanisms for the recovery of information and information systems are defined in the corresponding continuity plans. Each of the business areas has storage and backup processes at different locations that provide for contingencies if necessary. Each Group company also establishes the required security measures against leakage or loss of physical and logical information depending on the level of confidentiality.

The main information systems have protection against viruses and trojans, and elements that are periodically updated to prevent intrusion in the information systems.

3.3. Internal control policies and procedures for overseeing the management of outsourced activities, and of the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.

The ACS Group does not usually subcontract work to third parties that could materially affect the financial statements.

In any case, when the ACS Group outsources work to third parties it ensures the technical training, independence and skills of the subcontractor. In the case independent experts are used, the person responsible for contracting these experts must validate the conclusions reached from their work.

In the specific case of valuations made by independent experts, the criteria and results thereof are revised by Group management or by management of the business areas that are affected, requesting comparison valuations when necessary.

SUPPLEMENTARY REPORT

4. INFORMATION AND COMMUNICATION

4.1. A specific function in charge of defining and updating accounting policies (accounting policies area or department) and resolving any doubts or disputes that may arise over their interpretation, which is in regular communication with the team in charge of operations; and a manual of accounting policies regularly updated and communicated to all the company's operating units.

Corporate General Management, through the Corporate Administration Department, is responsible for defining and updating the accounting policies and responding to queries and doubts arising from the implementation of the applicable accounting regulations. This can be done in writing and replies to queries are made as quickly as possible depending on their complexity.

The Group has an accounting policies manual that is in line with the International Financial Reporting Standards (IFRS) as adopted by the European Union. This manual is applicable to all companies included in the Group's scope of consolidation and to its joint ventures and associates.

In cases where the ACS Group does not have control but does have a significant influence, the required adjustments and reclassifications are made to the associate's financial statements in order to assure that the accounting criteria is uniform with that of the rest of the Group.

Group companies may have their own manual as long as it does not contradict that indicated in the Group's manual so as to be able to ensure the uniformity of the accounting policies of ACS.

4.2. Mechanisms in standard format for the capture and preparation of financial information, which are applied and used in all units within the entity or group, and support its main financial statements and accompanying notes as well as disclosures concerning the ICFRS.

Reporting to Corporate General Management of the ACS Group is carried out in accordance with the following guidelines:

1) *Reporting frequency*
   Once the meeting schedule of the Executive Committee and the Board of Directors is set, the reporting dates and type of information to be reported are sent to the various heads of the divisions or Group companies on an annual basis.

2) *Type of reporting*
   The information to be reported varies and is detailed based on the reporting period (monthly / quarterly / half-yearly / annually).

3) *Format for reporting financial information*
   The information to be sent to the Administration Department (Corporate General Management) by the various business areas is reported using the Cognos Consolidator consolidation program (mainly for the balance sheet and income statement), and various Excel templates parameterized and automated for the aggregation and elaboration of various information, usually of an off-balance sheet and management nature

   For the preparation of the consolidated financial statements, all business areas must report any changes in the scope of consolidation of their business area prior to the end of the month. As this information is sent from the 3rd to the 6th of each month, the reporting file includes the parameterisation of the consolidation system, which specifically includes the scope of consolidation affecting the entire ACS Group.

4) *Internal control reporting model*
The ACS Group has defined a reporting system for the most significant controls included within the framework of the Internal Control over Financial Reporting System, in which each person responsible for its implementation and monitoring must send the Group's General Corporate Management a report detailing its operations during the period.

This reporting was carried out in 2012 and is expected to be implemented with the publication of the half-yearly financial statements of the ACS Group.

5. SUPERVISION OF THE OPERATION OF THE SYSTEM

5.1. The ICFRS monitoring activities performed by the Audit Committee, including an indication of whether the entity has an internal audit function whose competencies include supporting the audit committee in its role of monitoring the internal control system, including the ICFRS during the period and the procedure by which the area responsible for performing the assessment reports its results, if the entity has an action plan detailing possible corrective measures and whether their impact on the financial statements has been taken into consideration.

The ACS Group's Internal Audit Department is set up as an independent service, the function of which is to provide support to the Group's Board of Directors and senior management in the examination, evaluation and supervision of the internal control and risk management systems both of the Parent and the other companies forming part of the Group.

The ACS Group's Internal Audit Department carries out its functions through the Internal Corporate Audit department and the auditors of the Group's various business areas.

The Corporate Internal Audit Department is included in the organisational structure as a body hierarchically subordinated to the Corporate General Management and functionally subordinated to the Audit Committee of the Board of Directors. It has no hierarchal or functional link to the business areas. Therefore, the appointment/dismissal of the person responsible is at the suggestion of the Audit Committee.

In turn, the internal audit departments of the Parents of the Group's business areas hierarchically depend on the Chairman and/or CEO of these areas and functionally on the Corporate Internal Audit Department.

The functions assigned to the Internal Audit Department are as follows:

- Review the implementation of policies, procedures and standards established in the Group, as well as the operations and transactions performed.
- Identify faults or errors in the systems and procedures, indicating their causes, issuing suggestions for improvement in the internal controls established and monitoring recommendations adopted by the management of the various business areas.
- Review and assess the reliability of the internal control systems over economic and financial reporting.
- Report any anomalies or irregularities identified, recommending the best corrective actions and following up on the measures taken by the management of the different business areas.

SUPPLEMENTARY REPORT

The Corporate Internal Audit Department submits the Annual Audit Plan each year for approval by the Audit Committee. This Audit Plan is consolidated and prepared by the internal audit departments of the Group companies, except, as indicated in point 1.1, for HOCHTIEF and Leighton, which have their own audit committees.

The Corporate Internal Audit Manager periodically submits to the Audit Committee a summary of the reports already drafted and the status of the internal audits of the various business areas in which they are acting.

The Corporate Internal Audit Department submitted the 2012 Activities Report and the 2013 Audit Plan to the Audit Committee in February 2013.

The audits carried out are as follows:

- Audits of specific projects.
- Audits of branches or geographic areas within a company.
- Audits of processes or specific areas.
- Audits of companies or groups of companies.

In 2012 the various internal audit departments of the business areas carried out the following work:

- 23 complete audits of Spanish and foreign subsidiaries, offices, unincorporated temporary joint ventures and contracts.
- 90 audit procedures on the various areas and processes.
- Support in preparing internal procedures and documenting the internal control over financial reporting system in the Environment Area.

5.2. A discussion procedure whereby the auditor (pursuant to TAS), the Internal Audit Department and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other assignments, to the company's senior management and its Audit Committee or Board of Directors. Also report any action plan in place to correct or mitigate weaknesses observed.

In accordance with the Regulations of the Board of Directors, the Audit Committee has the following functions:

- *Monitor the effectiveness of the company's internal control, internal audit, and if applicable, risk management systems, and discuss any significant weaknesses in the internal control system identified during the performance of the audit with the auditors or audit firms.*
- *Establish the appropriate relationships with auditors or audit firms for the purpose of receiving information on any matter which may compromise their independence and any other matter relating to the process of auditing the accounts, in addition to any other communication laid down in Spanish legislation regarding auditing accounts and technical auditing standards.*

As a result of this work, the internal audit departments of the Group companies issue a written report which summarises the work carried out, the situations identified, the action plan including, where applicable, the timetable and persons responsible for correcting the situations identified, and opportunities for improvement. These reports are sent to the head of the business area and to Corporate General Management.

As mentioned above, the Corporate Internal Audit Manager submits an Activities Report to the Audit Committee which contains a summary of the activities carried out and the reports drawn up during the year, as well as the main significant aspects and recommendations contained in the various reports.

The Audit Committee holds meetings with the external auditor on a regular basis and, in any case, whenever there is a review of the interim financial statements for the first and second half of the year prior to their approval, and prior to the meeting held by the Board of Directors to prepare the annual individual financial statements of the parent, and the consolidated statements of the ACS Group. Additionally, it holds formal meetings to plan the work of external auditors for the current year as well and to report the results that have been obtained in the preliminary review prior to the end of the financial year.

In 2012, the external auditor attended seven Audit Committee meetings.

6. WHETHER THE ICFRS INFORMATION SUPPLIED TO THE MARKET HAS BEEN REVIEWED BY THE EXTERNAL AUDITOR, IN WHICH CASE THE CORRESPONDING REPORT SHOULD BE INCLUDED. OTHERWISE, EXPLAIN THE REASONS FOR THE ABSENCE OF THIS REVIEW.

The information relating to the ICFRS issued to the markets for 2012 was reviewed by the external auditor. The review was carried out in accordance with the Action Guide Draft dated 28 October 2011 and its related auditors' report model that was published by the corporations representing the auditors.

SUPPLEMENTARY REPORT

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REPORT ON THE INFORMATION RELATING TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) OF ACS ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. FOR 2012

To the Shareholders of
ACS ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.:

As requested by the Board of Directors of ACS ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. ("the Entity") and in accordance with our proposal-letter of 30 January 2013, we have applied certain procedures to the accompanying "Information relating to the ICFR" of ACS ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. for 2012, which summarises the internal control procedures of the Entity in relation to its annual financial reporting.

The Board of Directors is responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system and for making improvements to that system and for preparing and establishing the content of the accompanying Information relating to the system of ICFR.

It should be noted in this regard, irrespective of the quality of the design and operational effectiveness of the internal control system adopted by the Entity in relation to its annual financial reporting, that the system can only permit reasonable, but not absolute, assurance in connection with the objectives pursued, due to the limitations inherent to any internal control system.

Securities Market Law 24/1988, of 28 July, as amended by Sustainable Economy Law 2/2011, of 4 March, stipulates that for the annual reporting periods beginning on or after 1 January 2011, the Annual Corporate Governance Report ("ACGR") must include a description of the main features of internal control and risk management systems with regard to the statutory financial reporting process. In this connection, on 26 October 2011 the Spanish National Securities Market Commission (CNMV) published a draft Circular, modifying the Annual Corporate Governance Report form to be published, which included the approach to be taken by entities with respect to the description of the main features of their system of ICFR. A CNMV letter dated 28 December 2011 contains a reminder of the legal amendments to be taken into consideration when preparing the "Information relating to ICFR" up until the final publication of the CNMV Circular defining a new ACGR model.

Pursuant to subparagraph no. 7 of the content of the system of ICFR contained in the annual corporate governance report form included in the draft CNMV Circular, whereby entities are required to indicate whether the description of the system of ICFR has been reviewed by an external auditor and, if so, to include the relevant report, the financial auditors' representative bodies published Draft Guidelines on 28 October 2011 and the corresponding illustrative auditors' report ("the Draft Guidelines"). In addition, on 25 January 2012, the Spanish Institute of Certified Public Accountants established certain additional considerations in this connection in its Circular E01/2012.

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

In the course of our audit work on the financial statements and pursuant to Technical Auditing Standards, the sole purpose of our assessment of the internal control of the Entity was to enable us to establish the scope, nature and timing of the audit procedures to be applied to the Entity's financial statements. Therefore, our assessment of internal control performed for the purposes of the aforementioned audit of financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial reporting.

For the purpose of issuing this report, we applied exclusively the specific procedures described below and indicated in the Draft Guidelines on the Auditors' Report on the Information relating to the System of Internal Control over Financial Reporting of Listed Companies, which establishes the work to be performed, the minimum scope thereof and the content of this report. Since the work resulting from such procedures has, in any case, a reduced scope that is significantly less extensive than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or on its design or operating effectiveness, in relation to the Entity's annual financial reporting for 2012 described in the accompanying Information on the system of ICFR. Therefore, had we applied procedures additional to those established in the aforementioned Guidelines or performed an audit or a review of the internal control over the regulated annual financial reporting, other matters or aspects might have been disclosed which would have been reported to you.

Also, since this special engagement does not constitute an audit of financial statements and is not subject to the Consolidated Spanish Audit Law, approved by Legislative Royal Decree 1/2011, of 1 July, we do not express an audit opinion in the terms provided for in that Law.

The procedures applied were as follows:

1. Perusal and understanding of the information prepared by the Entity in relation to the accompanying report on the information relating to the system of ICFR and assessment of whether this information addresses all the information required in accordance with the minimum content described in the annual corporate governance report form included in the draft CNMV Circular.

2. Questioning of personnel responsible for the drawing up of the information detailed in point 1 above: (i) to obtain an understanding of the process that goes into drawing up the information; (ii) to obtain information that permits an evaluation of whether the terminology used complies with the framework definitions; and (iii) to obtain information on whether the control procedures described are in place and functioning at the Company.

3. Review of the explanatory documentation supporting the information detailed in point 1 above, including mainly the documentation furnished directly to the personnel in charge of preparing the information describing the system of ICFR. In this respect, the aforementioned documentation includes reports prepared by the Internal Audit Department, senior executives or other internal or external experts providing support functions to the Audit Committee.

4. Comparison of the information detailed in point 1 above with the knowledge on the Entity's ICFR obtained through the procedures applied during the financial statement audit work.

SUPPLEMENTARY REPORT

5. Perusal of minutes of meetings of the Board of Directors, the Audit Committee and of other committees of the Entity in order to assess the consistency between the ICFR issues addressed therein and the information detailed in point 1 above.

6. Obtainment of the representation letter concerning the work performed, duly signed by the personnel in charge of the preparation of the information detailed in point 1 above.

The procedures applied to the Information relating to the ICFR system did not disclose any inconsistencies or incidents that might affect the Information.

This report has been prepared exclusively in the framework of the requirements of Spanish Securities Market Law 24/1988, of 28 July, amended by Sustainable Economy Law 2/2011, of 4 March, and the provisions of the draft CNMV Circular of 26 October 2011 for the purposes of the description of the system of ICFR in Annual Corporate Governance Reports.

DELOITTE, S.L.

Javier Parada Pardo
22 March 2013

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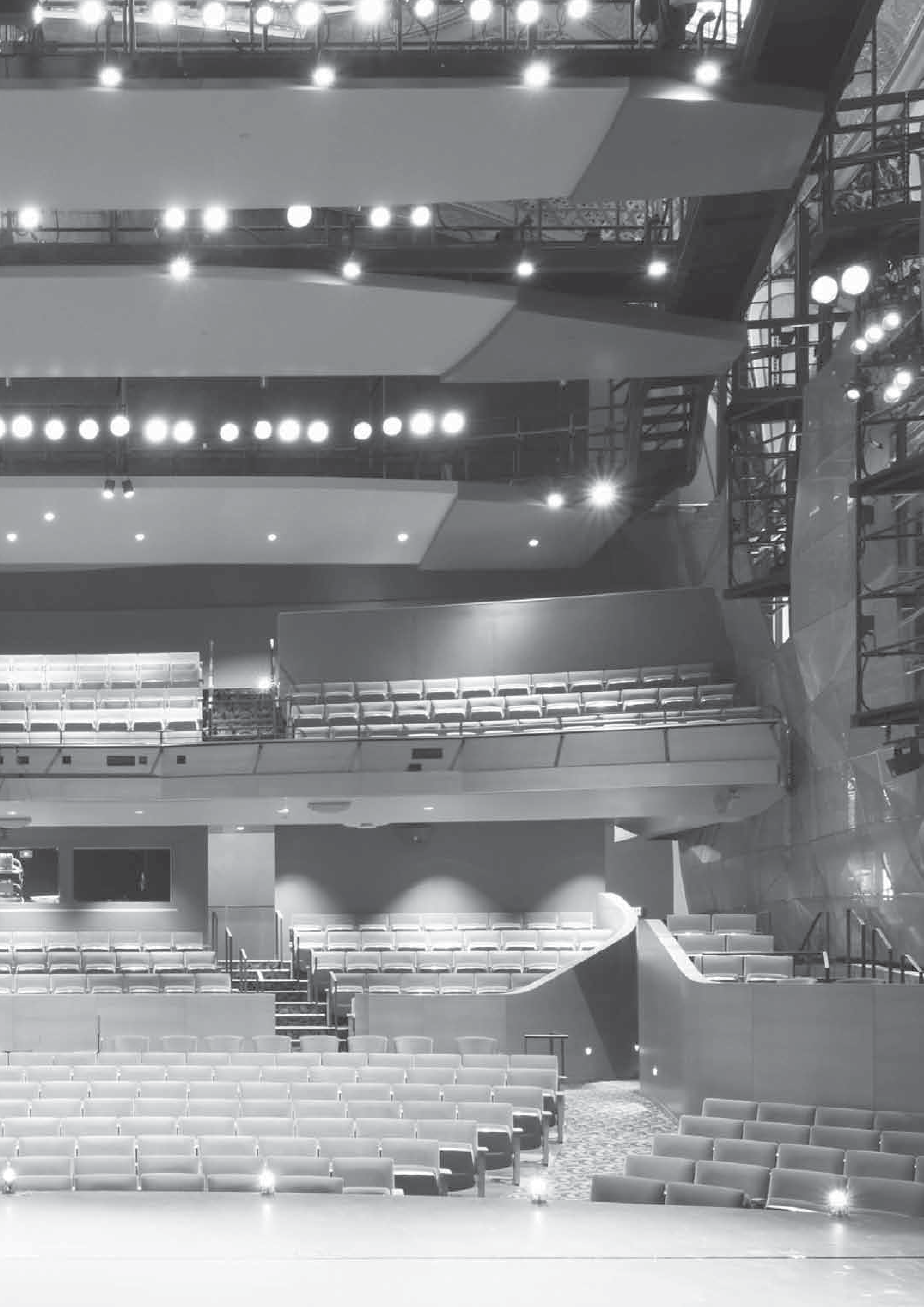

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